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(HANSARD)

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Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, June 1, 1995

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

UNAUTHORIZED USE OF PHOTOGRAPH

The Speaker: My colleagues, a short while ago the hon. member for Saint John raised a point of privilege. I had suggested to the House that we wait until we hear from the minister who was involved. Today the Minister of Health is with us and I have been informed that she has asked to make a statement.

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I rise today to respond to a question of privilege which has been put before the House by the hon. member for Saint John.

The question concerns the inclusion of a photograph of the hon. member in a report released by Health Canada on May 19 of this year. The motion is serious and it is important that the House be apprised of the facts involved. According to the information provided to me by my officials, after looking into the matter, they are as follows.

The report contained the findings of an independent panel of experts which had been commissioned by Health Canada to assess the possible impacts of plain and generic packaging of tobacco products. I want to emphasize the independence of this panel. It was given the authority and responsibility to produce an objective and unbiased assessment of the issue. The research conducted by the expert panel included a visual image experiment. It was in this context that a photograph of the hon. member appeared.

A private company was contracted by the panel to provide test pictures for this study. The company has advised that the method by which the photograph of the hon. member was selected is widely used in consumer image research and that it is not common practice to use release forms.

In this instance images from a variety of public sources, including libraries, magazines, stock image inventories and

images in the public domain were compiled by a student on work placement with the firm. These images were then sorted and filed according to certain criteria which had been established by the panel. Final selections were made by the panel after it had reviewed all of the images.

The company has confirmed that numerous images were seen throughout the sourcing and selection process by all members of the project team but that at no time did anyone recognize one of the photographs as being the member for Saint John.

There are other points which I believe should be brought to the attention of the House. These pertain to several statements made by the hon. member when she rose on this question of privilege.

• (1010)

The first concerns the language used in the report to describe the photograph of the hon. member. The only description of that photograph is the one on page 91 of the report. Members will find that it does not correspond to the description that the hon. member has attributed to the report in her motion.

The second concerns the suggestion that this incident is similar to a 1985 question of privilege which the hon. member cited in her motion. It is important that the House be aware that unlike the situation in 1985, the hon. member in this case is not identified in the expert panel report by name as a member of Parliament or in any other manner.

The hon. member has asked for a public apology. I can inform the House that apologies were conveyed by all concerned without delay. I spoke to the hon. member and wrote to her within hours following the release of the expert panel report. I repeat today the regret that I expressed at that time.

The company that provided the photograph in question issued a public apology as did the expert panel. Canadians were advised of these actions through a statement issued by my department to the news media that same day.

The hon. member has also asked for an explanation of the events that accounted for the use of her photograph in the expert panel report. That explanation, which I have related here this morning, was provided in a letter to the hon. member which I am tabling today for the information of the House.

Routine Proceedings

The Speaker: Colleagues, I thank the hon. Minister of Health for giving us the information. This circumstance carries quite a few ramifications for all sitting members of Parliament. As was suggested by the hon. member for Kingston and the Islands, I would like some time to review both the statements of the hon. member for Saint John and the hon. Minister of Health.

After my deliberations, I will return to the House with a decision. I thank all members for their interventions.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to one petition.

* * *

DEPARTMENT OF HEALTH ACT

Hon. Diane Marleau (Minister of Health, Lib.) moved for leave to introduce Bill C-95, an act to establish the Department of Health and to amend and repeal certain acts.

(Motions deemed adopted, bill read the first time and printed.)

* * *

PETITIONS

BILL C-240

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Madam Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition, duly certified by the clerk of petitions, on behalf of 60 individuals from the riding of Saanich—Gulf Islands and surrounding areas.

The petitioners call on Parliament to enact legislation against serious personal injury crimes being committed by high risk offenders by permitting the use of post-sentence detention orders and specifically passing Bill C-240.

• (1015)

MINISTRY OF HUMAN RESOURCES DEVELOPMENT

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Madam Speaker, pursuant to Standing Order 36 I would like to present a petition this morning, which has 922 signatures.

The petition pertains to the Ministry of Human Resources Development and the objection to improving the social security policy in Canada, which is unacceptable to these nearly 1,000 students of my riding.

HUMAN RIGHTS

Mr. Brent St. Denis (Algoma, Lib.): Madam Speaker, I have several petitions I would like to present this morning.

The first petition is from constituents in the Blind River area of my riding. The petitioners wish to express to the government their concerns with respect to the issue of same sex legislation.

On the same issue, there is another petition signed by folks from the area of Blind River and Algoma Mills.

BOSNIA

Mr. Brent St. Denis (Algoma, Lib.): Madam Speaker, I would like to present a petition that has to do with the rape of women in the war in Bosnia. Constituents from the Sault Ste. Marie area of the Algoma riding wish to express their concerns on the issue.

BOVINE SOMATOTROPIN

Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.): Madam Speaker, pursuant to Standing Order 36 I have the honour today to present a petition on behalf of certain individuals from my riding of Saskatoon—Humboldt as well as other areas in the province of Saskatchewan.

The signatories to the petition are deeply concerned about the use of BST in dairy production and urge the House to desist from passing legislation legalizing the use of BST and require that products using BST be identified on their entry to Canada.

HUMAN RIGHTS

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, it is my duty and honour today to present three petitions from people from across Canada.

Two of the petitions are signed by almost 200 individuals who call upon Parliament to oppose any amendments to the Canadian Human Rights Act or to the Canadian Charter of Rights and Freedoms that provide for the inclusion of the phrase "sexual orientation".

I concur with the petitions.

EUTHANASIA

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, the third petition I have the honour to present today is from people in the Vancouver area, some of whom are from my riding of Port Moody—Coquitlam.

The petitioners pray that Parliament ensure that the present provision of the Criminal Code prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the

law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

GUN CONTROL

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Madam Speaker, I am pleased to present a petition in accordance with Standing Order 36 on the subject of gun control.

The petitioners request that Parliament support laws that would severely punish all violent criminals who use weapons in the commission of a crime. The petitioners also request that Parliament support new Criminal Code firearms control provisions that recognize and protect the rights of law-abiding citizens to own and use recreational firearms.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I suggest that all the questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—FEDERAL—PROVINCIAL JURISDICTIONS

Mr. Gaston Leroux (Richmond—Wolfe, BQ) moved:

That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial areas of jurisdiction and construct an entirely centralized state, as can be seen from Bills C-76, C-88, C-46 and C-91, all designed to take substantial powers away from Quebec and transfer them to the federal government.

He said: Madam Speaker, on this opposition day, the Bloc Quebecois is presenting the following motion:

That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial areas of jurisdiction and construct an entirely centralized state, as can be seen from Bills C-76, C-88, C-46 and C-91, all designed to take substantial powers away from Quebec and transfer them to the federal government.

• (1020)

With this motion, the Bloc Quebecois, the official opposition, is seeking to denounce the extremely centralizing offensive

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launched by the present federal government. It also wants to show that the ultimate goal of the federal Liberals is to establish a de facto unitarian state in Canada. We have seen with recent federal pieces of legislation dealing more specifically with regional economic development, such as Bill C-46 on establishing the Department of Industry, Bill C-88 on interprovincial trade, Bill C-91 on redefining the Federal Business Development Bank, and Bill C-76 regarding certain dispositions concerning transfer payments to the provinces, the increasingly centralizing approach of the present federal government.

This motion, which I present this morning on behalf of the Bloc Quebecois, is a warning to provincial governments to beware of the interference of the federal government with regard to regional economic development. I urge them to be vigilant and not to let some of their powers slip away as their provincial autonomy is put on the back burner because of the upcoming referendum in Quebec.

Even though every single piece of legislation being presented by the federal government in the area of regional economic development has an impact on the political autonomy of all, this morning, I want to address my comments more specifically to my fellow Quebecers. Because they deny the specificity of Quebec, and the need for Quebec to have its own tools of development, it is in Quebec that federal centralizing measures hurt the most.

One of the effects of the Constitution Act, 1982, the "Canada Bill", was to establish provincial equality where all provinces would be on the same level. It created a sort of egalitarianism which denied the Canadian duality and the very existence of the Quebec nation. It is on this kind of egalitarianism that they will base today's Canadian nationalism. Towards the end of the sixties, Pierre Elliott Trudeau came to power with a nationalistic vision that he would not give up in spite of repeated interventions. The establishment and development of a more unified Canadian economy had to be based on the rationalization of government operations and on the concentration of powers.

In June 1978, in a context of unilateral patriation of the constitution, the federal government published a meaty declaration by Pierre Trudeau under the title *A Time for Action*. In fact, it was a very elaborate constitutional reform project. One can see from that declaration that, even though the Canadian people is the result of sociological and historical diversity and comprises the first nations, who have legitimate rights we must respect, two large linguistic groups and numerous cultural communities, the constitutional approach of the federal Liberals is essentially based on the primacy of citizens and individual freedoms.

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Therefore, and I am quoting part of that published declaration: "The unity of Canada must transcend the identification Canadians have with provinces, regions and linguistic or other differences. —Each must feel that Canada, and the federal Parliament and government acting on his or her behalf, are the best guarantors of the security".

As member of the Bloc Québécois, the official opposition, I say to my fellow Quebecers that such a declaration, such a statement of intent, threatens considerably the existence of the Quebec state and the Quebec nation and threatens also the economic development tools we want to give ourselves.

The referendum failure of May 20, 1980, the failure of the PQ government's proposal, changed the circumstances. The federal government now enters into negotiations by taking the offensive; it starts by reminding us that decentralization is not a solution to Canada's problems and states that the Canadian federation sorely needs the federal government to ensure a strong economic management.

The Canada Act, or Constitution Act of 1982, includes in the famous Charter of Rights and Freedoms, a formal amendment limiting the capacity of provincial governments to obstruct economic mobility and therefore extending federal jurisdictions to all essential matters necessary to preserve the economic union. The goal is to put an end to the many provincial initiatives which impede the mobility of production factors; in other words, Ottawa is trying to marginalise the provincial level.

• (1025)

We find the same objective in the federal position on all the important questions relating to areas of shared jurisdiction.

For example, Bill C-88, an act to implement the agreement on internal trade, signed by the provinces last summer and denounced by the official opposition, is a direct result of this highly centralizing outlook of the Canadian government, started by the federal Liberals. Bill C-88 gives the federal government powers which were never considered at the time the agreement was negotiated or signed, and embodies the extremely centralizing position of the federal Liberal government.

Indeed, clause 9 of the bill goes way beyond the spirit of the agreement signed last summer. It reads as follows: "For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against the province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order, do any one or more of the following—" What we are talking about, here, is an order in council. This is no laughing matter. Orders in council, or decrees, are generally the means used by totalitarian governments. What this clause says is that the Liberal government wants to govern by decree. Are we faced with the prospect of a Liberal dictatorship?

Similarly, the text of clause 9 means that, if ever a party is recognized at fault pursuant to article 1710 of the agreement—and I would like to remind you, Madam Speaker, that article 1710 deals with retaliatory measures—the aggrieved party can take retaliatory measures against the other party which does not conform to the agreement.

Now, the federal government, no matter whether it is part of the dispute or not, is taking it upon itself to impose retaliatory measures on all provinces, without distinction. As regards this bill, the federal government shows its intention of setting itself up, in the area of interprovincial trade, as both judge and party, of establishing, within this agreement, an enforcement power that would take the form of an order in council, which it alone can invoke, and of extending the application of federal laws to the provinces, as is mentioned in paragraph (c) of clause 9.

Therefore, Madam Speaker, the fact that the government intends to govern by order in council and act as if it were in charge of interprovincial trade goes far beyond the spirit of the agreement that was reached by the provinces, last summer.

The government is assuming too much retaliatory power through this clause. Indeed, it is assuming excessive power to take measures against all the residents of a province. Obviously, clause 9 of Bill C-88 does not go in the same direction as the current tendencies in international trade. This is all the more relevant since economic development is based on competitive development, which seeks to take advantage of the quality of the workforce, the infrastructure, and the savings associated with conglomeration and urbanization.

It must be remembered that those levers come under provincial jurisdiction, since health, education, and land use planning come under provincial jurisdiction. By setting itself up as an arbitrator in international trade, under the Charter of Rights and Freedoms, and therefore Bill C-88, the federal government is impeding the development and the autonomy of provinces.

The spirit of the unitary state, of centralizing federalism opposed to provincial identity, thus directly impeding directly the development of the people of Quebec, can also be found in Bill C-46. This enabling bill for the Department of Industry adds to duplication and overlap in Quebec, and deprives the state of Quebec of exclusive authority over regional economic development.

Along these very centralizing lines, clause 8 of the bill specifies that the Minister of Industry of Canada, a minister from Ontario, is responsible for regional development in Ontario and in Quebec. This bill confirms the existence of overlap in regional development, by confirming the interventionism of the federal department of industry in an area over which Quebec has long claimed jurisdiction.

Quebecers have a very different way of looking at their regional economic development needs. Decentralization of budgetary envelopes and powers proposed by the Parti Québécois is the answer that outlying regions in Quebec have long

been waiting for in order to take charge of their own interests. This is a democratic vision of regional development which has nothing in common with the centralizing vision of the liberal government in Ottawa.

• (1030)

Quebec does not want to see the development of its 16 administrative regions based on an exclusively industrial vision controlled by the federal department of industry. Regional development forms the basis of a social covenant which rests on an understanding of all the needs of the various milieux which only regional stakeholders can understand well.

I say to my Quebec compatriots that in the context of the referendum where they will have to decide on the political autonomy of Quebec, a negative answer to the proposal of the Quebec government team would mean accepting the centralizing federalism defined by Pierre Elliott Trudeau, and the end of the people of Quebec.

Bill C-91 is another example of denial of the existence of the Quebec State. With this bill, the government seeks to rationalize and modernize the Federal Business Development Bank, words undoubtedly well suited to the market realities of the end of this century, but that fool no one as to the primary objective of the federal government, that is to interfere even more in matters of regional development in Quebec while increasing its involvement in the main mechanisms of economic development in Quebec.

There is such a thing as a Quebec state. It is trying to create its own development instruments, despite the federal government's intrusive presence in economic development issues. The FBDB remains a parallel structure, an unacceptable example of administrative duplication. Several structures and programs addressing the needs of small business are already in existence in Quebec.

The Société de développement industriel is an example, though it was not used efficiently under the Liberal government of Premier Robert Bourassa. Programs like production assistance, with a contribution reaching up to 35 per cent of capital expenditures for a minimum investment of \$100,000, and the Reprise de la PME program, which offers loan guarantees covering up to 80 per cent of a financial institution's net loss, are tangible illustrations of the Quebec State's involvement in assistance to small business.

Let us not forget the solidarity funds: the Fonds d'aide aux entreprises, which is managed by the regional development councils; the Fonds décentralisé de création d'emplois, managed by the Secrétariat au développement des régions; and Innovation (PME), managed by the ministry of industry, commerce, science and technology. All these attest as well that a

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very well balanced assistance structure exists already for small business in Quebec.

In his last budget, the Minister of Finance of the Quebec State, Jean Campeau, claimed he would maximize the use of venture capital by increasing the number of regional funds and creating the Fonds de solidarité de la CSN. Among such regional funds, I want to mention SOLIDE, a venture capital fund created under a program called SOLIDEQ, the purpose of which is to promote local development. The SOLIDEQ program was created jointly by the Fonds de solidarité du Québec and the Union des municipalités régionales de comté du Québec.

I cannot help mentioning the Caisses populaires Desjardins, that play an important role in the funding of small business by granting loans at the local community level. A network of 1,232 caisses populaires everywhere, throughout Quebec, provides almost a quarter of all business loans in Quebec.

So, this is what centralizing federalism is all about: parallel structures at outrageous costs that are directly responsible for the Canadian deficit. Centralizing federalism is responsible for the bankruptcy of the country.

Furthermore, clause 20 of the bill allows the Federal Business Development Bank to conclude agreements directly with individuals or organizations. This means that the FBDB could conclude agreements, among other things, with the Conseils régionaux de développement, as the Federal Office of Regional Development wants. However, in Quebec, the Act respecting the Ministère du Conseil exécutif forbids organizations operating under provincial legislation to conclude agreements with the federal government without the minister's consent.

Once again, the federal government is ignoring the Quebec government's existence and is shamelessly giving itself the power to act without consulting Quebec.

Finally, I would like to conclude by reminding the House of some of the elements of Bill C-76 that represent extremely centralizing and anti-Quebec measures. Bill C-76, which deals with the implementation of certain provisions of the federal 1995-96 budget, goes way beyond the scope of that fiscal year.

• (1035)

Indeed, clause 48, without prior negotiation with the provinces, will result in a shortfall of \$2.5 billion, with \$650 million in Quebec alone. Moreover, the implementation of the Canada health and social transfer will mean a shortfall of \$4.5 billion in 1997-98 for the provinces.

The Bloc Québécois, the official opposition, is also opposing this bill because it establishes a mechanism whereby the federal government, despite the fact that it does not have any constitutional jurisdiction over social programs, will be able to further interfere in these areas and impose national standards on Quebec.

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Bill C-76 maintains national health care standards while taking away all transfer payments and introduces new standards in social assistance and postsecondary education. If the provinces do not meet these standards, their funds will be cut off by Bill C-76.

This arrogant kind of federalism does not decentralize powers in any way, as these national standards will limit the autonomy of the provinces in their own areas of jurisdiction. In addition, Quebec's distinct society will not recognize itself in the new national standards implemented from coast to coast in a sector as important to its cultural identity as education.

In fact, many observers and analysts have confirmed that Bill C-76 relegates the provinces to a purely advisory role and does not give them a veto on the introduction of new national standards in their own areas of jurisdiction. For example, in an editorial published in *Le Devoir*, Lise Bissonnette says this: "Bill C-76 treats postsecondary education as a social program and allows Ottawa to apply national standards in this and other sectors. The most that the provinces, whose jurisdiction over education is very clearly stated in the Canadian Constitution, can expect is to be consulted".

For her part, Chantal Hébert wrote in the March 31 edition of *La Presse*: "In the bill it tabled in the Commons to implement its February budget, the federal government opens the door to the unilateral introduction of new national standards in sectors such as postsecondary education, child care, etc.—. In fact, Bill C-76 gives the provinces a purely advisory role in this exercise.—No provision of this bill requires prior provincial consent for the introduction of national standards for social programs".

In closing, I say to my fellow Quebecers that voting Yes to Quebec sovereignty would end federal interference in Quebec's areas of jurisdiction and lead to real savings by eliminating duplication and overlap.

Voting Yes to Quebec sovereignty would allow Quebec to develop job creation, manpower training, education, health and welfare policies in line with its needs and priorities.

Voting to Quebec sovereignty would also ensure that Quebec will no longer be vulnerable to federal low blows such as the patriation of the constitution in 1982 without Quebec's consent, and the federal government's unilateral cuts to transfer payments. In short, whatever the hon. member for Brome—Missisquoi may say, Quebec says Yes to sovereignty, to maturity, to trust, to openness, and to the pride of the people we already are.

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am pleased to participate in this the official opposition's last opposition day before

the summer adjournment, especially since the motion put forward by the hon. member for Richmond—Wolfe gives me and some of my colleagues an opportunity to dispel misconceptions voiced by our colleagues opposite on several major issues involving the Government of Canada.

• (1040)

I hope that the first group of ten Bloc members whom the Leader of the Opposition intends to send every week, starting this month, to spread the good word on the referendum are here today. They will have a better idea of what the federal government's intentions really are regarding each and every one of the bills mentioned in the motion put forward by the hon. member for Richmond—Wolfe.

Before getting on to these bills, I would like to comment on the part of the motion that reads "an entirely centralized state". It seems to me that this is going too far. I have known for a long time that the supporters of separation had a propensity for verbal inflation, but from what I can see today, they are more bombastic than ever. An entirely centralized state, they say. In fact, it is just the contrary, and the figures speak for themselves. Every study on the subject will tell you that Canada is one of the most decentralized countries in the world.

Compared to OECD countries, Canada is a federated country where the central government is the most diffused among all the public administrations. This means that, compared to the U.S., Germany, Switzerland, France or the United Kingdom, the Canadian government's share of revenues and expenditures is lower than that of the provinces and municipalities. In fact, the Government of Canada collects less than half of the overall public sector revenues.

In almost all other federated OECD countries, the central government gets more than half of these revenues. As for expenditures, in Canada, they are 3.5 times higher at the provincial and municipal level than at the federal level. How can a level of government that spends less than the other levels be described as centralizing? We must realize that decentralization has been going on for some time already in Canada.

Since the 1960s, a series of agreements have been entered into by the governments of Canada and Quebec, promoting decentralization. Successive immigration agreements have enabled Quebec to select who can immigrate to the province and to put in place its own immigration and host programs, all the while collecting substantial financial compensation from the Government of Canada.

At the international level, Quebec can deal directly with France and Belgium under Canada-Quebec framework agreements. There is also an agreement giving Quebec the status required to participate in the Francophonie Summit. In Quebec, the provincial government collects GST for the federal govern-

ment, thereby eliminating costly overlaps and duplications in federal and provincial tax collection.

Since the mid 1960s, opting out agreements have allowed Quebec to withdraw from a number of federal-provincial programs and to assume the related administrative and financial authorities. In 1992-93, the federal government paid more than \$2 billion to the Quebec government under these opting out agreements.

No, Madam Speaker, Canada is not an overly centralized state, as members opposite would have us believe. Canada takes the necessary steps to meet the challenges it faces, which is precisely the object of the bills mentioned in the motion. For example, let us take Bill C-91. The sole purpose of this bill is to give more flexibility to the Business Development Bank of Canada, formerly known as the Federal Business Development Bank.

The changes proposed to the bank's mandate will not usurp provincial powers, far from it.

• (1045)

The primary purpose of these changes is to improve services to the bank's clients, small and mid size businesses, so that they are better equipped to develop and create jobs.

The official opposition is wrong if it considers this bill as a trick that the federal government is using to invade provincial jurisdictions. The Canadian government uses no tricks, others can do that. And the polls show how little success they are having.

The motion also mentions Bill C-88, an act to implement the Agreement on Internal Trade, which was concluded, in July 1994, by the Prime Minister and provincial first ministers. That agreement is an example of how efficient Canadian federalism is. It will promote interprovincial trade liberalization, as well as economic growth and job creation.

Those who support separatism are constantly telling us that they are free traders and that they support access to new markets, as well as the free movement of goods, services and labour. Consequently, I do not understand their objections when the federal and provincial governments agree to liberalize internal trade. Come to think of it, I do understand their reaction very well: the official opposition has no interest in admitting that Canadian federalism works well. This is why it opposes this legislation so strongly.

People are not stupid. It is obvious that the Bloc Québécois is firmly opposed to a Canada-wide economic association. Quebecers will know what to expect when the details of the offers are made public. Clearly, the official opposition's campaign to promote economic association is nothing but another ploy or mirage to try to fool Quebecers.

Supply

The official opposition also denounces Bill C-46. This is rather surprising since, on September 26, at second reading, the hon. member for Trois-Rivières had this to say about that legislation: "Bill C-46 is aimed at maintaining the status quo, making the minor amendments that are needed, but not substantial". Yet, today, the official opposition is launching an all-out attack against this bill. True, this is not the first time that the Bloc has changed its mind.

Bill C-46 seeks to establish the new federal Department of Industry. It merges four departments into a single one which will be better equipped to implement three priorities. Let me read you the three priorities of the new department.

The first one is to create better conditions to do business. This means doing everything possible to allow businesses and workers to concentrate on job creation.

The second priority is to stimulate trade. This means using new ways, inspired by Team Canada, to take advantage of foreign market opportunities, and to help Canadian businesses access these markets.

The third priority is to create an efficient infrastructure. This means ensuring that Canada has transport, telecommunications and information networks which will enable businesses to be efficient in a modern economy.

You will agree, Madam Speaker, that these priorities meet the true concerns of Canadians, including Quebecers. However, the official opposition is not pleased with these priorities. The Bloc Québécois tries to block every initiative designed to help boost the economy and create jobs. Such an attitude is unacceptable, considering that so many Quebecers are out of work.

• (1050)

Official opposition members keep saying they are here to defend the best interests of Quebecers. These interests require that the opposition play a constructive role and support the federal government in its efforts to boost the economy and enhance job creation. Quebecers understand, increasingly, that the interests the official opposition is defending are not theirs. Finally, the official opposition is also opposed to Bill C-76.

In this regard, one need hardly be surprised that the advocates of separation are opposed to last February's federal budget. Our budget shows that Canadian federalism works and, what is more, is working well. This budget mentioned only two conditions to be met: compliance with the five principles of the health care insurance plan, and prohibition of the residence requirement as a criterion for eligibility to social assistance. Seventy-seven per cent of Quebecers believe the principles underlying the Canada Health Act are very important. In every other social program, provinces will agree by mutual consent on shared principles and goals.

Supply

Unless the definition has been changed, “mutual consent” does not mean imposition of national standards; “mutual consent” means just that, that is that the parties involved will have to give their consent. This shows once again that the federal government wants to give the provinces a wider flexibility.

This is about flexibility, decentralization and co-operation; not about centralization as advocates of separation are fond of suggesting.

What deserves condemnation is not the pieces of legislation mentioned in the motion, but the official opposition’s attitude. Earlier, we heard them, they are already talking about voting yes. The referendum campaign has not even been launched yet. The Parti Québécois did not even have the courage to hold a referendum in its first eight months in office.

Obsessed as it is with the referendum question, the official opposition alters facts, indulges in grandstanding and tries to depict to Quebecers a Canada that does not exist. I know Quebecers. I know they expect their governments to put their financial houses in order, to boost the economy, and do their utmost to enhance job creation. Since the election, that is what our government has been trying to do.

The budget that was tabled in February reduced federal spending by 7.3 per cent, a first in our history.

It was a difficult decision, and we did not make it with a light heart. But we had to do it, for the sake of the future of young Canadians.

We know jobs are important for all Canadians. That is why we launched the infrastructure program, which created nearly 20,000 jobs in Quebec alone.

Trade missions under the leadership of the Prime Minister in Asia and Latin America have resulted in contracts adding up to almost \$10 billion. We know that Quebecers and all Canadians want to feel safe in their cities and towns. The gun control bill will contribute to making communities safer.

That is what we mean when we talk about good government, and that is what Canadians want. That is what Quebecers want, too.

I repeat that what should be condemned is not the bills mentioned in the motion, but the motion itself.

• (1055)

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I was very surprised to hear the hon. secretary of state for Parliamentary Affairs say, especially at the beginning of his speech, that when the Bloc members go visit the people in their ridings, they are not performing their duties as members of Parliament. I want him to tell me that I was not carrying out my duties as a member of Parliament when I met

some fifteen senior citizens of Trois-Rivières to talk about the upcoming old age pension reform and listened to their concerns that the federal government would cut their old age pension as it did with the unemployment insurance benefits.

I think we are acting very properly when we get together with our constituents. This does not stop us from taking the opportunity to talk about the real solutions to these problems that would give the province of Quebec more control over its own development.

When we meet with people who complain about the unemployment situation and tell us that 40 per cent of all new welfare recipients end up on the welfare roll because of the new restrictions put on UI benefits by this new government, which is more Conservative than Liberal, are we not performing our duties as members of Parliament?

When the federal government decides to cut all research and development in sheep production, a promising new industry which is quickly expanding in Quebec and in Canada, and we are asked by the people: “Who took that decision, what is going on in Ottawa? What is wrong with them? Do they have their heads in the clouds? They are cutting R and D”, are we not performing our duties as members of Parliament? I think the member for Saint-Léonard should reconsider his position on this issue.

On the other hand, given the centralization efforts of the current government, Quebecers will obviously have a very clear choice to make. This is the most positive aspect of the federal efforts. Everything is quite clear. When they talk about national standards and their willingness to interfere in the day care sector and impose national standards so that Alberta and Quebec are both treated the same way, we realize that their initiative does not make any sense and is doomed from the start.

It does not make sense for the federal government, which has no authority in education, to create a human resources investment fund and, by a devious device, intervene in the area of education instead of reducing unemployment insurance premiums, because less money is needed to finance the unemployment insurance fund, and giving the difference back to the people who do finance the fund. The unemployment insurance scheme is not there as an excuse to create an education department. It is there to provide benefits to workers between jobs. Is this not an intrusion of the federal government where it has no business?

There is also the agreement on internal trade. Let us talk about it. This agreement was signed by all provinces and the federal government. It is designed to ensure that internal trade is at least the equivalent of what we have with NAFTA in external trade. But the federal government tables a bill with the insidious provision that it will be able to rap the provinces on the knuckles if it does not like a decision, if a province does not measure up. It is acting as both judge and jury.

Supply

Is that not the return of the steamroller style we first saw in the Trudeau years? Is not the present Liberal government acting as the servant of federal bureaucracy, which is systematically denounced by Canadians as a whole? Everybody in Canada, sovereignists as well as federalists, is fed up with the fact that the federal bureaucratic machine dictates how things should be done, and what Canadians and Quebecers should think. This is why the official opposition is perfectly justified in rising up against it.

When we know that there are 800,000 welfare recipients in Quebec and 1,200,000 in Ontario, it means that it is not only the fault of the government of Quebec, which has been in power for less than a year. When we see that there are 800,000 welfare recipients in Quebec and 1,200,000 in Ontario, does that show that the Canadian system is working? Are the interventions of the federal government producing good results? I believe the member has to recite an act of contrition and reconsider his position.

As I was saying at the beginning of my speech, my question will be on this subject.

• (1100)

In that case, what choice remains to Quebecers but to side with those who want change, those who really want Quebec to be the master of its development? We are talking about the Bloc Québécois, the Parti Québécois, and possibly the Action démocratique du Québec party, all of whom want Quebec to be in charge of its own development.

Should not the member for Saint-Léonard try to convince his government to reconsider its positions and to backtrack on this decentralization project which will only lead to more results like Canada's present debt, an absolutely negative result of the Canadian federal system?

Mr. Gagliano: Madam Speaker, I would like to tell the hon. member that I agree with him on one point only. I agree with him when he says that he represents change. The members opposite have changed their minds back and forth so many times that even the Premier of Quebec, their ally, said that he was getting a stiff neck. They are trying to get out of this situation but they cannot because they are already in too deep.

All the polls show that Quebecers want to stay within Canada. But the separatists—and they refuse to be called by their true name—want people to believe that after they separate from the rest of Canada, they will have a political and economic association and that things will not be much different than they are now.

The member could at least stay put and listen to what I have to say. The choice is his, but if he does not stay, it means that he does not care to hear the answers to his own questions.

If separation really is the way to go, if it would solve all of Quebec's economic and social problems as the member was saying, why then do they have to have this change of direction after months of reflection and say that they will have a political and economic association? Because they need a winning question.

They have to play with words, to get around the problem to try and confuse people with their separatist option. There are not four or five questions, there is only one: Do Quebecers want to separate from the rest of Canada, yes or no? A bit earlier, the member for Richmond—Wolfe who asked his fellow Quebecers to vote yes. Why should they do so? For more pie in the sky? Another stiff neck? That is the question.

Today, for example, the opposition is telling us that we want to impose national standards. The budget was very clear on that. It said that there had to be mutual consent. The bill was clear. Furthermore, to make sure that it was really clear, that it said what the Minister of Finance and the government meant, we proposed amendments to specify that there would be agreements and mutual consent. Mutual consent means that the two parties agree. This is what we will aim for in our negotiations with the provinces.

If, instead of always complaining that Canada does not work, those who are in favour of separation were ready to co-operate with the other provinces and the federal government, we could solve many problems. For example, last year, in July, a free trade agreement was signed. The separatists want free trade with the United States and Mexico, but they are against free trade within Canada.

We introduced a bill to implement the free trade agreement signed by the Prime Minister and all the provinces but again, they oppose it. They say that the federal government wants to overstep its jurisdiction. Again, we took precautions, we checked the legislation.

The other day, in this House, we announced that there would be clarifications. The federal government does not for one moment intend to usurp the provinces' powers. What do we want? We only want to make the Canadian federation work.

• (1105)

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. secretary of state, but his time is up. I take the opportunity to remind you all that we should never mention the absence of an hon. member from his seat.

[English]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, I appreciate the opportunity to say a few words in this debate as once again the citizens of Canada are treated to this family squabble.

Supply

It is difficult from time to time as a member of the Reform Party to be in agreement with the members of the Liberal Party but there are some things which do tend to draw us together.

Something about today's debate and today's motion by the Bloc is embarrassing to me as a member of the House and as a Canadian. If I were a resident of Quebec, whether I were a separatist or not I would be embarrassed about it. If I were a separatist I would be doubly embarrassed by this motion and by the attitude of the Bloc in the House and what it has been doing in recent months.

It is my opinion that Bloc members over the last few months are becoming less and less a force in Parliament. They seem to have marginalized themselves. When the House started they came and by and large the media were their lapdogs. The media loved the Bloc. It created clash and conflict all the time and it had a free ride from the media outside of Quebec. I do not know about the Quebec media but the English media looked at Bloc members and thought they were people who really had it together.

Quite a number of Bloc members are competent and capable. Unfortunately when they get together some group dynamic takes over. It must be something they drink which causes them all of a sudden to become introspective, afraid, frightened, isolationist; everything they would not want to be, they become.

Here we are debating a motion, the essence of which is to put a wall up around Quebec with a one way check valve in the wall: send money in but do not let anything else out and then they can take care of themselves. How can a group of people presume they will take their province into separation and they can stand on their own as a separate nation, when every time they open their mouths they are afraid to stand alone as a separate province? It does not make any sense. There is a huge contradiction.

There is a difference between constructive opposition and obstructionism. It is single minded. I cannot find a word for it right now but I am sure one will spring to mind to describe the incessant day in, day out attitude of the Bloc. Tribalism would be the word. The attitude in committee and the attitude in the House is not what can they do to make their province better, thereby making the country as a whole better; the attitude is consistently what is in it for them and how can they benefit to make sure they do not get screwed by the rest of Canadians who get up every morning and have one overriding thought which is how can they stick it to Quebec.

Nothing could be further from the truth. Canadians from coast to coast have treated Quebec with kid gloves for at least all of my adult life. My adult life has been spent asking: How do we make Quebec feel at home in Canada? What can we do to make Quebec and the people who live in Quebec happy as Canadians?

