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Tuesday, June 20, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, June 20, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

* * *

[Translation]

INTERPARLIAMENTARY DELEGATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the Canadian section of the Assemblée internationale des parlementaires de langue française (AIPLF), as well as the financial report concerning the meeting of that organization's political and general administration committee, held in Beirut, Lebanon, on March 20 and 21, 1995.

[English]

Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present, in both official languages, the report of the Canadian delegation to the 36th annual meeting of the Canada–United States interparliamentary group which was held this past May.

The meeting, like many before, has once again demonstrated the very valuable conference between Canada and the United States and reflected those areas on which we agree and those on which we disagree. I am happy to report the conference was very successful once again.

(1005)

[Translation]

COMMITTEES OF THE HOUSE

ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on the Environment and Sustainable Development, on the statutory review of the Canadian Environmental Protection Act.

The report, entitled *It's About Our Health! Towards Pollution Prevention* in English and *Notre santé en dépend! Vers la prévention de la pollution* in French, contains 141 recommendations and is the result of 12 months of lengthy hearings held in Ottawa and all parts of the country.

[English]

The report perhaps could be summarized as urging Parliament and the government to adhere to the fact that the protection of humans and ecosystems requires strong federal leadership, including national standards and mirror legislation in close co-operation with provinces and territories.

I thank the members of all parties for their co-operation and full commitment in the production of this report. I thank the witnesses who appeared before us and in particular the staff which was very helpful during the entire procedure.

AGRICULTURE AND AGRI-FOOD

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, I have the honour to present the eighth report of the Standing Committee on Agriculture and Agri-Food which deals with Bill C-92, an act to amend the Canadian Wheat Board Act, without amendment.

* * *

[Translation]

BANK ACT

Hon. Douglas Peters (on behalf of the Minister of Finance and Minister responsible for the Federal Office of Regional Development— Quebec, Lib.) moved for leave to introduce Bill C-100, an act to amend, enact and repeal certain laws relating to financial institutions.

Routine Proceedings

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

* * *

[English]

CANADA TRANSPORTATION ACT

Hon. Douglas Young (Minister of Transport, Lib.) moved for leave to introduce Bill C-101, an act to continue the National Transportation Agency as the Canadian Transportation Agency, to consolidate and revise the National Transportation Act, 1987 and the Railway Act, and to amend or repeal other acts as a consequence.

He said: Mr. Speaker, I wish to inform the House that I move for referral of the bill to committee before second reading.

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

* * *

SOCIAL INSURANCE NUMBERS ACT

Mr. John Finlay (Oxford, Lib.) moved for leave to introduce Bill C-335, an act respecting the use of social insurance numbers.

He said: Mr. Speaker, I stand today to introduce a private member's bill entitled an act respecting social insurance numbers.

In introducing this bill, I would like members of the House to note the federal government has never placed controls on the use of the social insurance numbers by other levels of government or by the private sector. The private sector may currently deny a service to an individual who refuses to divulge his or her social insurance number.

This bill would require other levels of government and the private sector to state exactly why this information is needed and will give an individual an opportunity to refuse to divulge his or her social insurance number unless required by federal statute to do so.

The bill would also impose penalties on groups, individuals, agencies or businesses which divulge another person's social insurance number without that person's consent.

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

* * *

(1010)

TAXPAYERS BILL OF RIGHTS

Mr. Alex Shepherd (Durham, Lib.) moved for leave to introduce Bill C-336, an act to appoint to a taxation ombudsman and to amend the Income Tax Act to establish certain rights of taxpayers.

He said: Mr. Speaker, it gives me great pleasure to introduce this private member's bill which I have called the taxpayers bill of rights. The actions of Revenue Canada are often consistent and fair but from time to time the administrative practices get out of hand, so much so that one of my constituents actually suffered a heart attack over some of the actions taken by Revenue Canada. Things like rights of seizure without proper notice and arbitrary change of collection arrangements are only some of the aspects which the bill deals with.

Most important, it creates an ombudsman who will act as a buffer between taxpayers and Revenue Canada.

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

* * *

FOOD AND DRUGS ACT

Mr. Paul Szabo (Mississauga South, Lib.) moved for leave to introduce Bill C-337, an act to amend the Food and Drugs Act (warning on alcoholic beverage containers).

He said: Mr. Speaker, in the interests of the health of all Canadians we often use warning labels on items such as cigarettes, antihistamines, cleaners, bags and other items which may affect the health of Canadians. This does not apply to alcoholic beverages and this bill seeks to have a warning label, particularly with relation to the problem of foetal alcohol syndrome and the ability of all of us to operate machines and cars while under the influence of alcohol.

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

* * *

PETITIONS

OFFICIAL OPPOSITION

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I have one petition to present from residents of my riding, pursuant to Standing Order 36. It has been duly certified by the clerk of petitions.

The petitioners state that since the Bloc Quebecois has publicly dedicated itself to a disloyal objective, since it is comprised solely of members elected from one province and since the Reform Party represents constituencies in five provinces and has constituency associations in every province of Canada, the current situation is a travesty on the institution of Parliament. The petitioners therefore call on Parliament to preserve Canadian unity, parliamentary tradition and protect the rights of all Canadians by prevailing on the Speaker of the House to recognize the Reform Party of Canada as the official opposition.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am presenting today petitions on behalf of the constituents of Prince George—Peace River.

The first petition asks Parliament to recognize the Reform Party of Canada as the official opposition during the remainder of the 35th Parliament. The petitioners feel the rights and interests of all Canadian citizens cannot be adequately protected by the Bloc Quebecois.

HUMAN RIGHTS

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the second and third petitions ask Parliament not to indicate societal approval of same sex relationships or homosexuality by amending legislation to include the undefined phrase sexual orientation.

(1015)

JUSTICE

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I have four petitions to present on behalf of the constituents of Simcoe Centre.

The first petition concerns the use of the legal defence that has become known as the drunk offence. The petitioners believe that in committing the act of choosing to consume alcohol, the individual must also accept all the responsibility for his or her actions while under the influence.

THE FAMILY

Mr. Ed Harper (Simcoe Centre, Ref.): The second petition is about the subject of the family.

The petitioners request that Parliament oppose any legislation that would redefine family, including the provision of marriage and family benefits to those who are not related by ties of blood, marriage or adoption where marriage is defined as the legal union between a man and a woman.

BILL C-41

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the third petition involves section 718.2 of Bill C-41. The petitioners are extremely concerned about including the phrase sexual orientation for the first time in federal legislation.

They believe that this sets a very dangerous precedent for society.

HUMAN RIGHTS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the final petition is on the subject of sexual orientation. The petitioners request that the Government of Canada not amend the Canadian Human Rights Act to include the phrase sexual orientation.

The petitioners fear that such an inclusion could lead to homosexuals receiving the same benefits and privileges as married people.

Routine Proceedings

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that is circulating across Canada.

This petition comes from Alberta and also from Windsor, Ontario. The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession that has not been recognized for its value to society.

They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

HUMAN RIGHTS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have two petitions this morning. The first reads: "We, the undersigned residents of Canada draw the attention of the House of Commons to the following: That members of Parliament have recently made hateful comments which contribute to a climate of intolerance, fear and violence for the lesbian, gay and bisexual community.

Therefore, your petitioners call upon Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation".

DANGEROUS OFFENDERS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, my second petition indicates that the undersigned residents of Canada draw the attention of the House to the following: Whereas law-abiding citizens deserve protection, especially the most vulnerable in our society, therefore we, the petitioners, humbly pray and call upon Parliament to recognize the public threat of dangerous offenders and to amend the Criminal Code to have such offenders detained indefinitely on warrant expiry when it is believe that they may cause serious physical or psychological harm or death to the person.

TERRY FOX

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, I am very pleased to present a petition from a number of young Canadians, constituents of mine, students at the White Oaks Public School in the riding of London—Middlesex.

These young petitioners call on Parliament to have the image of Terry Fox running his marathon on the new \$2 coin. I am very pleased to present this petition to the House on their behalf.

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[Translation]

QUESTIONS ON THE ORDER PAPER

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, may I suggest that all questions stand?

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

CANADIAN DAIRY COMMISSION ACT

Hon. Douglas Peters (for the Minister of Agriculture and Agri-Food, Lib.) moved that Bill C-86, an act to amend the Canadian Dairy Commission Act, be read the third time and passed.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, I am pleased to take a few minutes this morning to add some final thoughts to the consideration by the House to Bill C-86, an act to amend the Canadian Dairy Commission Act, and reaffirm my support and the support of the government for this industry driven initiative. I am pleased to say that the bill reaffirms the support of the House of an industry driven initiative.

(1020)

As my colleagues from all sides of the House have acknowledged, the Canadian dairy industry will not be untouched by the global market transformation under way. The Canadian dairy, egg and poultry industries or the supply managed industries are evolving in ways that are necessary to meet the global market transformation that is in progress. I am proud and pleased in the way in which they are doing that. They have shown in the past they can roll with the punches. They can evolve as necessary to maintain economically viable industries that provide safe food in sufficient quantities to the Canadian consumer.

Major changes are now reverberating throughout the economic sectors of the world's major trading nations. That is not an exaggeration. Competition is and will be fierce. However, opportunities for success are at hand. In order to take advantage of those opportunities, changes will be required in the way we do business.

Bill C-86 represents one of the best of these changes. The new milk pricing and pooling of returns approach enabled by these legislative amendments evolved from within the industry itself. That is what it is all about.

The new system was developed as a result of intense consultations with a good deal of give and take. These give and take negotiations among the dairy stakeholders took place from coast to coast. These discussions remain ongoing as the dairy sector fine tunes and reshapes the way milk and milk components are sold both within and outside of our borders over the next five years and beyond.

The administration of pricing and the pooling of milk marketing returns by the Canadian Dairy Commission and provincial authorities offers significant advantages. It will permit retention of the equity currently offered by levies while allowing us to keep and possibly expand important domestic and export markets in the face of strict new rules under GATT and the World Trade Organization.

While the possibility of a trade challenge by the United States can never be categorically ruled out, Canadian trade officials have advised that as long as Canada does not use producer financed assistance to support exports of Canadian dairy products to the United States, as long as Canada does not use levies beyond the levels of gradual reduction for export of commodity specific groups, our system will then conform with the provisions of the international agreements we have signed. August 1 is the date of implementation of Canada's dairy commitment under GATT and the WTO arrangements.

It is important to emphasize again that this is an industry driven initiative which is shaping its future on this key issue. While governments will continue to have an important role to play, that role is facilitative. The shaping process is an ongoing one and the passage of the amendments now before us will assist the process. It will not define the process. It will not limit the process nor will it hinder the process with over-regulation

This bill provides the necessary legislative authority to permit the Canadian Dairy Commission, in close co-operation with the provincial milk marketing authorities, to implement a new milk pricing system with the pooling and market returns from different classes of milk.

I wish to remind all members that under the pooling arrangements, the Canadian Dairy Commission will simply be administering a pool of producer moneys on behalf of the producers. No government financing is involved.

Bill C-86 is enabling legislation which does not specifically define the extent or timing of a particular milk pooling system or systems. The dairy industry will do this for itself in the weeks and the months ahead.

With the passage of the bill most aspects of the new dairy approach will be implemented on a national basis within the next two months. Negotiations remain ongoing in all nine provinces. It is only nine provinces because Newfoundland is

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not part of the national milk supply management system as it produces only a limited amount of industrial milk. The other nine provinces have agreed to a national pooling of market returns from special classes of milk as of August 1 of this year.

(1025)

These nine provinces have also agreed to a harmonized milk classification system and all nine provinces have agreed to implement uniform pricing for special classes of milk destined for United States export and for certain domestic products containing dairy ingredients.

Six of the nine provinces, namely Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island have decided to proceed more immediately to the pooling of market returns for all classes of milk. British Columbia may join this broader pooling arrangement as well and it is still considering the option.

Alberta and Saskatchewan have indicated that they wish to implement pooling arrangements on a more limited scale. At the outset nothing precludes their joining the all milk pool at any point in the future.

Again, I urge my fellow members to fully support and expedite the passage of Bill C-86. Such action will clearly demonstrate our recognition of the dairy sector's commendable initiatives. As well, it will demonstrate our willingness to facilitate this industry driven means of successfully competing in the post-GATT environment.

We look forward to the support of the House in expediting this bill for the good of the industry.

[*Translation*]

Mr. Jean-Guy Chrétiens (Frontenac, BQ): Mr. Speaker, it is a privilege and an honour for me to speak this morning on a bill that is extremely important to Quebec farmers, particularly dairy producers.

It is also an honour to speak immediately after the Parliamentary Secretary to the Minister of Agriculture and Agri-Food, the member for Prince Edward—Hastings, who really is quite familiar with agriculture.

As you know, Quebec alone produces 47.5 per cent of industrial milk. Furthermore, Quebec has always played a leading role in Canada's dairy industry. Quebec does a very good job of carrying out its responsibility as a leader among the other provinces where milk is still produced in Canada.

Canada's present dairy product supply management system was initiated by Quebec residents. Without the determination of Quebec dairy producers in the 1970s, we would not have supply management in this industry and, let me tell you, it would be an indescribable mess.

I am therefore especially pleased to note that the constituency of Frontenac has over 15 per cent of farm producers, the vast majority of whom are dairy producers.

Since we have been discussing Bill C-86 in this House, we have addressed the possibility of changing the Canadian Dairy Commission to a standing committee. Recently, on June 8, we had a chance to hear people who have worked very hard to ensure that this proposed change does benefit the dairy industry in Quebec and Canada, particularly our dairy producers. So it was that we met Claude Richard, president of the Fédération des producteurs de lait du Québec; his counterpart from Ontario, John Cor; and Richard Doyle of the Dairy Farmers of Canada.

I also visited a great many dairy producers in the Saint-Hyacinthe area: the Martins, the St Laurents, the Gouins, the Vigneaults, the Barils, the Pellerins, the Lessards, the Poulins and the Loiselles.

(1030)

These farmers explained to us once again the ins and outs of Bill C-86 that will allow the six provinces to come to an agreement.

In light of that information and the answers we have obtained to our questions, I am able today to reiterate to my colleague opposite that the Bloc Québécois supports Bill C-86.

Without rereading Bill C-86 in detail or clause by clause, I do want to explain what the change consists of, and note that the dairy industry has been required to adjust rapidly to the context of the free trade agreements. The GATT negotiations in Geneva, and the campaign to defend article XI, as well as the discussions about the relevance of maintaining a supply management system, have indicated major upheavals to come in the dairy industry. Clearly, Canada's dairy producers had to find a solution quickly if they were to be competitive in the context of free trade and the globalization of markets. The challenge was a big one.

Bill C-86 will make it possible to implement the agreement signed by the six provinces—Prince Edward Island, New Brunswick, Nova Scotia, Quebec, Ontario and Manitoba—, which, I remind you, produce over 82 per cent of all milk in Canada. This agreement is a solution that will maintain our system and comply with the new requirements of the GATT and NAFTA.

Pursuant to the GATT definition of an export subsidy, under the free trade agreement, dairy producers must eliminate their system of export levies by August 1. That is the problem Bill C-86 solves by making changes to the Canadian Dairy Commission Act.

At present, producers of industrial milk pay a levy of approximately three dollars per hectolitre of industrial milk that is to be exported, mainly in the form of butter and skim milk powder. If we make a quick calculation, three dollars per hectolitre is three cents per litre, which represents approximately 7.5 per cent of the value of the milk and which each producer of industrial milk used to pay in order to promote exports.

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Even though it comes out of the producers' pockets, not out of public funds, under the GATT and the free trade agreement, that levy is an export subsidy and, as such, illegal. Starting on August 1, GATT and our partners in the free trade agreement would not have accepted our continuing to operate in that way.

More specifically, this bill implements a national system for pooling market returns that will be used to support the export of dairy products. The pooling permitted under Bill C-86 will comply with the international agreements, while allowing producers to maintain the advantages of the present system.

(1035)

However, we must be aware that there is a possibility that the United States, which is challenging anything and everything these days, may decide to challenge this two-price policy for milk: one price for milk for the domestic market, and one price for milk destined for export. In that case, the dairy industry in Quebec and Canada could be accused of dumping.

In order to be successful, however, the United States or the country that considered its interests harmed would have to prove that exports from Canada were harming its market. Since our exports are relatively small, and since we export an increasing proportion of value-added processed products, that harm may be very difficult to prove. Bill C-86, which we are discussing today on third reading, is the solution that will enable producers to face the upheavals in their industry resulting from the new international context.

We, the MPs of the Bloc Québécois, therefore support Bill C-86, since it meets the needs of producers who want to adjust to the requirements of the international trade agreements signed by Canada. Of course there are certain shortcomings in this bill; in-depth discussions are going on, in Quebec at least. Apparently the bill is creating a bit of a problem for processors. The discussions are not sticking on dozens of points, only on a few specific ones, and in a few days there should be—at least we hope there will be—an agreement between the Quebec department of agriculture, the UPA, the federation, and the Canadian Dairy Commission.

At present, the dairy industry is managed partly by the provinces and partly by the federal government, as are many industries that appear to have two heads. In these cases, of course, two heads are often not better than one. At present, the provinces have jurisdiction over fluid milk, and the Canadian Dairy Commission has jurisdiction over industrial milk only. The bill provides for a delegation of powers between the Commission and the provinces in order to administer the pooled market returns. If the agreement were not signed, the Commission would administer the pooled market returns for industrial milk only.

Those, then, are the technical changes made to the Canadian Dairy Commission by Bill C-86; I call them technical changes because they are regulations that will allow dairy producers to

achieve their objective of adjusting the system as we now know it to the new standards of our international commitments, such as the GATT and NAFTA.

Mainly, we must remember that six provinces have signed an agreement in principle to pool their entire milk supply system. The initiative comes from the dairy industry; that point must be emphasized. The initiative comes from the dairy industry, whose producers decided that they had to take the necessary action in order to make the most of the resources available to the dairy industry. The distinction made between industrial milk and fluid milk will be eliminated; the provinces' present quotas will not be changed.

(1040)

I am particularly proud to state in this House that the concept of single-price milk was initiated in my region, the Eastern Townships, and that the then president of the federation in Sherbrooke was Jacques Blais.

I remember very clearly indeed the initial meetings, at which people wanted very serious discussion of a future single price for fluid milk and industrial milk. Those discussions were lively—and sometimes even physical. I attended one of those meetings and I certainly was not at ease. Those farmers had some powerful arguments. The Eastern Townships played a pioneering role in this debate.

It should be noted that, at the time, there was a difference of more than 10 per cent between the prices for fluid milk and industrial milk. It was practically the same milk. At the time, the farmers were told: streamline your operations; become more productive and more competitive; lower your production costs. And they did.

At the time, you could encounter three tank trucks on the same concession road, which might have only three dairy producers along it. You could see a truck for fluid milk, a second truck for industrial milk belonging to the Coopérative fédérée, and a third truck that might belong to an independent company like Lactantia, for example.

Today on that concession road, there are still only three dairy producers, but only one truck. So we have managed to reduce transportation costs. Fluid milk, the price of which, as I was saying, was 10 per cent higher, is now carried in the same truck. I can even tell you that the same cows, the same milk, and the same consumers are involved, and so, 13 or 14 months from now, the price should be exactly the same.

I have here a document showing Quebec's dairy production, from 1950 to 1994, in fact. In 1994, there were 11,763 dairy producers in Quebec. These 11,000 dairy producers produce pretty well the same volume of milk as was produced in 1970. But wait a minute. In 1970 there were 43,669 dairy producers. That means that, with one quarter of the number of dairy producers, we are producing practically the same volume of

milk. Better yet. If I take one cow as an example—I am sure the member for Drummond will be pleased—, in 1970, the average cow in our herds in Quebec produced 3,324 litres of milk per year—and without hormones, without being shot up, just through improved breeding and better livestock feed. Look at this: in 24 years, the average cow in Quebec has gone from producing 3,324 litres of milk to producing 5,336 litres. The figure has not doubled, but it is at least 75 per cent higher.

(1045)

I was reading in *La terre de chez nous*, the magazine for Quebec farmers, that a 3 per cent production increase was anticipated for the current year. So it is possible to up the quantity of milk given by our dairy cows each year without “boosting” or shooting them up, without altering the milk, without risking animal and human health.

I would remind you that the milk produced in Quebec and in Canada is a credit to us. We have some of the cleanest, freshest milk in the world. Within minutes of leaving the cow's udder it has already been refrigerated to a temperature where it can be properly kept. We are proud of that. Our facilities prove beyond the shadow of a doubt that without exaggeration we can increase milk production by 3 per cent without increasing the size of our herds.

The farmers in my riding tell me that if their milk quotas could be upped by 10 per cent per year, they could meet the demand without having to struggle.

What would give me the greatest pleasure would be if all our farmers in Quebec could have a chance to read the text, or a part of the text, that we received a copy of on June 2, 1995, signed by an Assistant Deputy Minister at the federal Department of Agriculture and Agri-Food. It was a copy of a letter addressed to the Chairman of the Standing Committee on Agriculture and Agri-Food, Bob Speller; it is signed by J.B. Morrissey.

A question had been raised by my colleague, the honourable member for Champlain, Réjean Lefebvre of the Bloc Québécois, and I'm going to read you a sentence from it: “—with respect to expenditures on primary agricultural research relative to research into finished agrifood products, for a period going from 1990 to roughly 1998, the projections, as Table I shows—”

Quebec's farmers are responsible, in terms of Canada as a whole, for about 18 to 19 per cent of agricultural production. Quebec has about 24 per cent of the population and it pays between 23 and 24 per cent of Canada's income taxes.

And at this point I would hope that the farmers in my riding are listening closely, when I talk about the share that this government—and when I say “this government” I do not necessarily mean the party currently in power. Quebec agriculture has always been shafted by the federal system and I have another egregious case here, where Quebec has been cheated year after year.

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For instance, in terms of the resources allocated to full-time equivalents in research and development, Quebec in 1990–91 received 12.4 per cent of the total research and development budget allocated among all the provinces by Agriculture and Agri-Food Canada. In 1991–92 we got even less, and that was under the Conservatives, which is why I say that it is not necessarily the current government. In 1991–92 the Conservatives gave us 12.04 per cent of the total, or let us say 12 per cent.

(1050)

I would remind you that Quebec's relative participation in this Department's activities is from 17 to 19 per cent, so we are being cheated out of 5 per cent every year. The pattern is the same right up to 1995–96, the current year, where Quebec's share is 13 per cent. At 13 per cent, we are still having a minimum of 4 per cent in research and development resources stolen from us.

It is not the sovereignists, the Pequistes, the Bloquistes, who are inventing these figures. This is an official document. I see here the logo of Agriculture and Agri-Food Canada and it is signed by an Assistant Deputy Minister of that department.

In October 1993, when I was campaigning during the last election, I said to the people of my riding, “Send us to Ottawa. We will audit the books and we will come back and tell you what we find. If they are giving us too much money, we will tell you that and we will give it back to them. We will be honest with the rest of the country”. This document from Agriculture and Agri-Food Canada that I have just read to you has its equivalents in all the departments.

Quebec's farmers have to understand that the federal government is not necessarily the modern Messiah. The federal government serves western agriculture well, but when the time comes for it to serve agriculture in Quebec and the Maritimes, there is nothing left in the coffers.

Here is another example. In the Magdalen Islands, the UPA arranged for a special quota so that the Islands could be self-sufficient in egg production. A special quota was awarded to an egg producer in Etang-du-Nord. Now that assistance to eastern grain transportation is being abolished, the price that this egg producer will have to pay for meal will shoot up by over \$50 a tonne. Is it going to be more cost-effective for the Magdalen Islanders to import eggs from the mainland or to continue to import meal?

Many more crazy situations like that can be found in Quebec. No, the federal government is not a Messiah, and when Quebecers want information or help they head first for the Quebec Ministry of Agriculture. Last week I just asked a number of farmers whether they knew the name of Quebec's Minister of

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Agriculture. Eight out of ten of them could name him, but not one out of ten could name the federal Minister—he is completely unknown. When people do know his name, they massacre it so that if you did not know it yourself you would not be able to decipher it.

It is a pity to have two Ministers of Agriculture for the same farmer, the same cows. One of those ministers is very expensive to keep and never, ever, gives Quebec the share to which it is entitled.

(1055)

Whether you look at it in terms of Quebec's proportion of the population, which is 24 per cent of the Canadian total, or in terms of the percentage of income tax we pay to Ottawa, or in terms of GDP directly related to agriculture, Quebec is not getting its fair share.

Worse still, it is the taxes Quebecers are paying to the federal government that are paying, compensating, the western grain producers so that they can diversify and compete against us in our own province, and we are paying with our money for the privilege of getting booted on the backside. You all know that 80 per cent of Quebec's farmers are in livestock production. When I say livestock production, of course I include eggs and dairy production, because to get eggs you have to raise hens.

The opposite holds true in the west. There it is grain production that predominates. But diversification is changing the stakes. Obviously it is easier to work six or seven months a year and then to garage the machinery and wait for spring to start work again, crops and seed—if you raise livestock, it is not five days a week, it is seven out of seven, 365 days a year. It would be unthinkable for any of our dairy farmers or egg producers in Quebec to treat themselves to vacations in the south the way some of those western grain farmers can, for two or three months, you will agree with me on that.

So it is a choice, and the choice has been entirely decided by successive governments in Ottawa. Eastern Canada, Quebec, Ontario and the Maritimes, were directed into livestock production while the west grew grain; that was the arrangement and it was accepted. The building of the railway that tied the country together was of course done to satisfy the farmers.

So the dairy farmers know what a fair deal is, and in the budget and in Bill C-76, which passed a couple of days ago, we identified unfairnesses and we criticized them in this House on more than one occasion, such as the way the industrial milk subsidy is being cut by 30 per cent, in two 15 per cent cuts. The budget makes it clear that the remaining 70 per cent will be done away with sooner or later. No compensation is provided for, no

\$300 or \$400 million is going into an adjustment fund for our farmers, to help them change direction.

In August our farmers will be going on a pilgrimage to the Canadian Dairy Commission to request an increase to compensate for the subsidy cuts. The result will be that you the consumers will be paying more for milk, butter, cheese, yoghurt, ice cream. Just as with gasoline, the increase will be greater than the increase in the cost of living. The government is washing its hands of the whole affair and saying, "Oh, we are not raising taxes. The prices of butter and cheese and yogurt and ice cream are going up, and gasoline taxes are pushing up the cost of gasoline". And it proudly announces, "We have not raised anything". The consumer price index is going up by 2.9 per cent. There has not been an increase like it in four years.

(1100)

We are very comfortably installed in this House or elsewhere in Canada discussing the benefits of the pooling arrangement agreement reached by six provinces, but the negotiations that led to the agreement should not be left unmentioned. I want once again to emphasize the hard work done by people from my region, as Quebec had a strong voice in the negotiations, particularly the Fédération des producteurs de lait du Québec and its president, Claude Rivard, its vice-president, Jean Grégoire, and their senior economist, Guylaine Gosselin.

One question came up repeatedly during the committee's hearings, and that was: why have only six provinces joined the pooling agreement? We were told that certain provinces were taking advantage of the opportunity to get the CDC to review the way it treats them, that others did not operate the same way at the provincial level and that the jump involved in pooling all their milk with the other provinces was too great. But the most interesting thing to emerge from the discussions was that these six provinces are powerful enough without the rest, because they represent, as I mentioned earlier, 82 per cent of total milk production. So the other provinces can always join later, and their abstaining, at the moment, will not jeopardize the success of the agreement as it now stands.

This historic agreement will have a much more far-reaching impact than appears at first glance. If we take the example of Quebec, in 1996 the dairy producers should enjoy an increase in income varying from 60 to 70 cents per hectolitre. And because of GATT, Canada will have to accept imports of butter this year, which will probably affect quotas.

Since the six provinces will be spreading out the market variations over all the milk produced, the impact will not be felt too strongly, because it will not be just one province that has to absorb the costs. More clearly, if there were to be more butter or cheese imported into Canada from other GATT members, each of the provinces could see its quota drop by, say, 1 per cent. It

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would not be just one province that was affected. The same thing would happen if, for example, consumption, or our exports, went up: it would not be just one province that saw its quota increase but all the provinces.

I could perhaps remind you that under this agreement dairy quotas will no longer be confined to one province. A dairy farmer in Quebec could buy an Ontario quota, or a Nova Scotia quota, or he could sell his quota in Alberta. And if ever too great a proportion of our quota were to go outside the province, the province could withdraw for a year or for the current year, as soon as 1 per cent was reached. So no province could have more than 1 per cent of its quota siphoned off, unless it was willing to sell its quota to other provinces.

(1105)

In conclusion, I want to recall the political context that underlay the signing of this agreement. This kind of arrangement may well turn out to be a prototype for similar agreements in other sectors, since its basis is the one that is likely to predominate in the years to come. Why? Because it is an economic agreement.

The agreement banks on the advantages that all partners will derive from working as a team. With a referendum coming up this very year, the producers in many provinces have not hesitated to enter into an association with Quebec, because it is in their best interests. When it comes down to reality, not some hypothetical disaster situation, it is clear that logic counts for more than political considerations.

Rest assured that our prize cow in the Plessisville region will still be a prize cow, even after a "Yes" vote in the referendum. There are those who would like to frighten people by saying, "Your quotas will not be worth anything, your cows will get mastitis, they will injure themselves grazing, they will have more trouble calving in the spring". These are scare tactics, and increasingly our dairy farmers realize this.

One scare tactic the federalists use a lot is saying that if Quebec becomes sovereign, its producers will immediately lose their sale quotas in Canada: that is not true.

In conclusion, I would like to say that the Bloc Québécois is proud to be associated with Quebec's dairy producers and to endorse Bill C-86 in this vote at third reading, for the good of all dairy producers everywhere in Canada. And I hope that Canada will give Quebec more of a share in research and development funding. The people who will not go beyond 12 per cent and who laugh at our farmers should be ashamed of themselves, especially when they visit our farmers or turn up at auctions, Encan Lafaille for example, and swagger around trying to impress people and then come back here and make fun of them. They laugh at them and will not go beyond a miserable 12 per cent.

[English]

Mr. Vanclief: Mr. Speaker, on a point of order, toward the end of the speech by the hon. member for Frontenac he made the statement that in the 1995 budget the support to the industrial milk producers was cut 30 per cent twice over. I wonder if the hon. member would like to take the opportunity to correct the record. It was 15 per cent each year for two years, not 30 per cent twice over.

The Deputy Speaker: The hon. parliamentary secretary will know that was not a point of order as much as it was a question of debate.

[Translation]

Mr. Chrétien (Frontenac): Mr. Speaker, what I said was that over the next two years 30 per cent is going to be cut from the subsidies to industrial milk producers: 15 per cent in the 1995-96 budget and 15 per cent in next year's budget. Fifteen plus fifteen equals thirty. The subsidies are being cut by 30 per cent. If the honourable member can prove me wrong, I will apologize to the House.

[English]

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I am certainly not pleased to be interrupting that interesting exchange, but I am here today to speak on Bill C-86, an act to amend the Dairy Commission Act.

This bill is significant. It provides for the replacement of the existing system of levies with a system of pooling market returns for different classes of milk.

(1110)

The government claims the move to a pooling system will maintain equity among producers and will be consistent with Canada's international trade agreements, namely NAFTA and the GATT. Changes are needed to supply management to continue while meeting the requirements of our trade agreements. Dairy farmers I have talked to and others in the industry have told me they feel this legislation is necessary to allow supply management to continue under the GATT and the NAFTA. For this reason, I support the stated intent of this legislation.

However, I do have a major concern with clause 2, which affects section 9 of the Dairy Commission Act. The bill extends the powers of the Canadian Dairy Commission and will diminish the authority given to the provinces under the present act. Therefore, to guard against this possible erosion I proposed an amendment that would have affected section 9 of the Dairy Commission Act. Last night my amendment was voted down in this House, which is very unfortunate.

Once again the Liberal government has shown its desire to intrude in areas of provincial jurisdiction. This is one more move of many we have seen over the years. It is a revolt against this intrusion on the part of the federal government into areas of provincial jurisdiction that led to the existence of the Bloc

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Quebecois in this Parliament. We need to move in the other direction and return some of the powers that belong rightfully to the provinces under our Constitution. This is one more move in the opposite direction, the wrong direction. It is another example of wrong thinking on the part of this Liberal government.

I will take a few minutes to talk about what Bill C-86 is and what it does. C-86 is an act to amend the Canadian Dairy Commission Act. The purpose of the bill is to amend the Canadian Dairy Commission Act to provide for the replacement of the existing system of levies with a system of pooling market returns from different classes of milk. The government claims the switch to a pooling system will maintain equity among producers and is consistent with Canada's international trade agreements.

As part of Canada's system of supply management, the Canadian Milk Supply Management Committee, which is chaired by the Canadian Dairy Commission, oversees the application of the national milk marketing plan. The Canadian Milk Supply Management Committee sets national production targets, establishes each province's share of the national quota, and exports surplus milk through planned marketing programs. The orderly export of surplus production is an essential element of ensuring the integrity of the supply management system; without it the system would falter.

Currently producers assume the cost of exporting dairy products that are not consumed in Canada through a system of levies collected by provincial marketing boards and agencies as deductions from payments to milk producers. Once remitted to the commission, these levies are used to finance special programs intended to increase the domestic use of dairy products and to cover the commission's administrative costs. During the 1993-94 year a total of \$141.5 million was collected from the industrial and fluid milk sectors. Such levies, however, are now considered to be a form of export subsidy under the new GATT deal and must be reduced or modified.

I have a few observations on Bill C-86. Through this bill Canada's dairy industry would abandon this established system of producer levies on industrial milk. The levies would be replaced by a system of national pooling, which allows all stakeholders—the farmers, the processors, and the commission—to equitably share the costs and benefits of pooling revenues and the effects of fluctuations in market size for both fluid and industrial milk.

Through a system of pooling the producers who export milk into the U.S. would receive smaller returns for their milk, but the burden would still be shared by all dairy farmers across the country. Instead of a levy being taken off the farmers' cheques to subsidize exports, a national pool would achieve the same end since the net return to farmers would be identical. For its part,

the processing industry would still pay a lower price for industrial milk than consumers pay for fluid milk.

(1115)

These amendments to the Canadian Dairy Commission Act add a certain amount of new pricing and funding distribution authority to the CDC, the Canadian Dairy Commission. Although the new pricing and pooling approach for milk has received agreement from all provinces in principle, negotiations are ongoing as to whether there will actually be one national pool, which at the moment appears very unlikely, or two separate pools, one for B.C., Alberta and Saskatchewan together and the other for the other six provinces that are covered by the act.

Ontario dairy farmers who supply most of the industrial milk to further processors and Quebec farmers who are the biggest exporters would receive less than other dairy farmers unless there was some form of national pooling. On the other hand, under a national pooling system, producers in the non-exporting provinces subsidize those who are exporting. It really amounts to a form of equalization payment from one sector of the industry to the other or from one province to the other. This is perhaps the biggest obstacle to achieving an agreement which will include all provinces for the pooling regime for all classes of milk.

I would like to speak briefly about the relationship between Bill C-86 and the Reform Party policy and position on supply management and various particulars.

Reform policy in this area has been and still is that all producers should be able to structure and manage their organizations in any manner which they believe will best serve their interests. The matter of regulating production and setting prices for products under the organization's jurisdiction is a producer issue which should be dealt with by farmers.

Reformers acknowledge that the agriculture industry, including the supply managed sector, is moving toward a more competitive market driven system. We have proposed tough, positive measures to ensure fair competition, such as tougher anti-combines legislation which would help reduce the input costs to farmers.

The anti-combines measures have been demonstrated in agriculture over the years, particularly in the fertilizer industry where there have been court challenges by farmers against companies which appeared to be price fixing. Unfortunately these cases drag on in court until they are eventually dropped. I know the last case dragged on for about 10 years and then eventually died.

That is not the kind of anti-combines legislation and fair trade legislation we need. We need tougher action by government in this area. We need tougher laws first and then we need tougher enforcement. Canada has some of the weakest anti-combines

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legislation in the developed world. A stronger approach needs to be taken and some new policies made in this area.

In terms of trying to reduce input costs we need fair trade policies which would help protect against dumping by other countries and which would guard against unfair subsidies in other countries, for example, the United States. I will speak a little more about this later in my presentation.

Too often when politicians and others involved in supply managed industries talk about the fact that the industry is moving toward a more competitive type of industry—by competitive I mean more products will be coming in from other countries to compete—we forget to say that it is absolutely critical that the products coming in are under a fair trade environment. This means that where there is unfair subsidy in other countries, as there is in the United States in this industry, our government must protect against these products coming into our markets. Again, it is an area where government has to strengthen its resolve and be tougher when it comes to unfair trade, particularly dumping.

Another area of Reform policy regarding this industry relates to general changes which will reduce government overspending and which will lead to lower taxes and lower input costs in the future. I am thinking in particular of a plan we presented in the taxpayers budget. I will talk about that later.

(1120)

With respect to supply management, I believe change is inevitable. The fact is dairy farmers will be forced to compete more and more with American farmers. The odds are that this competition will come sooner than this government is willing to admit. I am not saying this is what I necessarily want, but it is the way I see it. This is what is most likely to happen.

The rules are changing and dairy farmers will need transition time in order to adapt to the more open trade of the future. This bill will allow a supply managed system to continue for some time but there is some doubt about the reality of border protection continuing over the long run.

Members of the dairy commission claim this bill properly reflects the changes affecting dairy farmers. What the bill actually does is maintain the status quo. Given the fact that a change to supply management is inevitable, I see this as a problem over the long run.

The method this government has been presenting along with this legislation is an area of real concern to me. Yesterday in debate on report stage of this bill the parliamentary secretary to the agriculture minister made some disparaging remarks about my knowledge of the dairy industry.

I fully acknowledge that I am not a real expert in the dairy industry, but I am starting to realize that maybe I know a lot more than the parliamentary secretary does when it comes to acknowledging that this industry will change and that there will be more competition. It is important to acknowledge this so that farmers do get a reasonable transition time from the protection they have today to the reality of a more open market in the not too distant future. While the parliamentary secretary made some comments about my lack of knowledge, I believe his lack of publicly acknowledging the move to more open competition is wrong because farmers need forewarning of what is to come.

My main concerns regarding Bill C-86 do come from the discussions surrounding the whole supply management area. They revolve around talk I have heard from the minister of agriculture, the parliamentary secretary, leaders of farm groups and farmers themselves. This discussion has generally said that this legislation will allow supply management in the dairy industry to continue in a form quite similar to the present form indefinitely into the future.

This legislation would allow that, it is true, but this does not mean that supply management will continue in a form that is similar to the present system well into the future. There are several trade issues in particular which may lead to a lot more direct competition from the United States by allowing more access to dairy products from the Americans.

Before I start discussing these trade issues which will have a substantial impact on our present supply management system I would like to make one thing clear. I am not talking about these issues because I want to see the demise of supply management or because Reform wants to see the demise of supply management. I will discuss these issues because they will have a dramatic impact on the dairy industry in the future.

This discussion will provide an important service to dairy farmers and others in the industry. Even though this is a difficult message to deliver and the reaction is not always favourable, especially the immediate reaction, it is something that should be done. Reform will continue to do this and I hope this Liberal government will start to do it.

Reformers have had the courage to talk about probable change, while the minister, the parliamentary secretary and even the leaders of some farm groups have publicly pretended that the present system will exist indefinitely. This seems a dangerous message to send to dairy farmers, that they will be protected against further competition, in particular from the American dairy farmers.

(1125)

Publicly they hide what they privately and in small groups acknowledge. Change is inevitable; it is a question of how much and when. That is what we have to talk about. I will take a little

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time now to talk about why I believe change is inevitable and why it may be sooner rather than later.

The first reason is that the new GATT negotiations start in the year 2000. That is only five years from now. In the agreement there will be a lot of pressure from the Americans in particular to allow their products more free access to the Canadian market. There will be a lot of pressure, as there has been already, on our government to accept the freer access on the part of the American government. The GATT agreement and the negotiations starting in the year 2000 certainly will put pressure on the industry. Seven or eight years from now, considering the GATT alone, we will see an industry which will be competing against a lot more imported products, in particular from the United States.

The more immediate threat comes from the NAFTA. The most immediate concern under the NAFTA agreement has to do with the panel decision which will be coming down within a year. If the panel determines that the NAFTA takes precedence over the GATT with respect to supply management and trade between Canada and the United States, then the borders will be open much sooner than they would be under the GATT agreement.

In two to three years if the panel rules that the NAFTA takes precedence over the GATT, we could see a lot more free access from the United States with respect to dairy products. That is a much more immediate threat. It is very important for the government to start acknowledging it publicly in order that farmers get the proper transition time which they need to prepare for the change.

Another possible threat under the NAFTA will come with the inclusion of Chile in the NAFTA group. Our Prime Minister and the President of the United States have said it will probably happen within a year. That leads me to believe that there probably will not be significant negotiations taking place which would allow Chile into the NAFTA group. There just is not time in a year to carry out meaningful negotiations. Therefore, I believe that Chile will come in under the current agreement with very little negotiation. Maybe that threat is not quite as imminent as it was a few months ago.

There are several things which the government can do for the sake of dairy farmers in the dairy industry. I will talk about five.

First, the government can acknowledge that there is a high probability of more access from American products and therefore a move to more competition. I have stated this many times already in my presentation today and I will continue to state it.

Second, the government can help to ease the dairy farmers' legitimate fear that the Americans will not compete fairly unless they are forced to by tough action on the part of the Canadian government.

Third, the government should start working toward levelling the playing field between Canada and the United States before more competition occurs.

Fourth, the government must recognize that there are different concerns about change to the supply management system within different groups of dairy farmers. Each group must be listened to and asked for its recommendations as to how it can deal with its particular problems which will result from the move to more competition from imported products.

Fifth, the government must talk about the positive side of opening the borders. There is a huge American market there for the taking and it will take a healthy attitude on the part of dairy farmers to ensure they take full advantage of the available market.

I would like to take a few minutes now to talk about each of the different areas which government should be discussing with dairy farmers.

(1130)

First, they must acknowledge that there is a high probability of more access for American dairy products and therefore a move toward more competition. It is critical to allow or even encourage dairy farmers to prepare for the change, because that will be necessary. There will be a transition time that will be necessary to allow dairy farmers to compete with the Americans. There is no doubt that the Canadian dairy farmer can compete very well with the American farmer if they are given a level playing field to work within.

Second, help ease the dairy farmers' legitimate fear that the Americans will not compete fairly unless they are forced to by tough action. I hear this all the time. They are afraid that dairy farmers who recognize—there are many now—that change is coming are really quite concerned that the Americans will not compete fairly. They say they can compete with anybody in the world if they are given a fair chance, but Americans do not have a good record of competing fairly. This is what dairy farmers tell me. They tell me that the American industry is highly subsidized, which it is, and that many of these subsidies are not acknowledged by the Americans themselves as subsidies, which is true. Some of these are the school milk program, the farm bill set aside program, irrigation subsidies, and on and on. There are an awful lot of subsidies that give the Americans an advantage, or will in an open border situation between Canada and the United States, and are not fair. These have to be dealt with.

Third, start working toward levelling the playing field between Canada and the United States before more competition occurs. An example of this is pesticides, which are used in all sectors of agriculture. Over the past months, as I have been travelling around in southern Ontario, there is a common theme I have heard from farmers from the dairy industry and from other industries. That theme is that if we are going to compete we need access to pesticides and drugs very soon after the

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Americans have access, or even before the Americans have access. To accommodate this, why can we not have a reciprocal agreement? If a pesticide or drug is given approval through the regulatory system of one country, then why can that not be all that is necessary for this product to be used in the other country?

Both Canada and the United States have a very trusted regulatory system. I see absolutely no practical reason we cannot have an agreement between the two countries so that when a product is approved in one country it can be approved almost immediately in the other country when it is being used in a similar environment and for the same purpose.

This is a common theme. This and other moves have to be made to level the playing field so that the Americans do not have access to these pesticides or drugs years before Canadian farmers can take advantage of these products. In the agriculture industry this is absolutely a critical area, which must be dealt with.

Another way in which the playing field must be levelled has to do with the broader economic considerations. I am talking about, for example, tax levels. Tax levels in Canada are substantially higher than tax levels in the United States. This means that Canadian farmers are competing in an unfair way with American farmers because of the higher tax component of every dollar they earn.

The only way, of course, this can be dealt with, that taxes can be lowered, is by lowering government spending and eliminating completely government overspending.

(1135)

Reform did present in February the taxpayers' budget, which was a detailed three-year plan that would eliminate government overspending. This plan is still a valid and sound plan. This Liberal government has to move toward this plan, the taxpayers' budget, or a similar budget over the next year so that we can move over the next several years toward the lowering of taxes so that tax levels become very similar in Canada and the United States and so that labour costs come into line. One of the reasons labour costs are higher in Canada than in the United States is because the tax level is so high, such a large portion of the paycheque goes to the taxman, the Government of Canada.

There are these broad economic considerations that must be dealt with to level the playing field so that Americans are competing fairly with Canadians.

The fourth area government must talk about and must deal with is to recognize that there are different concerns about change to the supply management system within different

groups of dairy farmers. Each group must be listened to and asked for their recommendations.

I would like to spend a little time now to talk about these different groups I have been able to identify as I met with dairy farmers around southern Ontario, in Alberta, and other places across the country. The first group I will call the older dairy farmers, dairy farmers who are fairly close to retirement. They want to hold on to their quotas. In many cases their retirement fund is in quota value. They know that as soon as the border starts to open and the Americans can send more of their product into the Canadian market their quota values will start to decline rapidly. They know that their quotas could be worth nothing in the not too distant future. They are concerned about that.

I can understand that completely. Their retirement was built in large part on quota value, which can so quickly disappear and for which they have paid dearly throughout their expansion phase in the industry. It is a problem that will be very difficult to deal with, but it has to be dealt with and it has to be talked about.

The second group I will call the middle group. They are still expanding in many cases. This group has in many cases borrowed a lot of money to buy a quota. They have a couple of concerns about the possible loss in quota value. The first is that as quota value drops, while it does mean on the positive side that any new expansion they bring into their business will be less costly, it does mean that the value of quota they may have financed right now will drop in value dramatically. Their concern is that this will make them become insolvent in their businesses. In some cases it will.

Will they be undersecured by lenders? Will they because of lower equity levels not be able to borrow the money they need for expansion? These are questions that have to be dealt with and answered. Certainly it is different in every different dairy farmer's operation, but this is a common concern I have heard from this middle group.

As well, this middle group will be losing some of the value, some of the equity they have been counting on to use in their retirement and indeed to help with the transition of the farm from this generation to the next. That concern is there with the middle group as well.

In one of my past lives I worked as a farm economist. I worked with farmers in the business management area. I worked with 100, 200 and 300 farmers who were in severe financial difficulty. Each case is gutwrenching and very difficult to deal with. I had to learn to separate myself from the emotional impact this was having on each of those families.

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So often in the dairy industry the difficulty started with paying a lot of money for quota, which provides nothing of productive value. It just does not improve productivity in any way. I saw so often where that led to the downfall of these operations.

(1140)

I also worked in times when there was no value to quota. In Alberta in the late seventies and early eighties quota had no value. Farmers could get into the industry. They had to buy their cows, their buildings, their feed, and everything else that goes along with the industry, but at least they did not have to buy quota.

I have presented that so dairy farmers can remember that change has occurred in the past. Quota has lost and gained value in the past. In most cases dairy farmers have been able to deal with that, but in some cases they have not and it has led to their downfall.

There is a third group of dairy farmers that is important for government to work with or at least listen to: the people who are just getting into the business. Many of them have told me they would be all too happy to see the supply management system completely disappear. In some cases the people that message is coming from have quite shocked me. I have been surprised because often their parents are in the industry and they are just getting in. They know this quota is a very fragile thing in terms of value. They know that in many cases they will not even be able to get into the industry because lenders know there is a real risk to them with a reduction in quota values.

These young producers have said they do not want to have to pay for quota, something that may have no value in the not too distant future, and ask how they can get around that. That is the concern of the third group.

I do not pretend to know how we can ever deal with the varying concerns of these three groups. We have to start talking about it and it has to be dealt with. By ignoring the problem and by pretending change is not going to come quickly, the government is putting these farmers at an unnecessary disadvantage. By acknowledging the problem and giving the transition time they can deal with the change.

It is so important that the farmers in all three of these groups—break the groups down any way you like—start talking about some possible solutions to their problems. We need to know from them how we as parliamentarians can facilitate their solution, what we can do to help them accommodate the change they will be facing. That is the fourth area politicians and the government actually have to talk about and start dealing with.

The fifth area is to talk about the positive side of opening the borders and opening competition. There is a huge American market there for the taking. So seldom in this discussion is that positive side talked about. We are always defensive. How is it

going to hurt us? We allow the Americans to bring their products in to compete with ours. How are we ever going to deal with it? We know the Americans are not fair traders. These are the comments I hear from dairy farmers, and they are legitimate concerns, but what about the opportunity that comes with this change? There is an absolutely incredible opportunity and the possibilities are mindboggling.

If members think that is just some talk that is not based on what has happened in the past, let us talk a little about the beef cattle industry in Alberta. When there were problems, as there always are problems when moving cattle back and forth across that border, the cattle industry went through some rough times. With the signing of the first free trade agreement, western Canadian farmers saw the opportunity and the cattlemen saw the opportunity. The attitude they have is that they can compete with the best. And they are absolutely right.

We have seen an industry grow in Alberta beyond what I would even have believed would be in the realm of possibility 10 years ago. I would not have dreamed it. I was really concerned about the future of the beef industry ten years ago. Cattlemen said they have the opportunity, mostly it is fair trade but there are still some things that have to be dealt with but they are doing great.

(1145)

When we hear cattlemen say they are doing great, things are going very well. One thing farmers are not very good at is looking on the positive side. They like to talk about the negative a little more. They are very positive people but they like to talk and dwell a little more on the negative. I am also like that. It is built into me by my life as a farmer.

I acknowledge that change is difficult. Very few people like change especially when it affects them directly in their lives and in their business. Change is a lot easier when it affects someone else. The change in supply management will be particularly difficult because it will reduce the protection that has been in the industry for some years, protection which has been available to very few businesses besides supply management.

In the whole supply management question and in the dairy industry we have to talk a lot more about the positives of change and how we can take advantage of change. We have to talk about how farmers in different situations can deal with and prosper from change. I know, as many dairy farmers know, if farmers are given a fair chance to compete, which is all they ask, they will compete successfully.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, it is a pleasure today to speak to Bill C-86. I will use the opportunity to pay tribute to the good dairy farmers of my own region, Fraser Valley. I will talk about the bill and some of the solutions the Reform Party sees to the ever changing and

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evolving world of supply managed agricultural industries in Canada.

Farmers in the Fraser Valley are among the best in the world not only in the dairy industry but also in the poultry industry. We now have an ever expanding greenhouse industry.

Instead of going into a decline as many people had predicted some years ago, our agriculture industry has a very bright future and has shown to be very innovative, creative and very willing to change, which is what they must be in order to survive in the 1990s and into the next century.

If dairy farmers in what is probably richest growing area in all of Canada, the Fraser Valley, are given an opportunity they will continue to be a major milk producer for British Columbia and in essence could be a major milk producer for areas around the world.

I will state for the record what the bill will do. It is a change that will allow Canada's dairy industry to abandon its established system of producer levies on industrial milk. The levies would be replaced with a system of national pooling which will allow all stakeholders to equitably share the costs and benefits of pooling revenues and the effects of fluctuations in market size for both fluid and industrial milk.

It is an evolving system from what was once allowed and acceptable, the idea of national levies, to a system more GATT sensitive into a national pooling system. That is an inevitable change and it can be a good thing.

It is important for producers to know what the Reform Party's policy is because there has been a lot of misinformation circulated about it.

(1150)

The Reform policy, from our policy manual, states: "All producers should be able to structure and manage their organizations in any manner which they believe will best serve their interest. The matter of regulating production and setting prices for products under the organization's jurisdiction is a producer issue and should be dealt with by producers".

The second part of our policy, which the previous speaker elaborated on at considerable length and in great detail, states: "Reformers acknowledge that the agricultural industry, including the supply managed sector, is moving toward a more competitive market driven system".

Those are two truths I campaigned on during the 1993 election. We were up front with Canadian consumers and with producers about what we saw as the inevitable changes that would have to come to the milk production system in Canada.

For one farmer to produce a steady supply of milk takes a lot of care and planning. It is not a quick fix way of going into business. Cattle must be purchased, sheltered and fed and all the machinery required is bought. Farmers need to make sure the

cows are impregnated at a certain cycle. They must have dry cows at some part of the year and fresh cows at the same time so that they have a steady supply of milk and so on. It takes all that planning. That I would even have to go through the lactation cycle of a cow shows the changing demographic face of Canada.

My father and a lot of our fathers grew up with dairy cows, helped to milk cows and understood that whole system. That was a big benefit for Canadian farmers. There is a residual understanding, even in the House, about what it takes to be a farmer, especially a dairy farmer.

It is unfortunate now, as our cities are growing and the number of farmers is shrinking, that more and more in the future it will be incumbent upon those of us who are concerned about the agricultural industry to take the time to explain to school children and to other politicians about the difficulties of farming and why one cannot suddenly increase milk production by 20 per cent or why one cannot be a miracle worker especially in the dairy industry. It takes some planning.

The government has to play a role in allowing for steady and incremental changes to occur so that cataclysmic changes do not have to happen overnight. It is the role of government to provide that. If it fails in that role, with the understanding in general society, then it will have failed Canadian farmers. Therefore we need to make sure the government does that.

I urge the government to not soft pedal inevitable change. It has to come. Those of us familiar with the agricultural industry want it to come in an organized fashion, not in a chaotic fashion.

I think of our call for a triple E Senate. People might ask how that affects the agricultural industry. However, there is a reason for that. One of the reasons is to give outlying and less populated regions more clout in our national decision making. It will be all too easy in the years to come, as more and more people move to the mega cities and we get one big city after another along the Great Lakes. Even in my area of Vancouver, which is now expanding and pushing out to become one big city, it is important we have the regions and agricultural producers represented with some strength in Ottawa.

One of the ways that could be done is through an elected Senate which would allow people from varied backgrounds to represent different regions.

(1155)

It would be a pleasure to know that after the bill left the House it would go to an upper house where four or five members from Saskatchewan, four or five from Manitoba, and so on, had a keen interest in the agricultural future of the country. It would be a pleasure to know the bill would be under the scrutiny of people who want the best for agricultural producers. That is something I hope the upper place will do. However, it is more difficult because that area is not represented in the same way as it would

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be under a triple E Senate. If it were properly handled it could give a better voice to Canadian agricultural producers.

It takes two years before a cow has a calf and freshens and supplies milk. The farmers therefore need to know they will have a market down the road for their product. A farmer can grow a broiler chicken in a few weeks but it takes two years to get the first bottle of milk in the dairy industry.

Fluctuating demand is a problem, especially in the period following the second world war when producers and farmers could not be sure of selling their milk. There was a problem with a glut on the market and then a shortage. Consumers saw prices going up and down. That resulted in unhappy producers and consumers alike.

Supply management was introduced, a uniquely Canadian version, and to its credit it has made the market very stable and has helped producers to prosper all over Canada, including in Quebec where 50 per cent of the industrial milk is produced. The industry has done well under the supply management system. I hope Bloc members are thinking of their dairy farmers when they talk about cutting off the borders from Canada.

In any supply managed system there is a tendency to become stuck in one group where it has worked. If it worked well in the 1960s and it has continued to work then it should stay the same. However, it cannot stay the same.

During the election campaign I am sorry to say there were candidates on the Liberal side who said that if Article XI 2.(c) of the GATT went ahead without being strengthened and clarified they would lay on the railroad tracks, they would resign their seats if they were elected, and so on. They did not get elected in my area. Weeks after the election the GATT was signed without a strengthened and clarified Article XI 2.(c).

The change was inevitable, as was noted in the Reform Party campaign. It was not an attack on the supply managed industry, it was an acknowledgement that change must happen and could be good. We went through the campaign and many of the innovative farmers in my area understood they would have to deal with the new trade realities of the 1990s.

Farmers still must be prepared for increasing market forces against the traditional system of supply management. The bill addresses that in a small way because it talks about why we must change to the pooling system as opposed to keeping the old levy. They will not be subjected to local pressures. They will not be worried about an influx of cheap milk from Alberta or about Washington state. We are now talking about a global shift in trade laws which will bring global pressure on the dairy industry. Fluctuations in demand and supply will mean stiff competition down the road.

(1200)

There are many examples of how this global change is going to be a good one for the dairy industry. I envision a day when the producers of the Fraser valley will no longer make the bulk of their milk sales to the local consumer. However, I envision a day when the bulk of sales will be offshore, to markets throughout the developing world where our products can be marketed at a profit. The milk industry will expand outside our borders and take on the world.

There are many examples of that. In B.C. the grape growers were afraid their industry would be swallowed up. Remember a few years ago when the grape industry said that it was just a matter of time before it would be swallowed up by the cheap products from the states, the California wine makers and so on.

The growers grabbed the bull by the horns, if I can mix my metaphors a little, and asked themselves why they could not be innovative. They would be on the leading edge of the new grapes, the new technology, the new way of making wine. Now they are taking on the world.

Last year the wine producers from the Okanagan valley produced the world's best wine. I know there are some other good wines in Canada. I do not downplay them, but the B.C. wine producers were able to produce by not being afraid of the competition, the best wines in the world. My hat is off to them.

They did a good job. They took on the world. They can compete both price wise and especially in quality. They are among the best in the entire world. That is the way the agricultural industry is moving.

My own area is not known as an apple growing area, but an interesting phenomenon is happening. In British Columbia apple growers have always come from the Okanagan. In the Fraser valley an interesting thing has happened. The farmers are not growing apples in an orchard any more. They grow apples in straight rows four feet apart, with certain pruning techniques, certain pollination techniques and so on. They can produce as many apples on an acre as other growers do in 10 acres in a conventional orchard.

They are able to do that with innovation, by taking on the world, by exporting to Japan. They produce an excellent product at a good price. That allows them to make a living even in the Fraser valley where it was unheard of to even in a serious way grow apples just a few short years ago.

Innovation is coming and producers know they must change. There is evidence of that in my own riding. Recently the producers have agreed to allow some of their potential profit to go into the Agassiz Research Station as a joint venture project

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with the federal government, producers and industry in general to find new and better ways to produce milk.

They are going to increase the herd size in Agassiz. The University of British Columbia is bringing its herd out to Agassiz. They will get them all together and have a good sized herd, a real production herd of a couple of hundred cows.

They have huge new manure handling facilities there. They are being innovative on how to handle manure storage, composting, injection and all the things that we are going to have to do. We cannot live in a society where the cities are encroaching on the farms and think that the old honey wagon is going to be able to do the same job it used to do just a few short years ago.

It has to change and it is not bad that it changes. In fact, farmers are finding as they change that not only can they handle manure storage, for example, in a way that does not offend the encroaching neighbours but also have a better yield and better crop production by being more careful and more innovative on how they handle manure.

Change is inevitable and it is not bad that change comes. Another example, if I can use a local example, is the B.C. AI centre, the artificial insemination centre. It has changed. It used to be that cows and especially bulls were rated on how much butterfat would be produced. Everything was rated on butterfat. One wanted a cow that produced a lot of butterfat and one wanted a bull whose offspring produced even more. Butterfat was the key to the future.

(1205)

Times have changed. The AI centre now has realized that people want a low fat product. Fat is not considered something to be paid extra for. The centre is now tinkering with their next crop of bulls whose offspring will produce milk that has more protein and less butterfat. It is the wave of the future. There is no use sitting and crying over spilt milk. The hon. member for Vegreville enjoyed that comment.

Producers are saying that they have to plan. With a bull, it is not just a couple of years to see how it checks out. It takes the first crop of offspring, then the tests on those, making sure that the protein count and the butterfat is trending the right way and so on. It takes years and years to develop a good genetic program.

BCAI is one of many groups that has realized that changes must come. It does not look just to the lower Fraser valley, not to British Columbia where its roots are. It looks around the world to market its products, to market its bulls around the world. It has been very successful in being a leading example of what it is going to take to compete in the next century. It is not going to be the status quo. It must change and this change will be good.

Through the free trade agreements which the government has signed, both the GATT and the NAFTA agreements, tariffs will be reduced over the next few years. American products will be able to compete as time goes on more and more, head to head with Canadian products.

We have had a period of grace where the low Canadian dollar means that we have not had in the last year and a half to two years a lot of cross border shopping. We have not had a large influx from the United States as far as dairy products are concerned. We cannot plan a long term agricultural policy based on the fluctuations of the Canadian dollar. We must be competitive. We have to be competitive and ready to go head to head with the Americans over the next 10 years.

There is no sense saying that it is not going to happen. It will happen. The low Canadian dollar best not lull us into complacency. We have to be ready for the Americans when they start aggressively challenging us. They are doing that as we speak. They are challenging us hoping to prove to us that NAFTA will supersede GATT.

We can take on the Americans. We can take on the world. We will do it all if we are willing to change. This bill is a change. We will support it because it shows that change is inevitable. It can be a good thing and I am happy to support it.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I listened with interest to the speech of the hon. member. He referred first to the length of my comments, by the way, which I really appreciated. I think he wanted me to expand on them a bit. Next time I will try to do that. As he was talking about being raised on a farm that had dairy cattle, I would like to ask him about the pastoral scene which must have surrounded milking time.

In his constituency over these past couple of years as he hears from dairy farmers, I would like him to relay some of the key concerns which he has heard from them.

I have had correspondence from the Mainland Dairymen's Association which is in the hon. member's riding. Its members were concerned with some of our comments on supply management. When I wrote them a letter responding to that they published the whole letter in their newsletter. I think they appreciated our point of view on it.

I would like to hear from the hon. member the comments he has been hearing.

Mr. Strahl: Mr. Speaker, I am happy to do that.

The hon. member would be right to call the Fraser valley area one of the more pastoral scenes in all of Canada but we will not get into that so much as we will to the comments that I hear from farmers in the Fraser valley.

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(1210)

I may have more milk producers in my riding than probably anywhere west of Ontario. There is a huge concentration of supply managed industries. Both poultry and dairy products are concentrated in the lower Fraser Valley for good reason, because of the weather and proximity to markets.

However, there are two or three things that farmers keep raising as major concerns as they head into the next century and try to plan their lives and plan for handing off the farm to the next generation.

First, they say they are willing to go head to head with the Americans or with anyone else as long as it is on a level playing field. Farmers keep telling me: "If you make sure the Americans do not subsidize their product, if you make sure we have anti-combines legislation in place, if you can make sure the health standards are the same and so on, then we will compete with the Americans. But you have to help us in a couple of ways. The help we need is not just from the federal government but all levels of government, to make sure governments get their own houses in order. They have to get taxes down. They have to get regulation of bureaucracy in hand so that we do not have to fight both with the federal and provincial fisheries and the federal and the provincial environment offices as we go about our business".

They need to know that the changes coming are not just dumped on them overnight. They are willing to change. If they have to go bigger, they will go bigger. If they have to bring in new technology, they are happy to do that. However they cannot handle sudden cataclysmic change where they will wake up one morning and find sudden change, as the Canadian wheat farmers found that the Crow rate was gone. Government should have warned them.

If we do not warn the Canadian farmers and help them plan over the next few years during the reduction in tariffication they will come back and curse this Parliament and the government for not having raised the warning flags to show where they must inevitably go.