For the last 30 years or so we have tried to buy their affection and has that worked? I think not.

• (1110)

Let me give an illustration. For those who may have just tuned in today is an opposition day, a supply motion. This means the opposition gets to determine what we are to debate in the House today.

Keep in mind that 52 Canadians are being held hostage, including Quebecers, in Bosnia. Bear in mind our country is into the hole \$120 million a day. What do we do? We debate this motion:

That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial jurisdictions and construct an entirely centralized state, as can be seen from Bills C-76, C-88, C-46 and C-91.

The opposition presumes all these bills are designed to take substantial powers away from Quebec and transfer them to the federal government. What about the rest of the country, the rest of the provinces? There is nothing in any of these that say these bills are specific to Quebec. This is legislation the government brings down for the country. We may not like it but it has a majority and we have to deal with that.

As the loyal opposition and the third party we have to do what we can to make it better legislation and where possible derail legislation which is in our opinion not worthy of support. It is not my role as a member representing an Alberta constituency to get up every morning, come to the House and ask how I can look after Alberta.

I am a federal member of Parliament representing a federal constituency in Alberta. My primary responsibility is our country, not just Edmonton Southwest. I have to be concerned about every Canadian, not just Albertans, not just people who live in Edmonton. If I am not prepared to do that, why am I sitting here?

The Reform Party's bias is to radically decentralize Canada and we share with our colleagues from the Bloc the notion that it is imperative to reduce the overlap we acknowledge exists in many areas in the country. Why do we need a federal environment department, a provincial environment department and a municipal environment department?

Every time we turn around there is overlap. We have more public servants per capita, per square inch than most countries. We share that with our friends from the Bloc. We need to decentralize. We share with our colleagues from the Bloc ideas about decentralizing authority and responsibility to make authority and responsibility to devolve that closest to the people who are being served.

We would like to see a radically changed federal government, much smaller, much less intrusive in the lives of Canadians, with provinces having far more responsibility as would be necessary to make our country work better. That does not mean

the federal government does not have a role in national affairs. If we are to be a country we need certain uniform things from coast to coast.

All of these bills whether we like it or not speak to those ideas. Bill C-76 is the budget implementation act. What the Bloc was complaining, whining, moaning and dripping about in the budget implementation act is that it has a clause whereby transfers to the provinces will be block transfers.

This means that instead of transferring specific moneys to education, health and other areas along with the Canada assistance plan, these moneys will be transferred in block, allowing the provinces to do with that money as they will. That makes sense to me. That sounds like decentralization to me. How is it that the Bloc can possibly construe that to be some sort of centralizing plan? What the Bloc did not say is there is a possibility the people of Quebec will have to be a little more careful in how they spend their money because they will get less money.

Our country is into the hole \$120 million a day. Every single Canadian will be in debt. Our deficit per individual Canadian is \$1,375 just for this year. Our total per person debt in Canada is \$19,000. For a family of four it is \$76,000. That is our federal debt. Forget the provincial debt, of which Quebec has a ton, that is just our federal debt. There is going to be less money to transfer to the provinces and I think the Bloc is a little upset over that.

• (1115)

Let me give an illustration of some of the inequities that exist in our country. Under the Canada assistance plan, if someone happens to be on welfare, collecting benefits from the province, and lives in Ontario, Alberta or British Columbia, the federal government kicks in 29 cents of every dollar that is paid out. However, if that person lives in Quebec or one of the other provinces considered to be a have not province, the federal government kicks in 50 cents of every dollar.

Because it is in a block transfer, if Quebec is going to continue to pay benefits the way it has been, then it is going to have to take that money from somewhere else. Why on earth should Alberta residents pay taxes via equalization payments that go to Quebec so that seniors in Quebec do not have to pay for prescription drugs? Those who live in Alberta have to pay for prescription drugs. Quebec is considered a have not province and we subsidize it. Over the last 30 years or so Quebec has benefited to the tune of \$100 billion from equalization payments. Why is it that the rest of the country should put up with that?

I want to make it clear that as a person, I kind of like the hon. member for Richmond—Wolfe who led this debate. But I sure

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get fed up with him every time he starts to pontificate in the House about how hard done by the people in Quebec are. I thought his comments this morning were pathetic. I wondered how, representing isolationism thoughts like that, Quebecers could possibly have any confidence in that group to run their affairs in an independent Quebec. They would spend the first 20 years of independence building a wall around Quebec.

We know that Quebec benefits tremendously from interprovincial trade which is what Bill C-88 is all about, which they do not like. Bill C-88 was a bill to reduce the interprovincial trade barriers within Canada. The Reform Party objected to the bill because it did not go far enough. We felt the government should have used its powers to force the provinces to bring down the trade barriers. It is in our common best interests to develop a critical mass that will allow us to be competitive on a worldwide basis.

People will recall that when we entered into free trade with the United States we got whipped in those first few years. Why did we get whipped? Because we had a high dollar, high interest rates and we had these interprovincial trade barriers all across the country so that our industries that were protected were not capable of competing in the world markets.

We would have to be brain dead, and I think we were, to enter into an agreement to have free trade with the strongest trading nation in the world without having free trade within Canada to start with. How could we be so stupid—I hate to say not to put bullets in our gun because with Bill C-68 we are not going to have any—as to go hunting and have our guns loaded with blanks?

• (1120)

We have a high dollar, high interest rates and we have these interprovincial trade barriers. The federal government is carrying out its rightful duty and responsibility by saying to the provinces that we are going to get rid of these interprovincial trade barriers so we can compete.

I have notes somewhere on just how important trade is to the Canadians of Quebec, to the people of Quebec whether they are independent or not. Let me make it clear. The last thing in the world I want is the people of Quebec to be independent. If by some quirk of fate they are dumb enough to follow the Bloc and go down that road, this is what they had better keep in mind.

Quebec exported more to Nova Scotia and New Brunswick in 1989 than to any country in Europe, including France. It sold as much to Ontario as it did to the United States. The rest of Canada exported more to Quebec than to the European Union and Japan combined.

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In Quebec 470,000 jobs were directly and indirectly attributable to interprovincial exports in 1989. Quebec was the only province other than Ontario that registered a surplus in interprovincial trade. Let me repeat that Quebec was the only province other than Ontario to register a surplus in interprovincial trade.

Quebec had a deficit of interprovincial trade with Ontario of about \$3 billion but it had an overall surplus of, I think, about \$1.3 billion because it traded with other provinces. And members of the Bloc representing the people of Quebec say: "We want to put up barriers; we do not want free trade within our own country". Well, I can say that an independent Quebec will be on its knees at the door of Canada asking please could it have free trade because it must have it. How is it that the Bloc members can stand here today and say they do not want it?

Bill C-91 concerns the Federal Business Development Bank. We have some serious reservations about continuing the Federal Business Development Bank. Our perspective is we do not think the federal government has any business setting up a crown corporation to compete with private business. That is the essence of what will happen. We are going to have a renewed Federal Business Development Bank which will be competing with the existing banks in Canada. I do not think we should do it. We should force private enterprise to do what it must.

Bloc members have a perspective that is different from ours and I think they are far more dependent upon government for everything in life. I think it is fair to characterize members of the Bloc as living in a kind of socialist dream world. They would love to see societal responsibility for everything and personal responsibility for very little, but that is fair. It is a difference of opinion.

We have a difference of opinion over this. We are saying we should not have a renewed bank because we do not want to compete with the private sector. The Bloc perspective is that somehow a renewed bank is going to compete with existing agencies in Quebec.

Why does the Bloc not ask how to go about melding existing agencies in Quebec? It is not as though the people who work for the Federal Business Development Bank came from Mars. Those people came from Quebec. The president of the FBDB, Francois Beaudoin, is in Montreal. So combine FEDNOR and reduce the overlap and the costs of providing these services to Canadians. Do not just stand in the road saying that this or that cannot be done. Be constructive.

The final one was Bill C-46, the reorganization of the Department of Industry. What can I say? That is basically a housekeeping bill. We objected to it because our role is to oppose, but it is going to be done.

• (1125)

I think this illustrates the fact that the House will work if we work together constructively. I would ask members of the Bloc to please bear that in mind in future debate.

[*Translation*]

Mr. Maurice Godin (Châteauguay, BQ): Madam Speaker, I have listened to the member's analysis of my colleague's remarks. I must tell you that it is difficult to know what he thinks. First, he criticized everything that the Bloc has said or done since its arrival in the House of Commons. Then he told us he agreed with everything we are doing. Where does he really stand? It is certainly not evident; it is difficult to follow him.

The bulk of his speech was about decentralization, something he shares our views on. For years now, we in Quebec have been asking, without success, for decentralization of powers to the provinces in order to meet the challenge of eventual globalization of markets.

The debt was mentioned. It is centralization that has brought us this \$500 billion debt, which may well wipe out all the social programs and be passed on to future generations. In particular, he spoke about the advantages to Quebec of east-west trade. But he neglected to mention that we have spent millions over the last 127 years to develop this trade. This might allow an independent Quebec to look in the direction of other large markets of interest to us, north-south markets.

He also spoke about the problems we are experiencing that we have been unable to resolve within the existing system. I would like to mention a few to him. If we are speaking about structural problems, there are fundamental problems to which solutions have never been found under the constitution. First, the interference of the federal government in provincial areas of responsibility; second, the distinct society; third, the autonomy of the First Nations; fourth the absence of affinity between eastern and western Canadians, the well-known alienation of the west, which has always viewed itself as the frontier; the federal government's right to fund megaprojects without the agreement of the provinces, which has resulted in a debt of \$500 billion and the unemployment we are now experiencing; economic recovery and job creation; and finally, the challenge of tomorrow, which is the globalization of markets.

Yet, if I take the period between 1968 and 1993, there were two great leaders, with two different approaches—Trudeau from 1968 to 1984, and Mulroney from 1984 to 1993. One was pushing a dominant central government, one strong nation while the other—in all fairness, Mr. Mulroney cannot be faulted for trying—proposed decentralization simply in an effort to get this great country going again.

We all know the results: the Meech Lake fiasco and the failure of the Charlottetown accord, despite the fact that English Canada spent \$13 million promoting this accord compared to the

some \$800,000 spent on the Yes campaign. Furthermore, in the election following these events, the Conservative Party was wiped off the map.

• (1130)

There is no denying that something is happening. We are heading straight for a black hole, and we have proof that strong federalism is steering us towards it, while decentralization—well, everybody is in favour of it but no one wants to make the first move. And that is simply what Quebec wants to do. Quebec wants to take its matters into its own hands and simply show the rest of Canada that it is time to make a move, because we are on the brink of falling into the black hole.

My question for the hon. member is about the globalization of markets. Be it in the industrial sector or the public sector, it has been proven that the only survivors will be small units capable of charting their own course, reorganizing their operations and meeting market demand. Does he think that the road to success is through decentralization, which has yet to have been seen here, or through following the status quo?

[English]

Mr. McClelland: Madam Speaker, in response to some of the questions put forward by my hon. colleague I want to make it clear that I do not agree with everything the Bloc is doing. As a matter of fact, I do not agree with a lot of what the Bloc is doing. But I do agree wholeheartedly with one of the things the Bloc stands for, and that is the notion of a radically decentralized Canada.

It drives me crazy that while I would be looking at it from the perspective that it would be better for Canada, when the Bloc members speak they say it would be better for Quebec. They are here representing the federal Parliament. I know it is a contradiction, since they represent the Bloc. However, their role as the official opposition is to make Canada work better. As long as they are here, quite willing to collect their pensions from Canada, they should start thinking in terms of what is right for Canada. If they want to leave, leave. But they should be leaving a stronger Canada, not a weaker one because of their actions in the House.

As far as transferring responsibility to the provinces, the Bloc has made a good point; it is quite right. The federal government has cut the amount of money being transferred via block transfers while at the same time not allowing the provinces to raise additional money to pay for standards the federal government is maintaining. The federal government cannot on one hand say that it is going to transfer responsibility to the provinces and then say the provinces have to run things exactly as the federal government tells them. There must be more latitude. We concur with the Bloc in that constructive sentiment.

Supply

The other major point my colleague from the Bloc mentioned was that Canada is set up on a trading basis of east and west, while the natural trade routes are north and south. He is absolutely right. It has cost people in western Canada an absolute fortune over the years.

Why is it that in Montana you could buy a piece of farm equipment manufactured in Toronto for less than you could buy the same piece of equipment in Alberta? Because of these tariff barriers. Why is it that for years all Canadians were paying twice as much for textiles as we should have in order to protect the textile industry in Quebec, thus allowing it to become non-competitive on a world basis?

The member is right. We have had these trade barriers, which have created an artificial economy east-west when the natural one is north-south. Imagine how much stronger they would be in the maritimes if they were dealing north-south with Boston and the New England states.

The member talked about looking at new markets. What on earth prevents the people of Quebec from getting new markets to the south today? Is there anybody saying to people in Quebec that they cannot trade with the United States? Of course not. We are trying as hard as we can as a nation—and the people in Quebec—to export.

• (1135)

Quebec has been extremely efficient in managing exports to the United States. I am not quite sure, but I think that over recent years Quebec has had something like a 3 per cent increase in its exports to the United States, more than the Canadian average. There is nothing to prevent Quebec from exporting as much as it wants south right now. It does not have to throw the baby out with the bath water.

[Translation]

Mr. Yves Rochelleau (Trois-Rivières, BQ): Madam Speaker, it is a pleasure to take part in the debate on this opposition day, a debate that concerns the following motion:

That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial jurisdictions and construct an entirely centralized state, as can be seen from Bills C-76, C-88, C-46 and C-91, all designed to take substantial powers away from Quebec and transfer them to the federal government.

I also welcome this opportunity to take part in this debate because as the industry critic, I was involved in the drafting of this motion. In fact, we have four bills, three introduced directly by the Minister of Industry, that have certain implications which are very disturbing, both for Quebec and the other provinces. I hope that my colleagues, especially those in the Reform Party, will realize that what is happening here in Ottawa not only violates the legitimate aspirations of the people of Quebec but

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also the legitimate aspirations of Canadian provinces that support decentralized government.

What makes this so disturbing is that this government acts so discreetly it is almost self-effacing. No fuss, no boasting, but meanwhile, it is carefully and almost secretly centralizing the powers of the Canadian federation here in Ottawa as no other government has done before in this country's history.

I will try to explain this process, starting with Bill C-46, which comes first both numerically and chronologically and which last fall, took a number of departments, including Communications, Consumer and Corporate Affairs, and amalgamated these to establish the Department of Industry, as it is known today. So far, so good, except that the Federal Office of Regional Development (Quebec) was maintained. When I say maintained, we should realize that for some time there were rumours that the office would be dropped.

In view of the deplorable and indeed disastrous state of Canada's public finances, the federal government, as you know, had to take a long, hard look at the situation and, in the process, it seems the very existence of the Federal Office of Regional Development (Quebec) was called into question because it could no longer provide financial assistance for small businesses. At the time, it had found its niche helping high tech companies but, because of budgetary cutbacks, all this had to be shelved so that the continued existence of FORD was in doubt. However, instead of getting rid of FORD, the government maintained this empty shell, which has now become a kind of conveyor belt, a Trojan horse, the federal government's favourite mechanism for getting involved in regional development in Quebec.

• (1140)

The mission of FORD is being changed. It will serve as a consultant to small and mid size high tech businesses, primarily in the area of exports. This is all very well, except it is already the case in Quebec. And the networking—and since you were at the Standing Committee on Industry recently, you know what I am talking about—that FORD can do as part of its activities, the Quebec Department of Industry and Commerce is already doing it. We have already dealt with this concern on the part of high tech business and high tech exporting businesses. This ground has already been covered. Instead of abolishing the Federal Office of Regional Development, it is being kept alive by further duplicating mechanisms that already exist in Quebec in the area of regional development.

Except that it is becoming the preferred vehicle, making agreements, as we will see, with the Federal Business Development Bank. This will enable the federal government to slip in and meddle even more blithely than before in the operations and the management of regional development. It will do so while

ignoring the presence of the Quebec government and the regional development apparatus it already has and the equality of the Quebec government in the relationship. The federal government must remember that if it is going to intervene as a government, it must be to provide support and not to compete with the provinces. This is what we see in Bill C-46 with FORD remaining as we know it today in terms of SMB adviser-resource persons.

I move on now to Bill C-76. Briefly, because the main theme must always be taken into account, what is new about Bill C-76, which is the bill to implement the budget the Minister of Finance tabled a while back, is that it establishes a completely new concept, that of the Canada social transfer, which is the budget for social and welfare programs. A new concept is therefore in use, doubtless to assist in the advancement of the science known as the Canada social transfer.

According to Bill C-76 implementing the budget, the federal government will, over the next three years, reduce by \$7 billion the public funds it gives to the provinces, which means a \$2.5 billion cut for the Quebec government.

Not only are the cuts in question huge, the federal government, instead of being apologetic about it and paving the way for a true decentralization of powers following its financial withdrawal, is interfering more and more in the management of health, welfare and social programs and more recently, in post-secondary education. Also it announced that it will set national standards to which provinces will have to conform to avoid being further penalized.

It is a new way of interfering into areas of provincial jurisdiction. Section 93 of the Canadian constitution provides for a distribution of powers and areas of jurisdiction. The areas just mentioned—health, post-secondary education, social programs and welfare—are all within provincial jurisdiction. These areas, which affect Quebecers every day, are crucial to Quebec's distinct society in the Canadian federation. They are existential.

• (1145)

The federal government has no right to set national standards for Quebec. Furthermore, under clause 37 of Bill C-76, the federal government demands that its financial assistance be visible, which means that, from now on, the forms used by citizens must reflect the fact that the federal government contributed to such and such a program.

Not only is it withdrawing, not only is it cutting, not only is it setting standards, but now it boasts about it and demands to be praised by the provinces so that citizens realize that the federal government doles out presents. This is the underlying philosophy: to show that it is giving presents to the provinces, as if it were not with the taxes paid by Canadians and Quebecers, and this is the normal state of affairs. As unconstitutional as these measures may be, it is normal for the Canadian government to be

redistributing money. Still, one should keep in mind that these measures are indeed unconstitutional.

The position of the official opposition is clear in this regard: it demands that the federal government withdraw from provincial areas of jurisdiction without any ifs, ands or buts. In other words, within the Canadian confederation, the official opposition demands that the constitution be abided by, and that the withdrawal of the federal government from social programs, health care, and education be offset by the transfer of tax points so that taxpayers do not end up paying more. It would balance out. The federal government would lose one or two per cent in taxes to the current province of Quebec, and thus the tax burden of citizens would not get heavier.

Therefore, we see that, with this second piece of legislation, Bill C-76, aimed at implementing the budget, the federal government keeps on attacking, and even intensifies its attacks against the provinces, especially Quebec, by setting national standards in the areas of health care, post-secondary education, social programs and welfare.

I now come to Bill C-88. Bill C-88 deals with internal trade in Canada. It is a matter which was the subject of an interprovincial agreement signed last year, on July 1st, by the provinces, the federal government, the Yukon and the Northwest Territories, and which is to come into force on July 1st, 1995. There is, in this agreement, a certain legal vagueness due to the wording of article 1710—which is at the heart of the agreement and could become the stumbling block—providing for mechanisms to settle possible disputes between two provinces, or between the federal government and one of the signatories; the least that can be said about these mechanisms is that they are somewhat lacking in clarity.

The reason is that the signatories agreed that any dispute settlement mechanism would be based on the good faith of the parties and would not, in any case, be of a legal nature. There was, on April 10 of this year, less than two months ago, a federal-provincial conference of provincial, territorial and federal ministers, in Calgary, where, we are told, nothing was said about the fact that there were new texts and new ways of doing things in the areas of dispute settlement mechanisms.

Yet, two or three weeks ago, the federal government came up, without any warning, without debate, with Bill C-88 where, in clause 9, it imposes or rather assumes powers it never mentioned to the parties and for which it was not mandated by said parties.

• (1150)

I will read clause 9, which will create quite a conflict because the federal government really assumes powers although, in the

Supply

spirit of the agreement, it is solely one partner, equal to the other signatories. This question is extremely important and was called by the Premier of Quebec a “trade war measure”. He did not mince his words. Given the credibility of the Premier of Quebec in this area, we can see the importance of what I talking about.

Clause 9, which is the main element of Bill C-88, reads as follows:

For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order, do any one or more of the following:

- (a) suspend rights or privileges granted by the Government of Canada to the province under the Agreement or any federal law;
- (b) modify or suspend the application of any federal law with respect to the province;
- (c) extend the application of any federal law to the province; and
- (d) take any other measure—and this is important—that the Governor in Council considers necessary—what it means is to bring the province in step.

In subclause 9(2), they even make the following precision, and I quote: “In this section, federal law” means the whole or any portion of any Act of Parliament or any regulation order or other instrument issued, made or established in the exercise of a power conferred by or under an Act of Parliament”.

Before the parties gave any kind of authorization, before any discussion or joint action, without any mandate, the Government of Canada, a legitimately elected government, unilaterally, arbitrarily and arrogantly decided to add a provision whereby it granted itself the authority to set any stubborn province right.

Just think what that could mean in the case of Quebec. Personally, that is one thing I hope Quebecers will seriously think about during the upcoming great consultation. This is the type of Canada we will have in the future where there will be only one real government, Madam Speaker, and it will be this government, arrogant, arbitrary, cut off from the people and ignorant of regional interests; the so-called provincial governments will become mere regional governments. Imagine what irreparable damage will be done to Quebec where we firmly believe to be, where we claim to be a distinct society within Canada with different habits, thinking patterns and background.

That clause, as others is typical of this government’s way of doing things, in Ottawa, capital of Canada, a country soon to be centralized, unitarian, accepting no debate or consultation and no social debate, a debate which the Canadian population should demand, especially westerners. Without any social debate as we have in Quebec, a clause like this one could have serious consequences. The intent of that clause would certainly have a catastrophic impact on Quebec.

Supply

I am coming now to Bill C-91 which deals with the Federal Business Development Bank that will soon become the Business Development Bank of Canada. There again there was no consultation and no joint action. This showed a certain disregard for the industry committee of which I am vice-chair and which never made such recommendations, on the contrary. If there were a recommendation from the parliamentary secretary, it was basically to reduce the importance of the bank, to make it the bank of Canadian small businesses. It was to scale it down. But now, we are going to the other extreme, Madam Speaker, with the Business Development Bank of Canada, to which the minister gives a new mandate; it will no longer be a last resort for small business but rather intervene in programs supporting Canadian entrepreneurship.

• (1155)

Those words, which are neither defined nor specified in the legislation, will allow the federal bank, pursuant to clause 21, to intervene not only in federal organizations, but also in provincial ones and in regional organizations created by the Quebec government. That is still basically a way of interfering in the daily lives of the people in this country, and of the people of Quebec, without any mandate to do so.

For those who do not believe what we are saying, I refer to the March 30 article in which two well-known Liberals talk about the future of Canada.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I listened carefully to the speech of the hon. member for Trois-Rivières and I would like to ask him a question. Are liberals not trying to find solutions to the problems of Ontario regarding the financing of small business and to generalize the Ontario model by amending the Federal Business Development Bank Act?

I remember that, in the months following the election, Ontario Liberal members on the industry committee were somewhat angry and said that banks were not sensitive enough to the needs of small business, that the last recession had caused many bankruptcies and that ways had to be found to deal with the situation.

Quebec committee members were less concerned by the situation because Quebec had already developed its own tools like the Fonds de solidarité des travailleurs de la FTQ—the CSN will soon have a similar fund—and the Mouvement des Caisses Desjardins. There is also the use made of business support centre funds and regional development funds. We already had all those resources.

I feel that the amendments to the Federal Business Development Bank were proposed to please Ontario but they will not make funds more easily available to Quebec. We already have regional funds available. There are many coordination problems

between the various funds. Is the change of vocation of the Federal Business Development Bank not going to make things more complicated and increase delays without necessarily having a positive effect on the access of Quebec small business to financing?

Mr. Rocheleau: Madam Speaker, I would like to thank my colleague, the hon. member for Kamouraska—Rivière-du-Loup, for his question. I commend his intuition. Indeed, when the Standing Committee on Industry started looking into the matter, the problem was centered on the issue of funding of small and medium size enterprises. Members of Parliament from Ontario made legitimate representations, considering the slump caused by the lack of credit, although this was never proven.

But things went differently afterwards, when the purpose of the Federal Business Development Bank was radically changed. Previously, the bank's primary purpose and almost only concern was assisting small and medium size enterprises, but that is now becoming somewhat secondary.

I will read the first lines of clause 4 which deals with that purpose:

“The purpose of the Bank is to support Canadian entrepreneurship—”

That is what subclause 4(1) says. Subclause 4(2) says:

“In carrying out its activities, the Bank must give particular consideration to the needs of small and medium sized-enterprises.”

So, we see that what was previously a fundamental concern for small and medium size enterprises is becoming somewhat secondary. The bank will deal as it can with small and medium size enterprises having primarily established entrepreneurship development programs, as I was saying earlier, which do not qualify or have not been defined. Anything is possible with the private funds that the bank will have in the future.

I would like to give more information on the two distinguished Liberals that I was telling you about. They are the hon. senator Rivest and Mr. Forget. They said on an open line show on the CBC, which is as credible as these two gentlemen: “Mr. Rivest having revealed that the Minister of Intergovernmental Affairs and President of the Privy Council is preparing a major administrative and tax reform for Canada”. This is Mr. Rivest speaking, a very good Liberal.

• (1200)

“Mr. Forget went on to say that he feared a no vote on the referendum—this is very important for Quebecers—would lead to a loss of control by the government of Quebec on subsequent events”. That is, after the referendum. “This situation would create opportunities for initiatives, whether under the constitution or not, but which could, at any rate, considerably change the rules. It seems to me that, for now, the threat to Quebec lies

much more in this restructuring of the government—a vital issue—than in some constitutional matter”.

I conclude with these comments, which confirm our apprehensions. Here, in this Parliament, as well as in the Langevin building, very important events are occurring, but they are not being publicized. A country is being built and changed without any debate. I think it is outrageous.

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Madam Speaker, I just heard the hon. member for Trois-Rivières speak about the Federal Office of Regional Development in Quebec. I would like to remind him that the Office's presence in Quebec was requested by the social and economic stakeholders in the regions.

In my riding, as in most ridings, people have asked for a regional economic development policy. A few days ago, we heard the Minister of Finance say in the House that he had written several times to his provincial counterparts inviting them to co-operate on matters related to regional economic development. He has received no answer to date. This is an important point that we must not forget during our debate.

A few weeks ago, a seminar was held in Chicoutimi on the future of Quebec and its regions. At the seminar, the Quebec government was asked to do something along the same lines as the federal government in the area of economic development. I think this is important. The federal government is a leader in the field of economic development in Quebec, and, through the Federal Office, it is responding to people's needs, as Quebec should do. It is very important that the federal government continue its efforts, but with the provinces' co-operation.

Finally, I have a question for the member for Trois-Rivières. In his riding, some forty economic development projects have been approved by FORD-Q. Would he deprive his constituents of the federal government's economic presence in his own riding?

Mr. Rocheleau: Madam Speaker, I thank the hon. member for Brome—Missisquoi for his very thoughtful question. Sure, we do not want to deprive our constituents of the moneys they have already paid to the government and that are redistributed in the normal way. When one claims to want to develop the economy, as the federal government is doing, it is perfectly normal that from time to time it takes tax moneys paid by Quebec taxpayers to redistribute them in Quebec.

There is nothing new here, there is no gift in there, contrary to what is hinted at in such a question, as if that money was paid out of generosity. However, I am not sure, and there lies the danger, that these 40 projects are being developed in harmony with the efforts being made at the same time by the Quebec government. That is not obvious at all. On the contrary, one is left with the impression that there is competition, duplication and overlapping of energies.

Supply

I would like to take the opportunity provided by my colleague's question to talk about the Federal Business Development Bank and the change in policy it is setting for itself or that is being imposed on it by the minister. We seriously wonder how, despite all its claims, the new Business Development Bank of Canada will be able to meet the need it met successfully up till now for very small businesses, because 52 per cent of the loans made by the FBDB were loans of \$100,000 or less, which suited the needs of very small businesses. Given the new aspirations of the Business Development Bank of Canada, it is not that obvious that the needs that were met up till now will be met in the future. This is not very reassuring, and therefore leads us to question the validity of this new mandate.

• (1205)

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I am pleased to participate in this debate. I will take this opportunity to set the record straight concerning the Canada health and social transfer.

Contrary to the propaganda spread by the Bloc Québécois and reflected in the motion before the House, the Canada health and social transfer does not take powers away from Quebec and transfer them to the federal government. Instead, it gives more flexibility to provinces.

Thus, the new Canadian social transfer is a big step toward more mature federal-provincial fiscal relations.

In the last federal budget, the government acted on the request made by Canadians that deficits be reduced through structural changes.

That kind of change is essential if we are to secure Canada's economic well-being and protect our social programs. But the structural changes we need could not be made without a reform of the provincial transfer system.

Cash transfers amount today to more than 20 per cent of all federal program spending.

[*English*]

The government responded to the need for change with a new transfer system that is both more sustainable and more effective, the Canada health and social transfer. Currently the federal government transfers funds to the provinces for health and post-secondary education under established programs financing or EPF.

Funding for social assistance and social services is provided under the Canada assistance plan. Beginning in 1996-97, these transfers will be replaced by a single transfer as described in Bill C-76 which is before the House. The Canada health and social transfer is part of that bill.

Unlike the current system, which is based partly on cost sharing arrangements, the Canada health and social transfer will

Supply

be a block fund like EPF. This means that amounts transferred will no longer be determined by provincial spending decisions as under cost sharing.

The new system will be more fiscally sustainable. When the Canada health and social transfer is fully implemented in 1997–98, the total of all major transfers to provinces will be down by about \$4.5 billion from what would have been transferred under the existing system.

This is significant action but to put it into perspective, the reduction will equal about 3 per cent aggregate provincial revenues. Furthermore, the Canada health and social transfer is not merely more sustainable but also more efficient. It will bring real benefits for both levels of government.

The Canada health and social transfer continues the evolution away from the requirement to obtain federal government approval in areas of provincial responsibility, which has been a source of entanglement and irritation in federal–provincial relations.

[*Translation*]

From the provinces' point of view, the new system will include fewer conditions on the use of transferred money.

From now on, there will be no more rules on the kinds of expenditures that can be cost-shared and those that cannot. Provinces will be completely free to use innovative means in the context of social security reform, and they will have more flexibility to set their own priorities.

[*English*]

Let me offer some concrete examples of what this greater flexibility could entail in practice. There would be no need for provinces to submit claims for federal approval and no need to draw up lists of provincial laws, welfare agencies and the like. This will bring significant administrative savings.

The move from CAP cost sharing to block funding will also mean that policies and programs could be designed to better integrate social, health, education and labour market programming.

• (1210)

Further, provinces can use simpler, less intrusive methods of establishing eligibility for income support and services such as an income test. In this way federal funds will assist a wider range of people with disabilities to live independently, based on a variety of personal and employment criteria.

[*Translation*]

A less stringent implementation of needs tests could also help provinces make income support and non monetary benefits more

widely available to low wage earners or people who try to stop depending on welfare and to enter the labour market.

That way, federal money could be used to support the AP-PORT program in Quebec and other income supplement projects geared to low income families and workers.

[*English*]

By moving from the needs test, provinces could also provide integrated prevention programming to a broader cross section of children and families. For instance, federal funds could support community or school nutrition programs which are not currently eligible for CAP because they are not needs tested.

The flexibility I have just described—the flexibility to spend as effectively as possible—paves the way for better design and more affordable social programs for Canadians. Each province will be able to emphasize the programs and services that work best for its own unique circumstances.

It is important to emphasize this enhanced flexibility does not mean a free for all. The Canadian health and social transfer maintains an important federal role in social programs.

First, the federal government will continue to provide substantial funding to provinces in support of health and other social programs. Individual provinces will receive amounts ranging from about 20 per cent to about 40 per cent of their total revenues.

Further, the principles of the Canada Health Act will continue to be enforced. Canadians have made it very clear this is extremely important to them. Seventy-seven per cent of Quebecers believe these new principles are important to them also.

Also, there will be no change in the principle that provinces must provide social assistance without minimum residency requirements.

[*Translation*]

Furthermore, the Minister of Human Resources Development will be inviting all provincial governments to work together on developing, through mutual consent, a set of shared principles and objectives that could underlie the new Canada health and social transfer.

The official opposition would like us to believe that this whole process is nothing but a plot to underhandedly impose new conditions, methods or penalties on the province of Quebec.

[*English*]

Frankly, that is absurd. Let me emphasize again the only standards contained in the legislation introduced in the Canada health and social transfer are the Canada Health Act provisions and the social assistance mobility condition. These are not new and they have not been changed. Compared to the status quo there are fewer legislative social assistance conditions in this

legislation, not more. The legislation provides no legal authority to introduce any new conditions, standards or penalties. Claims to the contrary are simply wrong.

The legislation does contain a statement of the federal government's intention to launch the consultative process I have described, a process seeking mutual consent on principles and objectives.

[*Translation*]

Nothing new was included in this statement of intention. On budget night, on February 27, 1995, the government stated clearly that it would be "inviting all provincial governments to work together on developing, through mutual consent, a set of shared principles and objectives that could underlie the new Canada social transfer".

This is the exact same commitment we included in Bill C-76, word for word. What does "mutual consent" mean? It means no government whatsoever in Canada can be forced to adhere to new principles and objectives against its will.

• (1215)

In other words, only the governments who subscribe freely to new objectives and common principles will have to abide by them. Nothing is clearer than that and those who claim that we are dispensing with mutual consent are being ridiculous.

There is another piece of nonsense from the Bloc members that I would like to challenge during this debate. Contrary to the devious spin being given by the opposition, the bill does not allow the federal government to introduce new standards through the back door. Quite the contrary. There is absolutely no clause in the bill that allows the federal government to introduce new criteria or new financial penalties with the Canada social transfer. Bill C-76 does not allow us to tack new conditions on the Canada social transfer arising from the consultative process carried out by the Minister of Human Resources Development.