There is no sense saying that things will stay the same. Farmers want to change. They are, first of all, good business people. They use technology. They are using computers and innovative feed rations. They are using market analysis and playing to the consumer's choices. They can do all of that. Government must not pull the rug out from under them suddenly down the road and tell them they should have been told that something was coming.

The change that Bill C-86 proposes is good. It points the way to something that is GATT friendly. But the government must be

honest with the farmers and say: This is the change and we must move this way.

There are also other changes. Let us be honest. The changes are here. Be forthright. The farmers just ask for the rules to the game and they will play. Do not change the rules suddenly 10 years from now.

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, when we talk about dairy farmers I always have to take my hat off to these people. I realize how dedicated they are to their jobs. I grew up on a farm and my dad had about 20 milk cows. I know what milking is all about. I did it for about 15 years before I went out on my own.

I sometimes cursed those dairy cows. I did not know why God invented them because He said: "Work six days and rest one", but these dairy farmers never rest.

If we had a ball game planned for Saturday night or the middle of the week we knew we milked first. Six o'clock was milking time and the ball games were postponed. We also knew that if we came in late after the ball game at 5.30 we would be off to the pasture to fetch the cows and do the milking. There was no fooling around.

That continues today. The dairy farmer is on schedule. He cannot be five minutes late or five minutes early. Those cows have to be milked at the right time.

(1215)

It sometimes amazes me when I look at another aspect of government legislation. Where is the overtime? Where is the triple time for working on holidays that these dairy farmers deserve? Everybody wants to have at least two days of the week off but the dairy farmer is dedicated. He is there seven days a week and probably 24 hours a day.

It is a real credit to the dairy farmer to see the product he has produced. There is no better product in the milk industry worldwide. The American milk products cannot compete in terms of quality. We as consumers must recognize that and reward the farmer for it somehow.

Yesterday when I heard the parliamentary secretary to the agriculture minister say we should give farmers the right to make decisions, I was wondering whether he had bought a Reform membership because that is exactly what we said throughout the election. The farmer should have the right to decide how to market his product and how it should be priced.

We have often been accused of being anti-marketing boards, anti-supply management. We have always said the farmer has the knowledge and expertise. He knows how to set the quotas, how to set the prices and what has to be done to keep up with the times.

During the election I experienced something surprising. I went through some of the Liberal propaganda saying that they would preserve article 11: "That has to stay. There is no other way. It will not be negotiated out of the World Trade Organization. Vote for the Liberals". The Conservatives said much the same thing, that they would negotiate supply management:

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“You will have your quotas”. I received a nice brochure in the mail from the Canadian dairy farmers saying: “Vote anything but Reform. These guys do not know what they are talking about when it comes to the dairy industry. Their saying we have to go to tariffication is a bunch of beans”.

What has happened? Nobody in this House has taken off his or her hat to the Reform to say that we were right. We have it in black and white that we were right. We will say again to this House that the dairy farmer has to be protected and his livelihood has to be guaranteed. If we lose the dairy farmer we lose one of the most precious things this country has.

I must give credit to the Bloc members. When it comes to attending meetings where farm issues are being addressed they seem to give credit where credit is due. They are always concerned that agriculture is looked after, which is something we have failed to do in the west. We sometimes think we are independent and as farmers we will do everything on our own but it means working together. That is why I think these dairy farmers have to be complimented.

When I talk to dairy farmers now they are taking a different view of what Reform policy is. During the spring break I had a meeting with Manitoba's milk marketing board and a number of farmers. I was pleasantly surprised when they started talking about the problems of the high priced quotas. I was surprised when I heard someone say that something had to be done.

A quota of \$3,000 per cow cannot work. We have to start realizing that financing a piece of paper at today's interest rates cannot be done. It is hurting us and we have to change. I must give the members on the Manitoba milk marketing board and the farmers who were present credit that they finally acknowledge this. Why do we have those huge quotas and the prices on those quotas? Because of government regulations. Because provinces tried to protect their territory. Innocently, without wanting to we got into a situation where this thing crept up into the system and the prices on these quotas became higher and higher.

Today we know that has to change. Consider a dairy quota of \$3,000 per cow. That is \$300 of interest a year that new farmers will have to pay. It is not feasible. They cannot do it and therefore the change will come. We can depend on the dairy farmers to make the right changes. They have the knowledge on how to restructure and to be competitive.

(1220)

We are now in the 1990s but thinking back to the 1970s and 1980s, when it comes to dairy commissions, the government really is a dairy commission. It has been milking the public for so many years it has almost milked it dry. The consumers and taxpayers are getting very thin. If somehow the government does not use some of that BST on the taxpayers, they will all

disappear. The BST that needs to be injected into consumers and taxpayers is that they have to pay less in taxes, produce a little more and become a little more competitive than some of the industries.

When talking of industries, I am talking about grain handling which is probably one of the main ones. I was surprised the other day when dairy farmers were before the subcommittee on transportation. They told us that they cannot survive as dairy farmers in Atlantic Canada because the feed costs are way too high. One gentleman told me that they were paying over \$4 for a bushel of barley in Atlantic Canada. I asked how that could be because as a farmer in Manitoba, I barely get \$2. Something is wrong somewhere.

Then I started to think about the hearings we had in Thunder Bay. The taxation on the grain handling system, the terminals, the property taxes alone are 25 times as high as down the road at Duluth. These costs are added onto the cost of a bushel of barley. I am wondering why the government does not realize this. When the National Transportation Agency told the minister a year ago that there should be no increase in pilotage fees, he overruled that. He gave the pilotage authority another 9 per cent increase.

Why, when we know that we have to start making things more efficient would that be done? Not only that but when the pilotage authority heard about that, it started charging these fees two months ahead of schedule. It ripped off the shippers another million dollars or so.

There might be a court case over it. The shippers want that money returned. What does the transportation minister say? The government will change the legislation and make it retroactive. The government will make the illegal thing legal. Is that the way we are going to build efficiencies into our system? Is that the way we want to run our country? If that is the way we are going to do it, then I am very sorry that we will not be able to compete with other countries. It is very important that the Liberal government along with the opposition start realizing that and keep on hammering with that.

It makes me wonder when I look at this bill whether everyone read the fine print. I hope they did because I know a number of red book promises were given to us during the election. One of them was the barley plebiscite that was supposed to be held to let farmers make decisions on how they wanted to market their barley.

It astounds me today when I read quotes in the paper that there will be a huge loss in the barley pool because we have been selling our grain to other countries at prices below the cost of production. When I see barley being shipped into the U.S. for about \$60 a tonne less than we can deliver it to Atlantic Canada, I am wondering who it is we are really protecting. Are we doing

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what we say we will, protecting our supply management, or are we really trying to destroy it?

If we are not going to look after our own producers, why worry about the others? It is astounding that we do not start realizing that we have to look at issues at home first before we start to address the problems of the rest of the world.

Looking at unfairness, a level playing field, the taxation, it is killing us. When I look at fuel taxes five miles away from where I farm and I can buy gasoline for almost half the price that I can in Canada and all of it is due to tax, something has to change.

(1225)

The government said in the budget that it would cut back. What did it do? It put another 1.5 cents of tax on a litre of gasoline, which amounts to 6 cents a gallon. We are supposed to be having a level playing field. How can that be?

The issue which the Liberals do not seem to realize is that we have to solve our problems at home first before we can point our finger across the border at what the Americans are doing wrong. It does not make sense when I can pick up a bottle of propane in Hannah, North Dakota for half the price that I would pay two miles away in Snowflake, Manitoba. It just does not make sense. I do not know how the country will keep running with that kind of discrepancy.

It is not the production units which are bringing on the costs, it is taxation on taxation. When I look at the deficit and the fact that by 1997 we are going to be paying \$1 billion a week in interest, how can we ever have a level playing field? Why has this come about? Because of mismanagement by previous governments and because previous governments would not listen to the grassroots people. They always told the grassroots people: "Vote for me. Everything is in order. We will make it better". Now we have ourselves in a mess which we do not know how to get out of, so we are starting to point fingers at other areas saying: "They are to blame".

I was in Saskatoon at the beginning of February when the dollar was plummeting. I talked to some financial people. That little town has about 180,000 people. Seventy million dollars went out of that little town into the U.S. for safe keeping because of the fear of our dropping dollar. How can our economy survive if that is the kind of fear we are instilling in the grassroots people of our communities, in the entrepreneurs and the developers? It just will not work. That is why I am concerned about dairy farmers. If something does not happen to provide them with a level playing field, whether it is supply management or free enterprise, they will never survive the same as grain farmers or other industries.

I met with some of the railway people during our subcommittee hearings. I heard them say that they pay \$654 million more in

fuel taxes, property taxes and sales taxes than their counterparts in the U.S. How can they compete? It all goes back to the primary producer. Eventually that is where the cost gets carried. That is why it is very important when we debate this bill that we really mean what we say, that we want to provide a level playing field. That is not to say that this farmer has to have the advantage of producing more or that he has to receive more for his product; it means that we have to bring the input costs down to what the input costs are in the competing areas.

When the American farmer travels on roads that cost half the taxation for fuel, when the American farmer has half the property taxes to pay and when the American farmer's income tax is 30 per cent lower than in Canada, how can we make a level playing field? Cut back government spending. Bring the deficit under control. Pay down the debt and let our farmers take control of their industries. I have never seen a farmer who could not handle his problems if he had a level playing field. That is what we have to work on.

When I look at the barley producers today taking a loss in their pool, if that is correct, how can we say we have a level playing field for the grain farmers? How can we say that they can produce a product for the dairy farmer so that he can survive? One goes hand in hand with the other. That is why it is so important that we provide a level playing field for the dairy farmer and the grain farmer.

It must also be there for the machinery salesmen, related industries and labour. Labour is a prime expense to everybody. When labour gets taxed to a point where it takes until the end of June to pay their income taxes and property taxes, they have to have a price to do it. This adds into the cost of production. This is what is creating an uneven playing field. I think that is what we have to address.

(1230)

I am always amazed when we go to a store and pick up a product and say it is too expensive, it is unaffordable. I think this struck home to me a year or two ago when I was at an agricultural conference in Winnipeg. The head honcho from Cargill Grain was talking to us and he said: "You know, I never realized what is really going on in the food industry. I know what corn costs in the United States and I know what some of the other raw products cost. But my wife sent me shopping the other day and I picked up a box of corn flakes and went home and priced the corn that was in the box by the weight of it. Do you know what the farmer should have got if he had got the price? \$1,800 a tonne. That was the price of the corn in the corn flakes box. Where did all the costs go? Not to the farmer. He is getting around \$100. So eighteen times what the farmer got was added to the cost of that box of corn flakes."

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How can people survive with those types of costs, even if you are a labourer? Something is wrong in our system. I look at the dairy farmer today, who is getting about 30 per cent out of a litre of milk for his costs. He has to produce a calf that has to grow for at least two and a half years before it starts producing milk. He has to build the barns, buy the equipment, do the work, and then get one-third of his costs just to ship the milk to the processor and to the shelf in the store.

Something is wrong and it has to be changed. I am wondering how we can do it. I do not mean to say that it has to just be done by the Liberal government. It also has to be pointed out by the opposition people that there is something wrong. If we do not do it we fail our commitment to this House. I am hoping we will take it seriously, especially when we look at the food products.

I was on a phone-in show one day with one of the agriculture people from Manitoba. They were complaining about a few things like the cost of fuel, which they thought should be brought down, and I agreed. One person said: "Well, as long as we have the production of fuel and hydro we will be all right". I asked the minister: "How are you going to keep on producing, Mr. Minister, if you do not have the farmer? How much oil can you drink to sustain life? Will it help you much?" I then asked the manager who was there from the Royal Bank: "How long can you chew on your silver coins and stay alive?"

These are the things we are forgetting. We have to start realizing where this country really comes from. It comes from the agricultural sector. This is why people came here, to earn a living, to raise a family, and to produce food for their neighbours. It is important that we start realizing that we have to supply our own needs and we have to be competitive on the world export markets because we are an exporting country. Once we can solve those problems and lower our cost of production, the price itself will determine how successful we are in foreign markets.

I appreciate this time to speak on these issues. I hope the hon. members have been listening, because when we fail to put food on our table we can see what happens in other countries. Two prime examples are the Soviet Union and the African countries. When agriculture gets abused and goes down the tubes, so does the country. I do not want to see that happen to this country. I hope this House can do something to provide level playing fields for the primary producers, whether dairy, grain, or one of the specialty products.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I welcome the opportunity to speak to Bill C-86 today.

(1235)

I certainly appreciated the comments from my seatmate, the member for Lisgar—Marquette, about the need for a healthy agricultural economy in Canada. Like him, I operate an active grain farm and know that we contribute very much to the economy of Canada in terms of providing a good food supply at a very reasonable cost.

I want to premise my remarks today on Bill C-86 by saying that what I am trying to do and our party is trying to do today is to outline what we think is the need for leadership to provide the environment for opportunities for those farm industries that operate under supply management, how they can make the change, how they can adapt to go into the 21st century and be productive members of our society, keep their farms and operate on a very sound economic basis.

Bill C-86 is an attempt by the government to change the present levy system for industrial milk by implementing a pooling system for all industrial milk among six provinces. This bill's purpose is to enact the obligations of the Uruguay round of the GATT.

The present levy system is considered an export subsidy under GATT and is not permitted under the agreement. The new system will pool all earnings for industrial milk and will take the cost for exporting excess milk from those earnings. The revenues the farmers receive will remain unchanged.

This bill simply keeps the present supply management system in place. The government openly acknowledges that this is the case. But supply management and free trade are very much opposing systems.

The last time I checked, the trend in the world economy was in the direction of a more open trade. Supply management is totally out of step with the times. It is like a horsedrawn buggy and it needs a redesign so we can move as quickly as the rest of the world.

Recently our quotas for products made with industrial milk ended due to GATT and were replaced with astronomically high tariffs, 351 per cent in the case of butter, which is the highest. They are all in that range of some 250 to 350 per cent.

Members will probably know that the United States is presently challenging our sky high dairy tariffs. They are viewed by the United States as a violation under NAFTA and the United States has called for a NAFTA panel to hear arguments on this issue during the summer. So the process has started.

A challenge under NAFTA takes between two and five years. If Canada loses the transition time for the elimination of tariffs, domestic quotas would have to be negotiated. The chances of Canada winning the present challenge to the new dairy tariffs are questionable, in my view. Our American sources are quite confident they can win this one.

Even if Canada feels it has a good case, the future for the pooling system cannot be ensured. Many would like to believe that the pooling system can solve all of our problems in this industry, that it can make supply management secure. That is not realistic. What we need is some realism here. The future of an

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entire industry cannot be focused on such a weak system. The time has come to move on and to move this industry beyond supply management.

NAFTA negotiations to include Chile as a new partner have already begun. These new negotiations will be an opportunity to resolve old issues. Our partners in NAFTA want to finalize those old issues before admitting a new member and signing a new agreement. The supply management dairy issue is one of those.

The United States has good reason to push for an end to our present supply management system. The Americans want to have access to our markets for dairy products. On the other hand, Canada has a chance to end the notorious back door subsidies the U.S. hands out to its farmers. This is an opportunity, and I stress it is an opportunity that cannot be lost, to push for an end to all United States subsidies, which totalled over \$10 billion U.S. per year in 1993.

We can also shape the time period for phasing out our present supply management system in Canada. We have to seize this opportunity to do some hardball negotiations where Canada says yes, we will give up some of our high tariffs on the supply managed industries, but only in exchange for you reducing your subsidies that you do through the back door. Then we would have the level playing field my colleague from Lisgar—Marquette spoke about, the need for this level playing field.

I believe that our farmers can compete with anyone as long as they have the same conditions. In fact, I believe that with the high population base in the United States and with most of our supply managed industry located within this 100-mile corridor we can function very well. I believe we can make the most of opportunities. We cannot lose this important opportunity that has been presented with the United States challenge to NAFTA to say yes, we are willing to give up something, but only in exchange for your backing off your subsidies.

(1240)

I think we should work toward a continental free trade zone for dairy products, a sectoral approach. One sector may be able to move faster than others, and I believe this is one of them. This will place all dairy farmers on an even footing. No one farmer will have an unfair advantage based on the country in which he lives or produces. I believe that is to the advantage of our dairy farmers.

The world is moving to a new open market. There are 130 countries that signed the Uruguay round of the GATT agreement and there are more countries that want to get in. Canada is part of that free trade world. The time has come for government to recognize that a transition to a free market in this hemisphere is important to all of us. The government needs to help dairy farmers to make the necessary transition, not hold them back.

The industry needs time to adjust. Dairy farmers have invested hundreds of thousands of dollars in their operations. The government must negotiate a new deal for farmers or all their hard work could be lost in the blink of an eye. I for one know of the hard work that is involved in running any type of farm operation, but in a dairy farm operation, as my colleague has just said, seven days a week is the norm. We must take this opportunity to give them some kind of a future, not one where we have the blinkers on and pretend the system will always be in place, but one where we can help them to move to this. Many of these farms have been handed down from generation to generation, and farmers want that to continue. It is a way of life they enjoy.

This industry needs to develop an economy of scale to compete with producers from other countries. The industry must develop into a system that increases efficiencies and lowers the cost of production. For example, the diversity of herd size and yield in Canada is not set up to meet that need. The same holds true for the United States. The average size of a cow herd in Canada is 47, and in the United States it is 45. But in British Columbia, the model province in the industry, the average herd size is larger, at 78 milking cows. They are starting to make the adjustment. As a result, the yield in B.C. is over 20 per cent higher than that in the rest of Canada or the United States. The industry in British Columbia is considered to be the most advanced in North America. But under the present system the industry cannot operate at full capacity. The B.C. quota is not high enough.

I believe it is ludicrous that the provinces that are the most efficient cannot benefit from this efficiency. The supply management system is only coddling the inefficient producers and hurting the industry as a whole.

The U.S. dairy industry is not making the transition to free trade either. Farmers in the U.S. are paid to keep their herd sizes down. This policy is meant to limit output. U.S. farmers receive more subsidies from the government than their Canadian counterparts. In fact, dairy farmers are the most highly subsidized in the United States.

In Canada, subsidies for industrial milk were decreased in the February budget by 30 per cent over two years. There is even a possibility that the entire system of direct government subsidies will end in the near future. The rebate to manufacturers using Canadian dairy products will end in August. This is due to our GATT commitments. We need to continue the trend.

I know that Canadian farmers need to stay one step ahead of their American counterparts. The phasing out of internal quota would be a next logical step. There has been discussion that one possible option would be a partial buyout of the quota. Farmers should be fully functioning members of a free enterprise system and should stay ahead of the competition. They would not lose all the time and money they have invested by taking this approach.

With the negotiation of a new deal for NAFTA they would be able to compete.

Canada needs to take this further in the next round of the GATT as well, in five years. But first we must start with the new opportunity I spoke of earlier that is presented by the NAFTA talks and any possible expansion to include other countries.

(1245)

I understand the fear of the dairy industry and dairy farmers. Grain farmers went through about 15 tough years when there was a massive trade war on in agriculture. Trade rules have really helped. The World Trade Organization and the GATT have really helped. As long as we can phase down subsidies worldwide we can compete with anybody.

A new system would be open and entirely different. There would be no guaranteed price for their product but some farmers would not be able to adjust. They would have to go. As a whole, the industry would have to benefit.

The economy has changed and the way to do business must change as well. If the dairy industry does not change, I fear it will be harmed very substantially. This would hurt all Canadians regardless of which province they live in, regardless of the level of dairy production in their area.

We do have a very important example of an integrated economy in agriculture, the beef industry. It is a North American integrated market. The next logical step for Canada is to do the same thing with the supply managed industries, specifically the dairy industries.

If we can negotiate subsidies down in the United States and our tariffs, Canadian dairy farmers can compete. Members of Parliament have an obligation to ensure our dairy industry can compete. We need to help the industry to survive and prosper. The industry needs direction for the transition. If we do not lead in the Chamber, who will? We need to give guidance to the industry of intentions to negotiate a better solution.

To ignore the reality and lose it in the end makes no sense. The time for change is now before it is forced on this industry. I want to help dairy farmers make this adjustment for the future.

The government needs to broker a better deal during future negotiations. I want to see them be a success. Governments should want to see them succeed as well.

Let us not bury our heads in the sand and ignore reality. As a farmer and a believer in the free market system, I call on the government to lead dairy farmers and the supply managed industry into the 21st century.

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The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the third time and passed.)

* * *

CN COMMERCIALIZATION ACT

Hon. Herb Gray (for the Minister of Transport, Lib.): moved that Bill C-89, an act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the company to the public, be read the third time and passed.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I am pleased to have the opportunity today to speak in support of Bill C-89, an act to commercialize Canadian National at the third and final stage.

This undertaking is an important element in ensuring the continued success of the Canadian transportation system. The geographic nature of the country means the efficient transportation of goods is intrinsic to our producers and manufacturers' being competitive in the global marketplace.

Specifically, our exporters who use rail transportation to get their goods to market cannot compete on the global scale unless railways are cost efficient and effective in delivering their goods.

Commercialization of CN is one of the government's efforts to ensure a competitive and viable rail system in Canada.

(1250)

We are also moving to reform the regulatory framework governing transportation to ensure it helps foster competition and serve shippers well, which is what the Minister of Transport did today. By putting CN on a level playing field and removing the often costly public policy demands it has faced as a crown corporation, the government is working to ensure we will have a healthy national railway to serve Canadians throughout the country into the future.

The bill before us aims to allow the government to sell all of its equity in Canadian National as a public share offering. In order to do so the government had to make sure enough capital would be available to absorb this issue, expected to be the largest initial public offering in Canadian history.

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Recognizing the Canadian equity market could not absorb all the shares on its own, the government sought to structure the bill to allow for the maximum number of Canadians to take part as well as foreign investor participation. To this end we have not limited foreign investor share purchases any more than those of domestic investors. However, in trying to maximize the interest in this share issue we also recognize the desire to ensure CN will not be controlled by a single individual, whether Canadian or otherwise.

Therefore in order to ensure a broad distribution of these shares a limitation has been placed on the shares which any individual or associated group of individuals may own at a 15 per cent level. This level of restriction is both low enough to ensure no hostile takeover is possible and high enough to provide investors with some influence on management actions and decisions should they desire.

The government felt it was important to include this restriction. However, let me assure the House that recognizing the negative effect which restrictions could have on value, we were very careful not to include any limitations which would prevent us from maximizing the return to the taxpayers of Canada in this share sale.

The obligation for CN to retain its head offices in Montreal and to operate in both official languages will not affect the value. We could not include any sort of operating restrictions on CN's going forward because any sort of requirement in this legislation for CN to maintain a specific operation would have dampened investor interest in these shares given the possible effect on the railway's revenues.

It can be tempting for some to ask CN to maintain certain of its operations while it is still a crown corporation. However, CN can no longer be used as a tool of public policy if it is to serve Canadian shippers well. The government's objectives must be met through transparent and direct means, not through entities such as railways.

In committee Bloc members had originally indicated support and exemption from the bill for the Quebec bridge. The government has indicated in the past this is a perfect example of the government and CN's being committed to the maintenance of that bridge which is part of an important transportation corridor for Quebec, Quebec City and the area. Obviously it needs to have public participation by way of the provinces.

CN has already committed \$1.5 million to the maintenance of that bridge, key to its rail network. Seventy-five per cent of the traffic on that Quebec bridge is vehicular traffic, which is the responsibility of the provincial government. The president of CN has invited the provincial government to participate more fully in a equitable sharing of those expenses. Hopefully Bloc Quebecois members will use their influence with the provincial

government to ensure it pays its part in maintaining that historic bridge which serves Quebec City and its population and which is also a monument to what we have built in Canada together.

CN has already sold its exploration division, the proceeds of which will be applied to debt reduction. It is important that CN be privatized in an attractive way to investors. It has extensive real estate holdings and other non-rail assets, some of which have considerable value.

(1255)

However, the government has been advised that investors will be looking for pure rail play and will not pay for CN's non-rail assets. Accordingly, these assets which have considerable value will be transferred to the government for subsequent sale.

Some of CN's property holdings are marketable in the near term and will be sold to reduce the debt. The CN commercialization act provides the Minister of Transport with the authority to transfer selected properties from CN to the government prior to the sale offering. CN will receive credit at fair market value for these properties.

One of the difficult aspects of reducing CN's debt will be to achieve a balance between what must be done to ensure the shares of CN are marketable, what CN must have at a minimum to start off on a financially viable footing and what impacts there may be on other players in the industry, notably CP.

The railways are an important part of the transportation system in Canada. Commercializing CN using the guidelines of Bill C-89 will put CN on a level playing field with its competitors. In conjunction with regulatory reform the government has introduced today, we will ensure a viable rail system up to the challenge of helping Canadian shippers compete in global markets of the future.

The government supports the bill and we encourage members on the other side to do likewise because it is an important moment in Canadian history, allowing one of our crown corporations to become a full player in the private sector and give the country what it needs, efficient, affordable and reliable rail service.

[Translation]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, the Bloc Quebecois agrees with the principle of the CN Commercialization Act, and, in particular, we appreciate the fact that provisions in it guarantee the bilingualism of the institution and the maintenance of its head office in Montreal. There are, however, six points on which we oppose the bill, and I will first list them for you, before I go on to examine them in detail point by point.

The six points are as follows. The first is the excessive power the bill gives the minister to use public funds to pay off part of

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CN's debts and to give CN consideration for any assets outside the railway system the minister wishes to transfer.

Second, we do not agree with the fact that the bill does not protect the interests of CN workers once the company passes into private hands.

In the same vein, we disapprove of the fact that the bill makes no provision for the retirement fund of CN workers. We also cannot accept the lack of provisions preventing foreign takeover of the company.

Fifth, we object to the fact that, through clause 16, the SLRs, because of their connection with CN, could, in the future, come under federal jurisdiction, whereas they are generally under provincial jurisdiction.

Furthermore, we do not agree with the fact that there is no guarantee CN's successors will carry out their obligations to repair the Pont de Québec, which is an historical work and of economic interest. There is, moreover, no guarantee that CN's successors will do it any better than CN has done it itself since its acquisition by the federal government.

Here, then are the six points one after another. First, the bill accords the minister excessive power to use public funds in order to pay off part of CN's debts in order to make the company a more attractive buy and in order to give CN consideration for portions of assets the minister would like transferred.

(1300)

We find these powers truly outrageous. They are to be found under clauses 6 and 12. I will not quote the whole clause, but only parts of it: "The Minister may, at any time, while CN is a Crown corporation, direct CN to transfer property, on such terms and conditions, including consideration, if any, as the Minister considers appropriate"—he is the one in charge—"and CN shall forthwith comply with the direction".

I will now read a short quote from clause 12, which goes along the same lines: "The Minister, with the approval of the Minister of Finance, may enter into an agreement or other arrangement with CN or any other person respecting the acquisition, holding, service, disposal or discharge of or other dealing with any debt or obligation incurred by CN", this is somewhat excessive, "and pay out of the Consolidated Revenue Fund, or from the proceeds of any sale of shares, amounts in respect of any agreement or arrangement referred to in paragraph (a) or (b)".

We were and are still very much opposed to these provisions, but our proposed amendments were defeated. Motion No. 8, which I drafted myself, was in opposition to them. It said that no such agreement regarding the disposal of debt or the transfer of property may be entered into unless the following conditions were met, and here are a few of the most important ones: not until the minister has laid before the House of Commons a

proposal that the agreement be entered into, and the House has concurred in the committee report. This was aimed at giving the House, rather than the minister, the authority to approve this kind of transaction.

We also proposed that the transfer of assets be conditional on either the approval of the House or the favourable opinion of the auditor general to transfer to the minister assets with a value exceeding one million dollars, or to transfer to a third party assets with a value exceeding ten million dollars. These amendments were voted down. Therefore, the minister retains this outrageous power to use public funds as if they were his own.

The second point we take issue with is that there is no provision protecting the interests of workers in those corporations that would be purchased by the minister, or transferred to the minister to be sold later on. In the case of companies that have formed an organic bond with CN and receive orders from it in some cases, if that bond is severed, we will have to make sure they remain viable and the jobs are protected. Nothing of this sort is mentioned in the bill.

We do not want to presume the worst about buyers' intentions, but someone could buy a company just to close it in order to eliminate a competitor and then the jobs would be lost. To prevent this, my colleague, the member for Beauport—Montmorency—Orléans presented the following motion which was defeated. Briefly it said that the minister could not sell any subsidiary or part of the operations of CN, unless CN and the purchaser had given the minister written undertakings, in terms satisfactory to the minister, that all reasonable steps had been taken to ensure that it would continue for a reasonable period as a viable operation and that the interests of the employees affected by the sale would, so far as is practicable, be maintained after the sale. That motion was defeated, therefore the workers have no protection whatsoever.

(1305)

Third, on a similar issue, we see nothing here that would protect the CN employees' pension fund and on that point my colleague, the member for Beauport—Montmorency—Orléans, also presented Motion No. 11 which naturally was also defeated. It said that the pension plan for employees of CN known as the CN Pension Plan shall continue to exist and be funded and be administered by the CN Pension Board in accordance with the rules in existence immediately prior to the coming into force of this act. This amendment to protect the pension fund was defeated.

Fourth, we object to the fact that there are no provisions which will really prevent foreign interests from acquiring the majority of shares and therefore the control of CN. To support what I was saying, I am referring to clause 8 of the bill, from which I will quote.

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"8.(1)The articles of continuance of CN shall contain

(a)provisions imposing constraints on the issue, transfer and ownership, [—]to prevent any one person, together with the associates of that person, from holding, beneficially owning or controlling [—]more than fifteen per cent of the votes—"

This provision is excellent, in principle, except that in the laudable intention of not reducing unduly the number of potential buyers in a market which is already rather limited, there is a provision that allows various persons, individuals or corporations, belonging to a group, to take less than 15 per cent each, even if the total for the group is over 15 per cent, provided that they submit a statutory declaration saying that they will not act in concert with respect to their interest in CN.

This is a good provision and we agree with it as far as Canadians are concerned. However, we disapprove of its application to foreign interests, because we are not convinced that CN directors will be able to make sure that foreign persons will abide by their declaration. We proposed, in an amendment, that this provision be restricted to Canadians. Of course our amendment was defeated.

Fifth, clause 16 which I will quote provides, intentionally I imagine, that a local railway created with a financial contribution from a CN buyer would come under federal jurisdiction, even though the others are under provincial jurisdiction. Here is what clause 16 says:

"The railway and other transportation works in Canada of CN, of every subsidiary of CN and of every corporation formed by any consolidation or amalgamation of any two or more of those corporations are hereby declared to be works for the general advantage of Canada."

We do not accept the principle of federal jurisdiction over a local railway created in partnership with CN. Against that we proposed Motion No. 15 from which I will quote. This provision concerning federal control does not apply to:

(a) any activity of CN within a province that operates under an agreement that subjects the activity to the jurisdiction of that province, or

(b) any work, subsidiary or corporation owned by CN that is situated or operates only within one province.

So, this provision putting short line railways under federal control could only apply to short line railways operating in more than one province. This amendment was rejected, just like the others.

(1310)

The last provision concerns the Pont de Quebec, in Quebec City. You know that when it was first built, this bridge was considered the eighth wonder of the world and that it has not only an economic value, but it is also very interesting in terms of heritage. It seems to me that the Minister of Canadian Heritage, the Minister of Transport and the Minister of Public Works should show some concern. I saw photos of the bridge in its

present condition. In fact, it does not put people at risk, but it is really regrettable to let an asset such as this one fall apart.

The federal government, which was the owner, was responsible for it, and then it transferred it to CN which should have taken all the necessary measures to repair this bridge as quickly as possible. It did not do so.

We would have liked the bill to stipulate explicitly that the buyer of the part of the assets of CN including this bridge would have the obligation to repair it urgently within a specified time frame. This is the purpose of motion No. 14 which says:

That Bill C-89 be amended by adding after line 3, on page 8, the following new Clause:

"15.1 The Minister shall, no later than January 1, 1996, conclude an agreement with CN providing for CN to repair, renovate and maintain the Pont de Quebec in Quebec City and to commence work under the agreement no later than May 1, 1996".

It will come as no surprise that this amendment was rejected. So they were all rejected, and we are left with legislation that allows the minister to use federal funds as he likes, to have assets transferred to him or to pay debts incurred by the CN.

The legislation does not protect the workers. It does not protect the CN pension plan. It does not give any real and verifiable protection against external control. It does not protect the future short line railways from an eventual take over by the federal government if ever there were joint ownership with the CN. The legislation does not give any guarantee at all respecting the Pont de Québec. It is an antisocial measure that totally disregards the rights of this House; it is insensitive to the fate of this historical bridge and would make short line railways come under two jurisdictions, some being under provincial jurisdiction and others, under federal jurisdiction.

In spite of what I mentioned earlier, in spite of the fact that it does guarantee bilingualism and keeps corporate headquarters in Montreal, we find that it is a bad bill and we will vote against it enthusiastically.

[English]

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, when Bill C-89 was first introduced, I stated that I supported the intent but not the content. Since that time the bill has been through committee, witnesses have appeared, amendments have been offered but very little has changed.

Speaking first of some of the restrictions in the bill, I cannot see any business reason for the insistence that CN's headquarters remain forevermore in any one city. Contrary to the Bloc's rhetoric, this is not a Quebec issue.

The concern on this clause is that a private company should not be restricted to any one location no matter where the location

is. I would have the exact same concern if the restricted location were elsewhere. The issue is the restriction, not the location.

During debate at report stage the Liberals stated that the headquarters are in Montreal, they have always been in Montreal and it is reasonable that they remain Montreal. Therefore, this is a good restriction. If the last part of the statement is true, then I would ask why they need the restriction placed into the legislation.

Likewise another restriction requires that CN maintain the federal official languages policy as if it were still a crown corporation. This is not necessary. Again, the Liberals used the illogical approach that CN is already following the Official Languages Act and therefore would continue to do so in any event. If this is practical to do, CN will likely continue to do so. If it is not, then it should not be required to continue it, at least not indefinitely.

(1315)

An alternative which I offered on both of these clauses as well as the clause dealing with share restrictions was to include a sunset clause which would have provided that these restrictions would have been in place when the new company was formed initially but cancelled after a five-year period. CN would then be guided by market needs instead of political needs. This seems to me to be a reasonable compromise between Liberal needs and marketplace common sense. Unfortunately the words reasonable and compromise do not seem to be in the Liberal vocabulary.

The third restriction in the legislation is restricting the maximum number of shares in CN owned by any one person or company to 15 per cent. Most committee stage interveners from the financial sector stated that there was no particular advantage to this restriction but it would not cause a problem in the short term. The obvious implication is that this would cause problems in the long term.

The 15 per cent restriction prohibits shareholders from joining together to either ensure that directors will follow the will of the shareholders or to remove certain directors who are not acting in the best interests of the shareholders of that company. For example if a significant number of CN employees decided to buy into the company and the total number of shares held by various employees totalled more than 15 per cent, at any time they all voted the same way it could be ruled by the directors as collusion and their votes would not count. This serves to entrench management which hardly can be considered good long term policy.

This also inhibits some company which wishes to bring a new management style to what may be a very tired and inefficient company from buying in. If this company is able to buy a sufficient number of shares to ensure that its new management policies can be utilized and brought forward it would hope not

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only to get a return on its investment in terms of the share value but also appreciation of the capital value of the company itself through the innovative approach that it may be able to bring into the company and through ensuring that this comes to fruition.

There are those who will argue that some other companies have similar restrictions and therefore this one is okay. I would answer that by pointing out that over time many mistakes are made. For example we used to have autocratic Conservative rulers in Ottawa. Voters, the shareholders of Canada, partially corrected that mistake. Now we have autocratic Liberal rulers who are a transitional mistake that we must put up with until the next election. Only then will we have government representatives who write legislation based on the people's needs rather than political needs.

As in the case of the other two restrictions, I tried to find a reasonable compromise by amending this section with a five year sunset clause. Once again those words were not in the Liberal vocabulary.

The next section deals with Canadian ownership. Bill C-89 does not provide any restriction to foreign ownership, nor in my opinion should it. Financial experts have stated that it would likely take an international share offering to find enough investors for the CN shares. If that is the case, so be it.

What if there are enough investors in Canada who want to be involved in the ownership of a sector of Canadian heritage that it could in fact be sold here? Alternatively, what if there are a number of Canadians who wish to buy some portion of the shares but are scooped by foreign purchasers who are quicker off the mark when the share sales begin? Do we not have some obligation to Canadians?

I proposed a very simple solution which would have seen the shares available to Canadians and Canadian corporations only for the first 90 days. In terms of international sales all this would have done is delay the sales to the rest of the world by 90 days. This seemed to be a very reasonable approach to protect the rights of the people we represent without unduly restricting foreign sales. Of course I am again forgetting that the concept of representation is just as foreign to the Liberals as the words reasonable and compromise.

(1320)

The next problem in the legislation that I tried to deal with is the period of continuation of the rail line to Atlantic Canada. I proposed an amendment that would require CN not to sell or abandon the rail line between Montreal and Halifax for a period of 10 years.

The Halifax Port Corporation testified before the standing committee pointing out that the new CN Sarnia tunnel gives Atlantic Canada excellent access to the American midwest. As such, it believes that by investing in upgraded port facilities it will secure handling of new high capacity, deep draft freighters

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and thus the economic future of the marine industry in Atlantic Canada.

The same transport committee that rejected my Atlantic amendment recently tabled a marine study which recommends that ports such as Halifax should be commercialized and must obtain their financing on the open market without government guarantees. I happen to agree with this but once again the word reasonable comes into play.

For many years the government has interfered with the marketplace through government ownership, subsidies and regulations. It is obvious that the current government has looked at Reform policies and the popularity that those policies have generated. While anxious to try to adopt some of our ideas and policies, the Liberals always try to change things enough so they can call the ideas their own and in doing so lose much of the common sense that our original policies contained. The Atlantic Canada situation is a classic example.

If the Halifax Port Corporation goes to the private sector for financing without government backing, the private sector is going to want some assurance that the all important rail link to central Canada and the American midwest will remain for at least long enough to ensure a return on investment.

The purpose of the amendment is not to protect the rail line forever but to ensure its operation for a transitional period of 10 years. This should give Atlantic Canada the opportunity to develop its marine operations to a highly viable degree after which normal private sector determinations of future CN operations will rule. If nothing is done, Atlantic Canada will risk losing new freighter business to the American east coast ports and the cycle of Atlantic Canada's economic dependence on Ottawa will continue. Perhaps that is the government's real strategy.

I believe that this amendment is in keeping with my position on the other restrictions in that I can live with the other restrictions as long as they have a time limitation. My Atlantic Canada amendment did have that time limitation.

The government does not seem to mind restrictions dealing with shares, language and headquarters locations, so why this sudden rejection of one that will promote economic independence in Atlantic Canada? Perhaps consistency is yet another word that is not in the Liberal vocabulary.

I raised at committee another point of concern by way of an amendment. I tried to ensure that the sale of CN shares would not be prone to problems from insider trading. The argument from the Liberal side was that this was a wholly unnecessary amendment because the securities act covers insider trading. However, it only covers insider trading once the shares have been transferred to the stock exchange. If the government chose

to sell any of those shares in advance of transferring all the shares to the securities commission, this would not be covered by the provincial regulations.

We do have an undertaking from the government that it does in fact intend to transfer 100 per cent of the shares. Thus they will be covered by the provincial securities regulations. We will certainly monitor that closely and see that the government lives up to its word on this.

The biggest concern I have about Bill C-89 is the minister's unlimited power to reduce or even eliminate CN's debt. CN currently owes \$2.5 billion. Financial and industry experts have testified that in order to be able to sell the shares of CN they must have an investment grade bond rating of BBB. To ensure this, the debt will have to be reduced to about \$1.5 billion.

(1325)

I introduced an amendment in committee to restrict the amount of taxpayers' money that the minister could use for debt reduction to only the amount necessary to reduce the debt to \$1.5 billion after first reducing it by all available CN funds on hand and excessive cash flow requirements along with the proceeds of sale of all non-rail real estate assets. The Liberals rejected this as too restrictive in that the exact figure to provide a BBB rating is not known for sure. Unlike the Liberals, the words reasonable and compromise are in my vocabulary.

I changed and reintroduced my committee amendment at report stage. This time instead of using the dollar amount of \$1.5 billion that the Liberals had objected to, I restricted debt reduction to the amount necessary to produce an investment grade bond rating of BBB after following the other reduction steps in the original amendment. Even though this amendment followed the very line of logic offered by the Liberals, they turned it down. It seems that the Liberals are still enamoured with the concept of a blank cheque.

Bill C-89 is the first time I have been involved in the new process of sending a bill directly to committee after first reading. The rationale for this according to the Liberal government was that if a bill was dealt with in committee before real debate in the House, it would be much more amenable to amendments.

This has clearly not been the case. The amendments I proposed in committee were reasonable and had the support of many of the interveners. One of my amendments dealing with the preservation of the Atlantic Canada port viability even received the support of one of the Atlantic Canada Liberal MPs but was defeated in a tie breaking vote by the committee Chair.

One of the arguments I found really interesting was brought forward by the hon. Parliamentary Secretary to the Minister of Transport on this part of the Atlantic amendment that I offered. It was the idea that what was I doing promoting a restriction on

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private enterprise, my being one of these infamous free enterprise Reformers. As I stated earlier, I do not see this as a long term problem. It is a transitional thing from where the government has total manipulation of the marketplace through intervention, through government ownership, through subsidies, through special regulations.

I thought this was a very reasonable thing to bring forward. It was asked for by Atlantic Canada. It had the support certainly of the Atlantic members of Parliament I would think even on the Liberal side. It is extremely unfortunate that in raising this in committee I was not able to bring it up at report stage. It would have been very interesting to see the compromise struck with the Atlantic members of Parliament between serving their region or following the dictates of the Prime Minister.

It seems that the only reason for moving to committee after first reading, which is the new procedure that is now often being used and pushed, is to fast track Liberal legislation by eliminating much of the public debate. This is just another example of the current system of autocratic rule. It certainly does not seem to indicate that the new procedure really works the way it was meant to work.

This now leaves me to consider whether or not to support the overall intent of the legislation to privatize CN Rail, something I have spoken in favour of since before the last election.

The open ended restrictions dealing with share sales, the location of headquarters and language requirements are not insurmountable problems. After all, we are only two years away from the next election after which I am sure those problems can speedily be cleared up. I can adequately deal with the Atlantic port problem at that time also because we do not expect the Liberals to be in a position to block that any longer.

This then only leaves the problem of debt reduction. In an attempt to resolve this, I wrote to the Minister of Transport through the transport committee. What actually happened is that the minister appeared but he was only available for an hour and a half. When I asked him a 30-second question I got a five-minute answer which, very common to question period, did not answer the question at all.

(1330)

I asked the minister if he would respond to written questions submitted to the committee while it was still sitting. He indicated that he would. I set out a list of 12 questions which I submitted through the committee and I received the answers while the bill was still under committee study. Therefore, those questions and the subsequent answers have become part of the record of the committee study on Bill C-89.

The response which I received from the minister indicates that he intends to pay off no more debt than is necessary to produce an investment grade bond rating of BBB. I do not know why the minister is prepared to commit to this on paper but not in legislation. I would have to guess that this is the Liberals' method of accepting reasonable measures from Reform while trying to hide what they are doing from the public.

On the basis of the minister's written, on record commitment I am prepared to support Bill C-89.

I would like to quote an excerpt from a letter. It reads:

Without a doubt, Canada requires a first-rate transportation system that is able to service every region. The federal government must play a role in maintaining and developing that network, yet it remains to be seen whether the damage wrought by the Conservative's policies of massive deregulation of the transportation sector can be completely undone. Their continued tolerance of rail line abandonments and consideration of proposals for the privatization of CN Rail have done nothing to clean up this mess.

How these pre-election statements do keep coming back to embarrass their authors. The author of that letter is the current Prime Minister. He wrote it while he was Leader of the Opposition. It was written to the hon. member for Moncton only days before the last federal election.

Looking at some of the items which were in the letter, the Prime Minister stated that Canada has to have a first rate transportation system, able to serve every region of Canada. If that was his intent only days before the election, why when he walked across the floor did he suddenly decide that we did not need to ensure the transitional preservation of the CN Rail line to Atlantic Canada?

He also talked about the damage of the Conservative policies of massive deregulation. This is particularly interesting on the very day that we are having the introduction of a bill which will see massive deregulation of the transportation sector. He talked about the tolerance of rail line abandonments when the bill deals with improving, enhancing, speeding up and simplifying rail line abandonment.

It seems that the more reasonable position taken by the Reform Party finally got through to the Liberals. We have been on record since before the last election that privatization is not only a good idea, it is essential. More recently I testified before the all Liberal task force on CN Rail, reiterating that CN must be privatized. I am glad they are finally listening.

I hope that if the Liberals intend to use more Reform policies in the future that they come to us first so we can help them get it right the first time. Bill C-89, for all its flaws, is still a big change from the Liberal position at the beginning of this term of Parliament and I am pleased that we were able to show them the way.

Government Orders

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I am pleased to speak in support of Bill C-89, an act to commercialize the Canadian National Railway. This proposal is one part of the government's larger plan for ensuring a viable and competitive transportation system in Canada. It is also part of the government's intention to have the private sector operate in areas where it can do the job better than government. As the Minister of Finance said last February, our view is straightforward. If government does not need to run something it should not and in future it will not.

(1335)

Under Bill C-89 all of the government's current shares in CN will be sold on the public market. All Canadians, including CN employees, will have the opportunity to buy shares of the railway.

During the hearings of the CN commercialization task force and of the Standing Committee on Transportation, concern was expressed by employees regarding their jobs and pensions. I am pleased to confirm that CN employees will continue in their current positions in the new CN and their pensions will be protected under the Pensions Benefits Standards Act.

Employees will also have a special opportunity to take a stake in CN through a standard stock savings plan which will be part of the share sale.

While we hope that many Canadians will be interested in buying a piece of CN to maintain its historical value, we cannot believe that the Canadian market is large enough to absorb the entire equity of CN. Therefore, recognizing the need for foreign participation in the share offering to ensure success, we have not limited the extent to which foreigners can participate any more than we have restricted Canadians.

The 15 per cent individual ownership restriction, which is included in the bill, treats all investors equally by limiting their ability to take over CN by putting a ceiling on how much stock they can own. This represents the balance between not jeopardizing the government's ability to sell all its shares which would be the case if foreigners could not buy the stock and ensuring that no individual will be able to take over CN.

The bill strikes a balance between the objective of maximizing return for the taxpayer by ensuring CN is viable into the future and the operating obligations some may wish to impose on the railway.

I am also pleased, contrary to the Reform Party, that the headquarters of CN will remain in Montreal and the Official Languages Act will continue to apply to CN employees. This is a

bilingual, bicultural country. However, these are not changes from the way the railway currently operates and will not affect the saleability or price which will be received for CN shares because investors will expect CN to continue to operate in this manner.

We cannot, however, impose any serious obligations on CN that do not apply to its competitors if we are to ensure that CN can compete on a level footing with the other transportation sector players into the future, nor can we allow CN to become a private company without addressing its capital structure.

CN must be able to finance itself in the public markets in the future at a premium similar to what its competitors pay. For that reason CN is doing all it can prior to the public offering to reduce its debt. In addition, CN will transfer its real estate assets to the government for a fair consideration which will also pay down debts. Any further debt reduction will be the minimum necessary and will be undertaken with the goals of fairness and competitiveness in the rail industry and the transportation sector in mind.

I believe that Bill C-89 will enable the government to sell 100 per cent of its equity in CN, maximizing the return to the taxpayer and ensuring that CN can remain a viable, national railway serving Canadians long into the future from the Atlantic to the Pacific.

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, it is for me a pleasure to rise at third reading on Bill C-89, an act to privatize the Canadian National. We all know that transportation is essential to the economic prosperity and quality of life of Quebecers and Canadians.

Transportation networks are the lifeblood of industry in Quebec and Canada. The existence of a transportation infrastructure often is a critical factor in the prosperity of a region and, as such, can be viewed as the foundation of all regional economic development.

(1340)

So in that context I am happy to rise this afternoon, since Canadian National has been, if we remember our Canadian history, a decisive factor in the development of this country, which is called Canada, from coast to coast.

The analogy of the lifeblood I just used can be applied as well to any means of transportation, by air, rail or water. Any infrastructure, whether it be a port, an airport or a railroad, must be considered first of all as a means of regional economic development.

Government Orders

Obviously, one does not need to be a rocket scientist to know that a serious shift in our rail policy is needed. The Canadian government has had for too long a narrow vision of the country's rail system and has sought no alternative to the abandonment of short lines. Large railway companies are not well equipped to operate short lines and do not possess the necessary flexibility to do so in a cost effective way.

The Bloc Québécois believes that many short lines can be operated on a cost effective basis by local interest railroads which are called CFIL in Quebec and short lines by our English speaking colleagues.

The review of the railway regulations, as tabled this morning by the Minister of Transport, should contain measures which will pave the way for short line railroads to take over line portions that large railway companies no longer want to operate. The government should take measures to help the development of short line railroads, such as giving loan guarantees, to save as much as possible of Canadian railways, particularly in the regions.

It is easy to understand that, once CN is privatized, the whole matter may be called into question and the delicate balance that had been reached in Canada and Quebec could also be destroyed because a privatized CN would not have the same priorities in terms of regional economic development as a crown corporation. We know that in our capitalist system, the first priority is money; corporations must make profits. This is why I am not convinced that the new CN shareholders would be as responsive to social needs. I am not saying that they will not have any sensitivity, but you know what I mean. When a corporation is run by the state, its corporate mission is to promote regional economic development, whereas a private company is not in business to promote regional development, but to make profits. That is what the Americans call return on investment.

The Bloc Québécois agrees in principle with privatizing the CN. However, it considers that it should remain under Canadian control, since this company was built with the Canadian taxpayers' money. Moreover, the Bloc Québécois believes that the government is responsible for ensuring that CN subsidiaries, that are not directly related to railway transportation and that will be privatized, will be able to survive. To that effect, some measures should have been provided to ease their transition. Unfortunately, Bill C-89 does not respond to these expectations.

Our party submitted in committee a list of amendments that were unfortunately—of course, this is the game of democracy—defeated by the Liberal majority. Obviously, we would have liked our amendments to be accepted. We remain convinced that they were realistic, logical and not made with the sole purpose of annoying the government or getting on its nerves.

(1345)

We believed and are still deeply convinced, this afternoon, just before the passing of this bill, that our amendments were reasonable and serious. In the time that I have left, I would like to look briefly at some of the amendments that were tabled and, of course, defeated by the Liberal majority in front of us.

At the same time, I will look back on some amendments that were moved by my colleague from Kootenay-West—Revelstoke, because some of them are very reasonable. I think they illustrate very well his concern with respect for democracy. However, as a Quebecer, there are some amendments there that I find totally absurd and, once again, this is a demonstration of what we call Quebec bashing on the part of some of our colleagues in the Reform Party.

I enjoy making comments like this, because it livens up the House a little. I was under the impression that, after lunch, my colleagues in front of me or beside me were sleeping. Deep down, I must be a troublemaker. Under clause 8, the government will leave the privatized CN's head office in the Montreal Urban Community. Once again, just to show that I am open-minded, I recognize that this is a good clause which reflects the strong presence of the rail industry in Montreal for over a century. This clause corresponds to other bills' provisions. For example, when Air Canada was privatized, in 1988, its head office was to remain in the Montreal Urban Community.

It is therefore unfortunate that my colleague from the Reform Party, in his Motion No. 2, proposed to limit the effect of this clause to five years, after which the matter could be re-examined. I was anxious to make that comment to the House about the Reform Party's amendment. We also proposed Motion No. 4, stating that subsidiaries not directly related to the railway sector, for example, CanCar, an engineering firm, could continue to operate. This amendment mainly concerned AMF Techno-transport, a company located in Pointe-Saint-Charles, in Montreal. There are 1,300 jobs involved. We wanted the federal government to continue to assume its responsibilities, and to take sensible measures so that the subsidiary could keep operating for a while, long enough to recover its profitability and financial viability. Unfortunately, this amendment has also been defeated.

I also wanted to speak to amendment No. 8, proposed by my colleague for Blainville—Deux-Montagnes, and requiring the minister to obtain the House's agreement before arrangements are entered into in order to reduce CN's debt. As you know, there were increasingly persistent rumours that the minister would buy CN assets like the CN Tower or some other assets at a higher price than their real market value, in order to help CN bring its debt down to \$1.5 billion. Obviously the Bloc Québécois opposed such a buyout, which would amount to a subsidy to those buying CN.

Government Orders

(1350)

In addition to Motion No. 8, dealing with operations concerning the debt, Motion No. 9, also put forward by my colleague for Blainville—Deux—Montagnes, dealt with operations concerning assets. In fact, with the latter amendment, we were asking that operations concerning CN assets be approved by the House.

As long as the government remains a majority shareholder in CN, any transfer to the government of CN assets with a value exceeding \$1 million and any transaction between CN and a private party with a value exceeding \$10 million must be approved by the House. This amendment would allow the House to assess the validity of the transaction and determine whether it is to the benefit of taxpayers.

It is first and foremost a matter of democracy. Unlike the members of the other place who are political appointees—I do not want to comment on people appointed by the previous government to the other House—we have been elected democratically and we do not have anything to learn from any member of the other place. Since ours is a democratic assembly, we are asking that the rules of democracy be adhered to and that the government come before the elected members to have its decision approved.

Another motion in amendment put forward by my colleague for Blainville—Deux—Montagnes, Motion No. 10, is an alternate motion to Motion No. 9. It would require that transactions with respect to assets be referred to the auditor general, and that his report be tabled in the House.

Once again, the purpose of this amendment is not to annoy or irritate anybody, but to have openness prevail, so that everything can be above board and out in the open. That is why we suggested that the Auditor General of Canada be involved, because he is a trustworthy official whose mandate is to protect public moneys, and because his credibility has never been questioned.

Another of my amendments, Motion No. 11, was meant to protect the CN employees' pension plan. Regrettably, Bill C-89 still does not contain provisions to prevent any changes in the CN pension plan after privatization.

Our party has already shown its commitment to workers at the time of the rail strike, when we sat over the weekend. We were the only ones in this House who fought for the rights of the workers. Therefore, it was important and crucial for us that CN employees get assurances concerning their pension plan. What will happen with this plan? Unfortunately, our amendment was defeated. The government did not see fit to accept our suggestion.

We also moved another amendment, Motion No. 14, concerning the Pont de Québec, an issue which is very important for me and my colleagues in the Quebec City area. Again, as I said the

other evening, during the second reading stage, it is a shame that the Liberal members on the Standing Committee on Transport made light of the whole issue of the Pont de Québec. They really made it sound trivial.

I do not want to seem chauvinistic or presumptuous, but I am convinced that the hon. members who have visited the magnificent region of Quebec City and the surrounding area were able to realize that the Pont de Québec is really a world heritage jewel.

When the bridge was inaugurated by Sir Wilfrid Laurier, it was obvious in the mind of Laurier that this fine example of architectural engineering should be preserved so that future generations would be able to admire it.

(1355)

It is unfortunate that, because of CN's carelessness, this world-class jewel of architectural engineering is deteriorating. It is unfortunate that, in order to maintain this infrastructure in a safe and aesthetically pleasing manner, we need to invest between \$41 million and \$45 million. The Liberal members of the transport committee, as I said, made light of the whole issue. Here are some examples of the comments they made during the committee's hearings: "As the federal government, we will not start preserving just any old bridge at the end of some concession, in some village in Canada. We will not start preserving just any short line railway. We will not start preserving every old rail station about to fall down". We are talking about the privatization of CN.

In making this comment, I do not mean to insult Canadians and Quebecers who happen to have an old bridge at the end of their concession road, but I do want to put things in perspective. To compare the Pont de Québec to any part of a railroad line that is no longer in use is to show a lack of knowledge of this architectural jewel. What can I say? The bridge is located in Quebec City and spans the St. Lawrence River. I know that, for some people elsewhere in Canada, just thinking that this bridge is located in Quebec City sets their teeth on edge, but there is nothing we can do about it.

I see that my time is running out. I would just like to say that this coalition to save the Pont de Québec has many members. In other words, the member of the Bloc Québécois is not the only defender of the bridge. There is also that member's regional caucus, the city of Quebec, the city of Sainte-Foy, the Fédération des caisses populaires, RCMs, the Chambers of Commerce, the Auto Club, and many more.

In conclusion, we are disappointed that Bill C-89 will be adopted in its present form even though we have put forward very realistic and feasible amendments.

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

COMMUNITIES IN BLOOM

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, as we speak communities large and small right across the country are sprucing up, prettifying up and greening up in hopes of being selected the most beautiful in the first annual Canadian communities in bloom competition.

The idea for a national beautification competition comes from Canadians in Quebec who want to share and celebrate the beauty of our towns and villages. Now with a board of directors and sponsors like the national capital commission, the competition is under way.

The city of Brantford in my riding has been selected to participate in the category of communities with a population under 100,000. The odds on favourite is Brantford because of the quality of our parks board, the involvement of local organizations and individual Brantfordtonians.

I know all hon. members will join with me in wishing all the participants well. We will see them in Ottawa in September when Canada's most beautiful bloom-in communities are selected under the first annual Canadian communities in bloom competition.

* * *

[Translation]

CULTURE

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Mr. Speaker, has the heritage minister been relieved of his duties or has he resigned from his position without informing the public and this House? There are several indications that this might be the case.

The minister was unable to attend the joint convention of the Canadian Museums Association and the Société des musées québécois at a time when the museums are waiting to hear about federal museum policy. For reasons that are a complete mystery, he did not delegate a replacement.

The cultural community is worried and offended by this silence on the part of the federal government. As far as culture at the federal level is concerned, it is the policy of the empty chair. Left vacant by a minister in name only, this chair is now occupied by the Minister for International Trade when it comes to film distribution, and by the Minister of Industry in the case of orders with respect to satellite broadcasting.

It is high time that the heritage minister handed the job over to someone really able to stand up for cultural issues. When will he be giving up his limousine?

[English]

CANADA POST

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the small community of Chilanko Forks in my riding of Cariboo—Chilcotin recently lost its general store and post office in a terrible fire. For most small towns, this would mean the end of mail service for weeks and even months, but not in Chilanko Forks, thanks to the bravery and ingenuity of postmistress Penny Chipman.

Mrs. Chipman entered the burning building four times to retrieve essential items at the post office desk. Then after the fire she went home and set up a new post office in her own travel trailer. The next day the mail went out from the makeshift post office without missing a beat, a letter, or a parcel.

For Mrs. Chipman's bravery and ingenuity, today here in Ottawa she is being awarded the prestigious Golden Postmark Award given to postal employees who make outstanding contributions to Canada Post or their communities.

Congratulations, Penny. All of Cariboo—Chilcotin is proud of you. As you receive this award, we salute your courageous spirit. Thank you for your dedicated service.

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[Translation]

HEALTH CARE

Mr. Gilles Bernier (Beauce, Ind.): Mr. Speaker, the provinces are increasingly asking for greater latitude in the financing of health care. For example, they would like to be allowed to impose user fees. Yet, studies show that such fees would not help control health expenditures and could result in underuse of services by those who are really sick.

However, costs can be reduced by improving the efficiency of health care services. We all know that, all over the country, there are drug consumers, as well as some health care professionals, who abuse the system.

I hope that the government will launch an awareness campaign to ensure that Canadians are responsible consumers of the health services provided to them. Our health care system is the most generous in the world, but some profiteers make it extremely costly to the state. Moderation is the solution.

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[English]

INFRASTRUCTURE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, the Peterborough and District Sports Hall of Fame officially opens this week as a major addition to the Memorial Centre, home of

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the Peterborough Petes. The new hall is the result of 16 years of effort by many volunteers.

We already have over a hundred distinguished inductees and a wall of fame, which has generated a great deal of interest and pride, but until now we have lacked a real hall.

Since its earliest years Peterborough has been a major centre for sports at all levels. It is a community known for a high level of participation in sports, the quality of its athletes, and the extraordinary variety of sports practised by its citizens.

Our hall of fame will be a showcase for sports and will house the archives of sports history in the community. Since the history of Peterborough and the history of sports are inseparable, visitors to the new hall of fame, especially young people, will leave with a stronger sense of community identity and pride.

My thanks to all those who have given of their energy, talents, and money to bring this project to fruition. I am delighted that the Canada infrastructure program could help.

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SENIORS MONTH

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I am happy to inform the House that June is seniors month.

Seniors month offers an opportunity for Canadians to acknowledge the contributions seniors make to their families, their communities, and to society at large. It is also a time to reflect on the diversity of Canada's seniors.

The majority of seniors are healthy, physically and mentally active, involved in their communities, and are very satisfied with their lives. There are, however, seniors who are frail, who need support for daily living, or live in situations that put them at risk for depression, loneliness, and dependence. These seniors, who are most vulnerable for social, health, or economic reasons, need to know that our society will support them in their efforts to remain independent and contributing members of society.

As Canada is experiencing a dramatic growth in elders, the oldest seniors who require the most care and support are the fastest growing. It is in this context that I invite all Canadians and those seniors of tomorrow and today to take up the challenge—

* * *

PARTY DISCIPLINE

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, the hon. member for Beaver River has written to me and my Liberal colleagues on the issue of party discipline,

but there are some important Reform promises missing from her letter.

The member for Beaver River has forgotten to invite Liberals to support the 130 per cent raise suggested by their party whip. She does not ask for support for the former justice critic removed by the Reform leader because of comments he made. She fails to ask for our support of a Reform suggestion that gun owners should break the law and not register their guns.

(1405)

The *Calgary Herald* recently said of Reformers: "These aren't, as a whole, real cheery, happy people". Reformers enjoy bad news. They celebrate doom and gloom. However, there was something good to the letter: Liberal colleagues will not have to pay a 1-900 service to respond.

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[*Translation*]**REPRODUCTIVE TECHNOLOGIES**

Mrs. Madeleine Dalphond-Guiral (Laval-Centre, BQ): Mr. Speaker, the Minister of Health is once again looking for excuses to avoid assuming her responsibilities regarding new reproductive technologies.

Indeed, in spite of the promises made by the health minister and the justice minister, the government has still not deemed appropriate to follow up on the recommendations contained in the Baird report. Yet, last May, the health minister stated her intention to table in this House, before the summer recess, temporary measures to prohibit the sale of human embryos and ova, and to also prohibit genetic manipulations for commercial purposes.

However, the now legendary laxness and unconcern of the minister leave Canadian and Quebec women puzzled as regards the government's will to act as quickly as possible. The Minister of Health is once again missing an opportunity to act in a timely manner.

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[*English*]**ACCESS TO INFORMATION**

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, on April 26 my office submitted access to information requests to 21 federal departments. The law requires the response to an access to information request within 30 days. Fifty-five days later, my office has only received five responses to our requests. This is barely a 20 per cent success rate.

In the red book the Liberals promised to do much better than the Conservatives on issues such as openness. The President of the Treasury Board himself has promised to initiate changes in the public service culture in order that items such as access to

information requests are not stonewalled. However, the annual report of the information commissioner has proven that the Liberals use words such as “openness” and “transparency” but they do not abide by the meaning of these words.

The result: Canadians are left with another in the long list of Liberal broken promises.

* * *

INTEGRITY

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, in spite of red book promises to move our political leaders away from questionable behaviour and arrogance, arrogant political leaders are not a thing of the past, unhappily.

Case in point number one: Minister of Transport decides MPs are not qualified to review a restructured deal to automate the air traffic control system. Apparently the bureaucrats, who more than doubled the original cost of the program, are qualified.