Those who say otherwise have misunderstood the bill. They do not make a distinction between statutory conditions and statements of intent. The principles and objectives eventually reached through mutual agreement between governments would not necessarily lend themselves to inclusion in a legislative text. If, some day in the future, the consenting governments want to entrench an agreement in a federal statute, it would be necessary to submit a bill to this effect to the Canadian Parliament.

In conclusion, I would say that one of the main characteristics of the Canada Social Transfer for health care and social programs is that it is proof that Canadian federalism is capable of evolving. It opens the door to further progress toward a kind of federalism that is more mature, more responsive to the concerns

Supply

of Canadians, who want more viable programs, and to the concerns of the provinces, who want more flexibility.

It proves our commitment to get the government back on the right track and to reduce duplication and overlap, which will result in administrative savings. And it clearly shows the federal government's firm commitment to co-operate with the provinces. That commitment involves a consultation process on the establishment of a permanent distribution formula for the Canada health and social transfer, as well as on a series of issues concerning fiscal federalism.

I am not at all surprised that the official opposition expresses its dissatisfaction about the characteristics of the new program. The Canada health and social transfer delivers a fatal blow to the separatists' arguments because it proves the vitality and the flexibility of the federal system.

But the great majority of Canadian men and women strongly support this evolution of Canadian fiscal arrangements, as do most members in this House. Therefore, I urge all members to support this motion.

Mr. Yves Rocheleau (Trois-Rivières, BQ): Madam Speaker, I found my Liberal colleague opposite quite eloquent, in his own way. He has aptly illustrated the ambiguity and the depth of the government's strategy, which is to hide its real motives.

• (1220)

This is non-transparency incarnate, since it is saying one thing and doing another. It claims that this beautiful and supposedly united country is in the process of decentralizing, while in reality, what is really happening, to use the term used by the opposition and several columnists, is that the federal government is offloading under the pretext of decentralizing. It is decentralizing the fight against the deficit by foisting unprecedented cuts on the provinces.

This is obvious in Quebec. There is nothing surprising about the unfortunate closure of a certain number of hospitals when one considers that the government of Quebec has had to deal with over one billion in cuts per year, cuts made almost on the quiet, without any opportunity for discussion. Fourteen billion dollars in cuts over 12 years and now the federal government wants to sell us a form of decentralization! And these cuts are paired with the introduction of national standards. Next, it will boast that it is helping to fund such and such programs. This is downright indecent. It should at least have the guts to call a spade a spade.

I would like to ask the hon. member to once again explain how his government can justify this way of operating. It would be so simple to just respect section 93 of this country's constitution, which says that social matters, including education, fall under provincial jurisdiction, and to just divvy up the appropriate tax

Supply

points to the provinces and stay out of other people's business, which would be the constitutional way of operating.

[*English*]

Mr. Walker: Madam Speaker, the opposition member confused about three or four very important issues in the same speech. Let us take them one at a time.

First, the federal government has given the provinces every opportunity to design their social programs as they wish. The only condition the federal government is putting in Bill C-76 is the condition that there is no residency requirement attached to social assistance.

We think that the provinces will respond very positively and will develop some very innovative programming. As I explained in my speech on some of the barriers under the Canada assistance plan, which has been sort of the cornerstone of the Canadian social assistance program and social policy for the last 30 years, the time has come to change it. We feel very confident that the provinces will do the right thing and develop some very innovative programming. One of the things I mentioned was the school lunch and breakfast programs, which are not facilitated under the present arrangements under the Canada assistance plan. There will be other opportunities.

[*Translation*]

One expression in the text is crucial to this debate, and that is "mutual consent".

[*English*]

We use those words very carefully and very purposely to indicate to the provinces that we are not about to impose new conditions on their social programs and that if a future government wishes to do so this would require entirely new legislation.

The Minister of Human Resources Development will be approaching the provinces, as is stated in the act. I want to say to the House that in my short history as a parliamentarian and my longer history as a student of Canadian politics, I cannot remember an act that mandates a minister to go out and consult. This was not just said in a speech in the House of Commons but is in fact part of the legislation.

I suspect this is being taken very seriously by the minister himself, as he has indicated in the House, and that by mutual consent there may be programs emerging and conditions or statements. However, this is up to the minister to discuss with the provinces. We have simply said that at this time the conditions that are stated are those that are in the act.

In terms of the responsibility the federal government has for closing hospitals, we cannot have it both ways. We cannot ask the federal government to sponsor and finance but to leave

people alone and then second guess whether provinces are closing hospitals or cutting back on doctors or cutting back on nurses. These are very serious decisions, but they are the decisions of the provincial government.

• (1225)

I will use the example of Alberta, where everybody is up in arms about the government closing rural hospitals. They often forget that it was the same government that opened those hospitals in the first place. The province has the responsibility for its construction programs and for the infrastructure it puts into health care. If mistakes were made in the past, I do not think federal politicians should second guess them. Those things are in the provincial domain, the construction of hospitals and the delivery of health care.

I say this in the context that the cutbacks that will come into effect in two years represent 3 per cent of the total provincial revenues of Canada.

We in the finance committee listened to many groups intervening on the question of federal funding for social and health policy. We have been most conscious that the amount of funds will not be devastating to the poor of the country. We are confident that with the two years of warning, one year of no cuts and another year of half the cuts, most provinces will have the revenue capacity and the tax points and the space needed to generate the money to make sure the programs continue, particularly those west of Ontario that have a balanced budget. I believe seven out of ten are getting close to a balanced budget. However, they have to decide on their own which are the best ways to finance these programs and what the priorities are.

There is no province I can think of that would think of abandoning the poor as a priority. I am confident these issues will be taken care of.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Madam Speaker, I would like to ask my colleague, who is undoubtedly an honourable man, as a Canadian citizen elected by his constituents, whether, when he considers the demands of the people of Quebec as embodied by their government, he feels that these are the demands of a distinct society within the Canadian federation or that these are merely the vengeful demands of a province that refuses to conform, and above all, to be treated like the other provinces?

I would be interested to hear what the hon. member has to say about Quebec's historic claims as opposed to the other concept that includes all that, where our aim, at least within the framework of Canadian Confederation, is to be a distinct society in Canada.

*Supply**[English]*

Mr. Walker: Madam Speaker, in the Canada social health transfers and in the debate we are having, the words distinct society do not appear. I will put that case aside for another debate.

In the history of federal-provincial relations in the country there have been many arguments by many provinces against the federal government. Some of those have been conceptual fights over the federal-provincial authority and some have been fights over money. Depending on the nature of the Quebec government at various times it has pursued aggressively some of these objectives. In the same fashion, British Columbia took the federal government to court over cutbacks in the Canada assistance program.

The constitutional debate is always on the horizon in Canada, but it is not here today and is not central to the debate today. What is before the House is an opposition motion debunking the cornerstone of the government's approach to resolving the problems of the country.

We feel we have a very pragmatic and effective way of permitting provinces to develop their own social programs. There will be programming responses from Quebec, which I am sure will be entirely different from programming responses elsewhere in the country. This facilitates the development of programs that are very responsive to the Quebecois. People in other provinces may choose to do things differently. I see this in the context of a very wide ranging series of problems we are dealing with.

• (1230)

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I welcome this opportunity to speak to the opposition motion before the House today, and I may recall the wording: That this House condemn the government's legislative agenda, which makes clear its intention to usurp provincial jurisdictions and construct an entirely centralized state, as can be seen from Bills C-76 on the Canada Social Transfer, C-88 on the Agreement on Internal Trade, C-91 on changing the name and mandate of the Federal Business Development Bank and C-46, which confirms that the Department of Industry is responsible for regional development in Quebec and Ontario.

These are legal terms we use in the House, but basically, the real question being asked today, and it has already been asked this morning by the federalist parties, which demonstrates their failure to understand the issues at stake for Quebec, is as follows: Why is Quebec again disturbed by this attack by the federal government which is intruding in a variety of areas? Why is Quebec again being a spoil sport? Since today is the first

day of June, 1995, I think we should make this show-and-tell month.

In fact, after the offensive fought during the Trudeau years to put in place a system the Liberals now want to resuscitate, we had a strategic retreat by the Conservatives when, because of nationalist members within the Conservative caucus and because it was impossible to get through the bureaucracy at Industry Canada, for instance, the government decided in favour of what I would call a by-pass operation. It created the Federal Office of Regional Development and other regional agencies to get around the centralized bureaucracy and find parallel channels for spending federal money in the regions. However, that was still at a time when there seemed to be enough money or in any case the government was still willing to borrow money, all of which helped to run up our current debt.

Today, the "arteries" are being closed down. There is no more blood for the system to pump. Whether we try to preserve the Conservative-built bypasses or whether we return to the centralizing approach, the system needs oxygen and does not meet the objectives. This is what has led us to the present situation of 1.2 million welfare cases in Ontario and 800,000 in Quebec and a debt that will soon reach \$600 billion. I think these are the symptoms of the system's failure.

We are seeing a repeat of the events of the 1970s. The federal government decided it had the solutions to all the problems in areas of jurisdiction other than its own. Let us take Bill C-76 dealing with the Canada social transfer as an example. The federal government has decided to intervene in the areas of health, social assistance and post-secondary education—all areas of provincial jurisdiction. It has decided to establish national standards, which take no account of the economic and social realities of Canada's regions.

Let us look at a few examples. Bursaries and loans, for one. The bursary and loan system was changed on the sly so the provinces are now forced to comply with the wishes of the federal minister in this area. In Quebec, we developed a different model, and here Quebec will have to choose between complying with federal standards and making the rest of the population pay for the constraints established by the federal government.

One thing I learned as a member of the human resources committee on its cross-Canada tour is that there is not one Canada and that there is no single solution to the problems raised. The approach of setting up national standards, as we have seen in health care and other sectors, at a time when the federal government is cutting back, leads nowhere, except to frustration. This is the reason for today's motion by the opposition, which is to make people aware, in June 1995, a few months away from the referendum in which Quebecers will decide whether they want to leave this madhouse, as René Lévesque described this dysfunctional and dead-end system.

Supply

Therefore, Quebecers must do some thinking. At first we had thought they would have to decide between the status quo and sovereignty. Now, however, it appears that the choice is between a degenerating status quo with the federal government wanting to intervene even more and sovereignty. It is very clear.

• (1235)

I understand why people who consider the federal government to be the main government in Canada, the one that must apply all the rules, have difficulty understanding where the official opposition stands on this issue. When one looks at it from Quebecers' perspective, it is clear that for Quebecers in general, the main government has for a long time been and still is Quebec. The government in Ottawa is to a large extent the result of a compromise made in 1867.

Quebecers cannot accept that this federal government systematically interfere in areas such as social programs, internal trade and potential loans by the Federal Business Development Bank, and give the Department of Industry the responsibility for regional development in Quebec and in Ontario when one knows very well that this system never worked.

The Tories had been forced to create parallel agencies to put an end to this bureaucracy. Now the Liberals come back to the old system which suited Ontario but does not suit Quebec. I have nothing against the fact that members of Parliament from Ontario protect their interests, but I am against the consequences of restoring an old structure which adversely affects Quebec and does not offer good prospects.

Let us take, for example, the bill to implement the Agreement on Internal Trade, Bill C-88. We should keep in mind that this bill implements an agreement based on co-operation. Everyone in Quebec, Canada and North America realizes how important free trade is. It is so important that Quebecers rallied to the defence of the FTA, which would never have passed without Quebec's massive support. The FTA goes well beyond interprovincial trade opportunities.

Adjustments were made to reach an acceptable compromise. This agreement is based on interprovincial co-operation. Suddenly, with Bill C-84, the federal government is surreptitiously putting its big paws in this agreement by introducing a judicial process into an agreement based on an administrative consensus that disputes should be settled between the parties.

However, the federal government has now come up with a wonderful idea. In one case, whether or not the federal government is a party to the dispute, it may impose sanctions on the provinces which, in its opinion, do not comply with the agreement. This amounts to being both judge and party. This is a concrete example of the paternalistic approach used by this government and developed by the Canadian federal system,

since, under the federal decision making process, senior officials always feel that they are right about what to impose on Canadians.

I now come back to the example of the Standing Committee on Human Resources Development. A year ago, officials, deputy ministers told the committee that UI reform would introduce two levels of coverage. They said that people in the outlying regions and seasonal workers go on UI because they are not prepared to work hard. Our committee travelled across Canada and unanimously rejected the proposed system. The minister set up a committee on seasonal work, which also rejected the whole approach proposed by the federal bureaucrats. This week, senior officials smugly outlined for our committee the same vision they had a year ago.

Although he may have acted in good faith in this matter, the minister did not succeed in convincing them to change their proposal one iota. The bureaucracy's control over Canada's development is unhealthy. Bureaucrats are responsible for the current results. It is because of them that regional disparities are so wide, because they never wanted, because this government in particular does not want, to give each region control over important sectors. Instead, perhaps because the constitutional provisions on the division of powers are so vague, it always feels like interfering in areas of provincial jurisdiction, simply because it has the right to collect and redistribute taxes.

Following the Canadian social transfer and the agreement on internal trade, the federal government is stepping up its attacks by proposing a new Business Development Bank of Canada.

• (1240)

Clauses 20 and 21 of the new legislation to change the name of the Federal Business Development Bank to Business Development Bank of Canada, which is a minor change as far the name is concerned, make it possible for the federal government to systematically interfere in regional development. This goes to show, once again, that the federal government does not regard regional development as a provincial area of responsibility. In fact, it is unclear whether the provinces exist at all in the eyes of the federal government.

Under clause 20 of this bill, it may deal directly with any organization, which means that the same pattern will be used as in the past. The federal government will walk in with its money, tell community consultation organizations, municipalities or development funds: "The thing is, we can give you money for regional development, but we want to have a say about how it will be used, since our contribution will be substantial". And the pattern of fighting will be repeated, with provincial and federal organizations each defending their turf. In the end, who will be the losers? The people. In this case, with the development bank, the businessman is the one who will be in a worse

position than before with the various departments he will have to deal with.

This is the third bill which, under the guise of simple name change, is used to discreetly introduce provisions that would have gone unnoticed if it were not for the watchful eye of the opposition. But this is serious business and it speaks volumes about how this government operates, always trying to go over the heads of the provinces.

If we were certain that this approach was effective, we would have to recognize that, as unconstitutional as it may be, it is efficient, but experience shows that it is not effective and never has been. A region like Eastern Quebec is a perfect example, having been a proving ground for every federal-provincial action for the past 25 years. And the end result was a significant drop in population. All the young people have moved away, and we are struggling in our communities to get out of this situation, but were it not for the goodwill and sweat of local stakeholders, we would get nowhere. But we also get tired of trying to work with that system and finding ways to implement programs locally.

There is another clause in the Business Development Bank of Canada bill which is indicative of duplication, as it set out two different goals for a development policy. I am referring to the fact that the bank is to support Canadian entrepreneurship. This is a very general statement. It means that, if some provinces implement projects on their territory to make up for the seasonality of their economy, for example in the Maritimes or in certain regions of Quebec, a federal intervention aimed at providing programs which support Canadian entrepreneurship could easily trigger a centralization of businesses in the large centres, and thus result in an even greater population decrease in the outlying regions.

The provinces, and particularly Quebec, will have to spend energy and money to fight that approach. The federal government will do just the same, with the result that public servants will be very busy and will work really hard, but not toward the stated goal, which is to develop the economy.

If only one bill or another was involved, we could talk about a blip on the screen, or say that the federal government wants to interfere in social programs because it feels that some provinces are not adequately assuming their responsibilities. However, this is a planned approach. It is a systematic approach designed to make Canada a unitary state.

The predominantly English-speaking provinces probably have no problem with that approach, since they are pretty comfortable with a system where the federal government assumes all the responsibilities. A university chancellor in the Maritimes told me that we were now at a stage where we need a federal department of education and that it will have to come to that. I told him that I appreciated his being so clear about the issue. Such will be the choice for Quebecers. They will have to decide whether to keep the steamroller which, in 1982, unilaterally erased the reference to two founding nations in Canada's constitution.

Supply

• (1245)

Now we are left with the Canadian people. Since 1982, all the federal structures have favoured this approach, which is at odds with how Quebec wishes to develop.

Take health, as an example. The official opposition is said to continually criticize the federal government's interference in areas of provincial jurisdiction, but, of course, they are sovereignists. The members opposite will even say we are separatists. But if we take an event like the health forum, there could have been two different approaches.

The federal government could have made sure that the provinces were represented. The discussions might have taken a little longer, but it would have been possible to reach a consensus and find a logical solution. Instead, it was decided to hold the health forum without the provinces. Not to worry, we will bring in experts to define Canada's needs. The result was inevitable.

We find ourselves in the situation where the recommendations resulting from this forum will have no credibility with the provinces, who already have jurisdiction in this area and are aware of the problems created by the reduced federal budgets. And more problems are expected in the future. The provinces must take on increasing responsibilities, with no consultation by the federal government, accepting the news and making short term adjustments.

Here we are at the beginning of June 1995. Quebecers are three weeks away from their national holiday and a few months away from a referendum in which they must decide if they want the future of the people of Quebec to be governed entirely by Quebecers or whether they can risk seeing the people of Quebec become just a minority among Canadians within the Canadian constitutional context.

We have the choice of accepting the model proposed by the federal government or fighting it within the existing Canadian system. But that has been the nightmare of the last 30 years. There is no longer anyone in Quebec who dares to say that we should keep trying to change the federal system. No one in a position of political responsibility would say it because it no longer has any credibility, there is no longer any likelihood that it can be done.

The third choice available to Quebecers is to leave the existing federal system, eliminate duplications and overlap, all the reasons to do with how it operates. But why, when it comes right down to it, should we leave? Why must we make sure that these unsuccessful efforts are not repeated? Why cease these futile struggles? Because, fundamentally, we are a nation. We have long sought to work out an agreement with Canada's other founding nation. Now is the time to make a choice. As Maurice Duplessis said: "Donnez-nous notre butin". Faced with a choice between what this government is offering us and taking

Supply

control of our own destiny, I think that Quebecers will choose Quebec and that, in the fall, they will decide that it is time they had their own country.

[*English*]

Mrs. Jane Stewart (Brant, Lib.): Madam Speaker, in my hon. colleague's earlier remarks he referred to Bill C-76, particularly the Canada health and social transfer, somehow implying that our change to a block funding format is reducing the flexibility or changing the control the province has in the areas of health, education and social assistance.

I sat on the finance committee and listened to witness after witness say that they were concerned the strategy was quite the opposite, that perhaps the block transfer gave too much flexibility to the provinces.

The hon. member must be able to defend that. The people of Canada are seeing just the opposite. Under Bill C-76 we are not infringing upon or tying the hands of the provinces but doing quite the opposite. We are giving them far more latitude, far more opportunity to spend the moneys transferred to the provinces in the way they see as best.

• (1250)

There were questions earlier of my hon. colleague, the Parliamentary Secretary to the Minister of Finance, that said we were somehow creating new guidelines and controls on the provinces. However, as the parliamentary secretary indicated very clearly, the words mutual consent are just that. The provinces would have to agree to any new standards and guidelines and if they did not, fair game.

How can the hon. member convolute Bill C-76, particularly the Canada health and social transfer, into any kind of representation that the federal government is trying to put more controls and more strings on the provincial responsibilities and ability to use their funding in those areas?

[*Translation*]

Mr. Crête: Madam Speaker, I think that the question is quite pertinent, because it gets to the heart of the debate. In effect, the organizations from English Canada which testified before committee had the gall to say that, if the provinces were given too much latitude, they might do things that hinder their objectives as organizations.

Let us look at what led to this situation. Twenty-five or thirty years ago, the federal government opened up its floodgates and began funding all kinds of programs. This contributed to our current debt. These organizations, which have all along been fed by the federal government, fear that when the government runs

out of money, instead of simply saying so, it will decide to reduce transfers to the provinces, which will in turn reduce the capacity of these organizations to act.

Their reaction is understandable, absolutely normal and healthy. They want to survive and are looking for funding. Each group is doing it the best way it knows how. But did you see any Quebec organizations behave in such a fashion in front of the finance and human resources development committees? Did any of Quebec's organizations appearing before the finance committee say "we could not live with the decision to give Quebec jurisdiction over social programs?" No, not a one.

The main government for Quebecers is the government of Quebec. The government of Quebec is responsible for providing the fundamentals to promote at the very least the survival of Quebecers as a people. Many years ago, Quebec realized that that was not enough. We cannot live on unemployment insurance benefits alone. We do not want people telling us that they are our cash cow, that they hold the key to our development. What we want is control over our own development and the ability to implement measures that will get us out of difficult situations.

We, not just Paul Crête the separatist but all Quebec labour stakeholders, have been systematically petitioning for jurisdiction over the labour portfolio for 10 years now. The Liberal Party of Quebec, the Conseil du patronat du Québec, the unions, and everybody in between all agree.

It is obvious that Quebecers took part in the Canadian confederation in the hope of harvesting good economic benefits. Today, they are realizing that they do not have enough power to develop to their potential in this system. Worse yet, they are realizing that the federal government would force them to use the model that the other provinces want.

Take for example the changes made to the loan and bursary program this year. The main section says that all provinces with a loan and bursary program must meet all of the requirements of the federal minister. The anglophone provinces have no problem with that, but Quebec developed a unique loan and bursary program 25 years ago. When this program becomes compulsory, which is why in Quebec particularly, students were opposed to this bill, Quebec will have to revamp its program completely to make it conform to national standards, without the social adjustments we want to include.

In Quebec we are willing to have government pay a larger share of tuition fees. We are willing to let students have a better balance of bursaries and loans. The Canadian model does not want to develop that. Let them go ahead and develop a different model, but let Quebec have the option of doing as it sees fit.

• (1255)

Briefly, to answer the question, I think we have reached a decisive stage. We must get out of this artificial financing, because Canada no longer has the artificial means to spend as if there were no tomorrow. The debt is no longer the government's business, when people from outside the country come to tell the government to find ways to control the debt.

So they closed the tap part of the way. The federal government decided it would offload budget cuts on the provinces, and now we are going to have to pick up the pieces. You can live beyond your means some of time, but not all of the time. In any case, there will have to be some major structural changes, but the most positive change would be to give these two communities, Quebec and Canada, a chance to develop side by side without putting obstacles in each other's way, and to let them each control their own future.

[English]

Mrs. Stewart (Brant): Madam Speaker, I think the hon. member has just made my case. He says that the people of Quebec want to have the responsibility to spend the moneys on health, education and social assistance in the way they see fit.

That is what the block transfer allows them to do. We put the money together in a fund and give it to the provinces that constitutionally have the responsibility to provide programs and services for health, education and social assistance. We are telling them they know best. They can take the money and allocate it in the way they see best fitting for the people of Quebec. The block transfer gives that flexibility. It gives the provinces the responsibility to respond to its own constituency in those areas.

In the course of the debate I cannot see that the opposition has any real clarity or substance to its point.

[Translation]

Mr. Crête: Madam Speaker, I think the clearest answer to this question, the best example, to be objective, is not to be found in Quebec, but in Alberta. The provincial government there has an approach which is very different from what the federal government might wish. It is almost forced to cheat with federal standards in the area of health. It is forced to beat about the bush, because it wants different rules. But the federal government, despite its reduced funding, feels free to establish very clear national standards regarding the five principal conditions. And so the provincial government becomes the bad guy. Provincial governments are certainly not going to accept responsibility for the years of bad management of funds by the federal government.

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Madam Speaker, I would like to make a couple of comments on what we have just heard.

Supply

First, a reminder regarding the Canada social transfer. Could it be that what the Bloc members do not like in this is the word "Canada"? They might like it better if it were called the Bloc social transfer. Indeed, it is the word "Canada" that irritates them the most in the expression Canada social transfer.

It must be pointed out that the Canada social transfer includes education, health care, and social assistance. From now on, under the Canada social transfer, Quebec will receive block funding, as will all the other provinces, each one of them; the Quebec government will be able to allocate this block funding as it sees fit. It will decide how much will go to education, how much to health care, and how much to social assistance. This is important.

The federal government is only setting the following two conditions; this is extraordinary decentralization and flexible federalism. First, the health care system will have to remain Canadian, and accessible to all Canadians. As our Prime Minister has said on several occasions, the health care system must allow people to be admitted to the hospital when they are sick, not because they have money.

Therefore, a universal health care system is the first condition. The second one is that there be no minimal residence requirements. This is simple, this is not complicated, this is what the Canada social transfer is all about, whether you like it or not. Furthermore, the member for Kamouraska—Rivière-du-Loup mentioned earlier that this system was centralizing.

• (1300)

I would like to go back to something I said earlier using FORD-Q as an example. This is something I discussed with several of my constituents—I am fresh out of an election campaign and have been in this House for close to three months—and people in Brome—Missisquoi want to keep FORD-Q. Not only do they want to keep it but, as I mentioned earlier, at a forum recently held in Trois-Rivières on the future of the regions in Quebec, people demanded that Quebec do its share with regard to regional development. To this day, Quebec has done nothing. The federal example is convincing and I believe that we must continue along the same line.

To conclude, I would like to ask a question to the member.

The Acting Speaker (Mrs. Maheu): I am sorry, but the member has risen on debate. He has 10 minutes. I understand that you are sharing your time.

Mr. Paradis: Madam Speaker, I thought I had risen on questions and comments. For the debate, I intend to share my time with the member for Durham.

The motion of the opposition suggests, among other things, that the legislation implementing the Agreement on Internal Trade is aimed at reducing Quebec's powers to the benefit of the federal government. First of all, I would like the member for

Supply

Shefford, the mover of the motion, to become familiar with the bill.

The preamble reads as follows:

WHEREAS the Government of Canada together with the Governments of Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, the Northwest Territories and the Yukon Territory have entered into an Agreement on Internal Trade;

AND WHEREAS the reduction or elimination of barriers to the free movement of persons, goods, services and investments is essential for the promotion of an open, efficient and stable domestic market to enhance the competitiveness of Canadian business and sustainable development—

This is the preamble to the bill.

Clause 5 is not too complicated. Clause 7 says: “The Agreement is hereby approved”.

This is an agreement between the provinces and the federal government. This agreement between the federal government and the provinces shows once again how efficiently Canadian federalism can accommodate differences and produce concrete, practical results.

For example, in Brome—Missisquoi and particularly in the Estrie region, there is a very high degree of co-operation in labour matters between the Monteregian and Estrie manpower associations and Human Resources Development Canada. We sat down together and signed an agreement, a document looking at job opportunities in the next five years.

This is another example of the co-operation between the federal government and Quebec.

Canadian federalism requires a high degree of consultation and co-operation between the federal government and the provinces on a wide range of issues. Federal-provincial relations are doing very well in Brome—Missisquoi. I must say that the relations are quite friendly.

Our federalism is based on a series of intergovernmental mechanisms that allows us to overcome difficulties. That is why, over the years, we were able to work out various arrangements between the two levels of government.

This approach is successful in our federation because the Prime Minister, the premiers, ministers and public officials all work in close co-operation to achieve concrete, practical results.

These arrangements are an essential component of the Canadian federation and provide flexibility.

These various mechanisms and this great flexibility associated with our kind of federalism enabled us to achieve the following in co-operation with our partners: the signature of infrastructure program agreements with all the provinces.

• (1305)

This program was implemented quickly with the co-operation of the federal government and all the provinces, is working very well and has created jobs from coast to coast, which is what Canadians want.

We also signed action plans to reduce overlap and duplication with eight provinces and two territories. We set up Team Canada. As you may recall, the Prime Minister travelled to Asia and South America for the purpose of making inroads on new, promising markets. Again, for the purpose of strengthening the economic union, we signed an agreement to reduce interprovincial barriers to the free movement of goods and people.

Consultations on interprovincial barrier elimination in Canada is a fine example of co-operation that led to a practical agreement, which reflects the flexibility and vitality of this federation. The Government of Canada engaged in consultations with the provinces and territories, and together they agreed on a process that resulted, once again, in an agreement which is fair and just for all concerned.

Specifically, the agreement lays the basis for preventing the creation of new barriers and eliminating existing ones in nine areas of economic activity. It increases transparency and puts in place a dispute settlement mechanism available to individuals as well as businesses to ensure government compliance with the agreement.

It provides for the development of action plans in a number of areas, so that standards are harmonized. It covers major areas like transportation and consumer protection. In addition, great emphasis is put on the environment in this agreement, thereby setting it up as a modern-day concern.

Finally, the agreement takes Canadian diversity into account by ensuring a fair balance between trade objectives and government objectives.

This is the first agreement of its kind in Canada. It represents a major victory for all Canadians. It proves conclusively that the federal, provincial and territorial governments can work together, provided there is good faith.

This agreement is a key part of this government's strategy for promoting strong economic growth in Canada and getting Canadians back to work. The Internal Trade Agreement, complete with concrete changes, implementation schedules and thorough process, will reinforce the Canadian economic union and promote freer movement of people, capital, goods and services within it. It is the exact opposite of the separatist option, characterized mainly by self-centredness and a fascination with one's navel.

Supply

Contrary to what the hon. member opposite suggests, the act to implement the Internal Trade Agreement is not designed to take powers away from Quebec or any other province, but to ensure that we all grow stronger.

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, I will make a few comments before putting my question. First, I want to point out the contradiction in the hon. member's last comment. He claims that sovereignists are self-centered, but it is the federalists who say that, if we do achieve sovereignty, they will not enter into an economic union with Quebec.

So, which side is self-centered? It is the Canadian side, and I do not mean the people, but those who are mandated to represent them and do not do so properly in this case. They are the ones who say that they will refuse to participate in an economic union with Quebec. They are the ones who are self-centered, not us.

As for us, we are saying just the opposite: we welcome the idea of a partnership. After all, it would be consistent with today's trend. It is possible to want to control things and have as much power as possible as a nation and still be open to the idea of economic partnerships with others.

It is the hon. member who is inward-looking and self-centered. He is new here but, over time, he will come to recognize all the examples of duplication which exist.

• (1310)

The member referred to the Canada social transfer. I participated in a talk show at a Montreal radio station, CJAD, with the Minister of Human Resources Development, who addressed people who were panicking at the idea that the federal government would no longer have control. Interest groups in Canada are indeed concerned when they realize that the federal government will have less control over social programs. They are worried when they see the rise of the right wing in western Canada, and I can certainly understand their concern. They are worried about this whole issue.

The Minister of Human Resources Development told these people, and you can listen to the tapes: "Quite the contrary! We will now have more control than before". I would appreciate it if the two of them could get together and try to reconcile their views, given that the member just referred to an extraordinary flexibility.

He also mentioned the Federal Office of Regional Development, now a federal structure with no money and no means to act, but which gets involved in many issues. The member says: "Now, this is a good illustration of the future in regional development". I say that there is still a lot of room for improvement.

Let us now look at the issue of manpower, to which the member briefly alluded, and also the co-operation agreements in his region. In his speech, the hon. member said that we would discuss, examine and consider the issue, and that is exactly what

is being done. But while governments are discussing, the unemployed and welfare recipients are not working. While he says: "It is all right, federal and provincial officers are working together, trying to harmonize things and reduce overlap", nothing is being done, because of all the tension between the two levels of government which are always eager to pass the buck back and forth.

When only one level of government will be dealing with this issue, things will be clearer for the citizens who will have a more direct influence. The time will have come to stop talking about it and to take action, and I can hardly wait. My question is related to all of this. At first, the Minister of Human Resources Development said that he would reduce transfer payments for post-secondary education. Given the reaction of students, the government decided to hide its agenda first by lumping up the programs and then by making its cuts so that no one would know which program was hit the hardest.

Having said that, let me add that the Quebec National Assembly unanimously passed a motion put forward by the Action démocratique, with the support of the Liberal Party of Quebec, the close federalist friends of the members opposite, which said that Quebec should get more tax points instead. They all agreed on that.

Since the hon. member believes that the system is flexible, I would like him to tell us why his government does not want to give this area of jurisdiction to the province of Quebec and if he supports the resolution passed by the National Assembly of Quebec, which is asking for more tax points instead of cuts to cash transfers. I would like to find out the position of the hon. member on this issue.

Mr. Paradis: Madam Speaker, my first comment would be to say that Canada is a country that works. Maybe that is why our colleagues in the Bloc Québécois do not know which way to turn. Canada is a working proposition. A moment ago, they were talking about dismantling something that works just fine in order to set up a new partnership. That is exactly the word used by colleague from the Bloc.

If we are to have a partnership, mutual respect is a prerequisite. Hurling insults at people or at a system will lead us nowhere. Canada already has a structure to accommodate co-operation and partnership between the provinces and the federal government. Scores of agreements have been signed by both levels of government. That structure has been designed to let Canada as a whole and the provinces, reach for a better future.

My second point concerns the Canada social transfer, which demonstrates the flexibility of federalism.

[English]

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, it gives me great pleasure to enter into this debate on the motion by my hon. colleague in the Bloc Québécois.

Supply

What we are discussing today is flexible federalism. Indeed, I think sometimes that my hon. colleagues in the Bloc do not understand the word flexible. What has kept Canada together for many years has been the fact that people have been able to understand and respect each other's differences and diversities.

I can remember reading an article about an American study which was commissioned during the second world war. It said that of all the allied countries which were fighting in the war, Canada was the most likely to break up.

• (1315)

As we stand here today we can reflect on the erroneousness of that report which talked about Canada's being so decentralized it would be an easy matter for it to dissolve. The reality is the decentralization of Canada is its strength.

We govern a huge geographical country. This part of the northern hemisphere has not only great cultural diversity but also climactic diversity due to our geography. Lester Pearson once said we have too much geography in this country. There is some truth to that.

My fellow colleagues in the Bloc often discuss and point to what they believe is duplication and overlap. They like to point out this is some kind of failure of our federal system. Let us look at some of these programs. I am amazed at some of the areas Quebec does control. It has control over immigration and controls for a large part its own income tax system. For most countries their individual states do not have these kinds of powers. Clearly we have already decentralized significantly in Canada.

The Bloc often says our having shared jurisdictions creates inefficiency. Duplication and overlap is the theory. I have been interested to discover one area of purely provincial jurisdiction in Quebec, education, does not perform particularly well. Next to Alberta, Quebec has the highest drop out rate for secondary education institutions, over 30 per cent.