Case in point number two: Minister of Agriculture tells the health committee that it does not know what it is doing when it recommends continuing the moratorium on the use of recombinant BST in milking herds due to consumer resistance and concerns about legal liabilities and so on.

Case in point number three: The Prime Minister says integrity and trust are needed in Canada. He tells western Canadians prior to the election that he will protect the Crow benefit better than the Conservatives. Instead of a Conservative cut of 10 per cent, he cuts it 100 per cent.

That is integrity, that is honesty. That is ridiculous.

* * *

ACCESS TO INFORMATION

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, the key element of transparency and openness in government is the public release of information. I rise today to recognize steps taken by this administration to make the government more open and accessible.

One of our key moves toward openness was to set new guidelines on advertising and public opinion research introduced by the Minister of Public Works last May. These ensure that results of public opinion research studies commissioned by the federal government are now accessible to all Canadians through the Library of Parliament and the National Library of Canada.

Under this government Canadians no longer need to go through access to information to get this information. On June 1, 1994 the Minister of Public Works released approximately 200 reports covering past opinion research studies dating back to 1987.

Indeed, this government is delivering on its promises.

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(1410)

SUNSHINE FOUNDATION OF CANADA

Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.): Mr. Speaker, the Sunshine Foundation of Canada makes dreams come true for special children who are challenged in Canada by severe physical disabilities or life threatening illnesses.

The Sunshine Foundation is privately funded, it is run by dedicated volunteers, its staff is the happiest I have ever seen, and it does marvellous work.

Tomorrow, on June 21, the sunshiners embark on a three-month caravan across Canada, starting in St. John's, Newfoundland, and ending in Vancouver, British Columbia, on September 21. Each community visited will have crowned a special child who will be selected as that Sunshine Foundation ambassador in that community.

It is symbolic that the Sunshine highway of dreams starts in the east where the sun rises and finishes in the west where the sun sets. In this long day of sunshine, the only goal of the foundation is to fulfil the dreams of Canada's very special children.

I invite you, Mr. Speaker, when they are in Ottawa and in St. Catharines, to attend when the caravan comes to those localities. And I invite all my colleagues and members of the House of Commons to attend when it comes to their communities.

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ALGOMA

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, the summer recess is just days away. Along with the students, teachers, and parents from Massey Public School in the gallery today, I want to take this opportunity to invite all members of the House to visit the beautiful riding of Algoma during the next few months.

Located in northern Ontario, in the northern area of Lake Huron, Algoma riding offers a wide variety of recreational and tourism opportunities, which will interest all kinds of visitors. Whether you enjoy fishing, boating, canoeing, biking, sightseeing, camping, or hiking, there is something for everyone in Algoma.

Cruise the North Channel waterway along the north shore of Lake Huron from Sault Ste. Marie and St. Joseph Island in the west to Manitoulin Island and Killarney in the east. Stop along the way in the many communities with docking facilities and services for pleasure boaters. There are festivals and fairs, pow-wows and people for all to appreciate.

On behalf of the over 50 municipalities and 15 First Nation communities of Algoma riding, I invite all hon. members to

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spend some time in our beautiful area during the summer months and experience Algoma's warm hospitality firsthand.

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[Translation]

PCB EXPORTS

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, questioned by the Bloc Québécois, the Minister of the Environment stated that officials of her department had defended Canada's position on PCB exports before an American panel, but on checking, this could not be ascertained.

Cornered, the Deputy Prime Minister went on to state yesterday that she had written to the chief administrative officer of the U.S. Environmental Protection Agency, Carol Browner. However, according to the chief of operations in charge of relations between the agency and the Canadian government, no letter was ever received for Mrs. Browner. Either the EPA does not pay much attention to letters from the minister and misplaces them or, contrary to what she said, the minister never sent the letter in question.

The Bloc Québécois defies the minister to produce within the hour the letter she claims to have sent before June 9.

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[English]

INCOME TAX

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the Liberal government has shown its true colours, confirming its position that stay at home parents are second class citizens in Canada.

In response to an Alberta government proposal for tax relief for stay at home families, the Parliamentary Secretary to the Minister of Finance answered no, stating that the aim of the tax system is to help people work, not stay at home. What an insult. This member obviously fails to recognize the contributions made by stay at home parents, who make both personal and professional sacrifices to raise their children.

The government is continuing with the policy that parents who choose to stay at home are second class citizens and contribute nothing to society. What hypocrisy. What a total lack of understanding. What a total lack of vision.

Reformers offered the Liberals a tax deduction for stay at home parents and they turned us down. The Alberta government has just offered the Liberals a tax credit for stay at home parents and they turned it down too.

The question that begs to be asked is what, if anything, have the Liberals turned up to recognize the plight of stay at home parents?

[Translation]

STUDIES ON SOVEREIGNTY OF QUEBEC

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, the Quebec minister responsible for restructuring has not kept his word. On March 19, 1995, on the RDI show "Point de presse", he announced his plans concerning the release of his 40 studies on separation.

He said basically the following: "We were quite clear on the scheduling. The time frame was between March 15 and mid-June, approximately. The studies were released on March 13, so we met our deadline. I have no reason to believe at this time that we will not remain on schedule."

(1415)

This is June 20, yet only eight of the propaganda minister's 40 costly studies have been released to date. Are we to understand that this costly partisan exercise is not producing the desired results and that this is why the minister is taking so long to publish the rest of the studies?

* * *

NUNATSIQAQ

Mr. Jack Iyerak Anawak (Nunatsiaq, Lib.):

[Editor's Note: Member spoke in Inuktitut.]

[English]

This past weekend the Prime Minister and German Chancellor Helmut Kohl were in my riding of Nunatsiaq to visit three beautiful communities: Iqaluit, Cape Dorset and Pangnirtung.

A warm and gracious welcome was extended to the Prime Minister and Chancellor Kohl by both young and old. The chancellor purchased local carvings and he saw firsthand that fur and hunting were integral parts of the Inuit traditional lifestyle and culture. He has returned home with a better understanding of how closely we are tied to the land.

I thank Chancellor Kohl for his interest in the north and its people. I thank as well the Prime Minister for defending the fur economy and supporting our northern way of life. I also thank my constituents for extending true northern hospitality to our distinguished guests.

ORAL QUESTION PERIOD

[Translation]

REFERENDUM ON QUEBEC SOVEREIGNTY

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, yesterday the Minister of Intergovernmental Affairs announced a new strategy for Ottawa as the referendum approaches. He said, and I quote: "There is no doubt that the

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Parti Quebecois constitutes a threat to the country. And when there is a threat to the country's unity, you have to spend money to understand and respond to that threat".

My question is directed to the Deputy Prime Minister. Does this sudden change in her government's strategy mean that the federal government is about to do what it did in 1980: spend millions of dollars and thus ignore the limits set by the Quebec referendum act?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, as we said before, we intend to respect the spirit of the referendum act. There is certainly no doubt about that.

The referendum campaign has yet to begin, and I must say there are some very clear signs, because I have here a list of referendum-related expenditures by the Parti Quebecois, including, for instance, what they sent in the way of propaganda to every household in Quebec, which cost \$1.5 million; the advertising campaign targeted to cultural communities, which cost \$1.2 million; and the commissions on the future of Quebec, which cost \$7.5 million.

Since the Government of Quebec used taxpayers money to make these pre-referendum expenditures, it should look at the beam in its own eye instead of the mote in ours.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, yesterday, the minister told us that he was unable to estimate the cost of the referendum operation, an indication that the federal government has exceeded its spending limit. We have some concerns about the implications of the terms used yesterday by the minister, when he stigmatized the Parti Quebecois as a threat to Canada.

Since when can a country that calls itself a democracy be threatened by a party that was founded according to democratic rules and which intends to achieve its goal by purely democratic means?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, yesterday, I said the Parti Quebecois was a threat to the unity of the country, and I repeat that the Parti Quebecois and the Bloc Quebecois are a threat to the unity of the country.

Some hon. members: Hear, hear.

Mr. Massé: It is clear that when a party is elected by democratic means and its purpose is to separate, that party is a clear threat to the unity of the country. As the people responsible for the unity of the country, it is our duty to explain what our country is about, to defend it and to take all necessary steps to

show people the advantages of federalism, since both in Quebec and here in Ottawa, we have a party that is trying to show only the disadvantages.

(1420)

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, first of all, I may refer the minister to what he said yesterday: "The Parti Quebecois constitutes a threat to the country". Second, what he just said is not at all reassuring, since he tells us this government has a duty to take all necessary steps, which says it all.

Since the minister considers the Parti Quebecois to be a threat to Canada, I wonder whether he could tell us whether his intelligence service, CSIS, shares that opinion and, since CSIS is the department's intelligence branch, whether CSIS intends to treat the Government of Quebec as a threat and put the Quebec government's ministers under special surveillance?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I see the Leader of the Opposition is again trying to twist the meaning of what I said, although I made it quite clear that the Parti Quebecois and the Bloc Quebecois were a threat to the unity of the country. In this country, the vast majority of Canadians want to keep the country together, and in Quebec, more than 60 per cent of the population wants to keep Quebec as it is. In a democratic system, we have every right to defend the will of the vast majority of voters who do not want separation and want to stay in Canada.

Some hon. members: Hear, hear.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the minister has a short memory. The latest federal poll gave 54 per cent to the sovereignists in Quebec.

Some hon. members: Hear, hear.

An hon. member: It is just the beginning!

Mr. Gauthier: Mr. Speaker, that is not even from the very latest polls, that they have decided not to leak.

The Quebec Referendum Act limits each party's spending, in order to uphold democracy. But, the Privy Council, which could almost be considered the office of the Prime Minister, is not governed by this act.

My question is for the Minister of Intergovernmental Affairs. Given the way the Privy Council's budget works, will the minister confirm what Jocelyne Bourgon told the Committee on Government Operations at the end of May, which was that any additional spending done by the Privy Council is approved after the money has been spent, because it is impossible to forecast what the total cost will actually be?

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Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, firstly, I would like to point out that the poll to which the hon. member for Roberval referred was conducted in the month of March. In addition, the figure of 54 per cent is being interpreted in a specific way by the Bloc Québécois and the Parti Québécois. The statistic of 54 per cent refers to those who are in favour of sovereignty association; according to the latest poll, only 32 per cent of those polled are in favour of independence. Consequently, it is obvious that this important statistic has been distorted by the Bloc Québécois to mislead people.

Regarding the Privy Council's budget, clearly it will cost us more to defend national unity if the referendum is delayed. This is true for the Province of Quebec, it is true for the Parti Québécois and it is true for us. The figure approved in the estimates truly was what we believed we would spend on a referendum which we expected would be held in June. If the Parti Québécois had kept its word, that is what would have happened.

The Speaker: Dear colleagues, I would like to ask you to keep both your questions and your answers brief.

(1425)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would like to remind the minister that never at any time did he, the Prime Minister, or any of the ministers opposite have the courage to clearly answer the question would they refuse an economic association in the interest of the rest of Canada, yes or no?

Some hon. members: Hear, hear.

Mr. Gauthier: I invite him to stand up and to answer that question now.

The Speaker: The question please.

Mr. Gauthier: Since the spending of the Privy Council is only approved after the fact, will the minister confirm that his government could end up spending as much as it wants, without any control whatsoever, and that we would only find out the real cost several months after the referendum? In other words, will the minister confirm that the Privy Council is an open bar—

Some hon. members: Hear, hear.

[*English*]

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, as I just indicated the Government of Quebec, the Parti Québécois, has already spent more than \$11,130,000 on propaganda, pure propaganda for sovereignty.

The opposition should remember that more than 60 per cent of Quebecers are federalists and the great majority of them, more than 90 per cent, like Canada and do not want to leave it.

* * *

BOSNIA

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, while we wrangle about Canadian unity and the relative safety of the Chamber, Canadian lives are at risk in the former Yugoslavia.

We have learned directly from the Canadian camp at Visoko that earlier today Bosnian Muslims placed five anti-tank mines and two rocket propelled grenade launchers across the entrance to our base there.

The Bosnian Muslims have reportedly told our forces that they may not leave the camp and to attempt to do so would invite military retaliation. This means that in effect 700 more Canadian soldiers are now the hostages of yet another warring faction in Bosnia.

Canadians are rightly concerned about the safety of our peacekeepers and disturbed by the escalating nature of the conflict.

Can the minister of defence confirm that this is the situation facing our peacekeepers in Visoko and update the House on the prospects for their release?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I can confirm that for the past number of days access to our camp at Visoko has been restricted. This is something we deem to be totally unacceptable. We have conveyed our feelings to the Bosnian government and there are discussions now under way between the base commander and local military commanders.

I think all Canadians feel some anger at the fact that the base in Visoko has operated for three years with the acquiescence of the Muslim majority; the soldiers there have performed incredibly good tasks in bringing medical and other humanitarian aid to people largely of Muslim origin; and now, three years after the fact, the Bosnian government denies access to our camp. It is something that is unacceptable and is something that we as Canadians will not tolerate.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, we share the minister's consternation but the question is: What are we going to do about it? We have gone from a dozen hostages to 700 and instead of delivering humanitarian aid our troops are now in need of food, water and supplies.

(1430)

It is our understanding that 20 Canadians stationed at the two observation posts outside Visoko will run out of rations by Friday and the 700 soldiers held at the base have only enough food to last for two weeks.

Oral Questions

What steps is the government taking to ensure the safe passage of supplies to our soldiers in and around Visoko and is the government taking any direct leadership role in this matter or merely leaving negotiations up to the local commander?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the Reform Party and its leader seem to think solutions can be instant in the very difficult situation in the former Yugoslavia.

During the 20 days we had members of our armed forces detained all we heard from that party were not constructive suggestions but "why have you not done anything, why don't you have any results?" The way that situation turned out, the calm diplomacy using the appropriate channels to gain the release of our people at Ilijas and Captain Rechner and Captain LaPalm was the right way to go about it.

If hon. members of the Reform Party were directing Canada's defence policy, who knows what danger our troops would be in.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, no one is advocating instant solutions to this problem. We have been consistent on our position with respect to what should be done in that part of the world for the last year.

Due to the absence of a coherent government policy on peacekeeping in Yugoslavia, Canadians soldiers have been from one hostage crisis to another.

Since November last year Reform has been calling on the minister to consider the well-being of our peacekeepers and to develop specific criteria for their involvement or their disengagement in Bosnia. The government has steadfastly refused.

Given the increased use of UN soldiers as hostages and military pawns and their declining ability to fulfil their original humanitarian mandate, will the government make a commitment now to withdraw our soldiers from Bosnia as soon as possible?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we have made our position quite clear on this and the Prime Minister has stated the government's policy.

The hon. member from the Reform Party talks about the consistency of their policy. Two weeks ago at the height of the hostage crisis when Canadians were held in very precarious situations we had talk from that side about Canada retreating from the theatre. Then it said its policy was not one of retreat but one of withdrawal. When pressed further, withdrawal meant taking everybody out, only to go back in with even heavier equipment, including F-18 fighter planes.

Talk about consistency; it is not there on that side of the House.

* * *

[Translation]

CRTC

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Yesterday, the government asked the CRTC for its comments on the two draft orders relating to satellite broadcasting. The CRTC has until tomorrow to respond, although the Standing Committee on Canadian Heritage is still reviewing the matter.

How can the Minister of Canadian Heritage justify the fact that the final versions of the orders have already been submitted to the CRTC for consultation, when the heritage committee has not finished discussing the recommendations it will make to the government regarding these orders?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the hon. member is wrong, as she very often is when making comments. We will continue to consult the CRTC about these orders, as we are required to do under the Broadcasting Act.

Furthermore, we already have before us the procedure followed by Senate and House of Commons committees. The order will not be final until cabinet makes a decision following 40 days of consultation with Parliament and the CRTC.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, this is really confusing. The government is consulting the CRTC, as it is required to do. Does this mean that it will have to consult the commission a second time, once the minister has taken into account the reports from the other House and from the committee?

(1435)

Is this not ultimately some kind of masquerade trampling all parliamentary rights because, according to the memo from Power Corporation, this family business must be settled as quickly as possible?

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, it is a little difficult to take seriously the protestations of the hon. member about wanting to be consulted when she follows them up with ridiculous accusations such as she has.

We have followed to the letter the requirements of the Broadcasting Act in order to consult with both Parliament and the CRTC.

Although we have heard these accusations repeated over and over, we have not once heard from the hon. member whether she agrees with the panel of experts, whose recommendations we

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acted on in April, or whether she agrees with the Friends of Canadian Broadcasting, the Consumers Association of Canada or any of the groups that have supported the action the government has taken. Instead she makes these accusations.

I would like to know, since it is clear the government stands on behalf of competition and in favour of consumers, choice and lower prices, what does the Bloc Québécois stand for except to stand with the proposed monopolies?

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, yesterday we learned that in its haste to help out government friends and relatives of Power Corp. the heritage minister presented a draft final cabinet order on direct to home satellites to the CRTC before the parliamentary process was completed.

The heritage minister has allowed the process to be tainted from the outset. He had private meetings with Power Corp. and he is letting the CRTC now run amok and again he has violated procedure.

I respectfully request that the Minister of Canadian Heritage respond to this question. Why is the cabinet sending draft final orders which benefit Power Corp. to the CRTC before the parliamentary process is complete?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I would really like to see this draft final order. It must be an interesting hybrid.

I call the member's attention to the provisions of the Broadcasting Act—

The Speaker: I am sure we all want to listen to the answer. I remind hon. members that questions are asked to the government and the government may choose to answer any way it likes.

Mr. Manley: Mr. Speaker, the hon. member made extreme allegations concerning the respect for process. I refer her to sections 7 and 8 of the Broadcasting Act. If she can identify in those provisions anywhere the government has failed to follow the provisions of the act, I would like to hear from her about that. In the meantime I would also like to hear from her as to the position of her party on the report the expert panel made to us with respect to satellite broadcasting in Canada.

We know the senior political adviser to the leader of the Reform Party has already admitted he has been retained by the Expressvu consortium. We would like to know what role he has played in deciding Reform Party policy on this issue?

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, we are focusing on this draft of final cabinet orders. That is the focus of the question.

Keith Spicer's office at the CRTC today confirmed the orders it received were the final orders.

The minister cannot hide behind the Broadcasting Act on this one. What we have here is yet another example of how the government and this minister are wishing to push aside Parliament, ethical standards and the ethics counsellor in order to further their own political agenda and benefit their own political friends.

(1440)

Why is the minister fast tracking this directive and ignoring the parliamentary and Senate committees which he initially asked to review the directives?

Hon. John Manley (Minister of Industry, Lib.): Frankly, Mr. Speaker, the ethical question here is why the member persists on standing in the House and making false accusations. That is an ethical question.

The real question is where that party stands. We set in place the process. The process has been transparent and is provided for in the Broadcasting Act. We have followed it entirely, completely, openly and honestly.

This is not a draft final order if such a hybrid thing could exist. This is simply a process of consultation with the CRTC. We will follow it to its conclusion. There is no final order until cabinet makes a final order.

I can assure the hon. member that will only occur after the 40 days have been completed. If she has one, single, solitary, substantive suggestion I would be delighted to hear it.

* * *

[Translation]

AMATEUR SPORT

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, I am going to try and ask the Minister of Cultural Heritage a question and I hope I will get an answer from him.

The Canadian Sport and Fitness Administration Centre has indicated in its report that it was unable to publish a French version of the summer edition of its guide to Canadian sports because of a cut in funding.

This was the justification given by the paragonovernmental organization for publishing its guide in English only. I would point out too that Biathlon Canada did the same thing recently when it invited athletes to a training camp by letter in English only.

How can the Minister allow an organization subsidized by his department to so openly defy the provisions of the Official Languages Act?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I thank my colleague for the opportunity to express my viewpoint on the very important issue he raised.

We have guidelines on awarding funds to sports and other types of organizations. They require the recipients to provide

documents on activities, projects and programs intended to inform the public in both official languages.

These are important guidelines and I intend to apply them. My office has already been in contact with the organization in question to tell it about my concern and the possible consequences of its action.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, is the minister sincerely aware that this incident is symptomatic of a much deeper malaise: Canadian amateur sports organizations have only one official language, and it is English. This situation penalizes athletes from Quebec.

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, we definitely intend to have Canada's official languages respected. I therefore consider this an important matter and one we will act on.

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[English]

JUSTICE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, the failure of the justice minister to face serious problems within the justice system is readily known by all Canadians. The fact that the justice minister is not capable of quickly solving problems that could cause violent law breakers to go free is legend.

(1445)

The issue of the legitimacy of a court ordered DNA test that identified a positive match to DNA found when Tara Manning was raped, smothered and stabbed 47 times is still at question.

Will the justice minister do something immediately to legitimize court ordered DNA tests so Tara Manning's family can see justice being done?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the case to which the hon. member refers is before the courts. I think it is inappropriate for him and certainly for me to comment on it and I will not.

Let me address that part of the hon. member's question which is related to the policy issue of DNA testing. As the hon. member knows, we have said for some months that we have the intention of introducing amendments to the Criminal Code to provide for just such testing. Last September we produced an options paper and examined the question very closely.

It is our intention to introduce legislation to provide for DNA testing in the Criminal Code.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, Tara Manning has been dead since May 1994. We are prepared to pass legislation submitted by the minister for DNA testing immediately.

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If the minister does nothing and the DNA evidence identifying the positive match is not admissible in court, will the justice minister accept personal responsibility for allowing a murderer to go free?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, a search warrant was obtained in that case. I do not think the hon. member should discuss that particular case. No one is suggesting that procedures already invoked in the code are not capable of producing admissible evidence.

On the question which the hon. member asks, I can tell him that the government is quite prepared to introduce legislation before the end of the session at the end of this week. If the hon. member is prepared to co-operate and the other parties are as well, I would be happy to discuss with hon. members opposite later this afternoon circumstances under which such legislation could be introduced before the end of the week for the purpose of adding DNA testing to the Criminal Code.

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[Translation]

CANADIAN FILM DISTRIBUTORS

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, my question is for the Minister for International Trade. On February 14, the President of the Motion Picture Association of America, Jack Valenti, wrote a letter to the Minister for International Trade in which he called into question the policy of Canadian programs and agencies favouring Canadian film distributors.

How can the Minister for International Trade guarantee that his discussions with the American majors will not, even to a small extent, lead to a loss of control over Canada's distribution system?

[English]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, I do not have in mind the correspondence to which the hon. member refers. I will be glad to look into it and respond to her, but I do not know to what she refers.

[Translation]

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage this time. How can the Minister of Canadian Heritage explain that his colleague from international trade is the government's spokesperson regarding film distribution in Canada, even though culture is the cornerstone of his department?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I believe that the question hardly merits a reply, because the preamble would suggest that responsibility for the Minister of Canadian Heritage was in the Minister for

Oral Questions

International Trade's hands. The Minister of Canadian Heritage is responsible for all aspects of our cultural industries.

* * *

[English]

EMPLOYMENT

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, my question is for the Minister of Industry.

Last week Nortel announced the elimination of 580 positions at its Brampton plant, bringing the total number of jobs lost since 1994 to 1,300. Meanwhile Nortel has continued to expand its global operations, most notably in China, where it will add 3,000 manufacturing jobs over the next three years.

How can the minister justify to Canadians that while he is trying to support job creation in Canada, the government is helping Nortel directly through export programs and indirectly through export credits to China to finance job creation abroad at the expense of Canadian jobs?

(1450)

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am sure members share the hon. member's concern for the individuals in her constituency who have been impacted by this decision by Nortel and have lost their jobs. It is always an unfortunate consequence when corporations take decisions with respect to restructuring.

I would like to point out that there is some good news both for Bramalea in this decision where the Nortel is consolidating its head office functions. It will operate as the international head office for the corporation as well as for Brockville, Ontario where 400 new manufacturing jobs have been created.

On the broader question, I would like to point out this important fact so we understand exactly where our future lies in building international trade. Nortel's sales to Canadian customers have declined by 45 per cent since 1990. At the same time, its export sales are up from \$784 million to \$2.6 billion and Canadian manufacturing jobs have increased by over 1,000 in that time.

Export sales are the way we are going to succeed in the future.

* * *

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, yesterday I asked the Minister of Citizenship and Immigration why he is ignoring the Immigration Act by issuing minister's permits to people who were refused entry to Canada.

This is no drop in the bucket. There were 7,000 last year. Among them were 11 who had been previously deported from Canada. First they are out and then the minister lets them back in.

What is the point of deporting people if the minister is just going to sneak them in again through the back door? Why has he kept this all a secret until now?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, when the report of ministerial permits is tabled in the House of Commons, I am not sure that is keeping anything a secret. Obviously he was asleep at the switch.

Second, the member failed to mention that out of the 7,000 ministerial permits only 141 were directed by this minister. He failed to mention that he and members of his party regularly approach me to ask for the issuance of ministerial permits for individuals who they think merit them.

The member failed to mention that ministerial permits have been used more judiciously. In 1990, 19,000 ministerial permits were issued. Last year at my direction that number fell to 7,000. The member has to be honest with the Canadian public and talk about the reasons why ministerial permits are used.

The majority of the exceptions are made for individuals who come to Canadian hospitals, pay for their medical treatment and leave. Some are for individuals on behalf of whom members have lobbied for family reunification. Some are for individuals who are not criminals but who may have a criminal record for a minor theft when they were 18. They have had a probation period of 10 years and need a ministerial permit to get into the country for the purposes of family reunification.

They are trying to paint an ugly picture that does not exist.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, this minister refuses to use his authority to deport criminals but is not afraid to use his power to let them in. That is incredible.

Yesterday CTV reported that Canada is home to several confessed former members of death squads and the immigration department has been fully aware of their presence for almost 10 years.

Did the minister have personal knowledge of the presence of these death squad members? Is he going to give them minister's permits so that they can stay forever too?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, he talks about the 11 cases of individuals who were deported. We deported over 6,000 people last year.

Oral Questions

The 11 cases happen to be, for example, individuals who failed refugee claims, left the country, subsequently married a Canadian and the Canadian has the right to sponsor the person in.

In other cases, people have overstayed their visits, then given a departure notice that turned into a deportation, left the country and then subsequently asked to come in on either a temporary basis or permanently.

(1455)

There were 11 cases of that type versus 6,000 individuals we have deported and this member wants to base the record of deportation on those 11 exceptions.

With respect to the four cases from Honduras, the difficulty is those individuals came to Canada during the mid-1980s. It was not until the late eighties and early nineties that information about potential war criminal activity came to light. All four are being investigated by the RCMP. All four are being pursued by my department. One will come to an inquiry with respect to deportation so there will not be any minister's permit.

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*[Translation]***SINGER COMPANY**

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

From 1946 to 1964, the federal government was a trustee of the pension fund set up for ex-employees of Singer. As trustee, the government paid into the account of the employer, the Singer Company, a total of \$714,900 in 1964, which is the equivalent of \$5 million in today's dollars.

Does the minister admit that the federal government, which was looking after the pension fund established for ex-employees of Singer, was a party to the terrible injustice done to them by unduly paying pension fund returns to the employer rather than the workers?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I share the hon. member's concern about the ex-employees of Singer.

However, I remind him that the Quebec Superior Court has already ruled the federal government is not a party to this particular transaction. The matter is presently being seized by the court. We expect to have a further ruling some time this summer and early fall. Therefore it is not appropriate for me to make a comment on the specific case until the courts have had an opportunity to dispense with it in their normal good judgment.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the case now before the courts has to do with Quebec pensions. The question I am asking the minister relates to government annuities, for which he is responsible.

Can the minister confirm to us that his government has in its hands the legal opinions requested by his own department, which clearly recognize his responsibility and his mistake in the matter concerning the ex-employees of Singer?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I am surprised at the hon. member's question. On May 2 I wrote to the hon. member and indicated to him very clearly that if he or the ex-employees had any information concerning federal involvement they would like to present, I would be very pleased to receive it and review the case. I have yet to hear from the hon. member.

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PENSIONS

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I have asked before about the fact that the MPs' expense allowances, travel expenses and salaries are all published in the public accounts but MP pension beneficiaries are not.

In fulfilling the red book promise of more open government, would the government agree to publish in the public accounts the list of MP pension beneficiaries, yes or no?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member asks a very legitimate question. The unfortunate part is that while the information commissioner suggests that we release this information, the privacy commissioner informs me that we should not.

The matter is presently under active consideration and is in the courts. There are some real competing issues on both sides.

I have to respect the law and, more important, the intent of the law.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, it is amazing how quickly the law can be changed when we want it to be changed.

The information commissioner is taking this to court and the government is going to court to have the court case held behind closed doors.

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Would the government at least agree the court case should be open to the public so we can find out the government's real reasons for not wanting this information available?

(1500)

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, the hon. member opposite is a very articulate individual. I would have thought that he would have had the courtesy of respecting the privacy rights of Canadians all across this country.

I do not find anything fundamentally wrong with having the matter adjudicated by the courts. When a decision is made in due course the government will then be in a position to release it to the hon. member.

* * *

THE ENVIRONMENT

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

The Standing Committee on Environment and Sustainable Development has reviewed the Canadian Environmental Protection Act and has made 141 recommendations. In congratulating the minister for launching such a review, I would like to ask her when the government will act on the committee's recommendations.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): First, Mr. Speaker, I want to thank the hon. member who not only carried out his duties with great intelligence but also worked with colleagues on the Standing Committee on Environment and Sustainable Development to do the kind of job I think really reflects well on the whole of Parliament. In fact it is a very large task that he has undertaken along with his colleagues.

Some of the preliminary recommendations are very exciting. Bearing in mind that the usual time for responding to these reports is 150 days, I hope to be able to do that in less than half that time.

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PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of two members of the Alberta Legislative Assembly, Gary Dickson and Adam Germain.

Some hon. members: Hear, hear.

The Speaker: Colleagues, today we are honoured also to have another Nobel laureate with us. I refer to the 1990 Nobel laureate for physics, Dr. Richard Taylor.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[English]

CN COMMERCIALIZATION ACT

The House resumed consideration of the motion that Bill C-89, an act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the company to the public, be read the third time and passed.

(1505)

Mr. Jim Silye (Calgary Centre, Ref.): Madam Speaker, I am pleased to rise today to discuss at third reading the bill concerning the privatization of the Canadian National Railway. Although Reform supports the government in this endeavour, there are some problems with this legislation that I feel must be addressed.

First, I would like to take a minute to look at the \$96 billion that CN has cost the Canadian taxpayer over 70 years in combined losses and public subsidies in contrast to CP Rail which has cost the Canadian taxpayers zero in direct government subsidy.

Canada is \$540 billion in debt, yet crown corporations like this one continue to run in the red without repercussions. Where can we find a deal like that in the private sector? We cannot. Companies go bankrupt and it is game over. Therefore, we support the government in getting out of the rail business.

Despite these massive losses, however, CN managed in the past year to earn a \$245 million profit which is a drop in the bucket when we consider the overall picture. CN's debt is currently about \$2.5 billion. Industry representatives say that the debt must be reduced to \$1.5 billion to achieve a triple bond rating and be able to sell it.

I found an interesting article in *Alberta Report* dated May 29, 1995 which states: "CN's debt is unacceptable. Even if CN dumped its non-rail assets, its debt to capitalization ratio would be 45 per cent. The U.S. railway average is 30 per cent. In addition, U.S. railways have improved operating cost to revenue ratios from 90 per cent to as little as 75 per cent. CN is still at 90 per cent".

The transport minister has the power to reduce CN's debt to any amount he chooses which could mean an amount well below the amount for which taxpayers would see a return. How this debt is reduced is of great concern to companies like CP Rail, its main competitor whose president stated before the transport committee that CN would get an unfair advantage if Ottawa paid off some of its debt.

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Moody's Investors Service issued a credit watch on CN's large debt in early May. I cannot believe how much we keep hearing the name Moody's these days in relation to finance with respect to this government. As we all know, a downgraded debt rating will make it more difficult and more expensive for CN to borrow the \$2.53 billion it wants to buy new equipment by 1999.

I am going to dwell on another issue for a little bit longer than normal. It is an important issue. The bill requires that the headquarters of CN be located in Montreal permanently. I could understand placing a restriction to keep the headquarters in the city of purchase for a period of time, say five years, to see if that is the best place to keep it and the best place to run the business out of, but no, this has to be in perpetuity which is not the way to sell a company. In today's marketplace, the stipulation of the permanent location of a head office is absurd and makes a mockery of a bill that has a serious intent.

I respect the Minister of Transport. He has intestinal fortitude. Only a short year and a half ago the Prime Minister was against deregulation and privatization of the rail system but the minister has convinced him otherwise. Having said that and giving him that compliment, why is he placing this restriction on the sale? It is political.

I was reading an interesting article that represents the view from the west. It was written by Mr. Ted Byfield, the founder of *Western Report*, *Alberta Report* and *B.C. Report* magazines. He submitted the article to Saturday's *Financial Post*. I will quote from what he wrote. I will use the technique the chief government whip used all the time while in opposition of giving lengthy quotes and testimonials of key and intelligent people who add and shed some light on a subject. That is what Mr. Byfield does. The article states in part:

Why, you have to ask, must the purchaser of Canadian National be required to maintain the head office in Montreal?

Such is one of the conditions the federal government has attached to the sale and the reason is purely political.

Something like 70 per cent of CN's business is done west of the lakehead and the western share has been increasing for the last quarter century. CN is, in other words, essentially a western Canadian company.

(1510)

I will skip a little piece and go down a couple of paragraphs:

Perhaps true, Ottawa would reply, yet from its inception 75 years ago CN has been headquartered in Montreal, and such historical associations matter more than where most of the business is actually done.

How different is this case to the one made when it was proposed to move Trans-Canada Airlines, ancestor of Air Canada—

—a problem which the Prime Minister was very much involved in—

—out of its traditional headquarters in Winnipeg.

At that time, westerners argued that by tradition TCA was a Winnipeg based company, which indeed it was. Ah yes, said Ottawa, but we must face the fact that more and more of TCA's business is in eastern Canada. So piece by piece the company's head office operations were moved to Montreal.

When tradition favours the west, tradition does not matter; what counts is where the business is done. But when tradition favours Quebec, where the business is done does not matter; what counts is tradition.

It is just the opposite. Mr. Byfield goes on to say that Montreal will not even be part of the same country in which CN does most of its business if the separation issue is settled by a yes vote.

Based on what I just read by Mr. Byfield, is the Liberal government forcing CN to stay in Montreal because it does not want to be seen as promoting the loss of a major Montreal head office on the eve of a vote on separation? Do the Liberals feel that Quebecers and Canadians outside of Quebec are that naive that they do not know it is a political move? Do they feel that Canadians are so ill informed that they would not see what this is?

Do the Liberals not see as a government that the best way to sell a company is to allow the potential owners to do what they want with that company once they make the capital investment to buy it and take the risk to run it, a company that has lost \$96 billion since its inception? Does that not make sense?

Why in heaven's name would they impose these restrictions in light of the need to get out from under the continued government subsidy of the crown corporation? What are the Alberta Liberals doing to represent the interests of their constituents on this matter? What are the the Liberal members from Edmonton doing to exert any influence over the Minister of Transport, to try and talk some sense into the minister who, other than in two or three areas of the bill, is missing the boat? He is on the right track but why not do it 100 per cent right? Why jeopardize the potential sale of this asset which is so import to sell. In order to sell it the right factors have to be in play.

Let me get back to another comment made by Mr. Byfield in his article in the *Financial Post*:

Then, too, you wonder about that select set, the four Liberal MPs from Alberta. All four are from Edmonton. And if the CN head office with maybe a thousand jobs attached were to move out of Montreal, where would it go? Where is the CN's centre of operations in the west? Edmonton, that is where. So why haven't these four, at least within caucus, protested against that provision? Maybe they have.

We do not know because we are not privy to the Liberal caucus meetings except what gets leaked on integrity and cracking the whip and voting the party line. We hear about those things. But no such objections have been reported.

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And what about Edmonton city council members who tirelessly talk of their diligent labours to bring industry into their city and who wail so piteously every time another business departs for Calgary? What have they done? Delegation to Ottawa, maybe? Nope. Pressure on the Liberal MPs, perhaps? Nothing. For every buck CN makes in and around Montreal, it probably makes 20 in the Edmonton region.

I submit for that reason and that reason alone the person who will look at these assets and at the cash flow of this company is going to look at where the revenue is derived, where the business is. As I said earlier, I do not mind if they maintain the head office in the city of Montreal for a minimum period of five years, but after the owners should be given the flexibility to run the business the way they want to. A permanent location for their head office should not be imposed. That is completely ludicrous and ridiculous. Any business person would agree with that comment.

(1515)

There will be no restrictions on foreign ownership of CN shares, but no individual shareholder either domestic or foreign will be able to own more than 15 per cent of the shares outstanding. Personally I think that is ridiculous.

I was in the business sector for about 25 years before I became a politician. I have purchased a lot of companies and I have looked at the assets of a lot of companies. One of the things that business people look at, the people who want to run successful corporations, is control. If they do not have control they cannot run a successful company. A corporation run by people who do not have a vested interest, a significant interest, and who do not have a lot at risk, at times do not care enough to pay attention to all the details to make proper decisions in the best interest of the corporation.

I have a suggestion rather than limiting ownership to 15 per cent. There are ways to help the Minister of Transport whom I truly respect. I am trying to make it a better bill or a better way to sell the company. This is serious. The corporation is for sale and we need to raise \$2 billion. We must have the right ingredients at work or at play to achieve a quick and effective sale. The longer it drags out the worse it gets and the more it hinders the government and hurts Canadians, because we will have to continue to subsidize the rail line.

Why not offer the shares to Canadians first? Why not set a time limit of 60 days for an unlimited number of shares? Then we could put them on the global market. If the majority of shares are not picked up by Canadians or people from Canada, if less than 60 per cent are sold, Canadians have no right to come back on the government to complain.

I am giving the government a suggestion to satisfy Canadians, Canadian content, the right to buy Canadian, and the right to participate as Canadians. If Canadians do not step up to the plate, if they do not want to take the risk and if they do not want

to invest, so be it. However they should be at least given the first opportunity in return for the \$96 billion they have subsidized the company for over the last 70 years. They deserve at least that much. Wherever the percentage falls it should then be offered to the global market. If only 30 per cent or 40 per cent have been sold to Canadians, we should let other people buy control or control it. Canadians cannot then hold the government responsible or accountable for doing that.

We need to have many people available to purchase the corporation. We need to make it available to as many people as possible, but I maintain Canadians first and a lifting of the 15 per cent limit.

In all cases sell or make control available. However, by making the shares available and control available the government can still impose restrictions on the competition for making the shares available to the competition so a monopoly cannot be achieved. That can be done through government regulation.

That is what the purpose of government should be. It should pass good regulations to ensure fairness and competitiveness in the marketplace, to create an open and competitive marketplace, to have regulations in place that do not allow monopolies to exist in the business sector, and to allow the private sector to operate openly, freely and competitively but not in a family compact way where one corporation is allowed to buy up everything and there is no competition.

Any government on that side of the House must always protect the interest of all Canadians. It must always have competition as its first priority.

(1520)

I should like to touch upon the Official Languages Act as well. It says in the bill that CN will remain subject to the Official Languages Act as if it were still a government agency. Will the people who want to buy the company, the eventual directors of the company, not know where to advertise in two languages, where to advertise in one language, or where to have people on the rail lines who are bilingual or unilingual? These people have enough intelligence, if they put that much money at risk, to know what is in the best interest of the corporation and how to increase sales and service.

To impose rules like these make it negative. The owners should be given the option. They will not be people who have never made a dollar before. They will not be people who do not know how to market. Obviously they will be people who know how to make a dollar and what it takes to make a dollar. They will satisfy the needs of the people they serve. Be they franco-phone or anglophone or a combination, they will be able to project and present their rates, their trips and their packages in the language they feel is necessary to offer the services. A rule like this one is a restriction. It is not something that helps, aids

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and facilitates the sale. It restricts, hinders and hurts the potential sale.

Reform Party policy on privatization and corporations is that we support placing ownership and control in corporations in the private or public sector that can perform their functions most cost effectively with the greatest accountability to the owners and the least likelihood of incurring public debt.

If it is a public corporation the taxpayers own it and they entrust the government, the people they elect, to look after it. But it does not. Most of the crown corporations we have end up being arm's length, quasi-judicial or whatever claptrap they talk about where ministers will not take responsibility.

The minister of heritage will not take responsibility for the CRTC. The minister of immigration will not take responsibility for the IRB. I will find something the Minister of Justice will not take responsibility for; I have not thought of it yet. However I am sure there is something on which he can stand and say that it is not his fault because it is an arm's length body, and the taxpayers are the ones who are paying for it.

We have a situation where we believe the sector that can look after taxpayers' dollars the best and the sector that can achieve the highest profit and run the business the best could be the private sector. We believe 85 per cent to 90 per cent of the time it will be the private sector but not necessarily. Therefore we need some rules for crown corporations and some elements that ensure taxpayers' dollars are looked after.

The Reform Party compliments the Minister of Transport for recommending and convincing cabinet to go forward with Bill C-89 and the privatization of CN Rail. However, as I have outlined in my speech today, we would like to see some of the roadblocks removed from the legislation, just as was wanted with the bill of the Minister of Justice on gun control. We gave him innumerable recommendations. He could have been the most popular justice minister in the country if he had split the bill. It was a very simple recommendation. There could have been the bill on gun control, punishment for the criminal misuse of firearms, and a discussion on a national registration system. The Liberals never promised registration in their red book; they promised gun control. The minister delivered on half of his promise and introduced a completely brand new element.

I do not know how the minister drafted Bill C-89. Our transport critic has already mentioned that when the Prime Minister was on this side of the House he said that he was astonished at the Conservative recommendation of deregulation in the rail industry. How quickly they change colours. How quickly red becomes blue. How quickly the little fish in the bowl that are blue and red get together and suddenly become one

colour when they are on that side of the House. It does not matter what they say on this side; they change when they go on that side. Unfortunately it will come back to haunt the government.

(1525)

I wrap up by saying I compliment the government on its attempt to privatize. I hope it listens to the abolishment of the headquarters in Montreal and the 15 per cent rule. It should open it up to real business people and entrepreneurs.

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Madam Speaker, I should like to make a couple of quick comments and then ask the member some questions.

I have one comment about the Prime Minister's decision to allow CN to be privatized. It is pretty well known in this place, and the Prime Minister has said it publicly many times, that he does not always get his way. If cabinet makes a decision, like the rest of us who believe in the party process he will support the majority of opinion. That is difficult on that side over there where they try to play the smoke and mirrors game of their leader letting them do what they like when we all know he is probably the most draconian person in the place when it comes to not letting his members do what they want.

From a railroader's perspective and being the only railroader in the House, I have a bit of an advantage over my colleague from Calgary. He talked about the fact that there was problem with having Montreal designated as the place to keep CN headquarters.

Reformers continually tell us that they use the age old ability to find out what people think by going out and consulting. I was on the transport committee. My colleague opposite was also on the committee. We listened to many people talk about the effects of Montreal being the headquarters. We asked the investment bankers what they thought. The gentleman opposite being a business person would know that bankers are important people to ask. What did they say? They said that there would be no effect.

Let me tell the House why. What is in Montreal at head office? There is a central calling bureau for railroaders. For people out there who do not know, it is a huge enterprise where every railroader who works for CN is called. It is a major undertaking that cost CN some \$30 million to put into place in the last few years. To have that completely changed and transferred to another system would cost millions of dollars. Also, at CN or CP there is a central power bureau where every locomotive in the country is designated for a particular train or a particular piece of track. One would think it was outer space with all the technology involved there. To move the whole process to Edmonton or Calgary would cost the corporation literally millions of dollars.

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It would not cost a cent of the sale of CN to maintain the headquarters in Montreal. Quite frankly it is good business practice to do so. Therefore the investment bankers have said to us that there is no problem.

On the 15 per cent retention I want to comment that CP, a privately owned company, does not have a restriction. In fact the most of CP owned by an individual is 11 per cent.

Investment bankers are saying on the one hand that there is no cost effect to having Montreal designated as the headquarters. In fact it would be worse if we tried to leave it open and someone suggested for political reasons because of the sovereigntist and separatist problems in Montreal that we should move it. It would hurt the company if someone suggested it for political reasons. Leaving it there for stability reasons is a much more appropriate process.

CP is a private corporation. It has never had anyone purchase more than 11 per cent of the company. Investment bankers do not believe the 15 per cent limitation will have any effect on the sale.

Why would the Reform Party be so adamant that they are impediments to the sale and getting a good price for CN when they are not by reason of sound investment bankers, consultations the government has made and what we have heard as a committee from witnesses? Is that not what the Reform Party says it is all about: if people tell us it makes good sense then do it? We have been told it makes good sense. Why is the Reform Party not supporting that when everyone we have talked to says that it makes good sense and it will not affect the sale price?

(1530)

Mr. Silye: Madam Speaker, I appreciate the hon. member's intervention and I respect what he said, because a lot of what he says has a lot of merit. Possibly even there could be two directors around the same table just having a difference of opinion on how to approach a problem.

I heard another comment. I promised I would never have rabbit ears, but there is a certain individual whose voice is so loud that I just have to say that when they tell me I do not understand, let me tell that hon. member that I do understand. I have been in business for a long time. I know what it takes to buy and sell businesses and how to make a profit and how to achieve a bottom line.

We have a railroader here debating with a businessman. Maybe he is the only railroader. I know I am not the only businessman, but along with the Minister of Finance and the member for Edmonton South I may be one of the few successful businessmen here whose comments are made in sincerity, not partisan politics. We are talking business here. We are talking privatization and how it should be done. I submit these sugges-

tions on the basis that I feel that the government and the Minister of Transport should reconsider these issues.

On the question of Montreal, I did agree that there was some sense to keeping the headquarters in Montreal for the sake of stability. I would agree with that member that stability is important, that to allow a new purchaser to lift up, pull out, and do what they wanted initially would be a mistake. But that stability should have a time factor on it. It should not be in perpetuity. It should be long enough that the people who are running the company, the board of directors, can have five years. It could be three, it could be eight, it could be ten. I do not care about the number, but eliminate that forever clause.

They can try it and see whether leaving Montreal is in the best interests of the corporation. They can choose then where to move the corporation. Anybody who buys a company should have that freedom and flexibility. I believe that will attract and help those people who would be bothered by that and handicapped by that. It would eliminate that, which in the long run would be negative. In the short run it is a positive, but if you really want to attract investors you have to look at the long term, not the short term.

On the issue of control and the 15 per cent, I do not care what CP did. It does not matter to me whether there is 11 per cent or 10 per cent or 9 per cent. It does not matter. What I am suggesting here is that we have a quick and effective sale. The way to do that is to give Canadians the first opportunity. We know that the market is hot. The marketplace is hot right now. There are people willing to part with billions of dollars. There are investment funds, mutual funds, investors and dealers looking for places to place pension moneys. There is lots of money out there.

If there are individuals with an expertise in this area and they feel they could buy control and that 16 per cent would give them that control, let that sophisticated purchaser buy that 16 per cent, or whatever amount would be control.

By the very nature of how CP operates, nobody is going to buy 51 per cent. Nobody is going to buy that much. If they can figure out that by buying this amount they could get control, great. But let us give it first to Canadian corporations and give them an opportunity for a certain period of time and after that open it up. I will submit that at the end, if these suggestions were at least addressed and looked at, the sale would be quicker. The sale would come about. It would not be a bastardized deal like some of the other crown corporations we have tried to sell, where we only end up selling off half of it and not all of it. We end up in trouble and it lags there.

These are the things I am trying to recommend to the government. With respect, I tried to answer this as a businessman to a railroader who is also a businessman, businessman to businessman, to try to achieve a consensus. I still think we

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should go after the Minister of Transport and get him to change his mind on a few of these issues.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Madam Speaker, I have a short question if I could.

(1535)

I respect this member as a business person too, but the effect of what he is suggesting would cause the exact reverse. His colleague put forward an amendment indicating that we should offer it to Canadians first. We agree that in order to effectively get the value of shares for Canadian taxpayers for CN we need to have a broadly based offer in North America. We know there is not enough capital in Canada. To suggest that Canadians are lining up to buy 15 per cent, which is worth at least \$200 million, I do not know of many pension funds and individuals who can afford to pay 15 per cent.

The second thing is that if in fact we want to achieve a 100 per cent sale and maximum value for Canadians, we cannot impose restrictions to say let us sell it to Canadians first and then let somebody else buy the rest. It is impossible to achieve that. We agree. And we want to achieve the maximum value.

The board of directors for CP, a private corporation, have decided that Montreal should be its headquarters and 70 per cent of its business is also out west. How does he rationalize that?

Mr. Silye: Madam Speaker, the only comment I would make to the parliamentary secretary is that he underestimates the wealth in Canada. He underestimates the willingness of Canadians to take a risk and to invest. There is a lot of money in Canadian pocketbooks. The oil and gas industry has seen that in the past two years. Petro-Canada should be the next one on their plate. It should be done quickly. It should not be waited upon. The \$1 billion or \$2 billion that could get is all there—

The Acting Speaker (Mrs. Maheu): I am sorry, the time has expired.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, since I represent the riding of Lévis, where 500 people work for CN in Charny, and since one of the main assets to be privatized under Bill C-89 is the Pont de Québec, one of whose supporting structures is located in my riding, it is quite easy to understand why I wish to participate in the third reading debate on this bill to privatize CN.

When this bill was tabled in the House, my first reaction was to consult with my constituents, with workers and their families, with the people who live with CN workers in Charny, to find out what they thought. The first comment I heard took me by surprise. These people were not against privatizing CN for the following reason: They thought it could not be any worse than

the way CN has been managed in the last 10 years. Although they were not enthusiastic about privatization, they almost preferred this option to the way CN has been managed, especially in recent months.

In this context, the House will remember Bill C-77, which forced CN, VIA Rail and CP employees back to work, and the three unprecedented steps taken to cut off debate on this bill in the House, while Ogilvie workers have been waiting for two years for an anti-scab law that could speed up settlement of their dispute.

The reason why workers faced with a bludgeon law, with several years of mismanagement at CN, with CN management's failure to listen to them, are not against privatization is obviously because they figure that purgatory is better than hell.

(1540)

I would also like to recall a point which was not emphasized much here. After the unprecedented promotional effort by CN's president, Paul Tellier, during the last election campaign, which took him to the U.S. for the World Congress of Railway Companies held in Louisiana, a colour picture was published in *Le Soleil*. I will never forget this, for Tellier had been advocating selling CN at reduced price and at any cost. He was telling everyone that the company was for sale because—what a great selling feature—of lack of productivity and the fact that the business was not doing well. It was so terrible; CN was unprofitable. He said it carried losses of about \$80 million a year, adding that it was unacceptable and that CN should be sold as soon as possible.

That was during the election campaign and, at the time, the Liberals never said a word about privatizing CN. There is no mention of this in their red book.

In this context, a few weeks after Bill C-77 was passed “full steam ahead”—I am using this expression deliberately since we are dealing with railways—Bill C-89 was introduced. And this morning, as we get ready to vote in third reading on Bill C-89, there is a transport bill, whose number I do not know because I think it has not been given one yet.

What does this piece of legislation say in essence? Having attended the briefing session the officials delegated by the minister gave while he was tabling his bill in this House, I can tell you what it says. It says basically one thing: deregulation. In the neo-Liberal mind, this means eliminate as many regulations as possible and make things as easy as possible for the public sector.

However, my review of the history of Canada and Quebec shows that Canadian railways were almost at the origin of the Canadian Confederation. We all recall the fine speeches made by key political figures of the time, by Sir John A. Macdonald in particular, who insisted that the vast country of Canada should

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have a public railway system linking every region and that railways were almost sacrosanct to this country.

So what is Bill C-89 doing? It is taking away this sacred value by privatizing the railway system. CN will become a private company like any other. However, the purpose of Bill C-89, and particularly that of the new transport legislation which was before the House this morning, is to make life for private companies even easier than was the case for Crown corporations. Let me relate something quite pertinent.

When CN was a public corporation, under the 1987 and 1902 acts, all agreed that the legislation was limiting, that it was harsh. However, we had a crown corporation under the control of the Minister of Transport, and we had some influence in that we could democratically express our dissatisfaction whenever an election was held.

But now, at the same time as the decision to sell CN is made, the government tables a bill to deregulate. Why? It is to be able to face U.S. competition by allowing CN's new shareholders and managers to compete with Americans.

(1545)

At first glance, that decision may seem to make sense, but there is a danger. Indeed, the Bloc Québécois feels, as the Reform Party pointed out, that Bill C-89 is dangerous because, while the government is deregulating in American fashion, in a free trade context, it leaves a former public corporation totally in the hands of the private sector. Moreover, the government gives Americans an opportunity to control that corporation. If the Americans have that possibility, they will look after their own interests, which is perfectly normal. This concerns us.

This is why, even using the approach proposed by the Reform Party, Canadians from all regions, including Quebecers, should have been given priority in terms of buying at least a majority of the shares. But no, the Liberal argues that there is not enough money, not enough assets, not enough people in the Canadian private sector who are interested in buying the corporation and that, consequently, it has to open the door to foreign investors.

We are told that the assets total some \$2.5 billion. We are also told by a company hired by CN to evaluate these assets that Canadians represent a potential of only \$750 million. So, the government privatizes, but admits from the outset that the former public corporation, which was set up to serve Canada's economic interests from east to west at the time the Canadian confederation was established, will now be under foreign control.

Quite frankly, I find it very hard to get enthusiastic about this change. Although I am a sovereigntist, I cannot stand by and let

the rest of Canada be dispossessed of one of its main legacies, the railways.

I cannot help but notice that Liberal members across the way are giving up their turns and becoming strangely silent on the subject of Canada's main railway company, which they want to privatize and risk leaving in American or foreign hands.

Although their silence may be due to discomfort, I get the impression that it is more likely caused by their desire to go on holiday as soon as possible and by this government's carelessness and lack of vision.

As I said at the beginning and as I reminded the House, the Bloc Québécois is not necessarily against the principle of privatizing CN, but not under these conditions, which may lead to possible majority control by foreigners. We were against this. We expressed our position by tabling our amendment.

We also said that CN is evading its responsibilities by not giving adequate guarantees to CN employees, who have faced repeated cuts in recent years. These employees live in a climate of insecurity in which the top manager, Paul Tellier, was paid a huge salary—\$345,000 per year, a home for which he received a no-interest loan, and handsome perks—to travel around the world promoting CN, although “depromoting” or demoting—if I may use these words—would be more adequate terms since he explained how terrible this company was.

(1550)

As far as Bill C-77 is concerned, we listen to and watch the advertising, we read the CN report with its nice colours, and everything seems to be fine. Although we cannot show it, it is red but has nothing to do with the red book. It refers to a shift in policy.

The 1994 CN report, which I saw this morning at the briefing, says that everything is hunky-dory at CN. In a few months, we made \$279 million in profits. That is quite something. Yet, CN must be sold as quickly as possible.

Can you imagine the effect of such an announcement on employees, on Canadians, on Quebecers? It took the incredible Mr. Tellier a year to accomplish the feat of making this supposedly money-losing company profitable. But he wants to sell it any way. I am trying to draw a parallel, in order to understand.

When the Liberals came to office, the Conservatives had decided to privatize Pearson airport in Toronto. The Liberals, with the Prime Minister in the lead, said that they would not stand for that. Why? For one thing, Pearson airport was said to be one of the only, if not the only airport in Canada to turn a profit. Not only was the main airport in terms of traffic, but it was also profitable. Why privatize this airport then if it can bring in revenue for the government?

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In his report, Mr. Tellier says that CN is now a profitable business. After four or five years of making losses, now that the company is making a profit, it should be sold. Let us look to the future. This company must be sold at all costs as soon as possible; so, let us pass a bludgeon bill.

Under the terms of the mediator's report released on June 14 or 15, CN employees have to accept the conditions set, indirectly, by the government. There is this urgent need to sell CN before the fall regardless of the profits that can be made. I must confess that the Liberal government's logic eludes me at times. It is hard to see.

At the same time, we must look at something else. Small airports like the one in Sainte-Foy, Quebec, which while being called international apparently are not profitable, are also to be privatized. Unless the municipalities and regions take it over—I took this example and, in this particular case, activities would be commercialized without ownership being affected—but there is also Rimouski, Mont-Joli, Baie Comeau, all those are not turning profits.

The Minister of Transport is asking local communities to take over the operation of these airports, otherwise, after a while, they will be closed down. Where is the logic in that? You do not turn a profit, we close you down. CN is turning a profit, yet it is being sold. Why? It does not make any sense to me.

I am no expert in transport, but people ask me why this change in policy, why sell CN now that business is good after several bad years. They cannot understand this change, especially after the Chrétien government prevented the privatization of Pearson airport.

I do not know if I have much time remaining. Two minutes. That is just enough time to tell you about the two pillars of the Pont de Québec.

(1555)

The other night, between 1.30 and 2 a.m., the hon. member for Louis-Hébert and myself raised the issue of the Pont de Québec to try to influence the government regarding the privatization of CN's assets. After all, this is a majority government and it can make any decision it wants. We mentioned the fact that Canadian railway companies are true symbols. The old Pont de Québec is also a symbol of federalism in our region.

However, the bridge is falling into decay, just like federalism, at least in the Quebec City region. The bridge is falling into ruins. On a more serious note, Madam Speaker, do you think that a private company will be interested in investing \$40 million to restore the old bridge? Or will that company say: the federal government built the bridge, so it is its responsibility; if it wants us to repair it in the medium term, then it has to give us the \$40 million required.

We tabled in this House an amendment which essentially said: we will support privatization, but will the government guarantee that the \$40 million will be paid to CN, so that work on the bridge can start within a year? The government never gave us an answer. No answer. In that context, and given the social conditions of the employees, as well as the lack of respect shown for Canada's railway heritage, the official opposition will oppose this bill.

[English]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Madam Speaker, the hon. member indicated a number of employees live in his riding. As well, in London, Ontario there are a number of CN employees.

We have through the CN privatization bill encouraged them to be involved in the ownership. We believe that will be good for the new corporation. Each employee will be able to buy shares in the company which will give them a more meaningful role in the affairs of Canadian National.

We wanted to ensure the employees knew their pensions would be protected in a number of ways. The Pensions Act and a number of safeguards Parliament has passed over the years will ensure each one of those pensioners and the people who work for CN now and in the future will have guaranteed pensions.

The hon. member is right, the privatization of Canadian National was not in our red book. What was in our red book was to build an efficient, affordable and integrated transportation system, be it in air, in marine or in rail.

We believe CN does not have to serve the public policy role. That is for governments to deal with in terms of regional economic development and so on. A railroad is a railroad and should be allowed to function as a railroad so it can provide the services it must to its customers.

We believe a privatized CN will be better for the country, better for its employees and better obviously for its clients. It will be stronger and able to manage a number of things without the encumbrances of government.

Therefore the deregulation package we put forward in the House today will ensure a viable rail industry for CP, CN and the creation of short line industries. Unless the country can move its goods and services in the most efficient and cost effective manner, we will not be able to deliver or export our goods and nobody will have a job. We need an efficient and affordable transportation system. That is what CN privatization is all about and that is what the deregulatory process is all about.

The member spent some time talking about the Quebec bridge. If he had spoken to his colleague he would have known CN has an obligation to maintain that bridge. A letter from Mr.

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Tellier to the Quebec transport minister indicates the bridge is in need of repair, but there are studies which indicate it is safe.

It also has indicated that perhaps the province of Quebec ought to pay its fair share for the maintenance of the bridge. While it is very important for rail traffic, 75 per cent of the traffic on the bridge is vehicular, which comes under the jurisdiction of the provincial government.

(1600)

We heard from people in committee who talked about the historical significance of the Quebec bridge. We believe in that as well. They are prepared to raise money. They are prepared to look at ways of restoring its historical significance.

I wonder if the member has heard from the minister of transport in Quebec as to whether Quebec is prepared to pay its fair share for the bridge to ensure it is safe and properly maintained for historical and transportation purposes. Has he heard from the minister or will he undertake to the House that he can use his good offices to talk to the PQ about paying its fair share?

[*Translation*]

Mr. Dubé: Madam Speaker, it will be a pleasure to answer the question put by the hon. member for London East.

First of all, regarding the Pont de Québec, since that is the main thrust of his question, I think that basically, it all boils down to the federal government's habit, inspired by Minister Martin himself, of offloading its responsibilities onto the provinces.

The bridge was built by the federal government and used by CN. The Government of Quebec already pays an annual fee for use of the paved section, but the bridge was built for Canadian National. Quebec has already done its share under an agreement which, I believe, was for forty years.

Quebec pays this fee under the agreement. However, the federal government now claims that because of inflation, although it certainly is not excessive these days, the Quebec government should help the federal government meet its obligations. This is fantastic.

I think that in Quebec like anywhere else, when you have a tenant-landlord relationship, the tenant—and the Quebec Minister of Transport made this quite clear—may be willing to renegotiate the lease and pay more. This was in fact suggested in a letter. The Quebec Minister of Transport said that once the repairs had been made, he was prepared to pay for annual maintenance, but because the federal government has been cutting its maintenance budget for the past ten years, the bridge is in a sorry state.

In his preamble, the hon. member said that employees in his riding were interested in buying shares. Madam Speaker, I want

the hon. member to listen very carefully. In February of last year, at the invitation of the minister, CN employees across Canada submitted a purchase offer. A year later, they got together with the actuaries and, using their pension fund, they made the same offer, and the response they got from Mr. Tellier, president of CN, and from the government, was the back-to-work legislation passed in February. That was their answer. "No way". That was the answer they got.

On June 1, the union made the same offer. It is an interesting proposition because of the excellent working environment this could create. Since the employees would run the company, they would not want it to show a deficit. And they would save their own jobs. All this was dismissed out of hand. No, they prefer grandiose gestures; they prefer to call upon the international community while ignoring two or three dimensions that I wanted to stress in closing.

The railway companies in all of the big European countries, France, Germany, etc, are public. Yes, in all of them. Why? Because they feel that this public infrastructure is a building block which is necessary for regional development. And what are we doing in Canada? In addition to the things I said earlier, the government is cutting transport subsidies for the regions. The hon. member for Ontario and people from the Maritimes know this. And why is the government doing this? It wants to replace them with new road infrastructures. Some gift. While the federal government would contribute to the cost of building new roads, the provincial governments will end up having to maintain them.

We know that during the spring thaw, a single tractor-trailer wears down highways as much as more than 17,000 cars, according to engineers.

(1605)

We know that all of our highway maintenance problems in Quebec and Ontario, in Toronto where it is obvious, are caused by trucking. And the upkeep of roads is the responsibility of the provinces. The hon. member would like to see me encourage the Liberal government to reply that, at a time when the federal government is trying to offload its deficit to the provinces, the Government of Quebec should help the federal government meet these responsibilities, which it is no longer able to do alone. No, Madam Speaker.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, it is a pleasure to participate in this debate. It is important for me, representing Edmonton Southwest, to ensure some views are put on the table that would reflect the views of Canadians with regard to the privatization of CN.

The Reform Party is generally speaking in support of the bill. We think the privatization of Canadian National makes a good

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deal of sense. If we think it is such a good idea and if the government thinks it is such a good idea to privatize CN, perhaps the next bill to be discussed will be the establishment of another crown corporation, the Federal Business Development Bank, which will be continued and greatly enlarged to compete in the financial services sector.

The debate today concerns the privatization of Canadian National. Whenever the name of a railroad is invoked sooner or later taxpayers will have their hands in their pockets. That has been the case ever since day one in the railroad industry in Canada and nothing will likely change that.