Quebec spends the highest per capita on education with \$7,132 per student. With this exclusive control it would appear it has been unable to solve its problems. All provinces have problems, but it is not clear that by not having shared jurisdictions somehow there are great efficiencies to be earned. With shared jurisdictions there is more of a consultative framework, more of an opportunity to get good advice from across the country.

I will deal with two components of the motion. It talks about Bill C-88, an agreement on internal trade. All provinces have basically consented to this and signed this agreement. In an era when we are discussing things like the GATT agreement and NAFTA it seems almost a tarnish and a shame on Canada that we have to argue and discuss trade agreements within our country.

The Bloc Quebecois has often talked about a European Union type of government. In reality the European Union probably has freer trade within its union than does Canada. The agreement on internal trade does not solve all of these problems. There is continued inhibition of trade within our country. It seems odd to me when this act is used as part of an argument that somehow we are trying to concentrate power in Ottawa when in reality we are trying to create a free market within our nation.

The motion deals with Bill C-91, an act not to create something new but merely to rename something. I can only assume my colleague's concern is the Federal Business Development Bank may well become the business development bank of Canada. I do not know if the use of the word Canada bothers him so much. I do not like those words. When I see the words of Canada I think of American corporations operating in Canada, such as General Motors of Canada. Be that as it may this is the proposed new name.

• (1320)

It seems to me some of the things proposed in the legislation are to create more dynamism in arranging capitalization of small and medium sized businesses. This is something very close to my heart. I believe through creating new capital markets in Canada we will encourage and create new jobs. The business formation is inhibited by its inability to seek capital.

I have listened to some of my colleagues in the Reform Party who speak against this bill because they feel it is a competition with existing banking structures. The Federal Business Development Bank and in some ways its sister company, the Farm Credit Corporation came into existence for a very significant and real reason: there is a significant lack of long term business financing. Our banking sector has basically become a short term lender. The popular loan within the banks is a demand loan. Imagine borrowing some money today and tomorrow the banks can call it back. That is how the banks want to lend. There are a number of reasons. It has to do with their deposits and so on. That is what banks are.

In a sense there is a disequilibrium in the market which is long term financing. Banks do not get involved in it mainly because of the way they are capitalized. The Federal Business Development Bank, which is now called the business development bank of Canada, will raise funds in Europe and other equity markets throughout the world and attempt to match them on a long term approach.

It does not matter whether we are in Quebec, Ontario or Saskatchewan, small business needs some kind of access to this capitalization and it is not being provided in Canada.

In the United States it is common to have mortgages that run 30 years and payable in 30 years. This gives people a great deal of security in their arrangements. We do not have this in Canada. Our capital markets are deficient because we have only short term lenders. Because of that uncertainty in our marketplace

small businesses find it very difficult to become capitalized. What they want is equipment. Farmers are probably the most capital intensive of any business with farmland, equipment and buildings that cannot be paid off tomorrow.

I am surprised that my colleagues in the Bloc, who I am sure must be interested in creating jobs in Quebec which has one of the highest unemployment rates in Canada, would see this bill as somehow a centralizing factor. This bank has branches throughout Quebec. If we had only one branch in Ottawa and we made all the people come here, I would call that centralization. When in reality facilities are available not only in Quebec but throughout Canada that is a decentralized approach and we are not treating any one province differently than another.

These are not gifts. These are not grants. These are not sources of regional development. People simply borrow money on a long term basis and pay it back over an agreed period of time. It is fulfilling a need.

I understand some people wish the private sector would do this. Why Canada is typified by short term capital markets I do not know. However, this is the way it is being addressed. Hopefully some day we can privatize this bank, but it has not occurred. Most of the major banks still do not get involved in long term lending.

From my experience the Federal Business Development Bank has been a major asset in lending to small businesses.

The important thing is both of these pieces of legislation have nothing to do with centralizing the power of the state but they have everything to do with creating jobs in neighbourhoods and communities in Quebec and in Ontario.

• (1325)

The problem we have with a lot of people is we have too much government. I do not think we need to centralize it. We need to get government closer to the people.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, it is a pleasure for me to rise this afternoon and speak in opposition to the Bloc motion.

In some ways and in some areas of the bill highlighted on this motion we agree with the Bloc that the system is broken and these bills are not addressing the real problem.

Where we differ with our colleagues from the Bloc is the problem is repairable. It can be fixed. There is absolutely no reason for quitting or separating. Canada is worth fighting for and that is what we have to do.

Supply

What I read in this motion, the me, we mentality, is the real problem. It is what is in it for me and not what is in it for Canada.

I recall an article about the me, we generation. It identified the 1980s as the me generation. It talked about the Milkens in the United States and the Campeaus in Canada who were out for personal gain and glory at the expense of jobs to thousands of Canadians.

The article suggested that changed in the 1990s, that the 1990s changed to what we call the we generation. It talked about people becoming more concerned about what is really important in life. It talked about the number of people who have started contributing to charities and working for the betterment of their communities.

In the article a minister had interviewed many people in their last moments. He never had heard anyone say in those last moments they wished they had spent more time at the office. The message there was we all have to remember that what is good for the family is really what is important.

There was also a story of a very successful stockbroker who had made millions in the stock exchange, more money than he could ever hope to spend in his lifetime. He quit all that when he realized what was really meaningful in life and what was really important to him was missing. He walked away from it. He went home to look after a young family even to the point of making sandwiches and participating in life. He found a great deal more satisfaction from that. This mentality of we, me is at the bottom of many of the problems we have in Canada today.

The status quo has been rejected overwhelmingly. There is no question about that with 205 new members elected to Parliament. There was a very strong message from the Canadian people they were not happy with what had been happening here and they wanted change.

Change does not mean walking away or quitting. The change they are asking for is a change to the system to make it work, to make for a better and united Canada. Canada is worth fighting for. We have the greatest country in the world.

We have a great opportunity with 205 new members. We have some fresh thinking, some new ideas and new visions for a new Canada, a Canada where all citizens in all provinces will be treated equally.

I am sure the people in the province of Quebec are no different from the people in every province across this great country. They are looking for a government that will live within its means. They are looking for a government that will do what it has to do in their lives and in their businesses.

Supply

There is no way any family or any business can continue to go deeper and deeper in debt year after year and survive. The people in Quebec are looking for politicians with integrity who will say what they mean and mean what they say. The tragedy of broken promises has created a level of cynicism which has to be overcome all across Canada.

They are looking for a change in the process. They are looking for changes with the government being more responsive to the needs and demands of the people. They want to have a say in what is going on in Ottawa, not just hear the voice of Ottawa in the ridings. They want a change in the process. Freer votes, referenda and recall are all issues which the people of Quebec would support as well as the rest of Canadians. As I said in another speech, if you want trust you have to give trust. We have to do that to return to the level of trust that has been lost. I am sure the people of Quebec are no different from other Canadians in wanting safer streets, safer homes and safer communities.

• (1330)

This motion highlights several bills and I would like to deal with two of them, the budget bill, Bill C-76, and Bill C-88, that deals with interprovincial trade barriers. In those two bills the government missed an opportunity and failed to unite Canada and to address the barriers which exist. I would like to highlight where the government went wrong and what should be done to restore Canada as a united nation.

The budget was wrong. It failed dismally in addressing the deficit and the debt, which are the most serious problems Canada has today. I was very disturbed and disappointed by the Bloc response to the budget. Apparently Bloc members still do not understand and appreciate the fact that the deficit and the debt are the major problems in Canada. What I heard was: "It is not really a problem. It is not too serious. All we have to do is trim a bit of government fat. Whatever we do, we should not touch the social programs because they are sacred".

I would suggest that with a \$600 billion debt, overspending of \$25 billion a year and interest payments approaching \$52 billion, all programs have to be looked at thoroughly. It cannot be done simply by trimming government fat or by going after the social programs. All areas of government spending must be addressed. The spending which has been taking place in social programs, because they represent such a huge portion of the total spending envelope, absolutely has to be addressed.

The message is that Canada has a spending problem, not a revenue problem. Canadians from coast to coast understand that. They were ready for the budget. When I say coast to coast I am including the people of the province of Quebec. They understand the magnitude of the problem. They understand that living beyond our means has to come to an end. There will be some pain associated with it, but that is facing reality. To

suggest that the deficit might be tackled by getting delinquent taxpayers to pay the tax dollars they owe is a flight in fantasy. It nowhere nearly approaches our enormous debt.

It is interesting that Moody's, the bond rating agency which fired a warning shot across the bow of the finance minister before the budget came out is not Conservative, Liberal, Reform or Bloc. Moody's is non-political and was, as a bond rating agency, in my estimation, doing us a favour. It was sending a warning to the government about the seriousness of the overspending problem.

What did we do? We shot the messenger. The messenger was not telling us what we wanted to hear. In reality the messenger was giving us good fiscal advice to get our house in order and to get it in order quickly. It did that in advance of the budget because there were two messages which it wanted the government to get.

The first message was that 3 per cent of GDP is too low a target. It is easy and it will not fly with the investors that have been buying our bonds. The second part of the message was that it wanted a date set when Canada was going to achieve a balanced budget. Rolling two-year targets that the government hopes to meet will not fly with the people who have been buying our bonds. They want to know how and when Canada will balance its budget. No reasonable banker and no reasonable Canadian would expect less.

The downgrade which Moody's threatened before the budget was introduced, as we know now, happened. The budget which could have united us did not. In fact, it is doing more damage to the country as we are going deeper and deeper into debt. The downgrade has not really taken effect yet but it will down the road. It will have a very dramatic effect on the rate of interest paid to finance our bonds. Every 1 per cent increase in those interest rates costs Canadian taxpayers in the first year of borrowing an extra \$1.7 billion. The impact of that downgrade is very significant and does not look well for the future.

• (1335)

The budget has been passed on the assumption that interest rates will remain fairly stable. That is a very dangerous assumption. It does not take into account the possibility of a downturn in the economy which we know is coming. It is not a matter of if it is going to come. Economies go up and down and Canada could very well be into a downturn in the economy now and is very poorly positioned to deal with it.

Canadians know there are three ways to balance the books in Ottawa. One is to raise taxes. The second is to hope for growth in the economy and the third is to cut spending.

Canadians from coast to coast are not prepared to pay any more taxes. Again, the people in Quebec are no different from the people in every other province who are taxed to the limit.

That is not an avenue that the government should explore to raise funds in order to balance the books.

Growth in the economy is an area the Liberals look at through rose coloured glasses, hoping that there would be greater growth in the economy than actually happens. The downside of that is when the economy does not grow. In fact our deficit and debt has increased, it has not been reduced.

Going back to taxes for a moment, taxes right across Canada are counterproductive. The more taxes are increased, the more the underground economy is fuelled. As huge as it is now, it will only grow by any attempt at an additional tax grab.

The area that we have complete control over is spending. That is where the government missed with this budget. It did not go after the reductions in spending to get the books in balance so that there would be no new and increased taxes.

The government likes to say that it inherited the problem. I suggest that it initiated the problem. I go back to the years 1963 to 1984 when the debt rose from \$20 billion to just about \$200 billion when it left office.

Unfortunately, the Conservatives took office and in their years from 1984 to 1993 the debt increased from \$200 billion to some \$490 billion. It is interesting that some of the Bloc members today were actually sitting with the Conservative government and were allowing that debt hole to continue to go as deep as it did.

It is also interesting to recall that very little was done by government members when they were in opposition to support any of the attempts that were made to get spending under control. For them to say that they inherited the debt is not quite factual. They initiated the problem several years ago that put us in the mess we are in today.

In 1993 when the Liberals presented their first budget, they still had no idea of the magnitude of the problem. The message we got then was: "Be happy, don't worry. This deficit and debt are not serious. We are not going to do anything". In fact they did nothing.

I should not say that nothing was done but what was done was unbelievable in the short time after the budget. The Bloc was part of this. They gave in to the smugglers. They gave away \$350 million in taxes that Canadians could ill afford then and certainly could not afford today. That is aside from the additional health costs that are down the road because of that very foolish move on the part of the government.

What has been learned since is that the forecast of \$350 million, which should not have surprised us because they are not good with numbers, turned out to be something like \$800 or \$850 million. It cost nearly a billion dollars to give in to the bad guys, the smugglers. It is unbelievable given the fiscal position we are in.

Supply

What happened in 1994? We had an admission that the problem was serious. Now the finance minister is saying that this is a serious problem. It may even be life threatening. Unfortunately he does not have a solution.

• (1340)

They have some plans for these rolling targets. At the end of this first rolling target the government will still be overspending by \$25 billion a year and will be \$600 billion in debt. When it addresses the next budget it will be trying to shoehorn in \$52 billion in interest payments.

If members think this budget was difficult, try the next one, where the government will be trying to find a way to accommodate \$52 billion in interest payments without any significant cuts. I would suggest it cannot be done.

Canadians in every province want fiscal sanity in this place and that is not what Bill C-76 gave us. They are not looking for pie in the sky. They know what has to be done. They are looking for reality and they are prepared to support a government that will give it to them.

Let me speak for a moment on Bill C-88 concerning interprovincial trade barriers. It is a bill that could have meant a great deal to uniting the country but it missed the mark completely. It was a great opportunity to bring down the walls that are dividing us east to west.

In spite of the barriers there is about \$146 billion in trade between the provinces. It was the Canadian Manufacturers' Association that said those barriers are costing taxpayers \$6 billion and hundreds of thousands of jobs.

Canada can trade north-south with free trade but it still cannot trade east-west. Bill C-88 did nothing to really address that. It just touched lightly on some areas but did not get into the real meat of the barriers that are there.

Free trade is talked about as the salvation of Canada. If it was not for free trade, our exports would be in a much sadder condition than they are presently. Free trade was violently opposed by the current government when it was in opposition. Today it is proving to be its salvation.

The federal government has a responsibility for breaking down the barriers to interprovincial trade but it has abdicated the responsibility. Those walls must be broken down because those barriers are interfering with the interaction of governments and deterring the development of culture between the different provinces.

The provinces have always been able to negotiate bilateral trade agreements. As a matter of fact one was negotiated between Quebec and Ontario regarding the construction trades. Both provinces worked that out and it was a model which showed those things could be worked out across Canada.

Supply

Bill C-88 as it is now discourages international investors from coming into all the provinces and creating employment. Years were spent negotiating GATT. The Department of Finance estimated it represents about a .04 per cent increase in Canada's gross domestic product. Yet the Fraser Institute said that if interprovincial trade barriers could be broken down the GDP could be increased anywhere from 2 per cent to 6 per cent. All this time has been spent negotiating GATT for .04 per cent when if something was done about internal barriers a much more significant improvement could be made in the GDP. This would translate into jobs that are sorely needed in the economy. As I said, it would strengthen our economic, political and cultural ties.

These barriers cause lost jobs in every province resulting in higher taxes and making us less competitive in the global economy. If we really want to benefit from north-south free trade, we can only do it by maximizing trade east-west as well. Again, it is the me mentality that exists which must be broken down. It has to give way to the we mentality.

In closing, I would like to say that with 205 new members in the House we have a great opportunity to resolve the problems in the country. We do have problems. There is no denying that. We are a family and all families must give and take. In every successful marriage it is give and take. It is never all one way if it is to be a successful and happy marriage. Working together we can fix it. We can make Canada a better place for all Canadians.

• (1345)

Indeed, Canada is worth fighting for. I intend to fight for it as hard as I can, as hard as I know how. I want to do that because my grandchildren are counting on me to do that.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Madam Speaker, I would like to begin by making a comment and then asking my colleague to answer a question.

First, I very much enjoyed the beginning of his speech where he spoke about the me and we mentality. Then for whatever reason, I do not know why, he derailed himself and took a different type of train. I counted in excess of 52 different negative connotations throughout his speech. He spoke at the beginning about public cynicism and public confidence, yet his speech dealt only with the negative but not really the positive things this government and this country have to offer its people.

My colleague surely knows it is not government that creates jobs; it is the private sector. Surely my colleague and the public would know that all the government can and should do is create a proper environment so the private sector can create jobs. Historically, it has always been the private sector that has created jobs.

I would like to bring to the attention of my colleagues that interest rates since we took office have been stable; we have stability in interest rates. Our trade has hit an all-time high. Our economic growth is leading the G-7 countries. My colleague

could testify to the fact that our growth is greater than any other country in the western hemisphere.

The government has taken a number of steps in order to streamline and reorganize the way we deliver services. In fact some of those bills deal specifically with reorganizing, with giving different levels of government different responsibilities so we can better do the job we are supposed to be doing.

I also wanted to bring to my colleague's attention that there is a myth that government should not be looking at taxes for generating revenue. The only way for government to get revenue is through taxes. How else can we support programs unless we are generating tax revenues? Economic growth means businesses are doing well, which means government is generating more taxes.

Telling the public we are no longer going to collect taxes gives the wrong signal; it is the wrong thing to say. We should be saying that we need economic growth so government revenue could increase through taxes. If businesses do well we will bring in more taxes.

I do not understand why my colleague would say we can no longer collect tax from the private domain. That is the only way governments here and anywhere in the world can do business unless they were to go into business themselves. We were in business in the past. This government is trying to get out of doing business itself by streamlining, by privatizing part of the crown corporations we have so they can do the kind of work done by them in the past through the government. They will be able to do it on their own.

On the issue of spending, this government has done a tremendous amount of work in the area of spending. I do not know what my colleague expects. In one year the government came down with a budget that slashed over 45,000 jobs from the public service itself, from the public domain.

If we were to look at the balance sheet, this government is now generating more revenues than we are spending. In a way we are already in a surplus position. The problem here is there are no more cuts to be done but we have to increase revenues.

I will submit to my colleague that we should turn the me and we mentality into a mentality of we collectively.

Finally, I wanted to ask him what specifically he would suggest the government do that it has not done, and give it to us in point form without any negatives.

Mr. Harper (Simcoe Centre): Madam Speaker, there was a lot said by the member for Ottawa Centre.

I would like to begin by saying it is very difficult to find anything but negatives when we are responding to this government's agenda. I could not believe it when I heard the member say that it is not governments that create jobs but the private sector. That is not the message that has been coming across the

floor. They have spent \$6 billion on an infrastructure program because governments were going to create jobs, arenas, boccie courts.

• (1350)

That is government creating false jobs, not real jobs. It still fails to get the connection between high taxes and job creation. High taxes kill job creation. If we want to create jobs we have to lower taxes. One of the provinces is doing that right now. It is lowering taxes and cutting spending. What is happening? It is increasing employment. It is getting more jobs for its people.

This budget is not a job creator, it is a job killer. The government does not create jobs, the private sector does, and the private sector is looking for tax reductions. Anybody in the private sector will say: "Get out of our lives. Get off our backs. Get out of our pockets. We will create the jobs, but we do not need you on our backs. Get off our backs and we will do it".

The hon. member spoke about the myth of taxes. I am sure that Canadians who were listening to "we do it with more taxes" are responding to that, because they are eagerly waiting to give the government more tax dollars. They have been giving the government all of these tax dollars and they have been receiving fewer services. Does the government not think they are getting the message?

The reason for the tax increases over the years has been supposedly to do something about our deficit and debt, but they have been getting deeper and deeper. It has not happened. There is no proof that the answer is to go after more taxes. In fact, the opposite has been happening for 25 years.

Where is the justification for standing up and talking about the myth of taxes? The myth is that we are taxing too much. We have to cut our spending. When we have been overspending for the number of years we have been, to suggest that we can continue to overspend and that the Canadian people will be prepared to support us with more tax dollars is to dream in the extreme.

The government has not yet received the message. It will get it in the next election. When the government addresses the next budget let it find how it will accommodate \$52 billion in interest payments that are going out the window without increasing taxes and again hurting the creation of jobs.

It is nice to hear hon. members opposite talking about free trade. When they were in opposition they were vehemently opposed to free trade. Yet in fact free trade today is the salvation of this government. If it were not for free trade it would be in far worse shape than it is right now.

[Translation]

Mr. Jean-Paul Marchand (Québec-Est, BQ): Madam Speaker, as my colleague for Simcoe-Centre was saying, it is true that the Liberal government does not understand anything.

Supply

But, unfortunately, the Reform Party has not yet understood that Canada's fundamental problem is not about to be solved.

Despite their good intentions, Reform members have not understood that, when powers are centralized in Ottawa, it just perpetuates a long-standing problem in Canada. When powers are centralized, taxes go up, costs go up and we do not get the services we need. So when a Reform member rises in this House to tell us that what we need is more services for the people, I have to tell him that it is certainly not by centralizing powers in Ottawa that we will be able to provide more services to the people. Anybody with good common sense would recognize that, if we want to provide more services at a lower cost, we have to get closer to the people. Therefore, powers have to be decentralized.

We can see through all the bills I have talked about that the Liberal government is trying once again to centralize even more. And, once again, it will be expensive, it may even lead to tax increases, it will certainly cause more waste, more irresponsibility, more lobbying and all the other evils that come with excessive centralization of powers in Ottawa.

If members from the Reform Party, from the west, really want to offer a solution for Canada, they have to try to return powers to their provinces. They really have to do that. If they do, government will become more efficient.

We, in Quebec, understand that bureaucracy has to be reduced. We have known that for a long time. That is exactly why we are sovereignist. We have understood that it is the only solution for us if we want to provide more services to the people, to reduce costs, to reduce duplication and to get the federal government out of the picture.

• (1355)

And if Reform members and western Canadians really understood the situation, they would agree with us because the option for Canada—

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member.

[English]

Mr. Harper (Simcoe Centre): Madam Speaker, I am not sure what the question was. I do not even think it was a question. I think it was a very eloquent statement from a very eloquent member.

Nowhere did I say the government should offer more services. That is not a reality and I did not suggest that for a moment. What I am saying and what I said in my remarks is that we have to get less government. We have to get government out of our lives. There is too much government, and we have to reduce that level. However, we do have to provide services, and we can provide services by getting the services provided by the government that is closest to the people. There are many areas where that means transferring it to the provincial governments. We do

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not have a problem with that. We have to deliver these services in the most cost efficient way possible.

The member was suggesting that people in Quebec might be prepared to pay more taxes. I would like to see a poll on that. I do not think they are prepared to pay any more taxes. I think they feel the same way as the people in Ontario: They are taxed to death and they are looking for some relief by the government cutting its spending. That is the answer to creating the jobs the member needs in Quebec, just as we need them in Ontario.

The Speaker: That is a lively little exchange we have going. I think it is almost two o'clock.

[*Translation*]

My dear colleagues, it being 2 p.m., pursuant to Standing Order 30(5), the House will now move on to members' statements.

STATEMENTS BY MEMBERS

[*Translation*]

CULTURAL EXCHANGES

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I am very pleased to speak about a group of students who are here in Ottawa today.

Some 30 students from Como Lake Junior Secondary in British Columbia and from l'école Saint-François-Xavier in Quebec have been participating in a praiseworthy cultural exchange. The Quebec participants first went to British Columbia,

[*English*]

They were welcomed by a host family and encouraged to practise and improve their knowledge of English and of British Columbia. In turn, the students from British Columbia were welcomed into homes in Quebec, where they were immersed in the French culture and language.

These students are living proof of the desire held by Canadians to learn more about their neighbours.

[*Translation*]

I congratulate the students and their professors for promoting cultural exchanges and for their desire to learn the other official language.

I would encourage my colleagues in this House to follow their example and to show the whole world how Canadians appreciate each others' differences and similarities, and how this makes it the best country in the world.

ENVIRONMENT WEEK

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, in honour of Environment Week, June 4–11, I would like to acknowledge the laudable efforts of the Canadian and Quebec mining industry to be more environmentally conscious.

The Canadian mining industry is the first mining association in the world to develop an environmental policy for all of its members. Under this initiative, dubbed ARET, Accelerated Reduction/Elimination of Toxics, the largest mining companies have committed themselves to reducing the most offensive emissions by 71 per cent by the year 2000.

We can only welcome any measure which aims to make the sustainable development of natural resources more environmentally friendly.

The mining industry's commitment to reducing its emissions is a big step in the right direction. Our congratulations.

* * *

[*English*]

ENVIRONMENT

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, with next week being Canadian Environment Week, I want to point out the many improvements that have taken place in our natural resource industries, especially forestry, to protect the environment.

As someone who has earned a living as a logger and a prospector, I know that most people work in the bush because they love it. I know that forest industry employees want to ensure that jobs in the bush remain available for their communities, their children and their grandchildren. They want to be able to continue hunting, fishing, hiking and camping on public lands. They want their communities' watersheds also to be protected.

Science and technology are helping us to gain a better understanding of how these activities affect one another. I believe it is only through a national commitment to sustainable development of our natural resources that our Canadian standard of living, widely recognized as the best in the world, will be maintained, including the environment.

* * *

AGRICULTURE

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, yesterday in the House of Commons I again asked the government to delay its plans to immediately eliminate the Crow benefit until a more detailed review of the long term implications of this decision was completed. I want to bring to the attention of the minister of agriculture that other farm

experts have today said that the government may be moving too quickly.

Testifying in front of a committee today, Ron Leonhardt from the Unifarm organization said: "When great changes are being made, there must be a transition period". On behalf of the Saskatchewan Association of Rural Municipalities, Ron Gleim said that the federal government may have moved too fast with not enough money. He expressed concern about the unsubstantiated government claim that crop diversification and value added production would replace the Crow losses by saying: "Hoping and praying will not pay the bills".

There has not been enough attention paid to the question of how producers will be able to manage the change thrust upon them and how long this will take. I think the federal government had better take the time to adequately—

The Speaker: The hon. member for Saint-Denis.

* * *

VISIT OF THOMAS MITSIOS

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): I rise today to welcome the member of Parliament from Saranda of the Republic of Albania on his first visit to Canada.

As a representative of the ethnic Greek minority and a member of the Human Rights Party, the purpose of his visit is to meet and exchange ideas with Canadian parliamentarians on the democratic principles and respect for minorities which make Canada a shining example.

We learned of the difficulties that opposition parties are facing and more specifically the plight of the leader of the opposition, Mr. Fatos Nanos, who has been imprisoned since September 1993 by the government. I will be calling on my colleagues to sign a petition for his release.

He has and will continue to work very hard in his native Albania for the betterment of conditions of the ethnic Greek minority and the improvement of Greek-Albanian relations. This is something we as Canadians should look forward to and encourage because it will contribute to the peace, stability and prosperity of this volatile region.

[Translation]

I welcome the member from Saranda.

* * *

[English]

THE ENVIRONMENT

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, the Minister of the Environment recently announced the release of the first summary report on the 1993 national pollutant release inventory. Over 1,400 companies across Canada re-

ported their releases and transfers of 178 specified pollutants as required under the Environmental Protection Act.

The most significant feature of this inventory is that it is completely accessible to the Canadian public. For the first time in history, Canadians can find out directly from a full database of information about the pollutants being released in their neighbourhoods and communities or across the country. Canadians can access the information on this inventory through Internet either on their personal computers or they can use those available to them at libraries, schools and universities.

This important initiative will support the government's commitment to encourage pollution prevention by making both the public and industry aware of the quantities of pollutants being released all around us.

I encourage the government to continue to pursue this type of community right to know initiative.

* * *

NATIONAL ACCESS AWARENESS WEEK

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, this week all Canadians join together in celebrating National Access Awareness Week, the goal being to ensure the full participation of people with disabilities in all aspects of community life.

National Access Awareness Week works to remove physical barriers to community access for Canadians with disabilities. The week has evolved from awareness raising to a vehicle promoting concrete action to remove barriers to accessibility. Throughout Canada more than 1,000 communities participate in this important opportunity for celebration and commitment.

Through the partnerships of National Access Awareness Week, voluntary organizations, governments at all levels, local businesses and thousands of volunteers have been able to undertake innovative projects in communities all across the country. The results of these projects are dramatic. Barriers for people with disabilities are coming down.

• (1405)

The House of Commons, its members and staff are also celebrating this important week. Activities on Parliament Hill include promotional displays, leadership activities and workshops.

The Speaker: The hon. member for Bourassa.

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[Translation]

CHILE'S INCLUSION IN NAFTA

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, following the Summit of the Americas in Miami in December, the Presidents of the United States and Mexico and the Prime Minister of Canada made a commitment to begin negotiations with Chile for

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its inclusion in NAFTA. These negotiations get underway next week in Toronto.

We find it unfortunate that the American Congress appears to have made the elimination of the side agreements on occupational environment a prior condition to the adoption of fast track legislation.

The Government of Canada should make it very clear that Canada insists on the side agreements on occupational environment being an integral part of the negotiations with Chile. The people and the workers in the NAFTA member countries should enjoy reasonable working and environmental conditions.

The Bloc Quebecois supports Chile's inclusion in NAFTA and will monitor these negotiations with interest.

* * *

[English]

LIBERAL RED BOOK

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, have you noticed that the Liberals are no longer waving the little red book in defending their policies? There is a good reason. We did some research. At least four of the promises in the little red book have been broken already and we are only halfway through the mandate of this Parliament.

If props were allowed in this House, Reformers would be waving the red book as a symbol of broken promises, of a callous lack of integrity of a government that campaigned on being different.

Were the Liberals incompetent or just power hungry when they made promises Reformers always knew could not be kept, to replace the GST, raise immigration to 300,000, and many others soon to be paraded in front of this House?

* * *

[Translation]

REGIONAL DEVELOPMENT

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, in response to the needs of the small and medium sized businesses, the Federal Office of Regional Development—Quebec will shortly implement a new concept of strategic intervention with a focus on innovation, market development and entrepreneurship.

The FORD-Q will continue to promote the interests of all of the regions of Quebec with strong and efficient measures. The driving force behind small and medium sized businesses will become the pivotal point in the realization of the economic potential of each of Quebec's regions.

The FORD-Q will add a whole new dimension to its role by joining in community projects and providing strategic advice and assistance. In this context, its presence will be felt more than ever before in the very heart of the regions.

This is what we on this side of the House call an excellent example of the government's desire to promote economic growth. This is government at its finest.

* * *

[English]

GUN CONTROL

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, this morning the YWCA, the National Association of Women and the Law, the Canadian Federation of University Women and the Action Advocacy Department of B'nai Brith Canada reinforced their support for this government's efforts to increase safety for all Canadians.

Gun control is one measure to help address the issue of violence against women. In homes where violence occurs, if guns are present they become part of the abusive use of power, control and intimidation whether implicitly or explicitly. In almost half of domestic homicides, guns are the weapons of choice for men who kill their spouses.

Domestic homicides are not random acts of violence and the guns used are not smuggled or illegally owned. The registration system will permit police to issue and enforce a prohibition order to obtain these potentially dangerous weapons and to prevent these deadly situations.

These four groups know that Bill C-68 will not eliminate violence against women, but it will save some of their lives. I support their work and their position.

* * *

ONTARIO PROGRESSIVE CONSERVATIVE LEADER

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, just a few months ago the leader of the Progressive Conservative Party in Ontario stood on the steps of the legislature and encouraged a Toronto area woman to quit her well paying job and go on welfare. Talk about the ultimate flip-flop artist who is now proposing workfare for welfare recipients. Is he forgetting that the ones who will suffer the most will be little children?

Perhaps he should look more toward the Liberal plan which outlines welfare reform initiatives designed to encourage and help people obtain permanent employment.

● (1410)

Furthermore, the Conservative leader's plan is based on a fairy tale 30 per cent tax cut which will take \$750 million out of

the education budget. As one who realizes the importance of educating all our youth for tomorrow and not just the elite few, I have grave concerns and so should the electorate.

Ontario voters should reflect carefully on this election and not be fooled by the Tory nonsense plan.

* * *

[Translation]

RED CROSS

Mr. André Caron (Jonquière, BQ): Mr. Speaker, because the Red Cross hesitated and, in fact, neglected to test blood products for contamination by hepatitis C, several hundred Canadians were infected. This shocking conclusion was mentioned several times in the course of the proceedings of the Krever Commission.

The Red Cross waited until 1990 before using a test to detect hepatitis C, claiming that existing tests were not effective. In 1986, the United States was already using an indirect test to detect contaminated products. Hesitation on the part of the Red Cross between 1986 and 1990 potentially infected 10,000 Canadians.

These damning revelations are the latest in a series of horror stories which have surfaced at the hearings so far. In view of this information, the Krever Commission has a responsibility and a duty to identify those whose irresponsible attitudes led to the death of hundreds of human beings.

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[English]

UPPER NICOLA INDIAN BAND

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise today on behalf of the constituents of Okanagan—Similkameen—Merritt to inform the House that the illegal roadblock by the Indians at the Douglas Lake ranch is escalating. The Indians threatened violence when the RCMP tried to enforce the court injunction to dismantle the blockade.

My constituents and I have been here before. Last year, the minister of Indian affairs refused to get involved when a similar situation arose at Apex Alpine. The minister is again shrugging off his constitutional responsibility for Indians and lands reserved to Indians.

The minister has tried to excuse himself by declaring that he has received no request from the Indians to intervene. Yet, my constituents are desperately calling for intervention from this government.

I demand that the minister get involved. The roadblock has been declared illegal by the courts. The RCMP have been unable to dismantle the roadblock.

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The Liberals must act. If this illegal blockade is not taken down, then the minister should exercise his authority and suspend federal funds to the Upper Nicola Indian Band.

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SERGEANT THOMAS JOACHIM HOPPE

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, heroes are very much in demand nowadays. We all want a role model to emulate and when we meet one we feel very privileged.

Yesterday, the Governor General of Canada presented decorations for meritorious service to a number of Canadians who performed above and beyond the call of duty. Three of these people are from British Columbia.

Sergeant Thomas Joachim Hoppe from Vancouver was awarded the meritorious service cross in the military division for displaying outstanding leadership and ensuring the safety of his patrol and his mission while commanding a key observation post located between Serb and Muslim forces in Bosnia—Hercegovina.

Sergeant Hoppe was also awarded the medal of bravery for rescuing three Muslim children who were under direct fire near Visoko in Bosnia—Hercegovina.

Sergeant Hoppe is the first soldier since World War II to receive two of Canada's top military awards for exceptional bravery.

On behalf of all Canadians, I wish to congratulate Sergeant Hoppe and all recipients for their acts of bravery and for making all of us very proud of our peacekeepers.

The Speaker: The hon. member for Pierrefonds—Dollard.