Canadian National is the result of an amalgamation of a number of smaller money losing operations which about 30 or 40 years ago were combined into Canadian National. The wisdom of the day was a lot of small money losing operations could be combined into one big money losing operation, and that is exactly what happened.

Canadians have been throwing money at Canadian National hand over fist ever since it was put together to compete with Canadian Pacific. Canadian Pacific was established with a great deal of government largesse. It received copious quantities of land in return for building the railroad. It promptly sold off the land and came cap in hand to the people of Canada saying it needed subsidies or it will close this or that.

Thus is the story of big business in Canada. An hon. member from the New Democratic Party many years ago coined the phrase corporate welfare bums, and he is quite right. The larger the business in Canada, the closer the tentacles of that business are to the coffers of the country.

It is Mr. and Mrs. Taxpayer, people struggling to get by, who seem always to be dipping into their pockets to subsidize somebody else. At least with this legislation there is half a chance the subsidization to CN will come to an end, which begs the question of who in their right mind would buy anything that has been losing money since time began.

It was an amalgamation of money losing railroads turned into one big money losing railroad and now carries a debt of about \$2.5 billion. Why would anyone in their right mind buy this railroad? Privatizing will not make it profitable. If one takes a historically unprofitable entity and privatizes it, that in itself will not make it profitable.

(1610)

Canadian National will have to be privatized in a manner which will remove the shackles that have prevented it from being profitable. That means whoever will be buying this railroad, whether it is a zillion individuals or a half a dozen large organizations and a lot of other individuals, these people will need the ability to make the decisions necessary to turn this

railroad which has historically lost money into a profit making venture.

That was the purpose and rationale behind some of the amendments we offered to the bill. The Reform Party is by and large in support of the bill. We think it is a good idea and we respect the government for taking this initiative. It has not been an easy chore over the last year or so for the Liberals to reverse direction, as they have in many of the bits of legislation which have come to the table. Who would have thought there would ever be in this day a Liberal government bringing in legislation to privatize a crown corporation? That has not been the Liberal way over the past 30 or 40 years.

When the prodigal son comes home we should welcome him and say: "Well done. We are glad you are seeing the light. What can we do to help?" To dump all over the government because there are some things about the bill we do not like would be counterproductive.

As my colleague from Calgary Centre mentioned, when a private corporation is looking at any venture, granted this is a big venture, business principles are business principles. It is really a question of adding a number of zeros once we get started; it is a question of how many zeros are behind the decimal point.

Canadian National in order to be palatable to future investors must reduce some of its debt load. The debt load is \$2.5 billion and people have said it should be reduced to something in the order of \$1.5 billion.

A truism in the business world is the first hit you take is always the easiest. Therefore if we are to sell this off we are far better off taking the hit by reducing the debt CN carries the first time around rather than trying to drag it out. We are far better off getting the price and the debt to a level attractive to purchasers at one time than we are trying three or four different levels.

There are a couple of ways this could be achieved. One is to sell assets CN presently has. That is the way it should be done. CN should not come to the public coffers of Canada, individual taxpayers, and say: "Dip into your pockets and pull out \$5 or \$10. This is your contribution to getting this white elephant off our backs, this albatross of our necks. Your contribution is \$100".

We should be saying CN is in the transportation business, the rail business, and had better sell off a whole lot of these assets. This is exactly what we would do in the private sector; get down to the bare bones, the core business. Once that is done and the assets are sold we could look at how much we have to write down on this debt in order to make it saleable.

CN is a national company. I believe I am accurate in saying that something in the region of 70 per cent of the revenues of CN are generated west of the lakehead. It is a national company but the majority of the revenues of Canadian National are generated

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in the transport of raw materials such as coal, sulphur, grain and parts of the resource industry.

(1615)

That is why this is a reasonable question to ask. If the bulk of the revenues are generated in western Canada and the company is to be privatized, does it not necessarily follow that the privatized Canadian National in order to become profitable will accelerate in closing parts of the operation which are losing money which would then inevitably be that part of the operation probably east of the golden triangle or golden horseshoe of central Canada? In order to be a viable entity CN must have access to the country's industrial heartland. It may not have the wherewithal to continue to operate money losing parts of its operation elsewhere in Canada.

This brings into the debate where the head office should be. We are not talking about where the various repair shops should be. Earlier a member mentioned that a high tech operation in Montreal keeps track of the locomotives and the trains. I always wondered how on earth railroads kept track of their rolling stock. That can stay in Montreal. We are talking about the head office. The head office could be wherever the majority owners of the new privatized Canadian National would want it to be.

There is quite a disparity in the number of employees working across the country. Today, 29,541 people work for Canadian National. Of those 29,541 individuals 2,526 live in British Columbia; 3,567 live in Alberta; Saskatchewan has 1,380; Manitoba has 4,498. Alberta has the western regional headquarters. In Manitoba there is a major repair facility. It is a major yard. Ontario has 7,165 employees and Quebec has 7,795 employees.

Perhaps the head office should be somewhere in Ontario. There are the same number of employees. Perhaps the head office should be in Prince Edward Island. There are five employees in Prince Edward Island; Newfoundland, 167; Nova Scotia, 393; New Brunswick, 1,903; and I mentioned that Quebec has 7,795. With the exception of the maritimes where there is not much of a presence of Canadian National, outside of New Brunswick which did have a repair facility, most of the employees of Canadian National are spread out pretty evenly across the country.

The Liberals dictate that the head office should be permanently in Montreal is because of the delicate nature of the relationship between some people who live in Quebec and the rest of Canada. The government just does not want to ruffle any feathers right now. It does not want to add another ingredient that could possibly be disturbing. It does not want to risk the enmity and the ire of the Bloc Quebecois by saying that the head office can be wherever the owners want it to be.

There are issues of principle that go beyond whether or not members of the Bloc Quebecois get upset. Let them get upset.

Who cares? We are running a business here. We make business decisions for business decisions. We could have the Holy Mother here and the Bloc would find some reason for getting upset. Let us just assume that the Bloc is going to be upset no matter what we do.

The next thing then, when we are looking at some of the suggestions that we have made, is the restriction of 15 per cent. Earlier someone said it is not a big deal because the maximum number of shares that anyone has of CP is 11 per cent. What difference does that make? Who cares what the share structure of CP is? What we are trying to do is sell CN provided that the debt reduction on CN is not so much that it makes it an unfair competitor to CP, which is, of course, the private entity enterprise. We do not want to repeat the mistake we made with Air Canada, which was to write off all the debt, throw a competitor that has lots of cash into the marketplace to compete with the private sector, which at the time was Canadian Airlines or whatever its precursor was, and start a price war. That almost put both of them out of business.

(1620)

In any event the situation is that no one owner may own more than 15 per cent of the shares of the privatized CN. People representing the government have said that it is a non-issue because the maximum share ownership of CP is 11 per cent. Surely it would not be a problem to take this restriction out of the legislation. The government has said it is not a problem, so why have it there?

It is important with Canadian National that if a group comes to the table and is prepared to invest enough money to own more than 15 per cent, then why on earth should it not? It may need to have that control in order to make Canadian National a competitive, profitable enterprise.

I have no reason to believe that this is the case but I am thinking aloud that it could be because so much of the Canadian National business is resource based, it is possible that a number of resource based companies will come to the table in a consortium wanting to buy Canadian National. Perhaps that consortium will want to have more than 15 per cent. The restriction of 15 per cent is artificial. It is not necessary and it does nothing to move the legislation ahead.

Another sop to Canadianism in the legislation is the requirement that Canadian National must remain bilingual just as it is as a crown corporation or as a federal government entity. There are institutions in Canada that are rightfully bilingual, such as the House of Commons and law. Many of the institutions across Canada that are bilingual should be bilingual because we are a bilingual country. When those of us who have lived most of our lives in other parts of Canada come to central Canada we see just how bilingual the country is. Being bilingual, trilingual or multilingual is to our benefit.

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What we are talking about now is privatizing an operation that has been losing money for many years. There should be as few strings attached as humanly possible. If the corporation is to become a private corporation, then let it become a private corporation without the strings attached. If it is in the interests of the corporation to be bilingual or multilingual, we can be sure it will remain so, as it should. It may well become multilingual because there are parts of this country where the second language is not English or French, but may well be Mandarin.

Another point I raise is if we are going to privatize CN, let us honestly privatize it without all the strings attached in order to make it more palatable to the people. I do not want ascribe motive here, but it would seem to me that one aspect of the bill is nothing more or less than a sop to the Bloc Quebecois so that it will not get upset about it. If we are going to privatize it, let us do it.

(1625)

Another point has to do with the marine strategy, the railroads in Canada and the fact that everything in Canada is interconnected. There is not much point developing a port in Halifax if there is no facility to move products from that port to the rest of the country. To do that we will require rail lines.

As this is privatized it is wholly appropriate there be certain restrictions on the new ownership to ensure that any transition is done carefully and in the public interest.

Mr. Jim Jordan (Leeds—Grenville, Lib.): Madam Speaker, I enjoyed my colleague's comments. I could agree with a fair number of his concerns. I think all Canadians have concerns.

This is a massive move. He says that he could not imagine Liberals taking this move but the ideologies are pretty fuzzy these days. I would agree that 20 years ago to say that Liberals were going to privatize CN would certainly be out of the question. Privatization has been brought upon us because we have not been able to make this thing work. We are in a new league now. We are involved in world competition and we have to forget about those old standbys we thought we could live with.

The railroad has been doing much better recently than the past 50 or 75 years would indicate, which might make it somewhat attractive to a new buyer. The member categorized three things which I can see fitting together.

One was having the location of the head office dictated and I agree with that. If I am going to own something I should be left with that decision. That would make sense. As someone once said, if you are going to do it, do it right. If we were privatizing something else we would tell the owners that they owned it and were free to put the head office where they wanted to.

The fact we have said CN should be bilingual fits in there too. It was done for the same reason and Canadians realize that. It is

only being honest with Canadians. I could add the 15 per cent ownership limit to the list. This is such a massive move and nobody really knows where it is going to shake out. We avoided destabilizing the company as much as possible. This affects all Canadians, so we had to keep those things in mind.

This case is bigger than when TCA was privatized to become Air Canada if we are just talking dollars and cents. With that in mind and all of the uncertainties, what is the price going to be of a share? I do not know but we have to depend on those we trust to tell us. That would be the rationale for not moving any further with it by throwing it completely open and saying: "Have the headquarters where you like. Do not be too concerned about whether it should remain bilingual as it is now. Do not have any limit on the 15 per cent share but let people buy whatever portion they would like".

I suppose it is not really privatization in a sense if we are going to have those restrictions. On the other hand this has been a Canadian owned company which is moving into the private sector. The government was trying to avoid all kinds of pitfalls by putting those riders on for now. There may be pitfalls even with those riders.

Mr. McClelland: Madam Speaker, the central point I was trying to make was that CN has had a record of losing money ever since its incorporation. The fact that it is losing money at a slower rate today is a blessing but it is like dying by inches, you are still going to die sooner or later.

If this deal is going to be palatable in a private market, if it is going to be saleable and if it can be privatized, it will only be privatized because those who will invest in it see the opportunity of making a dollar. That is the way our system works. That is the way it should work.

(1630)

Concerning the restriction of 15 per cent, if a potential purchaser had the resources to take 20 per cent of the shares, it would ensure there would be a very strong hand at the helm. The other 80 per cent of CN would be widely dispersed in pension funds, in RRSPs, with people all over the country.

However, we had better make damn sure when we are doing something like this that this business is not being run by a committee. It had better be run by somebody who knows exactly what he or she is doing, exactly how he or she is going to do it and has one overriding ambition, to make a profit. There is no other reason for CN to be purchased by any potential investor anywhere.

That person must purchase it with the intent of making a profit. It has nothing to do with the Canadian identity. It has nothing to do with being a good Canadian. It has nothing to do with how much money has already been lost. It is strictly whether there will be a return on the investment when those shares are purchased.

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That is the only consideration that anyone who buys a share in this should have. If Bobby Gimby decides he is going to be the head of Canadian National and this becomes part of the national dream then we are sunk. We will end up with another B.C. Resources Investment Corporation where thousands of widows and orphans are going to buy shares in this creature. They are going to see the share value plummet and be resentful beyond words.

It is our responsibility to ensure that whoever buys this baby has the opportunity to turn it into a profitable venture. Otherwise we are going to wear that can around our necks and we will deserve it.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, I get rather disillusioned when I hear my Reform colleagues, particularly one who is considered more insightful than most of his brothers and sisters in his party, make comments such as the following: "Bilingualism was given as a sop to the Bloc".

Does my hon. colleague from the Reform Party who has just spoken understand that the Bloc members do not believe in bilingualism? They want unilingualism, they want French. I cannot understand the lack of sensitivity and insight displayed by such a comment. It shows the Reform Party in spite of its attempts, does not understand the country.

A second comment: "We have in this country, two official languages". To suggest that a business can ignore official languages, in spite of the fact that it is *une des pierres angulaires de de pays*, shows incredible lack of sensitivity.

They can ignore to run trains where it does not pay. They can ignore to do anything except run them where there is the greatest profit.

Is my hon. colleagues suggesting to heck with the city of Montreal? To heck with responding in English or French, the official languages of this country. To heck with everything else that is going to cost money because we, the business community, are going to skim off the richest of the cream. Is that what is being suggested?

Mr. McClelland: Madam Speaker, my colleague from Winnipeg has a good point and he is absolutely right. I cannot believe that I said that language was a sop to the Bloc. Obviously it is not a sop to the Bloc and my hon. colleague opposite is quite right.

It is a sop to Quebec perhaps in general terms but it is certainly not a sop to the Bloc. Whatever it might be to the Bloc, for sure it is not that.

The other point is about bilingualism and this needs to be absolutely clear. I did not say that CN should not be bilingual. I did not infer that it should not be bilingual. I said that it may be multilingual.

(1635)

What I said was as CN is going to be privatized, take the shackles off and let the management of the company make the decision for themselves. That is a decision that rightfully belongs to the new owners of CN. It is a not a decision which should be made by the legislature of the country.

If we are going to sell it, then sell it with no strings attached. The first hit we take will be the worst hit, so let us take the it, get it off the books and get on with life. Good for the Liberals for bringing the legislation to the table in the first place.

Mr. Garry Breitzkreuz (Yorkton—Melville, Ref.): Madam Speaker, what is the point of this debate? Why are we here? I have been sitting here day after day. Are we wasting our time?

I have listened to the debate and the speeches which have been made on both sides of the House. I know a heat wave is hitting the country. I wonder if it has been caused by the intense debate we have heard over the last week or so. I am not sure. Is the only thing we are accomplishing the generation of a lot of hot air?

Last week I took a break and went down the hall to the other place which is known as the Senate. I sat in there for a while and listened to the debate. I heard some very good speeches on euthanasia and other topics. I thought to myself, nobody is listening to these speeches. Nobody in the country is looking at what is happening here. These people have gone to a lot of work and nobody is listening. Suggestions are being made and nobody is listening.

Then I came back to this place. I thought to myself, it is no different here. Nobody is listening. Nobody is paying attention.

The Reform Party has made suggestions. It has worked with the government to fine tune the legislation to ensure it is acceptable to all Canadians. We find that, by and large, our efforts are useless. The speeches we make are falling on deaf ears. Nobody is listening. What is the point of the debate?

During the election campaign my strongest opponent was the NDP candidate who is now running for the leadership of that party. He made a big point of the Senate being unelected and unaccountable. He said that because it is appointed, the people in the other place are not very effective, the balance which it should provide between the regions is not there.

However, my hon. opponent in the election forgot to mention that this place could really use some fixing. This place is not democratic. This place is not doing what it should be doing. The debate here is often very meaningless. The suggestions which are made in good faith are completely disregarded. My feelings about the other place are also the feelings I have toward this place.

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People are frustrated because Parliament is not doing its job. I want to use this bill to illustrate what I mean.

I have been here for almost two years now and that time has shown me that this place is guilty of many of the same problems of which we accuse the Senate. What is changing because of the debate we are having here? This debate is coming to a close. In fact, this session of Parliament will soon be over. We have been debating day after day. I wonder if it is accomplishing anything and whether the work we put into our speeches is really effective.

For those who are watching on the parliamentary channel and may not be aware of how legislation is created, very simply the legislation is introduced in the House, generally by the government, but there are private members' bills. It is introduced and receives first reading. It goes through second reading, goes to committee, is reported back to the House and then goes through third reading. That does not mean it becomes law. Then it goes to the Senate and it goes through the same process. Then if the legislation has passed, it becomes law.

(1640)

As we go through all of these processes, as we work in committees, there should be amendments proposed. There should be open and free discussion. That has frustrated me. A lot of what we do is hidden. It is behind the scenes. It is in the committees. A lot of the work, the research, that is done and the proposals that are made, Canadians are not aware of.

In order for democracy to work that process should be open. Every member of Parliament should have input. By and large that is not happening. The agenda is driven by only a few elected people in the House of Commons. That is unfortunate.

When the debate on Bill C-89 first began, I suggested four things. I was one of the first speakers on the bill. If we are going to produce good laws these suggestions should have been dealt with but by and large they have not. I have heard several reasons why they have not.

If we look at the reasons we begin to realize that they do not hold water. They are not acceptable. First I said that prohibiting the government from arbitrarily cancelling all or part of CN's debts prior to privatization should not take place. I also mentioned that removing the requirement to leave CN's headquarters in Montreal is something that the government should take a serious second look at. We proposed amendments for that. We thought perhaps a lot of politics was involved. What I have seen today probably underscores that fact. I do not think it is a wise business decision.

Another suggestion I made was to remove the requirement that CN comply with the government's policy on official bi-

lingualism. It was pure politics. My hon. colleague has pointed that out very well. I also said remove the 15 per cent ownership restriction.

I heard the members arguing that we do not want to destabilize the company. Any owners who would take over would not want to do that. The arguments which have been presented on the other side are superficial. They do not hold water.

That is why we have to do more in this place than simply generate a lot of hot air. We have to begin to listen to each other and do the fine tuning of legislation that would make it good legislation.

We agree with the privatization of CN. It is a good thing. The government has an opportunity to make it a great thing. I want to suggest that the government use this, its first major attempt at privatization, as a testing ground for the privatization of other crown corporations.

Reformers do not want a lot of unnecessary regulations that restrict companies in keeping down their costs. We do not want that. Yet the government is tying their hands somewhat.

When Reformers ask why tie the hands of the new owners of CN by stipulating that the headquarters remain in Montreal, the Liberals answered and that they wanted to provide a level of certainty that potential costs from relocation of the headquarters will not ensue. Think about the absurdity of that answer. A company would not relocate its headquarters if it would result in some financial disadvantage.

On the other hand, what if there was an advantage financially to moving the headquarters to Winnipeg or some other western place or to the east? What if there was an advantage in doing that because it might be more central to the bulk of the business? Why should they not be allowed to do that? Would they make decisions that were not wise for the company? They would not. That is why the answer that I have heard to this question is absurd. Seventy per cent of CN's business is done in western Canada. Why put in the stipulation that the CN headquarters must stay in Montreal?

The Bloc says that we are Quebec bashing. We are not Quebec bashing. Where is the consistency in the government's reasoning? When the ancestor to Air Canada moved its headquarters from Winnipeg to the east, westerners argued that this was a Winnipeg based company. The government in its big bubble here in Ottawa said "Oh, no, most of the airline's business is in the east, so we should move the headquarters to Montreal". When the shoe is on the other foot and CN's business is mostly in the west, it has a completely different argument. There is no consistency in what the government is saying. By using the government's own reasoning, it should allow the company, if it wishes, to move the headquarters out of Montreal.

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(1645)

When history and tradition fail the west the Liberals say it does not matter. However, when history and tradition favour the east they write it into the law. Something is wrong. Why run a company 2,000 miles away from its main operation?

In 1987 Madsen Pirie, who was president of the Adam Smith Institution in London and a world renowned expert on privatization, spoke at a Canadian symposium on privatization organized by the Fraser Institute. He had this to say about the fundamentals of privatizing a crown corporation:

When government engages in an activity such as privatization, it is speaking to several audiences. Among the audiences the government speaks to are the managers of the Crown corporations, the workers who are employed in them, the members of the general public who are customers of the Crown corporations, the general public who are taxpayers and who pay the subsidies to support the losses of those corporations, potential investors who might buy shares in those corporations, the financial and business community which takes an interest in their performance, and the media commentators who observe this process and comment on the results and declare it to be a success or a failure. Every act of privatization speaks to all of these audiences and every act should be tailor-made to maximize the support of each of these different groups.

When we review this bill we should test against Dr. Pirie's list of vested interests or audiences, or stakeholders as the government likes to call them. Bill C-89 must address each of the groups affected by the privatization: the managers, the workers, the customers, the taxpayers, and the investors. If Bill C-89 does not specifically address each of the needs and interests of these groups, then amendments will be necessary. That is what we proposed.

This is what frustrates me as we come to the end of this debate. I do not think one thing we have said here today is going to change the government's mind. We are generating a lot of hot air in the midst of a Canadian heat wave and it is doing us no good.

Dr. Pirie also outlined three key principles of privatization. His first principle was never cancel a benefit. If people are deriving a benefit from the public activity of a crown corporation, never cancel it, no matter how unjust it is. In his second principle he said to make friends out of your enemies: "Find out who the people are who might lose on the privatization process and structure the policy to make sure they gain instead". The third principle he gave was disarm the opposition: "Identify all possible objections to privatization and tailor the policies so that every single one of those objections are dealt with in advance".

Has the government done this? I brought this up months ago, and nothing has been done. That is why I still maintain that a lot of the debate here is not really effective. Has the government done this? I doubt it. The government should ensure that it has

considered each of Dr. Pirie's three principles in planning for this privatization.

Has the government explored the idea that came from one of my constituents and which I presented to this government that we could have two or more government objectives rolled into one? For example, the government is giving landowners in the west a one-time payout for the elimination of the WGTA subsidy for the railways, which is commonly known as the Crow rate. Would it be possible, I asked, to give western farmers the choice to have their Crow rate buyout in the form of shares rather than cash? It could be made fairly attractive and then farmers would have a direct financial interest in the economic performance of CN.

I heard one of the Liberal members opposite several hours ago argue that we could never raise the capital in Canada to even have someone grab hold of the major amount of shares in CN. That is ridiculous. Does the member not realize that the crown payout of approximately \$1.6 billion is equal to the price the government is asking for CN? What does he mean the capital is not available? Right there is the capital. The main users of the railway are the grain producers in this country, and they could use it. It would give them the benefit. It would meet some of the negative aspects that often come with privatization.

(1650)

That is why I am saying the government should have been listening. As this idea is being picked up they could have floated the idea. Maybe this is a bad idea, but they should have looked at it. This idea comes from some of the constituents in my area, and it should be dealt with.

Look at the recommendations of previous studies. The government spends million and millions of dollars on royal commissions and studies. One of the recommendations made was that rolling stock could be privatized but the government could continue to maintain the rail beds, maybe as a private corporation eventually. They could maintain the rail beds just as they do the highways in the country. It would allow small entrepreneurs that do not have the capital resources to buy a huge railroad to at least use the efficiency of the rail beds in transporting their products.

The Economic Council of Canada published a report called "Minding the Public's Business". In chapter five, entitled "Government Enterprise and Business", the Economic Council made the following recommendation: "Entry into rail carriage could be promoted in different ways. The provisions of the proposed legislation could be expanded to make running rights more easily available and to open entry into rail carriage to anyone who can meet the basic requirements related to safety and liability coverage. Instead of regulating the activities of CN and CP in their capacity as providers of the rail bed, the management of all track could be assigned to a new publicly

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owned track authority. This would require the nationalization of CP's roadbed and the separation of CN's track from the other components of its operation. Alternatively, a public track authority could be created based exclusively on the infrastructure of CN."

We have put this to the government. It seems to ignore it. I do not know why. Why does the government spend all these millions on commission and studies? They come forth with some sensible recommendations and the government promptly dismisses them. This is an idea whose time has finally come and the government should give serious consideration to establishing a public track authority that would operate similarly to our highway system. This would eliminate the tax disadvantage placed on rail companies.

Rail companies are at a tax disadvantage. They pay fuel taxes and they also have to maintain their rail beds. That is not fair. On the other hand, trucks pay fuel taxes, but the highways, their road bed, are maintained at public expense.

A public track authority could charge user fees to rail companies based on the use they make of the tracks. As a result, they would be self-financing. At some point in the future the public track authority could even be privatized.

The Chamber of Commerce supports a fully user pay rail infrastructure and had this to say in their 1994 submission to the special joint committee reviewing Canada's foreign policy: "Canadian businesses are increasingly pointing to an unlevel playing field between the Canadian and U.S. commercial environments. One tangible example among many can be found in the Canadian transportation industry. Rail, for example, provides the most economic mode of transportation for a large part of Canada's freight and for many shippers is the only cost effective mode. It is fundamental to Canada's trade, moving 40 per cent of Canada's exports, and provides a fully user pay infrastructure not liable to ongoing public funding."

Finally, I want to return to a point I have made repeatedly in speeches before the House for the last couple of years. I would like to comment on the importance of the port of Churchill to the farmers of Saskatchewan and Manitoba. When I said that the government should be looking at more than one initiative, this is another thing it should have looked at.

The privatization of CN should be seen as an opportunity to privatize, expand markets, modernize, increase exports and imports through the port of Churchill. This will take more than just the privatization of CN. It would take the cooperation and likely the privatization of both VIA Rail and Ports Canada at Churchill. It will take the cooperation of the federal government, the government of the province of Manitoba, the cooperation and support of every community and producer whose future will be improved by taking advantage of the most cost effective

shipping route for bulk commodities to our customers in Europe, Africa, and South America.

(1655)

I respectfully ask the government not to look at the Churchill line and the port of Churchill as a liability but as an opportunity requiring creative thinking and a cooperative and creative privatization strategy. I have worked on this quite a bit, and that is why I say one government department must work together with the other one.

One of the main obstacles to making the Hudson Bay route and the port of Churchill viable is the Canadian Wheat Board. Unless the Canadian Wheat Board becomes more open and accountable to grain producers, prairie producers will continue to be routed through costly eastern ports.

You cannot just look at the railroad in isolation. You have to see how it all connects. Why is it that we have this problem? Because the railroads and eastern interests benefit in having the grain go through the traditional route rather than through the port of Churchill.

Farmers are asking important questions that will not be answered until the process of grain sales in routing is opened up.

The Acting Speaker (Mrs. Maheu): I am sorry, the time has totally expired. Questions and comments.

Ms. Marlene Catterall (Ottawa West, Lib.): Madam Speaker, I really do not want to address the issue of the bill that is currently before us. However, I did want to ask the member about some comments he made.

He criticized the quality of the debate and suggested that somehow government members were responsible for that quality of debate. Throughout this day and throughout a good part of last week the majority of speakers on any bill, by a margin of four to one, sometimes nine to one, ten to one, have been Reform Party members. If 90 per cent of the speakers on the bill are Reform Party members and only 10 per cent are government members, would this not suggest that it is the Reform Party members who are responsible for the inadequacy of the quality of debate?

Mr. Breitkreuz (Yorkton—Melville): Madam Speaker, I wish the hon. member had been listening carefully to what I said. The point of what I am saying is that those members are not listening carefully to what we are saying.

We have made suggestions to the government. We were not complaining about the quality of debate. We are coming up with speeches, coming up with amendments, working on committees. We are doing all of these things that a good parliamentarian should be doing, but it is useless.

It is no different from what is happening in the Senate. These people make these wonderful speeches and it is to no avail. We come to this House and it is still to no avail because we do not

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have democracy built into the system. We debated gun control, and when it came down to it we were not even allowed to vote freely on the issue. Liberal members were told how to vote.

We made suggestions as to how to improve some of the legislation in this House. My point was very clearly made that the speeches we made and the work we did was by and large ignored by the government.

I would like to conclude some of the other remarks I made in regard to the Churchill route because they may be misconstrued if I do not. Suspicion grows that the grain companies, the government bureaucrats, the railroads, and the eastern interests drive the agenda while the western farmer continues to be ripped off, not realizing the full benefits of his labour and his enterprise.

The Acting Speaker (Mrs. Maheu): Point of order.

Ms. Catterall: Madam Speaker, I will be delighted to ask the member a question and to drop the point of order. The point was to have been in fact that the member was entering into debate. If I can continue with questions and comments, which is the time—

The Acting Speaker (Mrs. Maheu): We have questions and comments. Point of order?

Mr. Stephen Harper (Calgary West, Ref.): Madam Speaker, I was rising on questions and comments.

The Acting Speaker (Mrs. Maheu): I think the member is well aware that when the opposition parties are speaking we normally allow government to question the party.

(1700)

Ms. Catterall: Madam Speaker, contrary to the statement just made by the member, I was listening very carefully. It was the quality of debate he was criticizing. If he reviews his blues in *Hansard* he will find out those were the words he used.

I can only say again that 90 per cent of the debate has come from the Reform Party compared with government members and therefore I know who to blame for the quality of debate.

On the point of listening, the member is well aware, and I am surprised he has not said this in the House, there has been a great deal of listening. There were over 40 amendments to the gun control bill in committee. There were dozens more amendments debated—

Mr. Breitzkreuz (Yorkton—Melville): Madam Speaker, I rise on a point of order. Did the member not rise on a point of order?

The Acting Speaker (Mrs. Maheu): She retracted and went back to questions and comments.

Mr. Breitzkreuz (Yorkton—Melville): Would I not have a chance to finish the remarks I was making? Is she allowed to interrupt me?

The Acting Speaker (Mrs. Maheu): I am afraid the hon. member was back on debate.

Ms. Catterall: Madam Speaker, would the member not concede there were over 40 amendments in committee, that there were dozens of amendments debated in the House last night on the bill? We voted on over 30 motions last night. Clearly amendments have been put forward with debate.

If the member were to be totally honest with the public he would concede even some points brought forward by members of the Reform Party in committee on the gun control legislation, which he referred to, were incorporated in the gun control legislation and that we have been listening. Listening is not the same as agreeing with everything the Reform Party says; otherwise we would both be on the same side of the House.

Mr. Breitzkreuz (Yorkton—Melville): Madam Speaker, I was involved with C-68, the gun control measure, and if she wants to debate that, I would be very willing to. I think that is not what is—

The Acting Speaker (Mrs. Maheu): I ask the hon. member not to refer to other members in the House as “she”. The hon. member is the deputy government whip.

Mr. Breitzkreuz (Yorkton—Melville): In relation to Bill C-68, the changes the government made that responded to Reform suggestions were simply changes where a word may have been clarified. Virtually no other changes were made by the government. They were so minuscule as to be almost useless, very small wording changes.

With regard to Bill C-89 when we asked about allowing a company to move the headquarters from Montreal, the government did virtually nothing to act on that. When we questioned the government’s official bilingualism policy being applied to a private company, it remained virtually unanswered, as did the question of the 15 per cent ownership restriction. All of these things we raised were not properly addressed. The answers we were given were superficial. They were not effective answers.

We are talking about Bill C-89, not Bill C-68, a whole different matter. I would gladly address that if we were debating it. What about the cancelling of CN’s debts prior to privatization? In all fairness to the government, it addressed that question somewhat. By and large a lot of the suggestions we made fell on deaf ears. That is the problem with this place; that is the problem with much of the debate that takes place here.

We can speak 90 per cent of the time but it makes no difference. I wonder if Canadians realize we are acting as the

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official opposition, that we are examining this legislation in minute detail. This is our job but by and large the government is not responding to the positive suggestions we have.

Mr. John Duncan (North Island—Powell River, Ref.): Madam Speaker, I am happy to talk on third reading of the CN privatization bill.

(1705)

Railway politics in Canada take a prominent place in our history. I know from growing up in this country and working on the railways part time I have a great sense of history. The member for Kenora—Rainy River is another part time railroader. The railways are very important historically to the country.