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[Translation]

PARTI QUEBECOIS

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, the PQ government has again shown how loyal and generous it is to those who pledge allegiance to the separatist cause.

Yesterday, we heard that Marcel Masse, former minister in the Union nationale government and former Conservative minister, had been appointed president of the Conseil de la langue française du Québec.

Some hon. members: Hear, hear.

Mr. Patry: This appointment came after his predecessor, whose term was supposed to run until next September, was relieved of his duties.

With this latest appointment, Marcel Masse joins a select group of people who directly benefit from the separatist obsessions of the PQ.

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If it fails to convince Quebecers to vote for separation, the PQ will at least have helped to create jobs for the new supporters of “profitable separatism”.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

BOSNIA

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in a report presented to the Security Council yesterday, the UN Secretary General proposed four options for the role of UN peacekeepers in Bosnia. In another development, the United States is prepared to send ground support troops to Bosnia to reinforce the mandate of the peacekeepers. Meanwhile, there is still no indication of Canada’s real intentions with respect to redefining the mandate of the peacekeepers.

Could the Prime Minister tell us quite frankly which of the four options suggested by the UN Secretary General before the Security Council is the one preferred by Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Canada prefers the option recommended by UN Secretary General Boutros Boutros-Ghali. We believe the mandate should be redefined to make it possible for our troops to avoid the kind of position they are in now.

That is exactly what I said to the Secretary General when I spoke to him on Sunday. He preferred the option favoured by Canada.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Canada is now negotiating with the Serbs to let Canadian soldiers volunteer to replace their colleagues who have been taken hostage so they can take turns.

Notwithstanding the noble proposition of our Canadian peacekeepers, could the government tell us whether these exchanges will be restricted to hostages who are ill, because otherwise, it would be tantamount to agreeing that the Serbs have the right to take hostages?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, obviously, the soldiers who are there and who know their colleagues are being held a few kilometres away from the base are trying to find a way to put an end to this situation. They are trying to find a way to end the deadlock. Last year, the situation went on for a few weeks, and the local commanding officer managed to find a solution that was acceptable to all parties.

For the time being, I would rather let the local authorities decide on the best way to obtain the release of the hostages or at least provide for maximum security, under the circumstances.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I must say we are far removed from the days when Lester B. Pearson was a household word in international relations.

Are we to understand that Canada has no clearcut policy on redefining the mandate of the peacekeepers in Bosnia because it no longer has any influence and has ceased to show leadership among peacekeeping forces on the international scene, now that it is not even a member of the contact group and has been relegated to the role of a bit player, merely following the cues given by other countries?

[*English*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I just explained that the position taken yesterday by the Secretary-General of the United Nations is exactly the one we proposed to him over the weekend. I personally had a discussion with him on Sunday morning.

We are using all the channels available to us. In that case it is evident that the position of Canada was integral to reaching a conclusion. It is not one that is supported by all participants. We are in constant contact with the United Nations.

I have to say that the Secretary-General of the United Nations recognizes that of all the forces available anywhere in the world, when Canadians are there he can always rely on them because they are the best. He is listening to Canadians as he has done in that case.

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[*Translation*]

GROSS DOMESTIC PRODUCT

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Prime Minister. The gross domestic product fell for the second time in as many months. According to Statistics Canada, the GDP fell by 0.2 per cent in February, and by 0.7 per cent in March.

• (1420)

It would appear that the economic slow-down is due to a slump in exportation and domestic consumption. The situation is largely the result of a monetary policy which favours high interest rates, and is not aimed at reducing unemployment.

Why is the government persisting in pursuing the same monetary policy as its predecessors, when it knows that it is bad for the economy and for job creation?

[*English*]

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I remind the hon. member that the GDP in the first quarter of this year rose, it did not fall. In only two months of the quarter there were minor declines in the GDP.

Oral Questions

These numbers do have variations and they are not indicative of a recession as yet. I remind the hon. member that our economic programs are on course.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, why is the government refusing to correct its aim, when the drop in the gross domestic product is signalling an economic slow-down, when its present policy flies in the face of its election promises regarding job creation, and when there has been no net job creation during the past five months?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I will point out to the official opposition that, looking at these statistics, it is obvious that something happened which hurt the economy. We had a two-week long transportation strike which caused the economy to slow down.

At that time, we told the Bloc Québécois that by refusing to pass the government bill, it was causing an economic slow-down. Today, the economy is paying for the Bloc's irresponsibility.

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[*English*]

ABORIGINAL AFFAIRS

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the government's mismanagement of aboriginal affairs in British Columbia has now brought tempers to a boil at Douglas Lake. The Upper Nicola Band is blocking the road to the Douglas Lake ranch and the RCMP is worried that someone will get seriously hurt or killed.

The blockade is just the tip of the iceberg. What we do not want are three or four Okas in B.C. this summer, yet the Minister of Indian Affairs and Northern Development refuses to address this and other similar situations.

What is the government prepared to do to resolve the standoff at Douglas Lake before things get out of hand?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I thank the hon. leader for his question.

As far as jurisdiction is concerned, this demonstration is clearly off reserve and is not within federal jurisdiction. I checked and the Upper Nicola Band does not have a specific claim which would put us in the picture. It is not a part of the B.C. treaty process. On these three grounds it is clearly provincial. However, if requested by the province, we are prepared to go in and do whatever we can to facilitate.

I am encouraged by several things. First, several significant aboriginal leaders have volunteered to help. The hon. member of

the Reform Party in whose riding this is has talked to my executive assistant. He has offered some help. I am prepared to delegate someone if Mr. Cashore asks for help.

The other encouraging thing although the situation could get volatile is that Joe Gardner, manager of the Douglas Lake cattle ranch, the person who is most involved, has told the various ranchers to sit still. He has insisted that the dispute be resolved peacefully and we agree with his position. Hopefully we can get it resolved.

[*Translation*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Liberal red book contained promises which led to unreasonable expectations on the part of the aboriginal people. In Quebec, the Band Council of Kahnawake, with the help of Frank Vieni, one of those in charge of Indian Affairs during the Oka crisis, has presented to the Department of Indian Affairs a land claim asking for millions and even billions of dollars. The co-ordinator of the project for the department, Kate Fawkes, said that the document contains some real breakthroughs.

• (1425)

Is it the policy of the department to encourage claims of such a large scope when it knows quite well that it will be impossible to meet those expectations?

Some hon. members: Hear, hear.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I believe the hon. member is wrong.

[*English*]

Other than the hon. leader making a commendable effort in French, I assume the question is: Are we trying to lift up expectations? Are we trying to settle? Are we trying to do the reasonable thing?

We are trying to do the reasonable thing. We are trying to do what most Canadians want us to do, to deal honourably and to find just and reasonable solutions. Merci bien.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if there is anything that has soured relations between aboriginal peoples and governments it has been inflated expectations and broken promises.

The current minister appears to be going down the same road as his predecessors. The Liberal red book promises on land claims and self-government raise aboriginal expectations sky high, and then the government simply cannot deliver.

Would the minister not agree it would be better to make one or two simple commitments to aboriginals that he could keep rather than make inflated promises to 600 aboriginal bands that he is simply unable to keep at the end of the day?

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Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, as the hon. member behind me says, Liberals are optimists, not pessimists. That probably describes the difference between Liberal members and Reform members.

We did an assessment last night. One whole section of the red book deals with aboriginal issues. It has been a difficult year, but I can say to the House that on every promise we made in the red book there has been medium to moderate to significant progress made across Canada.

It makes me proud as a member of the Liberal government and the Liberal Party that we have kept our word and done our job in difficult circumstances.

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[Translation]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Prime Minister.

A report from Statistics Canada shows a new decrease in the number of unemployed people covered by unemployment insurance. In 1990, seventy-seven per cent of the unemployed were covered by unemployment insurance, whereas in March of this year the proportion was down to 49.7 per cent. This shows how much the reform introduced by the government in its February 1994 Budget is hitting the unemployed.

Considering that the unemployment insurance plan is helping only half the unemployed, does the Prime Minister not realize that his reform is increasing the poverty problem in Quebec and Canada and that he must rescind the cruel decisions taken in February 1994?

[English]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I thank the hon. member for her question. It raises the very important issue of unemployment in Canada, which the government takes quite seriously. It is for this reason that through various programs initiated by the government over 460,000 new full time jobs have been created in Canada.

I also bring to the attention of the hon. member that reading the report would make it very clear to her that the reason there are fewer people on unemployment is job creation.

In Quebec over 110,000 full time jobs have been created. Also in the province of Quebec over 86,000 people did not exhaust their UI benefits prior to gaining new employment. That to me is positive change for the people of Canada.

• (1430)

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, this is very hard to swallow since there has not been any net job creation for the last five months, since the new report on social assistance shows that there has been a further increase despite the fact that we are supposed to be in a period of prosperity, since irate unemployed are confronting members everywhere.

My question is for the Prime Minister. Since, to this day, the Unemployment Insurance Fund has a surplus of \$4 billion, due to the cuts and the 15 per cent reduction in the money distributed despite an increase in applications, does the Prime Minister not find it indecent that his Cabinet is studying a plan to cut unemployment insurance by a further \$700 million next year?

[English]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member has a very suspicious way of looking at statistics.

The fact is that because of the changes we have made to UI, over 280,000 low income families in this country are benefiting through a differential benefit rate of 60 per cent.

I understand the point made by the members of the opposition, but I think there comes a time in this House when they should be applauding positive measures for people.

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BOSNIA

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, as we speak, the U.S. and Europe are sending squadrons of F-14 Tomcats, F-18 Hornets, Harrier jump jets, Cobra attack helicopters, an amphibious battle group, and even U.S. nuclear powered, fast attack submarines. Mr. Speaker, does this sound like a humanitarian peacekeeping mandate to you?

Given this rapid escalation, how can the government assure Canadians that our troops will not be inextricably drawn into a war for which they are neither equipped nor mandated?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we welcome the departure in U.S. foreign policy to perhaps put ground troops into the former Yugoslavia under extreme circumstances to help with the redeployment of UNPROFOR forces. We welcome that possibility. We would like to know how they would be deployed.

With respect to the British and French contingents, the British defence minister has said that those forces will be part of an effort to protect British forces that are in Bosnia, which are

currently more exposed than the Canadian forces but would be subject to UNPROFOR command and therefore would be available for the protection of all.

This Saturday the defence ministers of the NATO contributing countries will be meeting to discuss other ways we can reprofile the positioning of military forces in Bosnia with respect to fully discharging the UNPROFOR mandate.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, Lord Owen, the chief European negotiator in Bosnia, who is himself withdrawing from this war torn country, argues that if there is no peace settlement by autumn then UN forces will be forced to leave Bosnia.

Given the circumstances and that Canada's commitment to Bosnia ends in September, will the government assure Canadians today that after three and a half long years in Bosnia all our troops will be home with their families by fall or sooner?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, with respect to Lord Owen, we do regret very much that he now feels unable to continue with his duties. He has done outstanding work, but it is frustrating and very demanding.

However, we still believe that a negotiated settlement to this problem is the answer, not a military solution. We will not be moved by any deadlines set by anyone, whether it is the Bosnian Serbs or any other party.

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[Translation]

SINGER

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, my question is for the Minister of Labour.

Former workers at Singer are arguing that the federal government did not fulfill its contract obligations toward them because it gave the company, instead of them, the Government Annuities Account surplus, that is a part of their pension funds that it was responsible for administering.

Does the Minister of Labour not agree that the contract binding the parties between 1946 and 1957 is abundantly clear and that the federal government had an obligation to pay the surplus out to the workers and not to Singer?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, all the federal regulations have been applied in this matter.

• (1435)

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I have a lot of difficulty accepting the minister's answer. She is

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responsible for the No Committee in Quebec and is also my former neighbour in the riding of Saint-Jean. The average age of the 600 workers at Singer is 80 years and 250 of them are already dead. So, answers are needed urgently and must be specific.

When is the minister going to commit to table in the House all the documentation with respect to this issue, so that we can assist these workers in their search for justice?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, within the labour program of the Department of Human Resource Development, we always work to make sure that the rights and responsibilities of workers, as well as employers, are respected, and in so doing, we apply the Canada Labour Code with respect to the parties involved. That is the day-to-day job of the labour program officials.

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[English]

GOVERNMENT APPOINTMENTS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, my question is for the justice minister.

Yesterday I pointed out that three law firms with very tight connections to the revenue minister had been appointed. The revenue minister has said that he was not troubled by the appearance of patronage, saying: "I am not concerned. I think merit is the primary consideration for an appointment".

Does the justice minister not think that a \$4,000 contribution to the revenue minister's election campaign might have been the real consideration?

The Speaker: My colleagues, it would seem to me that the question does not deal with the administrative responsibility of the government. It is more of a party matter.

That question I would rule out of order unless the member can rephrase the question so that it deals with the administrative responsibility of a minister of the government.

Mr. Abbott: Mr. Speaker, I can redefine it this way. In making appointments of law firms to work for the justice department, my understanding is that the justice minister would go to the minister or some Liberal in that area.

Does he not think that when considerations such as I put forward come into play it calls into question the ability of the justice department to be able to put the very best law firms at the beck and call of the Canadian people, instead of it going to the drug dealers who can afford to buy the best?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, when the government goes to the legal profession to hire agents to help us with legal cases the fundamental criterion is competence and merit. That is as true in

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British Columbia as it is in Newfoundland and as it is here in Ontario.

I take this opportunity to tell the hon. member that during the last 18 months this government has made a number of significant changes in the way we retain agents in the legal profession to do work for us. They are changes that are very much in line with the principles he has described.

For example, there has been a significant decrease in government expenditures on agents. Spending was reduced by 25 per cent in 1994 compared to 1993, when the other government was in power. The number of agents was reduced over the country from 550 to 400. Agents have been replaced by staff counsel—

The Speaker: A brief question, the hon. member for Kootenay East.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the fact of the matter is that an experienced undercover officer has said that this is a complete and utter farce. He has said that this is a definite blow to drug enforcement in the area we are talking about.

Did the justice minister have any prior knowledge of the excessive contributions to the revenue minister in the election campaign prior to making that decision?

The Speaker: The question is out of order.

* * *

• (1440)

[Translation]

AIR NAVIGATION

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, my question is for the Minister of Transport. Transport Canada is about to sell the air navigation system to a non-profit organization. The minister indicated that the organization would not be subject to all provisions of the Official Languages Act. Quebec air transport associations have warned the minister against a possible deterioration of French-language services, as they feel that his plans do not do enough to guarantee the use of French in Quebec airspace.

What does the minister plan to do to ensure that French language services are maintained in the air navigation system, thereby fully meeting the demands of Quebec air transport associations which have expressed concern about the fact that the minister may not be imposing adequate requirements?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, we intend to table before this House a bill to authorize the commercialization of the air navigation system. I can assure my hon. colleague that every provision of the Official Languages Act currently applying to this system will be maintained in the new structure.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I hope this goes for the Magdalen Islands and the Lower North Shore of Quebec as well. So, to prevent a decrease in French language services in Quebec airspace and ensure honesty on the part of the future air navigation system operator, does the minister undertake to submit to public scrutiny, at the Standing Committee on Transport, the whole process and the English only charter drafted in secret by his department for the new non-profit organization?

Hon. Douglas Young (Minister of Transport, Lib.): First of all, Mr. Speaker, I want to assure my hon. colleague that, as I have repeated time and time again, every existing provision aimed at protecting the interests of people who speak either official language of Canada will be maintained in the new organization.

As far as ensuring that all views are represented and that all concerned can be heard, we will certainly see to that. I would like to point out that it is practically unheard of to have the support of every sector in the air industry, as we do for commercializing the air navigation system in Canada. I hope that my hon. colleague will come forward with any suggestion he may have, because we intend to have a totally transparent process.

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[English]

STUDENT EXCHANGES

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, my question is to the Parliamentary Secretary to the Minister of Human Resources Development.

It is critical in an increasingly global economy that the Canadian workforce become more knowledgeable about other cultures. Student exchange programs and recognition of international credentials could facilitate the acquisition of this knowledge.

What action has the government taken in this area so vital to the economic and social well-being of Canada?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I want to thank the hon. member for Winnipeg North for his question. I know he has worked very hard to improve Canada's recognition of foreign credentials.

I am very pleased to report to the House today that the Minister of Human Resources Development, along with the Minister of Foreign Affairs, this morning at a conference in Alberta on NAFTA announced the establishment of a three-year program for North American mobility in higher education. The program will involve approximately 60 Canadian institutions and the private sector. Thanks to this program, 400 students will

be able to spend periods of study in the U.S. and Mexican post-secondary educational institutions.

This is yet another example of the Liberal government's global and forward looking policies.

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AIR-INDIA DISASTER

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, two years ago, while Leader of the Opposition, the Prime Minister promised that the Liberals "will continue to press the government to create a royal commission to look into the Air-India disaster".

• (1445)

Yesterday while the RCMP was announcing a \$1 million reward for information about the bombing of Air-India, the solicitor general advised that a royal commission will not be held while a criminal investigation is still under way.

My question for the Prime Minister is was his earlier promise to create a royal commission into the bombing of Air-India solely to garner votes?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): No, Mr. Speaker.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, everyone in the House wants to see the murderers brought to justice. Yesterday's announcement of a \$1 million reward is being viewed as a further delaying tactic to avoid a royal commission.

Will the solicitor general give the House his assurance that a royal commission will be called and a deadline for creating this commission, criminal charges or no criminal charges?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the announcement of the reward yesterday was made by the Royal Canadian Mounted Police representing the professional judgment of the mounted police as to the appropriate steps taken to advance the investigation to a stage where hopefully charges could be laid.

I do not think it would be appropriate for me to replace the professional judgment of the RCMP on this matter with my own by setting deadlines. The hon. member should know better than to make such a suggestion if she is serious about bringing the criminals to justice.

Oral Questions

[Translation]

CANADIAN BROADCASTING CORPORATION

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

In the coming months, four groups will consider the future of the CBC: the heritage committee, the Juneau committee, the McKinsey firm from the U.S., and the Canadian Conference of the Arts. Even before these studies are completed, the CBC is already cutting staff, in particular at its library in Montreal.

Does the minister not agree that these cuts are premature, since officially he should wait for at least two of these reports before making a decision on the CBC's future, and that a moratorium should therefore be imposed on the proposed cuts?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the CBC's financial situation results from a series of budgets that go back a number of years. It is quite normal for the CBC's president and managers to make adjustments in line with budget needs.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, does the minister agree that the alacrity with which the CBC's senior officials are cutting services without knowing what the committees' findings will be suggests that we can expect more drastic cuts in the coming years?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I have full confidence in the CBC president's ability to manage his affairs. What I find surprising is that our friends from the Bloc Québécois do not seem interested in the fate of Radio-Québec, which is being cut to pieces.

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[English]

CANADIAN WHEAT BOARD

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, regarding allegations of illegal dumping by the Canadian Wheat Board we now have confirmation from the RCMP in both Winnipeg and Ottawa that no one from the solicitor general's office ever asked it to review these allegations.

Why did the solicitor general write to the member for Lisgar—Marquette on March 28, 1995, saying the RCMP had been asked to investigate this matter?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I think my hon. friend is misinterpreting my letter.

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My office took the material given to it by the member's colleague. According to our practice it was transmitted to the RCMP for such action as it considered appropriate.

It has not been my practice or custom to give direction to the RCMP on matters of investigation. Information was provided to me by the commissioner of the RCMP who reviewed the matter and decided that on the basis of that material there were not grounds for a criminal investigation. That information was put in my letter to the hon. member's colleague.

The whole thing is quite consistent with what I said in my letter. I regret my hon. friend keeps pursuing the matter in spite of the totally inappropriate conduct of his colleague. Instead of pursuing the matter he should get his colleague to apologize.

• (1450)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the RCMP has reported the matter was not even brought to its attention. The RCMP did not even receive a file on the matter from the solicitor general and was not even notified of the incident.

How can the solicitor general tell the House he pursued the matter when the RCMP was not notified that it should look into it to see whether it was worthy of an investigation?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the RCMP will provide further information about the way it dealt with the matter.

I put on record an accurate quote from my letter of March 28: "The commissioner of the RCMP has informed me that the commercial crime section in Winnipeg has reviewed your", the hon. member for Lisgar—Marquette, "allegations and the RCMP has concluded there is no basis to support an investigation into the Canadian Wheat Board. However, the commissioner has informed me that the RCMP is willing to examine any new information you might have to support these allegations".

I transmitted to the hon. member information provided me by the RCMP and I think if the hon. member and his colleagues had any respect for Parliament they would apologize for the unwarranted accusation.

If they will not apologize and withdraw their unwarranted accusations, everything they say about their respect for Parliament and making it a better place is nothing but a sham.

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THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Minister of the Environment.

There are disturbing reports on airborne pollution in the form of dioxins, furans and hexachlorobenzenes emitted through the incineration of medical waste, sewage sludge and cement kilns burning hazardous waste.

Does the government have plans to regulate carcinogenic emissions from incinerators and are federal guidelines for human exposure to dioxins adequate to protect human health and ecosystems?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the 1995 guidelines by Health Canada on the acceptable level of dioxins and furans for human exposure are under review.

We are extremely concerned about activities south of the border which could put the health of Canadians at risk. In Canada we already have an acceptable smog level about 30 per cent lower than the level in the United States, but at the same time the Americans are looking at raising their smog level.

The issue of dioxins and furans is under review here but we also need to examine some transboundary issues to ensure long range pollutants do not in any way affect the health of Canadians currently being put at risk because of decisions being made by the U.S. Congress.

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[Translation]

RESEARCH AND DEVELOPMENT CONTRACTS

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Natural Resources.

In answer to a question in this House, the Deputy Prime Minister said that this government could not be held responsible for the iniquity of previous governments regarding R&D. Yet, since October 1993 the minister of Natural Resources has granted less than ten per cent of external R&D contracts to firms or research centres of Quebec.

How does the minister explain that Quebec received less than 13 per cent, or half of its fair share, of external R&D contracts from her department since the Liberals took office?

[English]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, let me reiterate, as did the Deputy Prime Minister last week when this issue first came up, the government awards contracts on the basis of identified research needs.

• (1455)

Let me reassure the hon. member my department and, I am sure, every other department in the government is committed to research in Quebec. Perhaps I could share with the hon. member some examples.

My department makes a significant contribution to Forintek technology. My department makes a significant contribution to the research into fusion. We make a significant contribution to the Canadian Centre for Geomatics in Sherbrooke. We also make considerable contributions to the Varennes laboratory. My department has a significant research practice in Quebec.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, even if we mentioned the whole list, it would still be only 13 per cent of the total.

Some hon. members: Hear, hear.

Mr. Crête: Quebec is already being robbed of \$650 million a year in expenditures by the Department of Defence. The Department of Justice awards only one per cent of its external contracts to Quebec, and now the Department of Natural Resources refuses to give Quebec its fair share of R&D contracts. Can the minister explain why Quebec is once more being robbed of its fair share?

[English]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, the Deputy Prime Minister pointed out to me that in addition to those facilities and contributions there is another important one. In the city of Montreal this government supports the Canadian Pulp and Paper Institute, the centre of pulp and paper research.

If the member wants to talk about percentages, if we exclude megaprojects which are sunset projects and which will be taken from my budget in the year 1996-97, and if we exclude the national capital region, the percentage of expenditures in my department to Quebec is 25, representative of the population.

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EMPLOYMENT EQUITY

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, my question is for the President of the Treasury Board.

I quote from two different red books. The first red book states the Liberals will implement changes to strengthen the Employment Equity Act. The second red book states the Employment Equity Act is widely regarded as adversarial, bureaucratic and expensive to administer.

I am wondering if the minister can tell me if he remembers which quote is from his red book and which one is from the Ontario provincial Liberal red book. I wonder in which direction the government is heading.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we are both heading in the same direction in terms of support for employment equity. We quite clearly support em-

Oral Questions

ployment equity in the government. It is part of our priority and we will continue to implement it.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I will leave it to the electorate to determine if they are heading in the same direction.

The red books do not agree which shows provincial and the federal Liberals are divided on this issue. Provincial Liberals want to reduce employment equity while federal Liberals want to make it stronger.

Let me put the question bluntly to the minister. Does he agree with the provincial Liberal leader's policy on employment equity?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, what is to the point is this government's policy on employment equity.

The member opposite might want to have a look at Mike Harris' policy on this if that is what he is leaning toward supporting. It is certainly not an employment equity policy at all.

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GASOLINE PRICES

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, my question is for the Minister of Industry.

My colleague from Regina—Lumsden has continually in the House asked the minister to take action on the pricing of gasoline. No action has been taken and yet over the past few days we have seen the price of gasoline go up again by as much as four cents a litre with no apparent economic justification. These new increases could cost the Canadian taxpayer up to a billion dollars.

In light of these new increases would the Minister of Industry now take action to protect consumers and immediately call an inquiry into price fixing at Canadian gas stations?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, as the hon. member knows, there has been a series of investigations by the director of investigations and research under the Competition Act with respect to this issue. Prosecutions have been launched. Some have been before the courts. As she knows, it is my belief that competition is the best way to control prices.

• (1500)

I know it is part of NDP dogma to regulate prices. Perhaps in her next five-year plan she will explain what she sees for fuel prices over the next five years. I do not think that is the way to get the lowest prices for Canadian consumers. We need very tough and effective enforcement of our competition laws, and that is what we propose to deliver.

*Privilege***CONTRAVENTIONS ACT**

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, my question is for the Minister of Justice.

When the minister spoke to constituents in my riding of Parry Sound—Muskoka last summer he assured them a boating infraction ticketing procedure would be in place by June of this year to protect boaters on waterways in my riding and across the country.

What plan does the minister have to effectively enforce boating regulations on Canadian waterways this summer?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I well remember the delightful day I spent in the hon. member's riding last June. I remember the very pleasant meeting I had with the Muskoka Lakes Boating Association. I also recall that we discussed the Contraventions Act which is a statute passed in October 1992 by Parliament but not yet proclaimed in force.

The idea behind the Contraventions Act is to permit the enforcement of federal statutes by a ticketing scheme administered by officials at all levels of government.

We had hoped that statute would be proclaimed in force this month but through discussions with the provinces we have found that changes to the statute will be necessary in order for us to take advantage of the provincial contraventions procedures and save the taxpayers money. Therefore it will not come into force this June.

I can say that officials of the federal Department of Transport are in discussions with provincial authorities to see that there is effective supervision and enforcement on lakes this summer so safety of boaters is assured in the meantime.

* * *

PRESENCE IN GALLERY

The Speaker: Colleagues, I wish to draw to your attention the presence in the gallery of Thomas Mitsios, member of Parliament from the Republic of Albania.

Some hon. members: Hear, hear.

The Speaker: Colleagues, before the business question for Thursday I have notice of a point of privilege from the hon. member for Kootenay East.

* * *

PRIVILEGE

QUESTION PERIOD

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I rise on a point of order. Never before have the rights—

The Speaker: So that I understand, is the hon. member rising on a point of order or a point of privilege? Would he please indicate.

Mr. Abbott: Mr. Speaker, it is my error. I rise on a point of privilege.

Never before have the rights of members been so blatantly abused as they were today. A question was asked that went directly to the administration of government concerning the awarding of legal contracts for acting crown prosecutors. While I accept the fact that the allegations of patronage in the awarding—

The Speaker: Colleagues, I hope the hon. member for Kootenay East will weigh very carefully the words he is using. I believe from the words he has used the hon. member is questioning a decision taken by the Speaker of the House of Commons.

When the hon. member uses such words it calls into question not only the decision of the Speaker but also all of the House itself, as embodied in me are the rights and privileges of all members of this House.

That the hon. member is frustrated because his question was ruled out of order is to me understandable. The House has empowered me to make rulings such as these. The rulings I make are never taken frivolously and never taken to give advantage to one side or the other. My sole duty here is to see that the rights and privileges of all parliamentarians are adhered to and respected. That is what I try to do in this chair.

• (1505)

When the hon. member stood for his first question, I judged in that particular case he was referring to party matters. I permitted the hon. member to rephrase his question, which he did. In my judgment the question of the hon. member was in order and therefore I permitted it.

When the hon. member used words in the second question which I thought were leading down the same path as the first, I intervened.

I appeal to the hon. member who is standing on this point of privilege to please take into consideration the great weight that his words have in here. If the judgment of the Speaker is to be called into question, surely it is not because he is not being—excuse me if I do not use the right word here—responsible. But if the hon. member would like to speak with me in my chambers, I would be very happy to speak with him.

My judgment on that particular question stands. I would appeal to all hon. members to cease and desist now on this point of privilege because you are attacking your Speaker. In my view, I do not know that we can long operate like this.

I would appeal to the hon. member that if he wishes to speak to me I would more than gladly entertain him in my chambers.

If the hon. member is rising on the same point of privilege, again I would caution and appeal to the hon. member for Kindersley—Lloydminster to choose his words very carefully.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, on this point of privilege, I would like the House to look at citation 409 of Beauchesne's, clause 6 which says:

A question must be within the administrative competence of the Government. The Minister to whom the question is directed is responsible to the House for his or her present Ministry and not for any decisions taken in a previous portfolio.

The member for Kootenay East in his question said: "An undercover officer said it is a complete and utter farce. This is a definite blow to drug enforcement"—

Some hon. members: Sit down.

The Speaker: In response to the hon. member for Kindersley—Lloydminster, I am aware of the citation. I am aware of the rules that govern the House of Commons. It is because I am aware of these rules, as best I can I am trying to carry them out.

If the hon. member for Kindersley—Lloydminster would care to pursue this point in my chambers, I would be more than happy to listen.

If the hon. members for Kindersley—Lloydminster or Kootenay East after discussions with me feel that it is so imperative to pursue this in the House then I am the servant of the House and as such I would be prepared at that time to at least consider a point of privilege. As of now, with regard to this matter, I would again appeal to both hon. members to see me in my chambers because I am not prepared to pursue it at this time any further.

* * *

• (1510)

[Translation]

BUSINESS OF THE HOUSE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, as is our custom, I would like to ask the House leader if he could tell us what the order of business will be next week.

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am pleased to present the weekly business statement.

Tomorrow the House will consider third reading of Bill C-75, the farm loans legislation and all stages of Bill C-81 respecting the Buffalo-Fort Erie bridge. I understand there is agreement to complete both these bills tomorrow.

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On Monday and Tuesday, we will consider Bill C-76, the budget implementation bill and Wednesday shall be the final allotted day in the present supply period.

Mr. Hermanson: Mr. Speaker, on a point of order, I wonder if the hon. government House leader would inform the House what the government's intentions are in regard to Motion No. 24.

Mr. Gray: Mr. Speaker, I will have to check the Order Paper and get back to my hon. friend. If he would like me to say something to be recorded in *Hansard*, I will rise on a point of order, or my parliamentary secretary will, and provide the information.

That motion is to set up a special joint committee of the House and Senate to consider a code of conduct for members and senators. Certainly it is our desire to have such a committee set up.

If the hon. member now wishes to have such a committee set up as does his colleagues, then I will be happy to consult with him, or my parliamentary secretary will, to find the appropriate time to bring that debate quickly to an end so the work of the joint committee can begin.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—FEDERAL-PROVINCIAL JURISDICTIONS

The House resumed consideration of the motion.

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I must say it is with mixed feelings that I rise today in the House to discuss a motion tabled by the official opposition member for Richmond—Wolfe.

By mixed feelings, I mean that, looking at the motion and the four bills mentioned therein, I sincerely do not understand a thing. The four bills that, according to the official opposition, are extremely centralizing are in fact and without a doubt excessively decentralizing.

I have mixed feelings because, as I have said before in this House, I believe that the official opposition can do a good job if it acts in good faith and stands up for its constituents' interests. Once again, I must admit these people are unable to rise above strictly partisan interests. The motion under consideration is another astonishing example of this fact.

• (1515)

I have mixed feelings because, on the other hand, I have the opportunity to rise in this House and express myself on what is

Supply

Canadian federalism, what it has been for years, and what it will be in the future with our government. But before I go on, let me say that the Bloc Québécois does not seem to be following a program of its own but, rather, a program dictated by the Quebec National Assembly.

Take, for example, the motion tabled three or four weeks ago to support the claims made by the Quebec Minister of Intergovernmental Affairs. That motion was essentially related to three claims submitted to the federal government by the Quebec government. There again, I had the opportunity to participate in the debate on the motion and show this House to what extent Bloc members are biased and do not want the federal system to work.

But I digress. On the one hand, you have the extremist doctrine of the Bloc Québécois, which says that, if you look at the evolution of the federal system since 1960, you will see that we are headed for an extremely centralizing system which will soon leave very little power, if any, to the provinces. Yet, since our Liberal government came to office, there have been striking examples showing that federalism can evolve in such a way that the wishes of all the governments involved, both federal and provincial ones, can be respected.

Our federal system compares favourably with other federations in the world. For example, consumer spending by the provincial administrations is 3.5 times higher than for the federal government. That says a lot about whether we are a centralized or a decentralized federation. It indicates that the Canadian federation is in fact more decentralized than that of many other countries, including Switzerland, Germany, Australia and the United States.

As regards the fact that the Canadian federation is a model of decentralization, allow me to quote a statement made in 1977, at the University of Edinburgh, by a famous person. That person agrees with me and this government, since he clearly said that the Canadian federation is decentralized. The comment, made in English, was as follows:

[English]

And because rather often in Canada we tend to talk of the abusive centralized powers of Ottawa we tend to forget that in reality Canada is highly decentralized.

[Translation]

That was reported in the *Globe and Mail* of May 9, 1977, and the words came from none other than Quebec's Premier, Jacques Parizeau, who maintained that Canada was a model of decentralization. There you have an excellent example of double standards. You have an example that shows clearly that these people can say one thing abroad, and quite another when addressing Quebecers, when they are concerned about their own interests and their own objectives.

Besides, one only has to think of Mr. Parizeau's speech to the permanent council of French-speaking countries, on his last visit to Paris. When you listen to that speech, and consider Mr. Parizeau's comparisons of Quebec, you are not proud to be a Quebecer. Quebecers are greater than that, they are energetic, they can take their place in Canada, and they will take their place internationally. Mr. Parizeau's speech on the international scene does not reflect this energy. As a Quebecer, I am upset by such speeches.

• (1520)

You know that members opposite talk about centralizing federalism. At the beginning of my speech, I said I would have the opportunity to review a number of issues which clearly show that our federation is an extremely decentralized federation. Take for instance the immigration issue. The immigration agreement is a striking example of good co-operation between Quebec and Ottawa, where the province of Quebec was given more power to select immigrants.

Some argue that it does not work, but I could give you other examples, including the status of some provinces among French speaking countries. Did the province of Quebec or did New Brunswick belong at the Francophonie table? No. The federal government reached an agreement with both provinces so that these provincial governments would be considered guests among the French speaking countries and be able to fully take part in the events. This is another remarkable example of a flexible federation, but mostly of a respectful one.

The members opposite are turning a deaf ear, saying that it does not work. Let me give you some more examples. Direct collection of the GST is another good example of federal-provincial co-operation, which has an extremely positive impact on the population and makes the collection of that tax easier. This is another striking example of decentralization.

Members opposite refuse to hear anything positive and simply say that federation is not working. However, we could give them many more examples which would all indicate that our federation is flexible. They do not want to understand anything, so let us give them more examples. The St. Lawrence 2000 Agreement was signed with the province of Quebec. My colleagues opposite are leaving the House or making fun of what I say, mostly because the truth hurts. When you give them examples, they refuse to listen and leave the House. The St. Lawrence 2000 Agreement is an outstanding example of co-operation between Quebec and Ottawa. This extremely positive agreement was signed so that the St. Lawrence could get cleaned up. It is an agreement that eliminates overlap and that is beneficial to the people of Canada.

And that is not all. Some will say that is not enough. The Canada-Quebec Infrastructure Program. Is there another example of a program that has been implemented in record time like this one has? It took only four or five months to put this program in place. This program, involving the three levels of govern-

ment, municipal, provincial and federal, is aimed at setting in motion incredibly vast projects that have direct repercussions on the people and that serve the interests of the people.

Some will say that that is not all good and there is no decentralization of powers within the federation. Let us look at another example, the Communications Québec agreement, which allows the use of Communications Québec displays to advertise products available from various federal departments. This agreement exists, it has been signed, it works well and its ultimate goal is efficiency. We still have a window on the street but we can save some money.

Some will say that it is not good enough. That they are not impressed. They will say, to try and mislead Quebecers, that the system does not work despite all this.

• (1525)

There are many more examples. Let us take the Canada social transfer. This is a remarkable example where the official opposition has simply done an about-turn.

Members will remember that, before the budget was tabled, we were told that all programs were centralized in Ottawa, that Ottawa was controlling funds for post-secondary education, health and social programs and that there should be a global social transfer. That is what we were told before the budget.

Now to Mr. Martin's budget. We are giving the Canadian public—not just Quebec, but all of the provinces because they all requested it—the Canada social transfer, as a means of making the federation progress, as a means of showing that the system is flexible, as a means of bringing the management of funds closer to the people and of ensuring that decisions regarding spending will be more sensitive to the needs of the people.

Now that the Canada social transfer exists, now that it is reality, we are being told that that is not good, that the Minister of Human Resources Development will try to set national standards unilaterally. Just another example of the inability of the people across the way to rise above partisan interests and to seriously look at what the finance minister's budget really offers to Quebecers and Canadians.

In fact, the Canada social transfer is a Canadian decentralization model. As part of this initiative, the Minister of Human Resources Development has invited all provinces to participate in discussions with the federal government regarding national standards which will apply coast to coast.

Obviously, this bothers Bloc members. This bothers them because, if this continues, obviously the people of Quebec are

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going to realize, and they already do realize, that the Canadian federation is working well. This bothers them because if it works too well, like it is now, their pipedream of separating is simply going to vanish into thin air.

There has been much talk about national standards. As you know, the people across the way decry national standards. I worked on the social program reform committee, and I must say that nobody in Canada, even Quebecers, is against national standards. However, what people are against is the federal government unilaterally setting those national standards.

Times have changed. The federal government has said repeatedly: "We want a flexible system. We want to work together with all the provinces and, because we are a country, to develop national standards that will respect the identities, wishes and needs of the provinces from coast to coast".

Another example of decentralization is the Human Resources Investment Fund that will come into force in April 1996. It is a good example of how we respect the wishes and the will of the people. There was a reference to manpower issues and to the need for decentralizing manpower services. There are two schools of thought. There is the position taken by the Parti Québécois in Quebec City and the position taken by the public, which is the one we have chosen.

The Parti Québécois takes the position that everything related to manpower development and manpower training should be theirs alone because they are the experts and know best what is needed. On the other side we have the public that wants to see a partnership between various levels of government that will have access to flexible funding, as opposed to rigid programs, funding that organizations at the local level will be able to manage according to genuine need.

I need hardly add that the course of action chosen by this government is clearcut, straightforward and non-partisan.

• (1530)

I am happy to say that this is the route the people wanted us to take. This is what the human resources investment fund is about. It will ensure that local agencies will be able to manage very flexible funds according to the real needs of the community.

There is another thing. Those opposite criticize us from time to time for intervening in regional economic development. We intervene, because people ask us to. People ask us to intervene as the federal government and also as a partner.

Am I to understand that what members opposite want is for the federal government to withdraw essentially from its regional development function? Does this mean that all the money invested in people to strengthen our economic fibre should be

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withdrawn? They will have the task of explaining locally why they want the federal government out of regional development when we have very recent and particularly eloquent examples of efficiency and of funds invested, once again, in business, in the economy and, ultimately, in the people.

Recently, we announced the CESAM project in Montreal. It is a remarkable project, another partnership with the province and private enterprise. It brings together people from the same sector to exchange information and knowledge thus making Quebec businesses competitive not only provincially, not only nationally but internationally. This is what today's Quebec is all about. This is the sort of positive talk the people of Quebec want to hear, talk that is in their interest and that will make them stronger and more viable economically.

There are other remarkable examples proving that we are headed in the right direction. What about Team Canada, headed by the Prime Minister, which also brought back \$11.3 billion in contracts. In conclusion, noteworthy examples demonstrating that, if we work together to ensure Quebec felt its interests were well protected both at the National Assembly and in Ottawa, we could build a strong Quebec and a strong country.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, the member for Outremont was speaking about the great Quebec dream. I think he dreams that one day Canada will be good for us, but this is an illusion. If he would just look at the results, the consequences of the Canadian federation, maybe he would have the answer to his dreams.

I always look at the results first and, in our case, the result is that Canada now has an accumulated debt of \$600 billion and that it cannot even balance its budget. That is the result, the consequence of federalism. We should stop talking about nice agreements between Canada and Quebec, we should stop saying that everything is fine and dandy. We cannot even balance the budget and the Canadian federation has turned into a fiasco over a short period of time.

It is urgent that we put our house in order. As Mr. Lévesque once said so well: "Canada is like having two scorpions in a bottle; they try to kill each other, they both want to prove that they are distinct and different, they both want to spread out, but they are stuck in the same bottle. One day they will both die". This is what is happening now. We are on the edge of the abyss, we are both dying.

Because there are two nations in this country, it is urgent that each one become a country and that we give ourselves a chance to thrive. That is the reality. That is the mandate Quebecers gave us. They sent us here to Ottawa for that purpose. They told us: "Go to Ottawa to promote sovereignty; it is essential and urgent for Quebec because we are now in death throes financially.

• (1535)

We hear nice stories about common projects, a million here, a million there, a dozen million elsewhere, and we try to make Quebecers believe that federalism is a way of life and that without it Quebecers could not survive.

In duplications alone, this system costs \$2 to \$3 billion. We are told that the administration cost of the GST, for individuals and businesses, is in the order of \$2 to \$3 billion. We did not need that. All the government had to do was say: "Administer the tax. Combine it with yours immediately. Hide it if you want, but administer it in a sensible way and we will return a certain percentage to you". But that is not the way the federal government does it, it returns money to Quebec as if it were a gift.

The federal government has always tried to do it this way, to make Quebecers believe that without the federal government they would, all of a sudden, become much poorer. This is not true. The government always forget to say that Quebec sends \$29 billion, that is \$29,000 million, to Ottawa, every year, and the federal government uses this money according to its own priorities and most of the time without due consideration to Quebec priorities. More often than not decisions are made unilaterally. The government does not care whether Quebec prospers or not, as we have seen when the government spent \$2 billion of Quebec's money to promote Hibernia, when everybody knows that it will never be viable. Yet, Quebecers will continue to pay.

This was a nice dream, sure, but it is time to come back to reality. And the reality is that we are two peoples and that, if we want to move ahead, we must separate into two different countries.

Mr. Cauchon: Mr. Speaker, when I listen to the opposition member, I seriously wonder if we are really living in the same world and if, in the last year and a half, he has looked at the policies carried out by the present government.

First of all, when people on the other side of the House tell us that Quebecers elected them to make Quebec's independence, I think that is playing down the issues of the last election. Quebecers told us, in the last election, that they expressed their discontent at the ballot box, and it simply happened that the vote went heavily to the Bloc Quebecois.

Why discontent? There were years of Conservative government when an absolutely incredible debt and deficit were built up, and I point out that the hon. member who just spoke was part of that government and voted for all its legislation. Moreover, there were years that resulted in the people losing confidence in the government machinery, in the public servants.

I think that, today, when we look at the polls in general and the work done by this government in the last few months, we can see clearly that the people of Canada and Quebec have regained this confidence, because we promised certain things during the last election campaign and we delivered, because these promises,

the economy and job creation, were of interest and concern to the people. Last year, 430,000 jobs were created, and we are still creating more.

So, essentially, in everything that my colleague has been saying about the debt and the fact that Quebec would simply go and beg for these things in Ottawa, we can see that it is the Bloc Québécois that is trying to make sure Quebec is perceived that way. But that is totally untrue. Quebec has a large place in the Canadian federation. On the economic level, Quebec plays an extremely important role within the federation. And on this side of the House, we want to make sure that Quebec and the nine other provinces can first develop individually, but also within the Canadian federation and according to major international trends, that they can develop together and excel on the international scene. That is our goal and we will succeed.

The Acting Speaker (Mr. Kilger): Since there are only two minutes left, I will divide them between the question and the answer. I give the floor to the hon. member for Témiscamingue.

• (1540)

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I listened carefully to the speech of our friend from Outremont, who loved to pass out cheques for the infrastructure program, of which he spoke with a certain wistfulness. He also referred to my colleague of Longueuil who is a former Conservative. I would remind him that the latter at least had the courage to cross the floor and change sides. I hope the hon. member will have as much courage when the time comes to make decisions in the interest of Quebec, which he is supposed to represent.

My colleague said all sorts of things about decentralization. He chose a good example when he spoke of the Canada social transfer. Actually, it was the deficit that was decentralized. I hope he will rise in caucus to defend the interests of Quebec, because he should know that Quebec might have to bear more than 40 per cent of those cuts. I also hope, when he talks about the consensus in Quebec about manpower training, that he will be intelligent enough to look at what is really going on. The consensus is not only inside the Parti Québécois. Ghislain Dufour is not, as far as I know, a member of the Parti Québécois, and is not likely to become one in the near future. Yet, he was among those who said that manpower training should be the responsibility of the government of Quebec.

What positive action he intends to take in the coming weeks within his own party to defend the interests of Quebec on those two issues?

Mr. Cauchon: Mr. Speaker, when they hear things that do not please them, the members of the Bloc Québécois launch into personal attacks, saying such things as: "I hope my colleague for Outremont will be intelligent enough—" Obviously, what I

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said does not suit him, because he is not hearing what he would like to hear from members on this side. He knows that what he is hearing from members on this side is also what the people want to hear.

As for the Canada social transfer and the human resources investment fund, I was among the members of Quebec who stood for these issues in the national caucus, and for two reasons. First, we are an economically responsible government. As such, we had to rationalize the programs to properly manage the debt and the deficit. Second, we had to decentralize as well, because that was what people were asking for. I was among those who championed these two programs. I am proud of it, and proud of what the government did.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am very happy to participate in this debate on the official opposition's motion denouncing the excessive centralization of powers by the federal government, which is preparing, without saying anything and without consultations, a new, centralized Canada by passing at least the four bills we mentioned.

I will not repeat my colleagues' extremely important and interesting explanations on Bill C-88, Bill C-91 and Bill C-46. I, however, have a lot to say about the bill to implement the budget. But first, I would like to talk about unemployment and poverty in Quebec.

I want to explain why the sovereignists here in Ottawa and in Quebec want to achieve sovereignty, after all the years of repeatedly trying to convince others that Quebec needs more than crumbs and federal commissions. Because we are a people and a nation, we need control over Quebec's economic and social development. Let us talk about poverty. This year, Quebec won the award for poverty.

• (1545)

In its report released this year, the Family and Social Affairs Council showed that, in 1993, Quebec came first among poor provinces for the number and percentage of people and families living below the poverty line.

Last month, 803,900 people—372,000 households—were on welfare in Quebec. This figure includes people who are willing to work and a large number of children we are concerned about, because children raised with the bare minimum often lack what they need in life to develop normally.

Poverty has many causes but that is not what we hear because of the strong prejudices against poor people, who are already facing great difficulties. In summary, poverty is not only a lack of money but also a deep sense of failure, of insecurity, of vulnerability, of worthlessness. All additional failures, such as fruitless job searches, problems with the spouse or children, and

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difficulties in finding suitable housing or in meeting nutritional needs, further marginalize the poor.

Losing a job often leads to poverty. By making drastic cuts to UI, the government has reduced the number of recipients, not because there are fewer unemployed workers, but because a smaller number of them are eligible for benefits.

In Canada, only 49 per cent of the unemployed qualified for UI benefits last month, as compared to 77 percent in 1990. As far as unemployment is concerned, the rate is 14.4 per cent in Quebec and it is seasonally adjusted, while the rate of unemployment in Ontario is 8.7 per cent. That is almost three percentage points lower.

To compare Quebec to Ontario or the rest of Canada, we must consider not only the number of persons who are unemployed, but more appropriately the number of persons who are employed; this is called the employment population ratio. It is quite simple. If 65 per cent of the population 15 and older has a job, therefore producing wealth, spending money on clothes and putting some in the bank, much more wealth will be produced than if 50 per cent of the same population was employed.

When you look at the difference between employment and population, you notice differences much greater and more alarming than those for unemployment. For example, the employment population ratio for Ontario is 59 per cent, as compared to 53.8 per cent in Quebec. This means that, quite apart from the unemployment rate, thousands of jobs would be required just for Quebec to match the level of employment in Ontario.

• (1550)

That is not all. What is absolutely tragic is that, if you compare Quebec to the rest of Canada, if you compile statistics on all of Canada minus Quebec, what do you find? You find that the overall employment population ratio for Canada is 59 per cent, while in Quebec, as I indicated earlier, it is only 53.8 per cent. This is a very substantial gap.

It is important to remind you why we are angry in Quebec, and I am not referring only to our anger but to the anger we can feel brewing in many people, ordinary citizens who are unable to find work, who are given funny looks by UI or welfare officers because they always take them for defrauders at first, and the anger of community groups striving to help those in need, and seeing their resources cut time and time again while the need for assistance continues to grow.

You may wonder what this has to do with the motion. The connection between the two is extremely important because, after a long process— of which I will relate the details, time permitting—we came to the conclusion that our only chance to

make it was to take control of all the levers, to pass all our legislation, to collect all our taxes, and to sign all our treaties, including treaties with the rest of Canada.

Let me read you a text which I recently came upon. It was written by René Lévesque, then a federalist Liberal minister responsible for family and welfare issues, at a conference on poverty held in Ottawa, on December 10, 1965.

Mr. Lévesque said: “It is absolutely essential, to use a redundancy, that the government primarily responsible for developing and implementing these measures on our territory be the Quebec government. This is the only way to ensure efficient action. It is also the only way to implement a co-ordinated policy for economic and social development which will truly put the accent on the individual”.

We could use those same words today to explain our program.

Mr. Lévesque added: “We do not feel it necessary to prove that our government is closer to its population than Ottawa is. Our government is by far in the best position to adapt the possible solutions to the needs of its citizens. It is so because our government has the immediate data on land development, and also because it can monitor the implementation of its selected policies and make necessary changes without having to wait for federal-provincial conferences which take ages to organize or which are useless”.

I might add that there has not been any federal-provincial conference on the vital issue of manpower since this government took office.

Mr. Lévesque continued by saying: “Moreover, our government can more easily enlist the co-operation of its citizens than the federal government could. This is important at a time when the issues of democratic planning and concerted action by citizens and their government take on a greater significance. Moreover, how could we possibly ensure the necessary co-operation in the socio-economic sector if, in addition to the usual problems related to co-ordinating the efforts of a large number of Quebec departments, we would also have to take into account similar initiatives and projects by the federal government? To raise the question is to answer it”.

• (1555)

Those words were written by René Lévesque in 1965, when he was a Liberal minister, in his last days as a federalist.

In those days, René Lévesque thought it was possible to have some kind of arrangement with Ottawa while keeping control in Quebec. We are a people. We are a nation. In our house—our economic and social development—we cannot have two architects, two teams of engineers working their own way, with

separate budgets, and giving orders. That is what our motion is all about.

The federal government is making the plan of our house, with our money and without consulting us, when we already have a plan in Quebec. We do not have all the money we need, because part of it was coming to us from transfers originating in our own pockets. In our confederation, the constitution gives the federal government the power to collect money to spend in areas that are outside its jurisdiction.

So, the federal government uses our own money to draw the plan of our house without consulting us, while, on our side, we try as best we can, with whatever means left to us, to prevent the worst, in a situation where we have 803,000 welfare recipients and more than 327,000 unemployed, not to mention people who have given up, and the young who have no hope.

It is hard to keep calm when we hear the federal government bragging that it brought its deficit under control. How did it manage to do it? By transferring cuts instead of money to provinces, and more particularly Quebec. I stressed how, more than ever, Quebec's economy needs only one architect and only one team of engineers working under the control of that architect, in co-operation with others when information is needed. However, we just cannot continue with this madhouse being built at the people's expense, in spite of the 130 members elected by Quebecers out of a total of 200 at both levels of government.

Quebecers elect, at both the federal and provincial levels, 200 parliamentarians, 130 of whom are sovereignists. They are fed up with the central government using taxpayers' money to try to build a house they do not want, with blueprints they do not want, and for whose satisfaction? To satisfy those who, since confederation, think they are the only ones who know what kind of house should be built, and how.

Now, we happen to be a nation. We are not only a distinct society, but a nation. We are a nation according to every existing international criterion, the main one being the collective will to live. This collective will to live is our main mandate to see to it that our house is built following our blueprints and, moreover, with our money.

• (1600)

I want to read, if I may, a motion that I have just this instant received, and that has just been tabled in the National Assembly: "That the Quebec National Assembly call upon the federal government to review its Bill C-91, which will have the effect of sanctioning the federal government's interference and increasing duplication in regional development".

This comes just at the right moment in my speech. Yes, we will do our utmost to explain that to Quebecers, who have had about as much as they can take of the problems of everyday

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life—and we can understand that sometimes they do not know which way to turn. We will try to explain to them that it is absurd, with our limited resources, to have two teams of architects contradicting each other, whereas there is only one team they can control democratically. The only one they can control democratically is the one they elect.

Some could say: "Oh! but why is it not Ottawa that looks after all of Canada's economy?" We could have a group of economists who would disagree on many things, but who would agree on one thing, that is as culture goes, so goes the economy. The Japanese do not think like the French, the Germans or the Americans when it comes to the economy and money. What is working for Toyota in Japan is not necessarily working in Mississauga.

The same is true for Boisbriand versus Mississauga. Why? Because culture has a profound influence on how we work, on how we create, on how we organize, on how we sell, on what we decide to work on. It is in the name of this culture, in a broad sense, and in the name of this nation that we are saying in this House, and I understand that it can be annoying, that the movement will not stop. As René Lévesque, who was to become the founder of the Parti Québécois, said in 1965, once a movement has started, nothing can stop it.

It would be better to start realizing that we will have to negotiate together, but let no one think that they are going to sneak one past us, that they are going to ignore us and create a Canada in which we will not feel perfectly at home, with our money and against our interests. I spoke mostly of Quebec, but I would like to conclude by saying that if the bills in question allow for a better development of Canada, I would say great, if that is what you want. I respect your culture and I respect the fact that that is how you want to develop, but for Quebec, and I am speaking in the name of the majority of members elected by Quebecers, it will not do.

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I will be brief. In her speech, the hon. member said that there was anger among Quebecers. She said that she felt that anger, and I agree with her, it is true that there is anger among Quebecers, but I would simply like to point out to the hon. member that that anger, and it does exist, comes from a great disappointment vis-à-vis the present Quebec government. The other way to govern of that government, which is a branch of the Bloc Québécois, scares Quebecers.

• (1605)

We even saw sovereignist central labour bodies question their allegiance to sovereignty. Just consider the cuts in health care, which is a provincial jurisdiction. So, yes, there is anger. Since you also talked about your plan, about the architects, I will ask you a very simple question: Since you have a plan—

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The Acting Speaker (Mr. Kilger): Order, please. I simply want to remind my colleagues on both sides of the House that all comments must be made through the chair and not directly, from one side of the floor to the other.

Mr. Patry: Through you, Mr. Speaker, I would like to ask this of the hon. member: If you have architects, if you have a plan, why wait? I would like to know when the Quebec government will decide to call a referendum with a simple and clear question.

Mrs. Lalonde: Mr. Speaker, you will understand that it is not up to me to answer that question and to say when the referendum will be held. It will be held when the Government of Quebec, which has the power to hold such a referendum under Quebec law, will decide to do so.

However, I would like to respond to my hon. colleague who suggested that our anger comes from our disappointment in the present Parti Québécois government. With all due respect, my colleague is mistaken. I want to tell him that we did not find ourselves with so many people on welfare and unemployed overnight and that the previous government, which was in office for nine years, had something to do with it.

I want to remind the member that as soon as the previous government led by Robert Bourassa came into office, it asked the central government to negotiate so that Quebec could regain powers in five areas in order to rejoin the constitutional fold. It thought it was important not only from a cultural standpoint, but also for the economy.

I want to remind the member that, for years, we had a federalist Liberal government, led by Mr. Bourassa, and a central government that wanted to help Quebec back into the Constitution because it had been imposed upon it even though that Constitution brought fundamental changes to the rules established at the time of Confederation in 1867. But Robert Bourassa saw the Meech Lake Accord fail because of whom? Because of the party that is now in office. We know, and it has been well documented in the newspapers and in many history books, that this party put pressure on some people, one of our honourable colleagues who shall remain nameless and the premier of Newfoundland, Clyde Wells, to get them to oppose this deal. And then the federalist Liberal Party of Quebec voted for the Allaire report, which left very few powers to the federal government.

What did it do after that? There was the Bélanger-Campeau commission, and then it adopted a bill, Bill 150, saying that it would hold a referendum if it did not get satisfactory offers, which we know never came.

• (1610)

Despite all that, a referendum was held and, as we all remember, the Charlottetown agreement was rejected in Quebec

because it was not enough and in the rest of Canada because it was too much. Now we are being told that the people are angry because of the unemployment and welfare situation, they are angry at all the levels of governments, and they are angry because they feel powerless, and I can certainly understand them, and all that anger is directed towards the new government.

I had a better opinion of my Quebec colleague than that. Politics does not make you lose your analytical ability, your knowledge of history or your good sense. Yes, people are more and more angry, and my hon. colleagues should realize that our constituents want change. It is true that a large number of people are facing such problems that it does not make sense any longer.

You only have to think about these women who are walking from Montreal to Quebec City—at first it was for bread and roses, but I am sure it is not rosy all the time—who are painstakingly making their way to Quebec City to show that poverty as they know it does not make sense. Their situation was documented, written about, told, but now they want concrete solutions. These women know full well that our scope of action is limited as long as the province of Quebec does not have all the powers it needs.

Even within a sovereign Quebec, we will not be able to make all the needed changes instantly, but we know we will eliminate all the overlap and stop arguing, when we cannot even take the necessary measures to help the ordinary citizens. Ottawa will never do this for Quebec. So, everyone, including my hon. colleagues, will have to join us to build Quebec.

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, I listened carefully to the remarks made by the last speakers, particularly those made by the member for Longueuil who blamed the national debt on the Canadian federation. I also listened to the remarks made by the member for Mercier who, at the beginning of her speech, was going to blame the poverty level in the Montreal area on federalism, or I thought she would, but she stopped.

Moreover, she tried to say that the high unemployment rate was again a consequence of the federal system. Strangely enough, she forgot to mention that, even with the Canada social transfer, Quebec benefits considerably from federalism through equalization.

Many studies have clearly shown that Quebec has been able to grow within a federal system while benefiting enormously from such a system. She also forgot to mention that, through the unemployment insurance program, Quebec gets over \$1 billion more.

In this last allotted day that the official opposition has during this session, it has chosen once again to talk about four bills in order to try to show that federalism does not work, that the government wants to centralize powers. In her speech, the

member for Mercier also said that the time has come for Quebecers to take complete control of their own destiny.

• (1615)

However, I find it hard to keep a straight face when I hear these arguments, because in their draft bill, they want their dollar to be the Canadian dollar, they want their passport to be a Canadian passport. And throughout the debate on these issues, they want to determine the scope and subject of the referendum question. They had a debate, and they told us the question would include one on political and economic association with Canada. It seems to me they want what Canada has to offer. In that case, I challenge them to do the following. Instead of wasting the 10 or 11 million dollars it cost to conduct these consultations—the hon. member for Mercier also mentioned the high poverty rate—I think this money would have been better spent on dealing with unemployment and poverty.

So we have four bills that were mentioned together in an attempt to demonstrate that federalism, as they see it, has become centralist.

I would like to discuss Bill C-76, which implements certain provisions of the budget tabled by the Minister of Finance. In referring to this bill, the opposition is very critical and says we want to centralize everything. In fact, the only condition set by the government for the Canada social transfer is the period of residence, which cannot disqualify a recipient from receiving social assistance.

The other criterion, which already exists, is maintaining the five principles of health care. At the request of the Province of Quebec and the other provinces, the government decided to group these transfers. Again, at the request of the provinces, the government gave them a set target budget, guaranteed for a period of two years. And the members of the Bloc Québécois complain that we want to centralize powers!

I find it very hard to understand how the motion could possibly be about centralization, since in this bill and other bills, and also in our approach as a government, we have shown repeatedly that we want to decentralize powers, in two respects. The first one is to eliminate overlap and duplication. Not because it is the will of the Province of Quebec or of the Bloc. No. Because it is the will of all of Canada, all Canadians, because it will save us money. That is what we are doing.

My presentation is about Bill C-91, the bill in relation to which the National Assembly just passed a motion, as the hon. member for Mercier just said. As I will explain, I find it hard to believe how the Bloc Québécois can construe this bill as an effort on the part of the federal government to once again centralize powers.

Canada and Quebec have entered a new phase of economic growth. The federal administration is sensitive to the globaliza-

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tion of markets and to the increased emphasis on competitiveness. We are redefining the federal government's approach to the economy.

• (1620)

The most important part of this new approach is recognizing the dynamic role that small and medium size businesses play in job creation and the creation of wealth.

This government has developed many approaches and re-worked its strategy and its tools to take into consideration the key role that they play in our economic prosperity.

[*English*]

Bill C-91 gives the Federal Business Development Bank a new mandate. Under this new mandate the bank will be able to increase its activity in smaller loans and investments and focus more on knowledge based industries and exporters, two of the thriving forces in the global economy.

A key element of the bank's new mandate is partnership. Bill C-91 makes it easier for the bank to work in close partnership with other partners. These new closer partnerships will help small and medium size businesses and will avoid inefficient and costly overlap and duplication, contrary to what the members of the Bloc Québécois have said.

[*Translation*]

The opposition's reaction to Bill C-91 disappoints me. The opposition claims that the objectives of this bill are to usurp provincial powers, to build a centralized state and to take considerable powers away from Quebec.

This opinion could only be based on a misinterpretation of clause 20 of this bill.

[*English*]

Clause 20 says: "The bank may enter into agreements with and act as agents for any department or agency of the Government of Canada or a province or any other body or person for the provision of services or programs to, on behalf of, or jointly with that body or person". I do not know how the opposition member can misread that. It is quite clear. This is not in any way an intrusion by the federal government into provincial jurisdiction. Clause 20 of Bill C-91 facilitates co-operative joint ventures with partners from the private sector as well as the public sector.

Clause 20 permits the bank to enter into agreements with other persons and organizations, including federal and provincial government departments and agencies. The authorization applies to the bank, not to the other parties involved. Let me repeat that again so members of the opposition understand. Clause 20 applies to the bank only. I think this is where they are having a hard time. It does not apply to the other parties at all. The other parties, whether they be government agencies or

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provincial boards, still have to obtain proper authorization from their jurisdictional authorities before entering into any agreement with the bank.

In circumstances and situations in which a jurisdictional body must grant authorization for a partner to enter an agreement there will be no change.

[*Translation*]

Why is this change necessary? Because the wording of the previous legislation limited the bank's ability to conclude agreements with non commercial firms. In some cases, these organizations, some of which come under provincial jurisdiction, proposed to the bank itself that it help provide financial and management services.

The bank could not do anything at the time, because it lacked the legislative authority to enable it to co-operate. A lot of time and effort went into obtaining this authority. Clause 20 will eliminate all the bureaucratic red tape and will make it possible to provide more effective services, which small business can use.

[*English*]

Clause 20 of Bill C-91 is very technical I will admit, but it allows the bank to enter into joint co-operative agreements. Clause 20 will allow partnerships, joint ventures and even the delivery of financial assistance on behalf of other agencies subject to the banks usual guidelines.

• (1625)

As an example of co-operation and collaboration, the Federal Business Development Bank and FORD-Q, the body responsible for regional development in Quebec, are currently developing a strategic partnership as part of a pilot project. The object is to create a special fund which will have a leverage effect in order to support projects undertaken by small and medium size enterprises in unexploited niches.

In addition, the bank has developed strategic partnerships with agencies and departments of Quebec's provincial government. For example, the bank recently completed an agreement to develop a technology training and counselling program with le Ministère de l'Industrie, du Commerce et de la Technologie du Québec and the Professional Engineers Association of Quebec.

[*Translation*]

The bank, moreover, joined with the Société québécoise de la main-d'oeuvre to start up a program to promote and encourage women's initiatives in conjunction with a Bank of Montreal program to train and develop business women.

Together with the Maison régionale de l'industrie in Sherbrooke, the Federal Regional Development Office designed a program to advise and train new exporters. The power to

establish partnerships is no different from similar provisions in legislation governing other crown corporations, including the Farm Credit Corporation and the Export Development Corporation.

[*English*]

I must point out at this point that the ability to enter into partnerships certainly follows one of the recommendations of "Taking Care of Business", the report which the Standing Committee on Industry released in October 1994. I had the pleasure to sit on that committee. The committee recommended that the mandate of the bank be confirmed and refocused as a complementary lender to small and medium size businesses and that it be authorized to use new financial instruments to fulfil its mandate. The two members of the Bloc Québécois who sit on that committee were in full agreement with that recommendation.

Bill C-91 is an important element in creating the supportive environment for small and medium size enterprises across Canada which will contribute to building a long and lasting prosperity. This bill is one part of the future we are building for small businesses and for Canada's economic prosperity.

There is no doubt about the importance of small and medium size businesses to our economy today and tomorrow. Small businesses employ more than half of the Canadians working in the private sector. Since the early 1980s small businesses have created over 87 per cent of all new jobs in Canada.

[*Translation*]

Small and medium size businesses will continue to be a source of jobs and wealth in Canada. Our goal is to create a climate in which businesses will be able to continue to create jobs for Canadians, and to contribute to the wealth of the country.

We are taking action on this basis, and moving toward our goal. In 1994, we asked several groups and organizations in the public and private sectors, including the committee, how the government could create a suitable climate to foster the growth of small businesses.

Everybody agreed that small and medium size businesses have great potential to create even more jobs and wealth. Unfortunately, that potential is too often left untapped. The groups and organizations we consulted said that, in order to tap this potential, the government had to start with reducing the deficit. The first step was taken by the finance minister in his last budget.

Moreover, they told us that we must develop more efficient, more effective, and more relevant programs for small businesses. Finally, we must recognize that the government cannot, on its own, foster, in the small business community, the vitality and the growth the country needs.

• (1630)

On the basis of these recommendations, we outlined in our report entitled *Building a More Innovative Economy* a wide range of initiatives aimed at fostering the growth of small business in Canada.

[English]

In the vital area of financing, we have pressed the banks to improve their relationship with small businesses. We have taken steps to ease access to capital for innovative projects. We are refocusing federal government financing programs to fill in the gaps left by the private sector.

At our urging, the Canadian Bankers Association developed a code of conduct to help ensure accountability, understandable contracts, more efficient credit processing, and an effective method in dealing with complaints. Member banks are incorporating these standards into their own codes of conduct.

The federal regional agencies, such as the Atlantic Canada Opportunities Agency, the Federal Office of Regional Development in Quebec, western diversification, and the federal office of regional economic development for northern Ontario, have all refocused their programs almost entirely on small businesses. Federal agencies now focus on recoverable contributions and information to businesses.

[Translation]

At the end of the 1994 fiscal year, we amended the Small Businesses Loans Act by increasing the credit ceiling to \$12 billion in order to meet the ever growing demand.

On April 1, we implemented other amendments allowing for cost recovery in accordance with our overall deficit reduction goal. These amendments will also help identify the main beneficiaries of the program.

In the next few weeks, we will table further amendments to the SBLA in order to get on with the process of recovering all program costs and make other minor changes affecting lenders and borrowers.

The review of the small business policy clearly showed that one of the most pressing problems facing small and medium size businesses is access to capital.

The review of the role and mandate of the Federal Business Development Bank was a key element of the government's efforts to improve this access.

[English]

The Federal Business Development Bank, since it started almost 50 years ago as the former Industrial Development Bank, has helped Canadian businesses respond to the changing demands of the economy through timely and innovative financing and management services. As the economy changes again, the

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time has now come to change the Federal Business Development Act as it stands.

[Translation]

The purpose of Bill C-91 is to modernize the bank's mandate. It is based on the experience and skills acquired to provide the financial and administrative leadership needed by small and medium size businesses in the knowledge-based economy, without neglecting traditional finance sectors.

The Business Development Bank of Canada will be an important source of support to small business, as it will be able to fill in what I would call the "gaps" faced by small and medium size businesses across the country.

[English]

Bill C-91 in no way intrudes on provincial jurisdiction. It does not take powers away from any province. It does, however, make this very important institution more flexible and more responsive to the needs of small and medium sized businesses for the benefit of all Canadians.

[Translation]

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, I would like to point out to the hon. member for Vaudreuil that he missed something in his remarks. He clearly identified the needs of the small and medium size business sector, needs that we recognize because in Quebec—and there was much talk about this in committee—all the organizations concerned and directly involved with meeting the needs of this industry, not only in terms of development but also in terms of export, have been identified.

• (1635)

Take the solidarity funds, the Paillé project and the regional development fund for example. And now, in the wake of the APEX program, we are setting up in all of Quebec's regions a commissioner of exports system.

The hon. member for Vaudreuil failed to assess the impact of Bill C-91 on regional development. He was careful not to get into the impact of the provision in which the federal government gives itself the power to step in and enter into agreements directly with whomever it wants in Quebec, whether an organization, a regional development council, a municipality, a business or what not.

However, the hon. member for Vaudreuil knows very well that, in terms of regional development, Quebec is the only province where a federal development office called FORD-Q has been established, with offices in every region of the province. No such agency exists elsewhere in Canada. In the rest of Canada, regional development is overseen through agencies like ACOA in the east for Atlantic Canada, WDO, which stands for Western Diversification Office, for western Canada, or FED-NOR in Ontario. And these agencies do not have regional offices all over the place.

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This FORD-Q we are talking about is everywhere in Quebec. We call it the delivery arm, seeing that this agency signs memoranda of understanding with other departments, which in turn deliver services, having themselves signed MOUs with the Federal Bank.

We have put questions to the Minister of Human Resources Development and Minister of Western Economic Diversification, the Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency as well as the Minister of Industry for Ontario, and none of them was aware of the existence of a delivery arm elsewhere in Canada. None of these development authorities had heard about agreements or MOUs between departments. Incredible efforts are made in Quebec in terms of federal interference in regional development.

I would like to tell the hon. member for Vaudreuil that the position taken by the official opposition should come as no surprise to him. After all, he said that Quebec is a prime mover and a leader in regional development. This fact was stated quite simply.

In Quebec, we have a decentralized sectorial and political structure. The powers related to regional development were delegated to various organizations accountable to the Quebec government. Some of these organizations are present in the hon. member's riding of Vaudreuil, and he knows these structures. There are regional county municipalities, municipalities, school boards, CEGEPs, universities, regional health boards, Quebec manpower development societies, regional manpower councils and regional development councils. All these organizations are established in the province's 16 administrative regions and are accountable to the Quebec government.

Moreover, there is an act respecting the ministère du Conseil exécutif, which provides that the Quebec government is the only authority which can sign development agreements, or any other type of agreement, with other governments.

Yet, through its bills, the federal government is assuming the authority to unilaterally interfere by reaching agreements with organizations which are under Quebec's jurisdiction. This is a flat rejection of a Quebec law, as well as a flat denial of the Quebec government's jurisdiction over regional development.

The legislation on the business development bank of Canada, which seeks to allow agreements with federal or provincial departments and organizations, as well as with any other body or individual, goes so far as to say that the bank could act as agent for such organizations. This is a direct and blatant attempt to take over regional development, by totalling bypassing the Quebec government and dismissing its authority.

• (1640)

I want to tell the hon. member for Vaudreuil that, in August 1991, some of his Quebec Liberal colleagues denounced the establishment, by order in council, of the federal office of regional development in Quebec. Indeed, the Quebec Liberal minister responsible for regional development, Yvon Picotte, was quick to react to the order in council confirming the establishment of a federal department of regional development and the appointment of a deputy minister in that department. Mr. Picotte said that, under the more discreet title of Federal Office of Regional Development for Quebec, the new department could, in the medium term, end up costing Quebec regions a lot. The federal government does not have the expertise to ensure that the subsidized projects will match the regional development priorities that were set these last few years by all of the stakeholders within each of Quebec's regions." He also said: "It is obvious that, with this federal approach, Quebec is faced with a *fait accompli* through orders in council."

What do we find in the bills which are central to today's debate? Exactly the same thing. Let us not forget that it was his Liberal friends from Quebec who protested. I should add that the then Minister of Federal-Provincial Relations, Mr. Rémillard, stated on August 8, 1991, that the government of Quebec was determined to stop co-operating with the federal government in the area of regional development.

The Quebec minister reminds us of the conditions for approval—

The Acting Speaker (Mr. Kilger): Order! I think we all understand that the question and comment period can lead to debate. I would certainly like to give the hon. member for Vaudreuil the opportunity to answer these comments and questions. I would ask the hon. member for Richmond—Wolfe to conclude so that our colleague can answer.

Mr. Leroux (Richmond—Wolfe, BQ): Mr. Speaker, I was getting to my question. Given all these facts, which are not necessarily the work of the Bloc Québécois, but are the results of all the negotiations held throughout the years with our Liberal colleagues opposite, who protested against our approach, how can the hon. member for Vaudreuil forget to mention the direct impact these bills will have on regional development and control, and refuse to recognize that Quebec has exclusive jurisdiction in this area?

Mr. Discepolo: Mr. Speaker, the industry committee has been examining this bill for three days now and here, in the House, the minister has now been trying to allay the hon. member's fears for two or three days. With each passing day, I realize that his understanding of this bill's role is getting lesser and lesser.

The clock is ticking away and, unless we pass this bill before the end of June, there will be no more money for the Federal Business Development Bank, to name one, and no more money for small and medium size businesses. One of the aims of this bill is to increase the capital available to these businesses as loans.

The hon. members say that no other province boasts so many regional offices. That is because the other provinces, like the four Atlantic provinces, have their own agency. I know at least 70 members from Ontario who would like to get their hands on the budget for the Federal Office of Regional Development—Quebec to give it to Ontario, where the program does not even exist.

I am going to quote again the clause with which the hon. member seems to have so much difficulty. Clause 20 clearly says that “The Bank may enter into agreements with, and act as agent for, any department or agency of the government of Canada or a province—”

I am stopping here because I think he is stumbling on the word “province”. When he talks about the RCMs, municipalities and school boards of Quebec—I must agree that municipalities were created by the provincial government—that did not prevent us from signing the Canada–Quebec infrastructure agreement with all three levels of government.

• (1645)

Therefore, I fail to see why he should worry, because, in my opinion, there is no cause for worry. We can sign agreements with agencies, and if they fall under provincial jurisdiction, the agencies, for example a municipality, will be obliged by law to obtain the provincial government’s agreement.

There is no doubt in my mind that we are not trying to erode powers. What we are trying to do is resolve the problem many small and medium size businesses are having regarding access to capital. This bill aims to bring within their reach the \$50,000, \$60,000 or \$100,000 they need, which banks cannot offer them, at the moment.

The Acting Speaker (Mr. Kilger): Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Davenport—the environment.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I welcome this opportunity today to speak to the motion presented by the Bloc Québécois. It is a pleasure to do so, both personally and especially on behalf of the people of Quebec who will hear what we have to say about the federal government and its constant push for centralization. I will try to show how the federal government is centralizing powers at the expense of the provinces and especially Quebec.

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Quebec is a nation that is truly distinct from Canada and that has always wanted to develop its potential according to its priorities—

The Acting Speaker (Mr. Kilger): The hon. member for Vaudreuil, on a point of order.

[*English*]

Mr. Discepolo: Mr. Speaker, I rise on a point of order. As far as I know Quebec is still a province. It is not a nation.

[*Translation*]

The Acting Speaker (Mr. Kilger): I realize that occasionally members may wish to get involved in the debate, but this is not a point of order.

Mr. Leblanc (Longueuil): Mr. Speaker, this motion condemns the federal government for wanting to centralize powers through legislation, and more specifically, through Bills C-46, C-91, C-88 and C-76. Little by little, the government, acting as it were behind the scenes, has made the Canadian federation, and especially the government of that federation, the master of this Canadian destiny, while ignoring the people of Quebec who want to develop their potential according to their own priorities, their own culture, their own way of doing things. It is always the same old story.

The process is a very gradual and very discreet one, and if we look at the situation very carefully, we realize that gradually, the provinces, if the process is allowed to continue, would become regions that would merely act on decisions handed down by Ottawa, something Quebec will never except, since for years we have refused to become a part of this way of running Canada.

The federal government, and a Liberal one to boot, says it wants a flexible and open federation, but at the same time it decides to centralize and give itself certain powers without further consultation. As my colleague said, there have been no federal–provincial meetings since this Liberal government was elected. Why? Because it is independent. It thinks it is the only government in Canada that should determine the future of this country. It does not consult the provinces, and it goes ahead, slowly but surely, little by little, very discreetly. It is very smart about the way it is doing this, but we in the Bloc Québécois, who came to Ottawa to defend the interests of Quebec and promote the sovereignty of Quebec because we felt we had to do this, we cannot let this go on.

• (1650)

I would remind you that this desire to centralize powers in Ottawa is not new. Sixty years ago, Mr. Duplessis was elected in Quebec in 1936 on a platform of: “Il faut rapatrier notre butin”. I remember by father and grandfather voted for Mr. Duplessis, who was Quebec’s premier for many years and who got elected on the platform of: “Il faut rapatrier notre butin d’Ottawa”. Quebecers’ mistrust of the federal government is not new. In

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order to grow, we need more independence. Mr. Duplessis got elected with the slogan: “Il faut rapatrier notre butin”.

Jean Lesage was a Liberal, a senior public servant and a former member of Parliament in Ottawa. He ran for election in Quebec City in 1960 and was elected with the slogan “Maîtres chez nous”. This is important. Quebecers voted for Mr. Lesage because he talked to them about being “Maîtres chez nous”. He was a Liberal, a former member of Parliament in Ottawa, and he became the Premier of Quebec who got the quiet revolution in Quebec rolling. This is when Quebec really began to pick up speed in achieving success and bringing about change. It happened because Quebecers began to take pride in themselves and because the Liberal Premier of Quebec in 1960 said that we had to be “Maîtres chez nous”. This is how he got elected.

Daniel Johnson, the father of the Union Nationale, got elected with the slogan “Égalité ou indépendance”. So, here again, Quebecers elected a government in Quebec on the strength of a slogan like “Égalité ou indépendance”. It is important, when the federal government wants to centralize things here in Ottawa and proves the point with the bills we mentioned earlier, to note that governments in Quebec have been elected almost since the start of the century on the strength of such slogans.

We are not here by chance, we in the Bloc Québécois. We were sent here by Quebecers to defend this point again. Today, as in the past, while it has been in power, the Liberal Party continues to try to centralize, obviously a little at a time and somewhat deceitfully. They are good at it. People do not really realize it, but we are being had yet again.

In 1976, Mr. Lévesque got elected with “Souveraineté—association”. We can see that things have evolved. Sixty years ago, Mr. Duplessis used to say: “Il faut rapatrier notre butin”. Mr. Lesage: “Maître chez nous”, Daniel Johnson Senior: “Égalité ou indépendance”, and Mr. Lévesque, in 1976: “Souveraineté—association”. While keeping a close eye on things, we realized that the federal government wanted to take over more and more and centralize more powers in Ottawa.

What happened? In the 1970s, Mr. Trudeau’s Liberals realized that Quebec was really coming along with its governments which were really working for the people—Maîtres chez nous, Égalité ou indépendance, and so on and so forth—Quebecers were really starting to be proud and to grow. So the federal government said: “We cannot let this happen, Quebecers are going to be ahead of us”. In order to stay ahead, the federal government decided to use its spending power. And it established all kinds of programs. It set health care standards. It injected money, taxpayers’ money, of course, it is never the money of the federal government, it is the money of taxpayers. It started borrowing.

In 1972, the federal government borrowed so much money that it started accumulating a debt. From a zero deficit in 1972, the federal government had accumulated a \$175 billion debt by 1984. In 1980, its accumulated debt had reached \$80 billion, strictly to show its superiority over Quebec. Seeing that Quebec was developing, seeing Quebec with a sovereignist movement more sovereignist than Quebecers themselves, if I may say so, the federal government, not looking kindly on these developments, said: “We are going to show Quebecers that we are important. We are going to spend money and show them that they will not survive without us”.

• (1655)

Quietly, they borrowed and borrowed. What has been the result? For the sole purpose of proving its superiority, the federal government borrowed and spent. At the same time, it created a completely artificial economy which contradicted the very model of the Liberal free enterprise system. It did not create a system, it created an artificial economy by injecting so much money into it. It was not free enterprise which caused the economy to overheat and go into a crisis, it was the government with its interventionist policy.

Remember that in the 1970s, the federal government caused inflation by trying to prove its superiority with its free spending. The annual inflation rate climbed to 10, 12 and even 15 per cent. The federal government continued its free spending until after the 1980 referendum. We had to wait until 1980. In that year, a referendum was held in Quebec, a referendum which was lost by Quebecers. But still they won by 43 to 45 per cent.

It was only after the referendum that the government began to say that it made no sense. It had been causing inflation for so long that it now had to stop it. And the only way to stop it—the governor of the Bank of Canada said it himself—was by raising interest rates. So, in 1981, 1982, interest rates soared to 21 per cent. The recession which ensued was so severe that many small businesses in Quebec as well as in Canada went bankrupt. The hon. member from Vaudeuil knows that, he just mentioned it. I know too, I was in business at that time. I can tell you, Mr. Speaker, that those were very hard times. A lot of businesses went belly up.

Many businesses were expanding, they had lines of credit and heavy mortgages. Quebecers went with the flow, they grew, contracted loans, etc. because Quebec was part of the modern economy. The recession which was a pure creation of the federal government which brutally raised interest rates up to 22 per cent over a very short period of time caused bankruptcies and economic and social chaos. The whole problem was caused by the federal government which wanted to prove that it was the big

boss, that it was the greatest and that it must stick its nose everywhere. It was terrible, simply shocking.

In 1984, the cumulative debt totalled \$170 billion. That year, to show its superiority, the liberal government, with Mr. Lalonde as Minister of Finance, presented its last budget before being defeated that same year. Its deficit was estimated at \$38 billion and its revenues at \$70 billion. The government was borrowing \$38 billion, which meant it was spending almost 150 per cent of its anticipated revenues. It collected \$70 billion and borrowed \$38 billion. That was the Lalonde budget. All that, I repeat, only to show that it was superior, to show Quebecers that it was the big boss, that it spent and controlled.

As you know, in the 18th century, the Emperor Napoleon spent 135 per cent of what he could collect in revenues to maintain his empire.

• (1700)

But in 1984, Lalonde and Trudeau were spending 165 per cent to maintain their superiority here in Ottawa. That is what happened. People wonder why we are deep in debt and why things are not working. Why? Because two nations want to grow and they are fighting to see who will be the strongest. We decided that the best way was to have two countries so that both nations could grow.

The same thing happened in 1984. I arrived here as a Conservative in 1984. We had three slogans: decentralization of powers, national reconciliation and spending cuts. Those are the three reasons why I joined the Conservatives and why we were elected in 1984. Some said that a decentralization of powers was needed, and I agreed with that. In any case, we had lost the referendum, so we decided to take the risk of starting over again if that were possible.

The Conservatives were well-intentioned. They said that they would decentralize powers. A national reconciliation was necessary. Everybody was fighting, so we had to clean up our act. A reduction in spending was obviously needed. We had an accumulated debt of \$175 billion, which was way too much. That is what we said. The Conservative government did cut spending and did make extraordinary efforts toward a national reconciliation. But you know what happened to Meech.

The Meech Lake Accord failed because it provided for a reduction in the federal government's spending power. That is why it failed. It failed because Mr. Chretien, the current Prime Minister, did not want to see the spending power of the federal government reduced. He used the premiers of New Brunswick and of Newfoundland, Mr. McKenna and Mr. Wells, and also Mrs. Carstairs, who is now a senator, to bring about the failure of the Meech Lake Accord because it limited the spending power of the federal government.

Supply

That was the major problem. We were absolutely right in asking for that, but it was the reason the accord was rejected. The leader of the present government is the one who caused the failure of the Meech Lake Accord. He is the one most responsible for the failure of the Meech Lake Accord. Everyone knows it. It is not something we made up.

What were the consequences? The consequences were that the Tories spent even more to prove their superiority. Despite spending cuts, they spent approximately \$30 billion, \$32 billion annually in excess of what they collected, that is a yearly deficit of \$30 billion, \$32 billion dollars. They continued to artificially inflate the economy, to raise inflation. They created a kind of artificial economy.

The economic growth was between 3 and 3.9 per cent, but the real economic growth—if the government had not invested \$30 billion, \$32 billion dollars to prove its superiority—would probably have been 2 per cent. Real economic growth such as we are seeing in Europe and elsewhere. Real economic growth of 1.5 or 2 per cent per year. But no. The federal government borrowed abroad and now 40 per cent of the \$600 billion we owe are foreign owned. They artificially inflated the economy, and we are now faced with this big problem.

What I want to say is that because of the federal government's desire to centralize, to prove that it is in control, the Canadian economy has been destroyed. Canada is bankrupt as a result. It has to stop. Even if, tomorrow morning or in the fall, Quebecers lost the referendum, the problem would be the same. Fifty per cent of the sovereignists in Quebec still would want to prove their superiority, to continue to develop according to their needs, to their priorities. The problem would be the same.

• (1705)

I am telling Quebecers through you, Mr. Speaker, that they must vote for sovereignty. They have to create a new country for the good of Canada and for the good of Quebec. We must strive to do so. There is no alternative, otherwise we will never get out of it. For the good of our children, for the good of our grand-children, for the good of Quebec and Canada, we should build a sound economic union. If we had some kind of union council, with delegates from the two countries, it would be fine. But we should each have the opportunity to develop according to our own priorities and according to our own culture.

I guarantee you that we would be better off not centralizing, as it is done right now, but becoming two separate sovereign nations linked by an economic union. There is some kind of agreement on the management of such an union.

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, this is the second time the member for Longueuil refers to the debt. In his speech, he said that in the sixties our slogan was “*Maîtres chez nous*”, in the seventies it was “*Égalité ou indépendance*”

Supply

and in the eighties it became “Souveraineté–Association”. I prefer to talk about the “Beau risque” of the seventies. But now, the change of direction of March 1995 has turned into no direction at all.

Why do I say that? Because the Bloc Québécois with its separation option does not know what to offer Quebecers. The member for Longueuil speaks about the debt as if it belonged exclusively to the federal government. Quebecers also participated in that debt. If Quebec becomes independent, the quality of life of its citizens will drop from the 9th position, where it stands right now, to the 19th. The member also said that the political system is not working, that it does not meet the expectations or requirements of Quebec and that we created an artificial economy in Canada.

My question for the member is this: If he does not approve of Canada’s political system, if our economy does not meet his expectations, why is it that in their plan, the Bloc members say they want sovereignty, but they also want to maintain the same economic union and the same political system? Is there not a contradiction there? I am asking the member because he said himself that after the referendum, if the answer is no, there will still be 54 members promoting independence for Quebec.

I want to ask the member if that means that all Bloc Québécois members will resign if their option is rejected during the fall referendum, as he claims?

Mr. Leblanc (Longueuil, BQ): Mr. Speaker, I find it rather strange that when we say that we want an economic association with the rest of Canada, the Liberal Party, especially the Quebec members and the Prime Minister, who is also from Quebec, say: “We do not want any association with the rest of Canada”. And yet, they too are Quebecers.

You see, this economic association is unavoidable, no matter what. We do a lot of trade with Ontario and western Canada. As a matter of fact, the West sells more in Quebec than we sell there. There is a deficit. Ontario buys slightly over one billion more from Quebec than we purchase from Ontario. If we were to become sovereign, without an economic association, Ontario would have a trade deficit with Quebec.

In order not to disturb this economy which is working and will go on, in any case, and which business people and economists will want to keep going, we say that we need some kind of economic association. No matter the form it takes, we will need some kind of economic association to manage and continue to manage our trade.

• (1710)

Moreover, we must say that, at the present time, it is harder to trade among provinces than it is with the United States through

the FTA. I find this terrible. It seems to me that it should be easy for Canada and Quebec to have an economic association at least as open as the one we have with the United States.

In Quebec, we tend to trade north–south, because the market there is very large, as in New York City and Boston. It is said that there are close to 100 million consumers within a range of 1,000 kilometres from Montreal. This explains why we tend to trade with the South. But this does not mean that we do not want to maintain our economic links with the rest of Canada. To achieve this, we say that we need an economic association. It could be managed by some kind of a council which could sit, perhaps here in Ottawa, with delegates from the government in Quebec City, MPs delegated by the government in Ottawa, who could sit once in a while to manage this united council. This is not complicated, this is simple. Life goes on.

Any way, one cannot claim that governments can do everything. It is the economy which fosters good trade relations.

I hear the Liberals laugh over there, and I think they are being rather foolish. I cannot understand why they are laughing. It bothers me to hear them laugh, I do not like it. I heard the Prime Minister, himself a Quebecer, say that he does not want a union with the rest of Canada, that he has no need for it. I do not know what he is going to do. He is going to die alone. I do not know; maybe he will have to move to Toronto, because he lives in Quebec. I think he lives in Quebec, although I am not sure. I rather think that he has been living in Ontario for 30 years. I am not sure about that. When I listen to him, I wonder if the language, the words he uses are not words that Quebecers were using 30 years ago. The language of Quebecers has evolved, but the Prime Minister talks as people used to 30 years ago. I think that he has been living in Ontario for 30 years and that he seldom goes back to Quebec. The language there has evolved.

So, I find it a little strange to hear Quebec Liberals—because that applies only to Quebec Liberals—say that they do not want an economic association with the rest of Canada. I am really disappointed. I do not understand.

In this regard, in the interests of all Quebecers, it is high time for us to be sovereign so that we can grow and also have an economic association with the rest of Canada that will come naturally, I am sure. Some may say that they do not want it, but that is not true; it will come naturally. Business people, professionals, economists, all those who are in business will want it to be maintained.

Planes full of business people link Montreal and Toronto every day. I used to be in business and I used to go regularly to Toronto to buy products. I was president of a wholesale company and I used to buy a lot of products in Toronto. I went there

regularly. Ontarians will surely want Quebecers to continue to buy products in Toronto. I am sure of it.

In Ontario, over 100,000 jobs are dependent on sales in Quebec. I doubt that Ontarians will refuse to sell to Quebec any more if 100,000 jobs are at stake. I doubt that westerners will refuse to sell their beef to Quebec when we buy \$800 or \$900 million of it each year.

Therefore, those who claim that there will be no economic union with Quebec are talking nonsense. Anyone who is the least realistic will understand that this is a bare fact, that we are not inventing anything and that it will evolve quite naturally.

What we are saying is that we are determined enough to do it. If Liberals, and especially those from Quebec, maintain that they do not want that, it just baffles me.

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am pleased to be able to engage in this debate, particularly after having listened to that rather enlightening rendition of creative imagination on the part of the Bloc Quebecois members. I am happy to know that Jules Verne is alive and well and writing science fiction when we hear their description of how everything can change while everything remains the same. It does challenge the imagination.

• (1715)

I want to speak for a few moments about the allegations contained in the motion on the floor today with respect to Bill C-88. That is the bill to implement the internal trade agreement which was negotiated and signed among the federal government and the provinces about a year ago today. I must say that the allegations contained in that motion represent an inability or perhaps an unwillingness on the part of the Bloc Quebecois to understand the plain meaning of the text in the bill.

[*Translation*]

As was said in the House before, the federal government would seldom intervene as plaintiff in a dispute that arises within the context of the Agreement on Internal Trade. If a dispute is settled in the federal government's favour and the province concerned refuses to accept the conclusions of an impartial panel, the federal government could then suspend benefits or impose retaliatory measures of equivalent effect.

Clearly, such measures would be imposed in the same sector as the initial violation or in another sector regulated by the agreement. Retaliatory measures would not affect transfer payments or social programs since these do not come under the purview of this agreement.

[*English*]

Bill C-88 does not make the federal government the policeman of the internal trade agreement as the official opposition

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mistakenly insists. Anyone who takes the time to read the bill, even the headnote to clause 9 of Bill C-88 or to read article 1710 of the agreement on internal trade can only verify the accuracy of what I have just outlined. Bill C-88 deals only with what the federal government must do to live up to its obligations under the internal trade agreement and nothing else.

As I said in the House on May 4, the agreement on internal trade is a consensual agreement. All the parties who agreed to it must act within their own jurisdiction to implement it and comply with its obligations.

[*Translation*]

So far, only the federal government and the Government of Alberta have tabled legislation to implement the agreement and comply with their respective obligations in this regard. It is probable that most of the other parties to the agreement will decide to do likewise, sooner or later.

I am sure that all Canadians are anxious to see what governments that claim to support domestic free trade will actually do to implement the Agreement on Internal Trade and eliminate the barriers they themselves created over the years.

Bill C-88 is an historic milestone. It is an opportunity for the federal government to show leadership and to do so with the governments of the other parties to the agreement, as they implement the first comprehensive domestic free trade agreement since the British North America Act, 1867.

[*English*]

Since 1867 the Canadian economy has grown and evolved in ways never imagined by the Fathers of Confederation. The federal government still has the constitutional responsibility for trade and commerce. Over time, provinces have assumed prominent roles as influencers of economic growth and in the regulation of trade and commerce at their level.

As a result, trading arrangements and regulations have developed in an ad hoc way often in response to a particular regional need. Many of these measures create barriers to trade as they impact on the free flow of goods, services, people and capital within Canada.

Such barriers can lead to the inefficient use of resources and limit the ability of industry to take advantage of economies of scale and to maintain competitive market positions. The result is to reduce the competitiveness of Canadian business and adversely affect the Canadian economy.

• (1720)

Also, in Canada we have a patchwork of regulations, standards and other barriers to interprovincial trade that have grown around us and have become an unacceptable feature of our domestic market. There has been growing concern and evidence these barriers to trade are seriously affecting our ability to remain competitive in the international trading environment.

Supply

It is urgent that we establish a new trading regime in Canada, one based on more open interprovincial trade, one that would not impede the movement of people and investment within the country and one that would allow for co-operative approaches to the resolution of domestic trade disputes. Bill C-88 is a key element in bringing to fruition the process of intergovernmental negotiation and co-operation that will produce that new regime.

[Translation]

This bill concludes a lengthy process to which many people have contributed and which has involved analyzing a great many issues and points of view. Ministers and officials of the federal, provincial and territorial governments took an active part in this process, as well as representatives of the private sector.

In fact, representatives of the private sector and especially members of the business community have put constant pressure on all levels of government to find ways to deal with interprovincial trade barriers and the resulting economic cost for Canada.

The Canadian Manufacturers Association, for instance, estimates that trade barriers on domestic markets cost the Canadian economy about \$7 billion annually in terms of lost jobs and income.

[English]

The agreement on internal free trade signed last year by the Prime Minister and other first ministers is an outstanding example of what can be accomplished within a co-operative framework in Canada. It is also important to note that political parties of all stripes and all regional perspectives have been part of this process.

[Translation]

All parties that took part in the negotiations share the same view and recognize the benefits of a more open market for Canada.

[English]

As a result of the work done by the committee of ministers on internal trade and by the chief negotiators, we achieved a comprehensive agreement. It provides for a rules based system for trade within Canada, a dispute settlement mechanism to resolve issues on internal trade matters, a standstill on new barriers, commitments to future negotiations to broaden and deepen the agreement, a code of conduct to prevent destructive competition for investment, increased labour mobility and a commitment to reconcile standards related measures. These are significant achievements.

[Translation]

Dispute settlement is a key component of this agreement as it is of any trade agreement. This agreement represents a unique

response to circumstances that are uniquely Canadian. The agreement is based on rules which, in turn, are based on certain concepts and agreements that are well established in international trade but adapted to the Canadian context.

[English]

Well known examples include the GATT agreement, the European Union and NAFTA. There have been suggestions that we in Canada should just use one or other of these models in the Canadian situation. However, these suggestions overlook the important issue of the sovereignty of the parties to an agreement as well as the degree of political control the parties themselves are willing to give up to the compliance mechanism which is in place in the accord.

The agreement on internal trade sets out the framework and basic underpinnings for a dispute resolution mechanism approach that is unique to the Canadian context and provides for open access to the settlement process. This approach commits all parties to the use of conciliation to address problems arising from the provisions of the agreement, including its principles, its rules and its individual sectoral agreements.

● (1725)

The mandate of the committee on internal trade is to "assist in the resolution of disputes arising out of interpretations and applications of the agreement". The working philosophy of the committee and of the agreement is to use consultation and conciliation in dispute resolution.

Disputing parties will be encouraged to make every attempt through co-operation, consultation and other forms of dispute resolution to arrive at a solution. If consultation fails, governments or governments on behalf of individual persons or persons directly can ask to have matters raised with a panel. The panel will consider the facts and make recommendations for changing policies or behaviour, but it will not assess damages. The underlying objective of the process is to seek to change inconsistent behaviour and policies and not apply penalties or award damages.

Under the agreement, retaliation is only possible at the end of the dispute settlement process. Only in cases where the federal government was a complainant in a dispute and only where a province has refused for a year to change a measure found by an impartial panel to have violated the agreement could the federal government consider taking retaliatory action.

Such action would first have to be discussed with the committee on internal trade. Even then it could only be such as to have the equivalent economic effect to the measure that had originally violated the agreement and it would have to be taken in a sector specifically covered by the agreement. This is what the Bloc Quebecois is complaining about as an undue intrusion of the federal government into provincial affairs. I ask you, Mr. Speaker, if you have ever heard anything so ridiculous.

In addition to dispute resolution procedures, the bill also presents amendments to a number of other federal acts which need to be changed in order that we meet our obligations to the provinces and territories to make the changes to federal legislation and regulations necessary to implement the agreement which we signed last year. All parties to the agreement were informed on April 12 in Calgary that the federal government would be introducing these amendments in the near future.

Our work to date has emphasized the value of the co-operative approach to solving trade problems internally in Canada. Our work in the future will do so as well. That is the very reason the agreement on internal trade has been criticized by members of the Reform Party for not going far enough fast enough. Other members opposite would have had the government act unilaterally. They have suggested under sections 91(a) and 121 of the Constitution to impose free internal trade on the provinces. That is the very thing the other opposition party accuses us of having done. Both criticisms are purely and simply ill founded and wrong headed.

[Translation]

The government tried to resolve this country's problems in collaboration with the provincial governments. The process leading up to the Free Trade Agreement bears witness to this. It has been our approach in the past, it is our approach now and it is the only approach that any responsible Canadian government can take in the future. It is the only way to govern and that is what real power is.

Cases where the federal government is the grievor in a disagreement under the Free Trade Agreement will be few. If a dispute were settled in favour of the federal government and if the province in question were to refuse to respect the conclusions of the impartial panel, the federal government would have the right to withdraw equivalent benefits.

Such retaliatory measures should be taken in the same sector as the initial violation or in another sector covered by the accord.

[English]

Retaliation could not involve transfer payments or social programs because these things are not covered by the agreement. Bill C-88 does not make the federal government a policeman of the internal trade agreement as the official opposition has claimed.

[Translation]

Bill C-88 only covers the federal government's obligations under the interprovincial trade accord, nothing more. The interprovincial trade accord is a consensual accord. All parties

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to this accord are responsible for applying it in their own jurisdictions and for meeting its requirements.

[English]

What we have heard over this day of debate is a series of allegations founded on misapprehension, perhaps wilful misunderstanding of the contents of bills before the House.

The agreement on internal trade we want to see broadened, deepened and strengthened. There is a lot more work to do. I call on the official opposition, since the Government of Quebec has claimed to be a free trader, not to put up roadblocks to a real free internal trading market within Canada but to begin to support it with actions instead of protestations.

[Translation]

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., it is my duty to inform the House that, pursuant to Standing Order 81, proceedings on this motion have expired.

[English]

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

LEGAL RECOGNITION OF SAME SEX SPOUSES

The House resumed from April 26 consideration of the motion.

The Acting Speaker (Mr. Kilger): At the time of adjournment on Wednesday, April 26, 1995 the hon. member for Elk Island had seven minutes remaining for debate.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, this is the second time I have had a speech interrupted by a period of some two to three months. It is difficult to keep one's train of thought when that happens. However, I shall review the beginning of my speech and then carry on.

We are debating the motion put forward by the hon. member for Hochelaga—Maisonneuve which has to do with the government taking the necessary measures to recognize same sex spouses. In my intervention last April 26, before I was interrupted, I was stating that as legislators, we have a responsibility, an obligation, a high calling to do what is right for our country and its citizens. Very often debates such as this are limited because we allow our emotions to enter into them to such an extent that we sometimes fail to ask the real questions. We need to ask some very serious questions about this issue. Where are

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we going as a society? How are we going to determine what is best in this regard?

I would like to submit several ideas for the criteria we could use in determining what is best. One which is very important, and which I alluded to in my last intervention, is that we need to listen to Canadians. That is so important. As members of Parliament we are sent here to represent our constituents according to what they want us to do.

We are all aware that Canadians have been expressing their views on this issue. There is a continual stream of petitions on the subject. Why do people do these things? Why do they get into the mode of asking questions of people? "Here is an issue. Do you agree with it? If you agree will you sign the petition?" They think a decision is about to be made which is of considerable importance to them. They want to express their opinions and have them represented in the House. Consequently, we have had many petitions in which the members of Parliament, the House of Commons assembled, have been petitioned to not change any laws that would indicate approval of same sex relationships or homosexuality.

• (1735)

That may on the surface appear to be somewhat intolerant, but the question needs to be asked: Are we experiencing the tyranny of the majority? Does the majority feel this way? According to statistics and various surveys that have been taken, by far the majority of Canadians believes that heterosexual couples are the ideal models for marriage and for family.

We would err if we were to ignore the advice from Canadians when they say: "Hold it here, legislators. There is a danger. You are embarking on dangerous ground. Stop, do not do this".

There have been other very notable instances where the wishes of Canadians have not been taken into account. I suppose the best example is the infamous GST. If I am not mistaken, there were more petitions presented on the GST than on any issue when it was being debated. However, the legislators of the day chose to ignore that advice and we now have on the books and in practice the most hated tax that Canada has ever had. It is so hated that we all know what happened to the government that brought it in.

It is incredible that the present government got elected on, among other things, a promise to eliminate the GST. That is how strongly Canadians felt about it. Consequently the GST is one of the best examples of government ignoring the advice of Canadians. There are some consequences to us in this place if we ignore advice and put through legislation anyway.

That would be one of the arguments I would put in favour of my view and in my opposition to this motion. We need to learn to

increasingly trust and express the views of the Canadian people when they express themselves in this way.

Something else we ought to take into account is that this is not the tyranny of the majority. By saying we do not want to recognize same sex couples, we are not telling these people that it is justifiable to persecute them and to do other things that are not right to any member of our society. I would really emphasize that.

I grieve for anyone who is attacked, beaten up or assaulted. It does not matter to me whether that person is male or female, a native Canadian or an immigrant Canadian, or a Canadian who has been here for two or three generations. It also does not matter to me whether that person is a homosexual or a heterosexual. If that person is assaulted it is wrong. No Canadian should be deprived of the protection of law for such fundamental things as freedom of security and freedom of person. When we speak in opposition to this motion it is not because we are in any way condoning that type of activity.

In conclusion, I would like to say that it is my definite opinion and certainly the opinion of many who have communicated to me on this topic, that we need to promote, to the greatest extent possible, what we might label as the traditional family: the mother and father, the procreative couple, the family with children. Our taxation laws and laws on benefits should promote and encourage that kind of loving family relationship.

• (1740)

At the same time we say to these people who wish to engage in same sex relationships that there is presently nothing in the law preventing same sex relationships. Many of us disagree with it. It would be ill-advised of us as a Parliament and as a country to condone it, to approve it, to say that it is okay by voting in favour of a motion such as the one that we have before us.

With great respect for the member who brought forward this motion, I will not be able to support it.

Ms. Roseanne Skoke (Central Nova, Lib.): Mr. Speaker, from the outset I wish to advise the House that I do not support this motion.

This motion is specifically asking Parliament to encroach on a jurisdiction that is not within the domain of Parliament. This motion is asking Parliament to take the necessary measures for the legal recognition of same sex spouses.

In effect, Parliament is being asked to provide special legal status to homosexuals, thereby allowing them to redefine the family, to redefine marriage, to enter into the realm of sanctity of marriage, to allow homosexuals to adopt children, to enter into schools, education and infiltrate the curriculum within our school system and to impose an alternative lifestyle on our youth. This is unacceptable.

All these demands are encroaching on and undermining the inherent and inviolable rights of families. Families have existed before the church. Families have existed before the state. Parliament has absolutely no legal or constitutional authority to redefine family, or to enter into the realm of the sanctity of marriage.

It is important for the House to understand why this line of thinking is present here today and why such a motion would even be entertained on the floor of the House.

The first theme that we have to come to understand is that of freedom. At the collective level, people are saying that they want freedom to govern themselves, develop their own economies, to enhance their overall quality of life, and the freedom of choice.

Closely tied to this theme of freedom is our second theme, that is, the individual. At the personal level, people are saying that they want to be free to express themselves, free to work, free to worship, free to travel, free to be what they aspire to be and once again, individual freedom of choice.

Closely tied to our themes of freedom and individualism in our country is our third emphasis and that is pluralism. As a policy, pluralism contributes to collective and personal freedom by legitimizing diversity. It appears on the surface to resolve the issue of how different individuals who want to be free can live in community and harmony.

Our three themes of freedom, individualism and pluralism are now joined with our fourth theme in our country, relativism. The free expression of the individual and groups is made possible only by suspending value judgments about how people live or what choices people have made.

Truth has been replaced by relativism, which is the legitimization of diverse choice. Under the guise of equality and fairness, pluralism coupled with relativism has come to pervade Canadian minds and Canadian institutions.

Canadians have become conditioned to be tolerant, to respect, to appreciate diversity. The insistence that individuals must be free to think and free to behave without interference according to their conscience has been reinforced in our pluralistic secular society today.

The introduction of the Canadian Charter of Rights and Freedoms and the promotion of multiculturalism has once again reaffirmed Canada's goal of harmonious co-existence whereby the ideas, lifestyles and free thinking of all individuals must be accepted and respected to ensure equality and fairness.

To accept and to endorse the theory of pluralism coupled with relativism is to accept that truth is nothing more than personal opinion. Relativism in our pluralistic society has stripped us as

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Canadians of our ethical and moral guidelines. Justice, law and morality are inseparable. In Canada we cannot have laws unless our laws are just and moral.

• (1745)

The preamble to our Canadian Constitution set forth in the Constitution Act recognizes the supremacy of God in the rule of law. The recognition of the supremacy of God entrenches into the Constitution natural law, and therefore the laws of our country must not contravene natural law, for to do so the laws would be ultra vires or unconstitutional.

I refer to recent Supreme Court of Canada decision Nesbit and Egan. This decision was rendered on May 25, 1995 and the decision makers refer to the relevancy and the functional values underlining the law and that the Canadian charter of rights is not enacted in a vacuum but must be placed in its proper linguistic, philosophic and historical context.

Also Chief Justice Lamer and the majority of the Supreme Court judiciary stated quite eloquently: "Marriage has from time immemorial been firmly grounded in our legal tradition, one that is itself a reflection of longstanding philosophical and religious traditions, but its ultimate *raison d'être* transcends all of these and is firmly anchored in the biological and social realities that heterosexual couples have the unique ability to procreate, that most children are the product of these relationships and that they are generally cared for and nurtured by those who live in that relationship. In this sense marriage is by nature heterosexual".

The rights of family are being seriously undermined and eroded in Canada today. The conventional terms of debate in matters of political, economic and legal issues tend to focus on individual rights and the rights of state, not the rights of the family. This is unfortunate and must change, for the family is the most important reality in our lives. To redefine the family to include homosexual and lesbian relationships is immoral and unjust and a violation of the rights of the family which are well founded in both our Canadian and natural law.

The family unit is the basic institution of life and the solid foundation in which our forefathers have built this great nation. The protection of families, family life and family values must be a priority with the government. Families have inherent and inviolable rights. Families have existed before the church, families have existed before the state. The rights of family must be preserved, safeguarded and protected by Parliament.

To recognize same sex marriages would give credence to a faction in our society undermining and destroying our values, principles and morality. Such a special recognition of same sex marriage by Parliament is an overt acceptance and condonation of homosexuality being imposed on Canadians. It has the effect

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of legislating a morality that is not supported by our Canadian principles, morals and values.

Canadians do not have to accept homosexuality as being natural and moral. Homosexuality is not natural. It is immoral and it is undermining the inherent rights and values of Canadian families and it must not and should not be condoned.

To endorse same sex marriages or to include the words sexual orientation in any federal legislation would allow homosexuals to obtain special legal status. It would allow them to redefine the family, to redefine marriage and enter into the realm of the sanctity of marriage, to adopt children, to enter into our schools and infiltrate the curriculum of our schools and to impose an alternative lifestyle on our youth. All these demands are encroaching on and undermining the inherent and inviolable rights of family.

Families have existed before the church and families have existed before the state. Parliament has absolutely no legal or constitutional authority to redefine family or to enter into the realm of sanctity of marriage. For Parliament to do so would encroach on the rights and responsibilities of family. It would also encroach on the rights of the church. I use the word church all inclusively.

Parliament must be reminded that separation of church and state has been respected for centuries. The state must not interfere in matters of church. However, the church has the right and responsibility to enter into and be concerned with matters of state. The power of church, and I use the word all inclusively, must not be underestimated. Over the last 25 years Parliament has gradually encroached on the rights of the church, the rights of family and the rights of life.

• (1750)

Over the last 25 years morality, an essential element in justice and legislation, has been gradually removed from our laws. Such examples are decriminalization of homosexuality, no fault divorce, facilitating and funding abortion and our Young Offenders Act. Now this motion before the House is requesting special legal status for homosexuals to allow them to redefine family, to undermine and erode and destroy the rights of family and to destroy the sanctity of marriage.

It is important for Parliament to be reminded that family is the basic institution of life. Life begins from the moment of conception and continues until natural death. In the words of the Supreme Court of Canada in Egan and Nesbit, marriage is heterosexual by nature.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I would like to say to the members of this House that I fully support the motion by my colleague for Hochelaga—Maison-

neuve. As we know, this motion concerns legal recognition of same sex partners. In my opinion, we must remember, for the purposes of this debate, the limit my colleague wanted to set in his motion. We are not talking here about the right of same sex couples to marry or adopt. Debate on this matter, also a current issue, will take place later.

Today, we are trying to decide whether the Government of Canada should legally recognize couples of the same sex. I say it should. My support for the motion is based on certain observations, and I would like to present to you the conclusions I have drawn from them.

Individually, the members of a same sex couple enjoy the same rights as everyone else. This first point may seem rather obvious. However, I still think it should be made, because there is sometimes a tendency in some debates to assume that certain people are more equal than others. I am thinking here primarily of white heterosexual males.

Individuals who are homosexual are entitled to the same individual rights as everyone else and are also entitled to the same protection of these rights. Their constitutional rights, that is their basic freedoms, their democratic rights, their mobility rights, their legal rights, and their right to equality are guaranteed by the law and monitored by the courts. No government can set aside these rights with impunity. On the contrary, government has the obligation to ensure that everyone's rights are respected.

My second observation: homosexual couples are discriminated against.

Although homosexual individuals enjoy the same rights, individually and under the law, as their heterosexual neighbours, they become the subject of discrimination when in a relationship.

In fact, treatment accorded homosexual couples is completely opposite that given heterosexual couples. The courts have recognized this discrimination on many occasions, in cases involving the entitlement of members of homosexual couples to the benefits enjoyed by their heterosexual colleagues.

In Canada, several judges and arbitrators have had to analyze laws and collective agreements that did not recognize same sex spouses, thus denying these people the spousal rights and benefits provided under these statutory instruments. In several cases, after noting the existence of discrimination and its impact, the courts ordered employers to provide the same social benefits to both homosexual and heterosexual spouses.

Last week, the Supreme Court of Canada finally recognized sexual orientation as a prohibited ground of discrimination under the Canadian charter. However, on the issue of recognizing same sex spouses, the Supreme Court ruling clearly sends the ball back into Parliament's court. We can expect the conse-

quences of this decision to help lessen discrimination against homosexual and lesbian partners.

A third finding is that the cost of eliminating discriminatory policies will be minimal.

The legal recognition of same sex spouses would not cost a fortune, contrary to what some people may have feared. Although there are no detailed actuarial studies on the additional cost of extending social benefits to same sex spouses, we can look at the experience of employers who have recognized such couples.

• (1755)

Several private companies, organizations, and governments asked actuarial firms to assess the cost of proposed measures intended for same sex spouses. The experts surveyed concluded that the additional costs would be minimal, in the order of 0.5 to 1.5 per cent depending on the various social benefits being considered. The argument that costs would be prohibitive is therefore not valid.

Fourth and last, the public would support the recognition of same sex spouses.

Finally, in discussing new social policy—and that is what we are dealing with today—we must assess how acceptable this new policy is to the public. This is essential to the success of the operation. Often, governments that tried to impose changes without first securing public support were quickly called to order.

I think that the public is ready now for the legal recognition of same sex spouses. In Quebec—we are always different—you would even find greater support than in Canada.

According to an Environics poll conducted in Ontario in the spring of 1994, fifty-five per cent of respondents were prepared to recognize entitlement to social benefits for same sex spouses. An Angus Reid poll showed similar results across Canada. In Quebec, 73 per cent of respondents to a SOM poll conducted in the fall of 1993 were in favour.

To conclude, the members of this House should support the motion put forward by my colleague because it is a matter of justice and equity. First and foremost, it is a matter of justice because all individuals in our society are equal. Being equal, they should not be subject to discrimination when they join with another person to form a couple.

Second, it is a matter of equity because homosexual couples are not given the same treatment as heterosexual couples, and the only difference between the two is sexual orientation. Parliament must therefore encourage the government to take the measures necessary to put an end to this discrimination against same sex couples.

In turn, this stand for justice and equity may well prompt the public to exhibit a more positive attitude in terms of respecting

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differences, something we really need in our society if we want it to be a better place, with less violence and hatred.

This motion does not ask for the recognition of special rights, but for the enforcement of the right to equality. That is why I urge this House to vote for the motion put forward by my hon. colleague from Hochelaga—Maisonneuve.

[English]

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to this motion which calls on the government to take the necessary measures for the legal recognition of same sex spouses.

I commend my colleague from Hochelaga—Maisonneuve for his initiative in bringing up this issue; it is timely and exceedingly important.

Before I discuss my views on the question I state clearly and unequivocally I reject the suggestion this debate is blasphemy or that those who would promote equality are part of some conspiracy to kidnap our children.

In due course the government will have to address this issue. The precious moments of private members' business at the end of each day provide an opportunity for us to express our personal views, and I am pleased to do so.

I have spoken in the House in support of the hate crimes provisions of Bill C-41 and in support of amending the Canadian Human Rights Act. I have encouraged my colleagues on all sides of the House to support these initiatives. I have supported them because these initiatives are the right and decent thing to do as Canadians.

Amending the Canadian Human Rights Act is a matter of fundamental justice and equality. The goal of the act is not to confer special rights on anyone but rather to ensure equal rights for everyone. The measures we have taken in Bill C-41, the proposed amendments of the human rights act when they are introduced, are totally consistent with the commitment we have as Liberals and as Canadians to attack hatred and discrimination and promote tolerance.

• (1800)

I am pleased that in its ruling last Thursday the Supreme Court of Canada unanimously agreed that sexual orientation should be read into section 15 of the charter, thus barring discrimination against gays and lesbians. It is an important step toward full equality for all members of Canadian society.

On the thornier issue, the more difficult issue of extending benefits to same sex couples living together, the court was split. It will soon be up to us as legislators to decide what actions we should take as we consider the question in the debate today and in the weeks ahead.

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I want to make it clear that extending recognition to non-traditional relationships is not an attempt to undermine the family, but it is rather an effort to recognize today's realities and to end discrimination. Traditional families remain the majority and a fundamental building block of society. But we cannot ignore that there are different types of family units that exist today.

In response to a question put forward by the member for Hochelaga—Maisonneuve dealing with the Egan and Nesbit supreme court ruling and the extension of same sex benefits, the Minister of Justice expressed views before the Standing Committee on Human Rights and the Status of Disabled Persons to the following effect. When we talk about extending benefits we should be looking at relationships and dependency instead of exclusively sexual criteria to define those relationships. We should be thinking of a brother and sister living together, a son taking care of an elderly mother, a mother taking care of an adult daughter, and other types of relationships where adults depend on each other emotionally and financially. And there are many such cases in this complex society.

I think the Minister of Justice has put forward an interesting and innovative proposition, and I would be ready to support that position. However, I must stress that we have no immediate intention of introducing such legislation. We must engage in a full cost analysis and we must have a full debate in the House.

I want to add that the benefits we need to consider granting to partners in non-traditional relationships go beyond monetary ones. Even if the government has yet to put same sex relationships on an equal footing with more traditional ones, I firmly believe that measures should be taken to prevent incidents of discrimination in the workplace and we should be looking seriously at bereavement leave and family care leave to same sex partners.

Ironically, while we as elected officials are anxious to provide leadership on these issues, it is the courts and the private sector who are doing so, doing the right and courageous things by protecting the rights of all Canadians.

In its 1994 annual report the Canadian Human Rights Commission listed major private institutions offering such arrangements, firms such as BC-Tel, Hudson's Bay Company, Northern Telecom, Southam Publishing, Shell Canada, Levi Strauss, Toronto Sun Publishing Corporation, Dow Chemical, and the Toronto Dominion Bank. Canada Post entered into an agreement with the Canadian Union of Postal Workers that would provide same sex benefits for its 52,000 members.

I think the Human Rights Commissioner expressed it best when he said in reference to these corporations: "All of this should deliver a simple message. Institutions of this sort are not

wild-eyed reformers. They are not interested in endorsing certain lifestyles or debating the meaning of the word spouse. They are changing their practices to bring them into line with the intent of the charter, provincial law and a growing body of jurisprudence". And I might add, to bring them into consistency with reality.

As I conclude and I look at the clock, it may be 1805 to some members of the House, but on this side of the House it is 1995. Discrimination, bigotry, ignorance persist. One of my goals as an elected member of Parliament is to work toward ending all forms of discrimination. In that effort, I invite the help of my colleagues on both sides of the House. This is not an Ozzie and Harriet world, however much we might wish it would be. I look forward to working with hon. members on both sides of the House on these important issues.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, this, in my opinion, is the most important piece of private members' business presently before the House. There is no more pressing issue facing the House than in what direction we as parliamentarians want to take the morality of the country.

• (1805)

Our actions as parliamentarians have consequences. We must take extreme care not to subvert institutions that form the fabric of our society and way of life. This motion would do just that. That is why I am strongly, unreservedly, and unapologetically speaking against it. That is why, as an elected representative of the families of my riding, I will fight against any move by this or any government to subvert or undermine traditional family values. The family is the very building block of our society, not individuals, because individuals alone cannot maintain and sustain our country, only families can. It is in this defence of the family, the most important and basic union of all, that I give this speech.

I am one of those not so rare people who believe that law is about morality. I believe it is impossible to separate law and morality. All laws are either based on or express a fundamental view of ordering of human relations. That, whether we like it or not, is morality.

I am also one of those people who believe that a liberal democratic society founded upon rights requires a certain kind of moral grounding if it hopes to function. Therefore, if you are like me and you accept these premises, then you must also accept the conclusion that government must not pass laws that threaten the morality upon which fundamental structures of our society are built. It is not only undemocratic, it is dangerous. Government must serve its citizens. It must respect and promote the morality that is the consensus of its citizens. It must not attack it. It must not threaten it. It must rarely seek to change it.

This government does not agree with me. The government and the hon. member from the Bloc who sponsored today's motion think that it is the role of government to subvert the consensually accepted morality of our society, not universally accepted, of course, as no single moral rule is ever universally accepted, but consensually accepted.

Poll after poll show that Canadians are overwhelmingly opposed to changing the definition of family to include homosexual unions. People are overwhelmingly opposed to giving homosexual unions moral and legal parity with the union that sustains our country and sustains our species, that of man and woman. Canadians are overwhelmingly opposed to giving in to the vocal if irrational demands of the 2 per cent of the population who think that sexual preference does not matter when talking about family. However, that does not stop the gay rights ideologues and the radical attackers of the family from shamelessly promoting their narrow special interest cause.

Our Supreme Court is waiting for the House to make its decision on the family. It is waiting for a message from the House. The message my colleague from the Bloc wants to send is that there is no morality, that Canadian law should promote homosexuality, and that the traditional male–female union is not the best model of a family history could ever devise. He is wrong, and I hope that the motion and any other laws like it are stopped before the moral fabric of the country is rent apart by narrow interests' societal engineering.

A respected professor of political history and human rights at Claremont College in California has said that the gay rights movement is the most radical and sinister challenge to emerge to not just sexual morality but to all morality. He did not say that lightly or flippantly, and neither do I. Morality, the structured relations of humans with one another, is based on our natural affinities. It is based upon the fact that we are all human. Human rights are just that: rights that are based upon our common natural humanity.

Nature is the basis of all humanity. It must be. Convention is not enough. Common agreement is not enough. This is a bond to break down in the face of opposition. Morality is, has been, and always will be based on our natural condition as fellow members of the human race, dedicated to self–preservation and the good functioning of our communities.

Allow me to cite Professor Jaffa again, because he puts this argument so well. The reason we regard the killing of people as a personal and societal wrong is because we share a common nature. The reason we regard the enslavement of people as wrong and not the enslavement of cattle, for example, is because we share a common nature with people. That commonality, which is the basis of all morality, is grounded in nature.

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• (1810)

Homosexuality, to anyone who has not been brainwashed by the last decade of effective propaganda by the gay lobby, is unnatural. It is a repudiation of nature. Nature requires procreation. Morality must defend the continuation of humanity. Rights must protect those things that promote the continuation of our country and of our species. Homosexuality does none of these things. Homosexuality is nihilistic. It protects nothing, it defends nothing, it continues nothing, and it sustains nothing.

The call for so-called gay rights is an example of an extreme repudiation of nature, an extreme repudiation of morality, an extreme repudiation of every ground upon which we base human rights. There lies the irony and there lies the tragedy of the project our justice minister and his colleagues are embarking on in Bill C-41 and the amendments to the Canadian Human Rights Act. There lies the tragedy of the failure of our highest court to firmly and unequivocally defend morality. There lies the tragedy of this government's apparent unwillingness to send a strong message to the courts about the need to protect the family.

Canadians agree with me that we need to protect the family because Canadians have more sense possibly than the justice minister, more sense than my colleague from the Bloc, more sense than my colleague from Burnaby—Kingsway. Canadians understand the importance of the family and of the necessity of natural relationships to our society.

Canadians may not have the fancy rhetoric or the well practised if wrong headed arguments of the gay lobby, but they do have common sense. They have the lessons of history, and that is what this House should be defending and representing.

Governments have defined the family as a man and a woman because that works and because we need that sort of family. It is not because we want to punish someone for not choosing that lifestyle but because we want to reward those who do. We confer benefits upon that kind of union because it provides benefits for us. We have protected that sort of family because it protects our children and ultimately us.

We legally recognize the natural family because we want to promote it. We as a society have the right to defend and protect those institutions that benefit our society. We are under no obligation to protect and codify into law unions or lifestyles that confer no societal benefit. And when there is damage that will be inevitably done to our society and to our shared collective morality by the legal recognition and therefore promotion of homosexuality, we are under no obligation to recognize that lifestyle under law, none whatsoever. We are, however, under an obligation to protect the family from attacks by special interests.

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Let me finish by saying that I have never in my experience, inside or outside of this House, heard anyone call for active discrimination against individual homosexuals. No doubt some will build strawman arguments by suggesting that the opponents of the legal recognition of homosexual unions are in favour of this. That is pure nonsense and pure fear mongering. That is up to individuals. However, when someone who prefers living a certain lifestyle that demands of me as a citizen and a legislator that I codify government support for the union that lifestyle spawns, then they are asking for me to approve of, promote, and support that lifestyle. They are asking for my sanction on that union.

As someone who is dedicated to Canada and to the families of Canada, you can count me out. I will not support any measure in law that attempts to make homosexual unions and natural families equal. My constituents have spoken loud and clear. I, unlike some members of this House, including the justice minister, have been listening.

I encourage all Canadians from all over this country to start a campaign. I urge all Canadians, in the name of the preservation of our families, to let your MP, the justice minister, and the Prime Minister know how you feel about the preservation of the family. Stand up for what works in our country. Stand up for the family. Fight back with common sense against motions of this nature.

I urge all hon. colleagues to defeat this motion.

• (1815)

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I want to look at the exact wording of this motion. I have been listening to people going off on tangents talking about things that are absolutely irrelevant to the motion before the House today. The motion states:

That, in the opinion of this House, the government should take the measures necessary for the legal recognition of same sex spouses.

There is no such thing in this country at the present time as a same sex spouse. Spouses are heterosexual. Spouses are husband and wife either legally married or common law. That is the legal fact in this country now. The words of the motion are simply incorrect to begin with. At best the motion should perhaps read: "That, in the opinion of this House the government should take the measures necessary for the legal recognition of same sex couples".

What the mover of the motion wants is that same sex couples be given legal recognition. How? By being called spouses. What does that mean? It means this motion is calling for this House to recognize two people of the same sex to be legally married. There is absolutely no other possible interpretation of this motion.

The motion calls for the legal recognition of same sex spouses. We cannot recognize same sex spouses legally unless we declare them spouses. The only way to declare them spouses is to marry them. There is absolutely no question at all about what this motion is calling upon Parliament to do. I do not care how they try to pretend it does not do this, the words themselves say it. They want this House to declare homosexual unions as legal marriages.

What do my constituents say about that proposition? It just so happens I have asked my constituents that very question. I want to read one of the questions I asked them. I will not read them all because I want to keep my comments relevant to the motion we are discussing, unlike some people who have spoken here. The question was: Do you want same sex marriages to be legally recognized as the equivalent of heterosexual marriages—pretty straightforward—including the right to sponsor same sex spouses or fiancés for immigration purposes? The answer was crystal clear: 84 per cent of my constituents said no; 13 per cent said yes; and 3 per cent were undecided. Eighty-four per cent.

In my respectful submission, there is no poll that could be taken anywhere in this country that would deviate from those numbers significantly. That is simply a fact. My constituents do not want homosexual unions to be recognized as marriages.

It has nothing to do with fear. It has nothing to do with hate. It has nothing to do with equality. It has nothing to do with homophobia. It has to do with promoting and giving advantage to that which promotes and gives advantage to society.

People have talked about inequality. I stand here as a white male. I admit it and I make no apologies for the fact I was born a male or that I was born a Caucasian. That is the way I am. The fact is that everyone in this country is equal under the law. The charter of rights and freedoms provides that everyone is equal under the law. There is not a criminal matter, there is nothing that I am entitled to as a matter of law that no one else is entitled to.

• (1820)

There is often a distinction made or a distinction tried to be played between a right and a benefit. A benefit is not a right. No matter how we call it, no matter how we try to disguise it, a benefit will never become a right. One is not entitled to it as a matter of right; one is entitled to it after meeting certain criteria.

The debate then has to be as to what kind of benefits we want to give to what kind of people. We can talk about that as much as we want but not under the rubric, at least not with logic, of this motion. This motion is not talking about benefits. This motion is not talking about equality. This motion is talking plainly and simply about asking this Parliament to legally recognize same sex unions as a marriage because there is no other way to legally recognize same sex spouses.

I repeat that someone cannot be a spouse unless he or she is married. The only way to recognize same sex spouses is to recognize the legality of the marriage of same sex spouses. Why should we not do that?

The Supreme Court has spoken and four of the judges, including the chief justice, had a few interesting comments to make. I wish to quote directly from the decision. I am talking about marriage. That is what we are talking about in this motion.

The decision states: "Suffice it to say that marriage has from time immemorial been firmly grounded in our legal tradition, one that is itself a reflection of longstanding philosophical and religious traditions. But its ultimate *raison d'être* transcends all of these and is firmly anchored in the biological and social realities that heterosexual couples have the unique ability to procreate, that most children are the product of these relationships and that they are generally cared for and nurtured by those who live in that relationship. In this sense", say these justices of the Supreme Court, "marriage is by nature heterosexual".

The decision goes on: "It would be possible to legally define marriage to include homosexual couples", which is what this motion wants. Yes, it would be possible but this would not change the biological and social realities that underlie the traditional marriage. We can call a homosexual union what we want but it is not a marriage. That is what this particular motion wants.

The court then went on to consider that it is perfectly legitimate in Canadian society for Canadian society to promote the traditional heterosexual biological family. There is nothing wrong in doing that and it is not discrimination according to the justices.

Why not? I quote again from the judgment: "The singling out of legally married and common law couples as the recipients of benefits necessarily excludes all sorts of other couples living together, such as brothers and sisters or other relatives regardless of sex and others who are not related, whatever reasons these other couples may have for doing so and whatever their sexual orientation". Of course it excludes them if we are promoting the traditional family.

The court goes on to say: "Homosexual couples, it is true, differ from other excluded couples in that their relationship includes a sexual aspect, but this sexual aspect has nothing to do with the social objectives for which Parliament affords a measure of support to married couples and those who live in a common law relationship. In a word, the distinction made by Parliament is grounded in a social relationship, a social unit that is fundamental to society and that is the heterosexual biological traditional family".

• (1825)

The court states homosexual couples are not therefore discriminated against, that is to say when society provides benefits

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to the heterosexual couples. They are simply included with other types of couples such as brothers and sisters, boyfriend and girlfriend, two sisters living together who are also excluded. The court specifically said, at least four of the judges, that there was no discrimination.

My constituents have spoken clearly no matter how one pretends to hide what this motion means; it means House of Commons, declare homosexual unions, marriages under the laws of Canada.

My constituents have said no. I say no.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased to participate in the debate on the motion tabled by the hon. member for Hochelaga—Maisonnette, asking the government to take the measures necessary for the legal recognition of same sex spouses.

I listened carefully to the comments of many members who oppose the motion. I think we have to put things in their proper context. The fact is that there are same sex couples engaged in a relation which is in every way similar to that of heterosexual couples.

That is the reality. And it is a reality which we must respect, primarily because these are human beings engaged in an emotional relationship. These people also happen to be citizens who have a right to enjoy the same benefits as any other Canadian, and that includes the provisions of the Charter of Rights and Freedoms, which I will discuss later on.

It is essential to keep the notion of respect in mind, otherwise we quickly fall into stereotyping, an attitude which, for centuries, has had the effect of marginalizing and stigmatizing same sex couples. The time has come to put an end to that in Canada.

In our country, same sex relations were decriminalized in 1968. Consequently, the issue that we are discussing today does not fall under the Criminal Code. It is absolutely unfair, demagogic and unacceptable to assimilate the lives of people engaged in same sex relationships to those of people engaged in sexual deviations prohibited in the Criminal Code.

In 1968, under Prime Minister Trudeau and justice minister Turner, homosexual relations stopped being considered a crime in Canada. We are talking about relations which are accepted in our society, which are not criminal in any way, and which are experienced by Canadian citizens.

These Canadians are also entitled to the benefits of the 1982 Canadian Charter of Rights and Freedom. As you know, the charter prohibits discrimination, specifically discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability. I think that sexual orientation falls into the same category as the grounds listed in section 15 of the charter.

Adjournment Debate

In today's society, same sex spouses can use section 15 of the charter of rights and freedoms to put a stop to any discrimination against them. I believe that the latest decision made by the Supreme Court in this area, the Egan decision, recognized that fact. It indicated that discrimination based on sexual orientation is similar to all the other types of discrimination mentioned in section 15 of the charter.

• (1830)

Now, could any breach of the charter be justified? I do not think so. As you know, pursuant to some provisions in the charter, under some circumstances, some types of discrimination can be accepted, but I do not think it would apply to homosexuals, because we do not see how it could be justified.

Why could discrimination based on religion, race, colour or age be prohibited, but discrimination based on sexual orientation allowed, when homosexuality has not been illegal in Canada since 1968? Of course, there is some opposition to this motion, as we heard from some of the previous speakers, but I think some members are mixing everything up and are raising issues which have nothing to do with the motion put forward by my colleague, the hon. member for Hochelaga—Maisonneuve.

They talk about family and marriage. In the motion before the House, we are not trying to redefine family or marriage. We are only trying to put a stop to the discrimination against same sex spouses in Canada. My colleague is not asking Parliament to recognize that two individuals of the same sex who live as a couple constitute a family. He is not asking Parliament to decide if they are married or not. This issue may be debated at another time, but the object of today's motion is only to recognize that two homosexuals having a stable relationship can enjoy the same benefits the Canadian government and Canadian legislation give to legally married spouses or common law partners.

While listening to the previous speakers, I realized that the arguments they used must be the same arguments that came up during the debates over the Divorce Act or other bills granting benefits to common law spouses. They would have said that we are attacking the family and the whole concept of marriage, but that is not the case.

Obviously, the legislation concerning divorce in Canada and giving some benefits to common law spouses have in no way undermined the concept of family in Canada. I see that my time is up. I hope I will be able to complete my speech during the third hour of debate on this motion.

The Acting Speaker (Mr. Kilger): The hon. member for Jonquière is absolutely right. Next time the motion tabled by the hon. member for Hochelaga—Maisonneuve is called, he will have the opportunity to complete his remarks in the third hour of debate.

The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, because of the amendments to the clean water act recently passed by the United States house of representatives and in light of a recent study identifying Canadian and American sources of dioxins, furans and hexachlorobenzenes which are making their way into the Great Lakes, on May 19 I asked the Minister of the Environment what action is being taken to ensure water quality of the Great Lakes.

The study I am referring to is by Dr. Barry Commoner, at the Centre for the Biology of Natural Systems in Flushing, New York. He warns about dioxins and dioxin like compounds because they are highly toxic chemicals produced by industrial processes and waste incineration.

These processes have been linked with cancer and are believed to interfere with the reproductive capacities of many species. Scientists warn also that dioxins contribute to the rising levels of breast and testicular cancer and declining sperm counts in humans.

From the report we learned that the vast majority of the dioxin deposited in the Great Lakes originates in the United States. We also learned incineration of medical waste accounts for 51 per cent of all airborne dioxin entering the lakes. Municipal waste incinerators account for some 24 per cent and cement kilns burning hazardous waste account for 4.9 per cent.

Research into dioxin exposure in Canada by researchers at Boston University's School of Public Health suggests there is no safe limit of exposure to these toxic chemicals.

In light of Dr. Commoner's findings and recommendations from the international joint commission in its fifth biennial report on Great Lakes water quality urging action to stop the inflow of persistent toxic substances into the Great Lakes, I ask the minister's parliamentary secretary whether he can inform the House what the Government of Canada intends to do with respect to this very serious matter. Does the government intend to negotiate a reduction of dioxin emissions in the U.S. under the Canada-U.S. air quality accord?

Adjournment Debate

Measures are needed which will protect the health of Canadians and North American ecosystems. I look forward to the parliamentary secretary's reply.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I share the hon. member's deep concern about dioxins and furans. They are a proven and very important source of cancer. The sources of dioxins and furans are several: municipal incinerators, waste incinerators, effluence from steel mills and pulp mills.

The big problem is that under our main legislation dealing with toxic substances, the Canadian Environmental Protection Act, we have dealt with dioxins and furans with regard to plant effluence; however, we have not dealt with air emissions with regard to dioxins and furans.

The Standing Committee on the Environment and Sustainable Development is now reviewing the Canadian Environmental

Protection Act. It is my fervent hope that under the leadership of the chairman of the committee we will recommend to the government air emissions be included within the CEPA as soon as possible.

With respect to the air quality accord with the United States, the accord effectively provides for a mutual commitment between the two countries to monitor and control air flows with regard to air pollution. I commit myself to raising this matter as soon as possible with the Minister of the Environment to see what can be done under the air quality accord with the United States.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38, the motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.38 p.m.)

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