I am reminded of the railway on Vancouver Island, E&N Railway, very important in the development of the west coast. There is an ongoing contractual commitment in this country to keep that railway going despite some pressures the other way. Those contractual commitments date back to prior to the turn of the century.

In terms of our contemporary history, we are seeing great changes, the stability of our railways, or the instability in the beginning. It is a whole new ball game now. Why is it a whole new ball game now? Government operations and crown corporations can no longer function in the way they functioned for the last several decades.

This is unavoidable because of our fiscal situation and I am reminded of this every day. Two-thirds of government revenues are derived from personal federal income taxes. One-third of federal revenues are to service our national debt. It does not take much of a mathematician to figure out 50 per cent of people's personal federal income tax is going to service our debt.

This situation despite the last budget is getting worse because part of our revenue dedicated to servicing debt is increasing over the next couple of years. We are treading water and sinking slowly. This message is slowly being accumulated by the population at large. It is being expressed in a lot of different programs of government and it is being expressed in how we unavoidably must deal with our crown corporations.

The transport committee, the task force appointed by the minister in September of 1994 which put its finding forth in January of 1995, identified a number of things which I think were largely known to most.

CN and CP are both facing very strong competition from other industries and from the U.S., particularly on the north-south routes, north-south markets. The railways are losing market share to trucking. Deregulation of the U.S. railways is obviously impacting a great deal on the Canadian railways. The eastern routes are losing money and the western routes are declining in profitability.

This same task force also identified that all major North American railways were privately owned with the exception of CN. One wonders why Canada would have such a different

contemporary situation. This bill is quite predictable. The privatization was to occur. All the market pressures were there and governments around the world are privatizing crown corporations.

The task force also identified that as a crown corporation CN had been subject to many politically motivated moves and that much of this results from the president and the board basically being patronage appointments. There is a message in all of this for other crown corporations of government.

(1710)

The standard provisions of any privatization bill are essentially the same no matter what crown corporation is being privatized. What is different are the bells and whistles which deal with investor attractiveness, some of the social ramifications, how it deals with existing employees, how it deals with the public interest and those kinds of things. Essentially that is what most of the debate in the House and in committee has been about. The amendments proposed by the Bloc and by the Reform Party have largely been about the bells and whistles of the bill.

In terms of investor attractiveness, the bells and whistles are a very strong signal of what kind of regulatory environment the new owner is to face when they try to run the railroad. The signals we are sending out with this bill are all wrong. Most of the amendments deal with the signals we are sending to potential purchasers of the railway.

One amendment is the requirement that CN's headquarters remains in Montreal. We have heard several times in the debate that this requirement is absurd because the marketplace can make that decision better than anyone else.

That it exists in Montreal today may have some social and employment ramifications which is why a sunset clause is not a bad idea. We have seen in the history of Canada that different jurisdictions over time have different natural advantages. There are population shifts and differences in trading patterns and all kinds of rationale for which private investors would want to retain the option to move their office to a different location.

Before I get into further amendments I will talk about the way the bill was handled in the House. The bill went to committee after first reading, which was a new process. Normally a bill goes through first reading when the legislation is tabled and through second reading debate and then the bill goes to committee.

Conceptually there are some very nice things about sending legislation to committee after first reading when in a non-partisan way people can get all their points in before the legislation becomes set in any way and then a better bill can come before the House. The concern with respect to this bill was that if the environment was not there after first reading when it went to committee, to take all the best of everything people had to say about the bill to make it the best legislation possible we have really missed the opportunity of second reading debate. We want to have a very close look at the process before we commit

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ourselves to a continuation of it whereby we essentially eliminate debate at second reading.

(1715)

The next point I would like to speak to is about restricting the percentage of shares that any one individual, corporation or association may own. This has a very negative impact on bringing in the kind of investor that would like to purchase a major portion of the new company and bring in a management style that would revitalize the whole company.

The chair of the transport committee, the member for Kenora—Rainy River, said that this had been looked at. The 15 per cent restriction was quite plausible because CP had never had more than 11 per cent single ownership. Surely our view of the world extends beyond the gaze of Canadian Pacific. We have to look at this on a global scale. We have to look at it from a totally different perspective. Government once again is talking about privatization yet government still wants to retain control. There is an irony about this and it is inappropriate.

One investor said that the 15 per cent restriction circumscribes the deal. It certainly does. It dampens investor confidence. It freezes out many investors who would otherwise look at this. It sends out all the wrong signals.

With respect to CN's debt, this is repetitive but CN currently owes about \$2.5 billion. It has been established by experts that CN will never sell this debt level. It must be reduced to a level which would allow access to a BBB credit rating. The general concurrence is that amount would be about \$1.5 billion.

CN currently has \$300 million to \$400 million on hand through recent company sales such as CN Exploration, and excess capital reserves. The market value of CN's non-rail estate assets are \$400 million to \$600 million. In a perfect world this alone would be sufficient to attain a BBB credit rating.

Clause 12 of the proposed legislation gives the minister the power to reduce CN's debt to any amount he chooses. This is a major problem. This is something the other place should look at very closely if we cannot change anyone's mind in this place because there are two major risks in this.

The minister may choose to reduce the CN debt well below the amount at which the taxpayers can receive a return on the sale. This would raise the cost of shares making it appear more attractive but producing a lower yield for taxpayers. As well, excessive reduction in the debt of CN would put CP at a disadvantage which is all too familiar. This was done during the privatization of Air Canada. The intent of the Reform amendment was to limit the minister's power in reducing the debt of CN.

(1720)

Clause 15 provides for a permanent requirement that CN retain the official languages policy and operates under both official languages. Once again, this is another signal of a regulatory atmosphere that is inappropriate when one is trying to attract investors.

The government does not have official languages control over the private sector. Privatization of CN removes the mandatory compliance of the Official Languages Act. The Reform amendment was to include a five year sunset clause on the mandatory retention of operating under both official languages. Unfortunately this was voted down.

Then we have the Canada clause. The bill does not provide any restrictions of foreign ownership, nor should it. However, the Reform amendment would have allowed a 90 day sale period open to Canadian individuals and corporations before opening it up to foreign markets. This provision would have allowed all Canadians first crack at investing in a Canadian institution. What could be more appropriate? This would have allowed a win-win situation but once again it was voted down.

The marine strategy report proposes that all national ports must become self-sustaining and that all loans must be obtained from the private sector without government backing. Reform agrees with that proposal.

The Sarnia tunnel is a viable access from Atlantic Canada to the American midwest. The Halifax Port Corporation believes that through upgrading the port facilities in Halifax it will secure the handling of the new high capacity deep draft freighters and thus the economic future of marine operations in Atlantic Canada. In order to secure the financing, it needs to ensure that CN connections will be there to connect the ports to the rest of Canada.

The Reform amendment would have included a clause ensuring rail service to the port of Halifax for a period of 10 years, thereby ensuring the development of the port facilities allowing them to compete with U.S. ports on the eastern seaboard and ensuring investor confidence once again. This amendment was not allowed. We call that the Atlantic clause.

The Reform Party supports the bill although the provisions laid out in it are too restrictive and involve too much government interference in what should be a much more complete move to the private sector.

The Acting Speaker (Mrs. Maheu): 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 Leeds—Grenville—Gun control.

Private Members' Business

Questions and comments. Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): The question is on the motion for third reading of Bill C-89. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Pursuant to a request made by the deputy government whip, the division on the motion is deferred until tonight at 11.15 p.m.

(1725)

Mr. Hermanson: Madam Speaker, I was watching the House proceedings on television. I heard you ask: "Is there further debate?" and saying, "no further debate?" you grabbed your papers before a member had a chance to stand. I think that is unfair.

The Acting Speaker (Mrs. Maheu): I am very sorry but no one in the House stood up when I asked for questions and comments. That was prior to calling for debate.

Mr. Hermanson: Madam Speaker, if no one stood for questions or comments, then you call for debate and you have to recognize someone when they are prepared to stand for debate.

The Acting Speaker (Mrs. Maheu): I repeat, no one stood at all.

Ms. Catterall: Madam Speaker, clearly a debate about a ruling after it has been made is entirely out of order and a little contemptuous of the role of the Speaker.

In addition, however, you very clearly said: "Is the House ready for the question?" Nobody said no. You then asked as you normally do for those in favour and those against.

Mr. Gagliano: Madam Speaker, it is almost 5.30 p.m. If the members are here we could go into private members' hour right away.

The Acting Speaker (Mrs. Maheu): Shall I call it 5.30 p.m.?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

ENDANGERED AND THREATENED SPECIES ACT

Hon. Charles Caccia (Davenport, Lib.) moved that Bill C-275, an act respecting the protection and rehabilitation of endangered and threatened species, be read the second time and referred to a committee.

He said: Madam Speaker, I appreciate the debate taking place this afternoon on the protection and rehabilitation of endangered and threatened species. I would like to thank the member for Scarborough—Rouge River and the member for Fraser Valley West for their support in their respective committees when it was decided that this bill should become a votable item.

In essence the reason for putting forward this private members' bill is very simple. It emanates from one important commitment made by Canada to the UN conference on sustainable development and the environment in Rio in 1992.

When the convention on biodiversity was arrived at with the consensus of some 150 nations, Canada was among the first, if not the first nation to sign it, if I remember correctly. It was among the first to ratify it. In other words, there was definitely a very quick response on the part of Canada. There was an understanding of the importance of the issue and the political sentiments of the nation. The aspirations of Canadians were expressed rapidly through these steps.

The signing or ratification of the convention has now reached a fairly large number and has been put into motion by virtue of the fact that a sufficient number of nations in the world have ratified it to make it workable.

What does a bill on the rehabilitation of endangered and threatened species mean? With this piece of legislation, which I hope will be followed by a measure to be introduced soon by the Minister of the Environment, we want to highlight the importance of the ecosystem to which we belong and the importance of protecting the richness that makes Canada so unique in the family of nations.

If one compares the richness in biodiversity and the number of species both in flora and fauna that exist today with what existed a hundred years ago, one has to admit with regret that there have been losses with respect to some species that may never be recovered. In other words, we have lost ground as humans have settled in the country and have adopted various agricultural and industrial practices at the expense of nature. If one looks down the road 100 years from now at the richness of fauna and flora our grandchildren may be able to enjoy, unless we do something

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about it fairly soon we would suffer perhaps the equivalent or even greater losses.

Therefore it is necessary to put on the political agenda and on the agenda of Parliament, as well as those of the provincial and territorial legislatures, something that coagulates or gels our thinking on the subject matter. The bill before us attempts to do exactly that. It is inspired by article VII of the convention, the one I referred to earlier, which requires countries to:

—develop and maintain the necessary legislation and/or other regulatory provisions for the protection of threatened species and populations.

That is how it was put in the Rio convention which we have signed and ratified. It is a very simple, straightforward concept. I am sure that its application and implementation can be achieved if there is adequate political will.

I am glad to report that four Canadian provinces have endangered species legislation today. They are the provinces of New Brunswick, Quebec, Ontario and Manitoba. Close co-operation with provincial and native governments is necessary to protect endangered species. Preventing the extinction of species becomes a method of national and even international concern.

I am not claiming this private member's bill can achieve all that, but it is at least an attempt to subject the matter to parliamentary scrutiny, to encourage colleagues on all sides of the House to think about the importance of the matter, and to ensure that respective governments take the necessary steps.

There are 120 species that are either threatened or endangered in Canada. Of those 120, 43 are under federal responsibility: 18 species of migratory birds and 25 fish and marine mammals. The habitats of these threatened or endangered species are quickly disappearing. According to Statistics Canada calculations the wetlands have been reduced by 70 per cent to 80 per cent so far and the old growth forests by as much as 85 per cent to 90 per cent. These are considerable figures which I commend to the attention of the House.

(1735)

The following commitment appeared in the red book of the Liberal Party in 1993:

Managing economic development in human growth without destroying the life systems on our planet and a vision of a society that protects the long term health and diversity of all species on the planet are matters of concern.

In a study conducted in 1991 Statistics Canada concluded that 86 per cent of Canadians supported the protection of the abundance of species we have today. Bill C-275 is simply aimed at identifying, protecting and rehabilitating endangered and threatened species both in the realm of flora and fauna and both in the sense that they have become directly or indirectly

threatened or endangered. Why? It is as a result of human activity.

The bill provides the Minister of the Environment with the powers to develop and implement programs aimed at restoring the populations of threatened and endangered species to self-sustaining numbers. Time does not permit me to list the names of the various species. There are too many. However, they are attached to the bill by way of a schedule for any member who would wish to examine it. The bill attempts to provide a context for existing federal and provincial legislation in a complementary and unifying sense that is concerned with protecting threatened or endangered species.

The bill provides a legislative basis for two institutions: COSEWIC, the Committee on the Status of Endangered Wildlife in Canada, and RNEW, the Recovery of National Endangered Wildlife. For members who might not have heard the terms before, they are two important committees in the protection of endangered species. However they are not required by law and the bill before us today would change the situation.

In addition the scientific expertise of Committee on the Status of Endangered Wildlife in Canada would continue to provide the important first step in identifying threatened or endangered species. In the recovery of nationally endangered wildlife groups it would still be a required step in protecting endangered species. However, Bill C-275 seeks to provide both COSEWIC and RNEW with a common legislative framework to allow for a more responsible, consistent and accountable approach to the identification and recovery of threatened and endangered species. It draws from the categorization prepared over the years by the Committee on the Status of Endangered Wildlife in Canada, COSEWIC. The bill contains two schedules which are available to members. Schedule A lists endangered species and schedule B lists threatened species.

(1740)

The listing of certain species and requiring the minister to represent their interests have the purpose of allowing recovery programs to be developed prior to species becoming endangered. It is a good precautionary concept. The preventive approach is more sensible and less expensive than simply allowing threatened species to become endangered species and then trying to recover them from the brink of endangerment and to regain ground. In other words the present approach can be subjected to improvements, and this is what Bill C-275 is all about.

As to public accountability, Bill C-275 contains a provision whereby any Canadian may make a representation to the Minister of the Environment in writing requesting the minister to add or delete a species from the threatened or endangered list. I hope it will be used for adding rather than deleting.

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The minister must respond within 180 days, advising what course of action will be taken and why. This will have the effect of allowing for public knowledge and traditional knowledge systems such as those offered by the aboriginal people to work together with the scientific process represented by COSEWIC in determining which species in Canada are identifiable as endangered or threatened.

Every year the Recovery of Nationally Endangered Wildlife group shall report to the minister on the effectiveness of the recovery programs carried out in the previous year. The report is to be tabled in Parliament not later than June 1 of the year the report was submitted to the minister. This will be done to address the criticism presently levelled at the Recovery of Nationally Endangered Wildlife group that it lacks accountability and is too slow in enacting recovery programs.

I am sure many members of Parliament and the public at large would be fascinated, rather intrigued and quite attracted to becoming involved if they were familiar with the work done by both COSEWIC and RNEW.

To conclude very briefly, according to the bill the minister shall table no later than June 1 of every a report of a list of every species added to or removed from either the threatened or endangered list. The report will include the summary of the information that led to the species being removed or added to the respective list.

In essence the bill would provide a more coherent approach than we have at present to the protection of threatened and endangered species in Canada, while recognizing the importance of working in close co-operation with the provinces, the territories, the municipalities, aboriginal people and so on, so as to ensure recovery programs for endangered or threatened species are successful.

Furthermore the bill builds on the established systems of expertise represented by the people involved and presently active in COSEWIC and RNEW, so as to ensure that sound scientific principles are maintained when listing threatened or endangered species while providing the opportunity—and this is the main point of the bill to which I keep returning—and the importance of public input and public accountability.

This ends my presentation on Bill C-275 which I commend to the attention of my hon. colleagues. I hope they will find some positive aspects and sufficient substance in the bill to warrant having it sent to committee for necessary improvements and reinforcements.

(1745)

As I said at the outset, it is a measure that emanates from the Rio de Janeiro conference. It flows from Canada's fascination and understandable pride in the richness of its wildlife and in the

desire to ensure that what we have inherited will remain for generations to come because we all love our wildlife and we all love nature.

Also as politicians we want to make a contribution to the work that is being done outside the political ranks in the communities at large in order to ensure that this richness remains one of the great things that makes Canada known and admired and desired by so many people abroad.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Madam Speaker, it is with great interest that I rise to speak today to Bill C-275, a bill tabled by the hon. member for Davenport.

For approximately one year now, I have had the good fortune of sitting on the Standing Committee on the Environment and Sustainable Development chaired by the hon. member for Davenport. He is so interested in the cause and devotes such effort to it that he is undoubtedly a first rate environmentalist and a true defender of our environment. However, the hon. member is also a staunch federalist, which, in my opinion, makes him lean dangerously towards centralization, which we do not consider an option and which can only have nefarious effects on the environment.

Centralization would burn bridges with the community; centralization would distance us from the community; centralization would make us more out of touch with the community. Therefore, the environment would lose out under an excessively centralized system, because the environment is very much a hands-on field and the local and provincial governments have a bigger presence in this field than the federal government.

It is becoming increasingly obvious that we have to give jurisdiction for the environment to the provinces and to the local governments. Furthermore, I would like to stress that the hon. member stated himself at a press conference this morning that aboriginal peoples should be given full jurisdiction over the area. He seemed to have really been caught off guard by a question that a journalist asked, which was whether the federal government was being hypocritical by denying the provinces the jurisdiction which it wants to give to aboriginal people. Obviously uncomfortable, he muttered that certain provinces wanted national standards.

Therefore, I would ask him the following questions: Will he, who is so big on democracy, impose his standards on the other provinces which do not want national standards? Will he accept that certain provinces refuse to adopt the standards? These are questions which merit a reply and for which the hon. member for Davenport is not very clear.

The summary of the bill indicates that it provides for: "the identification, protection and rehabilitation of flora and fauna in

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Canada threatened or endangered by human activity, to provide for the protection of habitat and the restoration of population”.

Certainly, nobody can be against the protection of endangered animal species and populations. As inhabitants of this planet, we have the duty of respecting and protecting all species with which we share the planet. Otherwise, we are opening the door to the extinction of our own species. Too often, however, we remain oblivious to the need to protect the environment. More and more species are becoming extinct and more and more are threatened, mainly because of human interference.

Recently, the Standing Committee on Environment and Sustainable Development sponsored a seminar on wildlife. This very useful and interesting activity gave us an opportunity to become more aware of all the threats to wildlife. Believe me, it was not a pretty picture. Witnesses who were invited to speak on the subject described an alarming situation that required prompt and decisive action. They described the impact of poaching, smuggling and destruction of natural habitat with a lot of expertise and considerable emotion.

(1750)

They also pointed out the inadequacy of federal action in this field. Not enough financial resources were available to provide for more effective local control of the situations already mentioned. It was clear to us in the Bloc Québécois that once again, the federal government was not up to the task in this area.

Canada is even incapable of complying with certain international agreements in this sector. One example is the CITES agreement to monitor and stop the trafficking in organs or endangered species. At the seminar, intervenors made it abundantly clear that the federal government failed to allocate the resources to meet its commitments in this respect. As a result we have considerable misgivings about the federal government's desire to protect threatened wildlife and plants and also about its ability to do so.

That is why we cannot allow the federal government to intrude even further in provincial jurisdictions. Although the bill presented by the hon. member for Davenport has its merits, some of its clauses reflect a desire to encroach on provincial jurisdictions, and that we cannot accept. For instance, in clause 8(2), the minister shall secure the carrying out of a recovery program by agreement with the province or municipality concerned. But, and this is the sticking point, the clause includes the phrase: “where possible”.

What does the hon. member think would happen if it were not possible? And what about possible agreements with the municipalities? As far as I know, they come under provincial jurisdiction. This clause is typical of the attitude of government

members. The Liberals are very good at saying “where possible”, although they know perfectly well that very often it would be impossible. If we consider current federal-provincial harmonization agreements, it is clear there are quite a few problems with these agreements.

The federal government has quite simply failed to get the provinces to agree on quite a few issues. The authoritarian approach of the Minister of the Environment has been one of the main reasons why agreements have not been signed. According to our information, the minister has even been challenged at these federal-provincial sessions. I may point out to the hon. member that Quebec, with whom Canada will soon have to negotiate on an equal footing on these matters, recently launched its policy on biodiversity and at the same time asked Ottawa to mind its own business as far as provincial jurisdictions were concerned.

In fact, the Quebec minister of wildlife and the environment, Jacques Brassard, made public his proposed strategy for preserving Quebec's biological diversity, on May 18. In announcing it, he said: “Its actual implementation will be Quebec's responsibility in the end. This was the decision of the Government of Quebec in 1992”. I close the quotes by pointing out that the Government of Quebec in question was red and federalist, like those opposite. It was not the wicked separatists.

Mr. Brassard went on to say: “We will be the ones to act. This is why the federal strategy contains no measures and ours has over 200. I do not foresee any trouble, so long as the federal government stays where it is”. Make no mistake: the Quebec minister was talking on May 18 about the bill the federal minister was to table, which has since vanished never to be heard of again. To replace what the federal minister withdrew, the government is proposing the bill of the member for Davenport. It decided to give him a bit of rope and to untie his hands. This is a good way to give Liberal members the impression they are useful for something in Parliament.

Moreover, the minister has her hands full at the moment. With all the mail she has to check and even her fictional mail and with everything she says here and there, she and her acolytes have a lot of salvaging to do and corrections to make. The minister has become a great big surprise package. The same rabbit that pops out of the magician's hat could pop out of her mouth. This is farce, burlesque. I think the minister has really missed her calling.

To finish up what I was saying about Mr. Brassard, he told the federal government clearly to focus its actions on areas under its jurisdiction and, more particularly, to regulate international and interprovincial trade and to maintain a constant vigil to stop the illegal traffic in endangered species.

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(1755)

Quebec's message is clear—no encroachment in areas under Quebec's jurisdiction. We therefore oppose the bill proposed by the member for Davenport. In our opinion, it will be the source of confrontation with the provinces. Furthermore, for the federalist provinces, this bill is no pledge of effectiveness in species protection. As I mentioned, the federal government has the unfortunate habit of not applying its environmental legislation.

[English]

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, I am pleased to have the opportunity to speak to this private member's bill put forward by my colleague from Davenport.

Bill C-275 provides for the identification and rehabilitation of flora and fauna in Canada threatened or endangered by human activity and provides for the protection of habitat and restoration of populations.

Endangered species is an important Canadian environmental issue that should be carefully considered within a comprehensive, biodiversity strategy. According to one estimate, species are going extinct globally at the rate of several species a day. Since the arrival of the Europeans, only nine species have been rendered extinct in Canada.

Last April reports indicated that Canada had 263 species listed at risk. Some of the endangered species include the whooping crane, beluga whale and the peregrine falcon. The list is growing steadily and only last April eight new species were added. Once a species is lost, it is forever and the actions cannot be reversed.

The Brundtland commission identified one of the prerequisites to sustainable development as the protection of species and ecosystems. The fundamental goal of endangered species legislation must be to ensure that no further native species go extinct and that already endangered species recover to healthy, self-sustaining population levels using the most efficient, effective, fair and balanced means possible.

In 1992 Canada signed the Convention on Biological Diversity. This agreement calls on nations to retain a healthy population of the many varied species in the wild and commits signatories to introducing legislation to protect endangered species. Japan, Australia and the United States all have federal endangered species laws in place at the moment. The development of comprehensive legal protection for endangered species is a first step in meeting Canada's international commitments.

The federal government has jurisdiction over the management and preservation of wildlife on federal lands such as national parks. Provinces have jurisdiction over the management of all wildlife not falling within the federal jurisdiction. Only four

provinces, as my colleague has mentioned, Manitoba, Ontario, Quebec and New Brunswick have provincial endangered species acts. These laws enable, but do not compel, governments to develop a national list of endangered species and implement recovery plans. The remaining provinces have no endangered species legislation.

There are 12 pieces of federal legislation ranging from health regulations to trade rules that address species protection. These federal laws must be harmonized. Rather than developing a weak and ineffective set of standards, the federal government should work with the provinces to come up with a common set of standards that will be agreeable to all parties right across the country.

It is my hope that the federal environment minister will work co-operatively with provincial and territorial governments to develop such a strategy. I understand that harmonized endangered species legislation is currently in the works.

Last November the environment minister stated in the House that framework legislation would be introduced this spring. Members have seen a discussion paper and working document but there has been nothing concrete as yet. However, I suspect we will see endangered species legislation in the fall.

With federal legislation already in the works, this private member's bill may best serve as an example for discussion and consideration by the standing committee and the environment minister.

As part of the process, it is important that all interested parties have the opportunity to take part in the consultation process. The government should consult a broad cross section of stakeholders, including rural and urban centres, and consultation must be open to the public.

(1800)

It is important that when we develop endangered species legislation we give serious consideration to the variety of options available. Laws must be balanced in meeting both the environmental and economic needs of the country.

Habitat protection will be a contentious and difficult issue when dealing with endangered species protection and laws must be fair and balanced. We need to encourage private land owners to protect endangered species and their habitats as opposed to heavy handed legislation that would penalize land owners. Clearly we have to have the land owners on side.

Bill C-275 does not set out how far the minister can go in taking action to protect endangered species and it is unlikely we will see this clearly spelled out until the minister tables the bill this fall.

Canadians do now want laws that will be economically destructive. We recently saw the U.S. Endangered Species Act shut down a large portion of the west coast logging to save the

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spotted owl, thus devastating entire communities. Endangered species legislation must be fair and reasonable and not draconian in approach.

Section 9 of Bill C-275 proposes to give the minister the power to forbid or restrict use of, access to, activity on, or the use of any substance on lands that directly threaten the success of a recovery program. It is most important that we ensure private property rights are respected when any activity or use of lands is being restricted.

Section 11(1) of the bill empowers the minister to pay compensation when actions to protect endangered or threatened species affect a person's property or livelihood. This clause merits serious consideration. When personal property or restriction on the use of property are affected by government action, compensation must be addressed. I am sure my colleague will address this in detail when his turn comes up.

Another area of concern with the bill is section 5(2). This section gives the minister power to implement a recovery program if the minister is advised the cause or probable cause is of human origin. I am concerned this section may be too open ended as it allows the minister to take action before an investigation has taken place. The minister is not required to have proof that actions are warranted or justified. I feel this is dangerous.

Section 5(2) must be tightened up to ensure individual rights are protected. It is not good enough to take action because the minister has been advised of probable cause; rather, cause must be determined and action should, if necessary, be implemented.

In addition, endangered species legislation should apply equally to all Canadian citizens regardless of race or ethnicity. Two sections of the bill imply native Indians may be exempt from legislation or subject to a separate set of rules and regulations. This needs to be reviewed, as there can be only one set of laws applied equally to everyone in Canada.

Whatever rules and regulations are drawn up regarding the protection of endangered species they should be applied nationwide and with equality. The minister should not be negotiating private deals with one group and applying a set of regulations to another.

I am concerned about the potential implications of this section. Legislation should establish one comprehensive set of rules to be applied equally to all Canadians.

I take the opportunity to voice my concerns regarding the trade in endangered species and animal parts. The bill addressed endangered species but Canada is also faced with serious problems regarding the trafficking of wildlife and animal parts and continues to be used as a transit route for shipments of illegal wildlife destined for other countries. This is particularly so in my riding of Comox—Alberni on Vancouver Island. Penalties must be severe enough to act as a deterrent commensu-

rate with the commercial value of endangered species and their parts.

I thank the hon. member for bringing this private members' bill forward in the House. Although I do not agree with all sections of the bill, some of the proposals warrant serious consideration and I hope the environment minister will look at some of the ideas contained in the bill as she drafts her legislation. I look forward to looking at the issue more closely when the minister tables the legislation.

(1805)

Mr. Pat O'Brien (London—Middlesex, Lib.): Madam Speaker, in rising to speak on Bill C-275 I congratulate the hon. member for Davenport for his tireless work to bring the bill before the House of Commons. More important, I congratulate the hon. member for his tireless efforts to protect Canada's endangered and threatened species.

The caribou, the sea otter, the wolverine, the burrowing owl, the blue ash and the red mulberry are just a few of the more than 240 endangered, threatened or vulnerable species in Canada.

Human activity is putting those species at risk. It is up to us as human beings to understand our failings and to work to reverse those failings. When we kill or injure an endangered species we are putting at risk a unique life form. When we buy or sell, import or export an endangered species we are trafficking in the extinction of a species.

All Canadians have a responsibility to prevent native wild species from disappearing from the face of the globe as a result of human activity. All Canadians have a responsibility to protect endangered species to the full extent of our powers. All of us must do what we can to help those species recover.

In Canada wetlands have been reduced by over 70 per cent. We have lost 99 per cent of tall grass prairie. No single Canadian is to blame. We are all to blame and it is up to all of us to act at every level of government, in every occupation, in every community and neighbourhood across the country.

Four provinces have acted to introduce endangered species legislation; Alberta, Ontario, Quebec and New Brunswick deserve credit for their actions. It is now clearly time for the federal government to do its part in areas of federal jurisdiction. It is also time for the federal government to push hard for co-operative national and international action.

My colleague, the hon. member for Davenport, understands that and the Minister of the Environment understands that. That is why the minister last fall outlined the federal government's intention to introduce endangered species legislation. It is why she held the first ever public consultations on the basics of such a law. It is why she has committed herself to bring such a law before cabinet in the next few weeks and to allow Canadians to

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comment on the law before it receives detailed scrutiny by Parliament.

I am very pleased the hon. member for Davenport and the Minister of the Environment are working so closely together to advance the cause of endangered species. Obviously as Liberals we support their efforts and we are pleased to see real federal leadership.

However, this is not a partisan cause and I regret some of the comments I have heard in the House which clearly appeared to be of a partisan nature. I know members of Parliament from every party and every part of the country, including Quebec, want to see Canada a true world leader in protecting endangered species.

Canada was the first industrialized country to sign the United Nations convention on biological diversity. We need to transfer our goodwill and our signature on a piece of paper into real action to preserve our country's biological diversity. We owe that to future generations of human beings and we certainly owe that to future generations of endangered species.

Canadians like to keep their word. In article 8K of the convention on biological diversity, Canada promised to develop or maintain necessary legislation and/or other regulatory provisions for the protection of threatened species and populations. That is one good reason the hon. member and the minister are pushing for action.

There is another good reason to take action. Canadian children expect us to act. They have petitioned and written the Minister of the Environment in unprecedented numbers to call for the protection of endangered fish, marine mammals and migratory birds.

I recently received many responses from my spring-summer householder, something all members send out. Concern for the environment was at the top of the list.

(1810)

I have heard it described as a sexy issue that has now been pushed to the background. That is nonsense. If we let this issue be pushed to the background we will all pay a very heavy price.

Canadian children and all Canadians believe or should believe that living organisms have the right to live. They do not understand how someone could make a living by selling off the parts of an endangered species. Canada's children are right.

Important scientific and financial issues must be addressed. There are certainly important issues raised by provinces, aboriginal peoples and farmers that must be addressed. Legislation must be realistic and fair. Not all the issues are easy but all of the issues must be resolved.

The biological foundation for our world depends on its diversity of genes, species and ecosystems. We need each sphere of our society to demonstrate both leadership and partnership in

protecting endangered species. We do not need overlap or duplication or wasteful actions. We need swift action.

Conservation of endangered species is not the sole responsibility of the federal government, nor of any government. All elements of society have an interest in protecting species and all elements of our society should be intimately involved in planning, developing and implementing conservation programs.

It is important for the federal government to pass legislation that can be a model to the world, legislation that seeks to put an end to the extinction of species as a result of human activity. The federal government must do its part to make things right for Canada's wild plants and animals.

That is the policy underlying the legislation introduced by my friend and colleague from Davenport. That is the policy underlying the actions taken by my friend and colleague the Minister of the Environment. I believe it is the policy that must guide Parliament in our work to protect endangered species, and I am very pleased to have added some thoughts to today's debate.

[Translation]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Madam Speaker, it is my intention, in the next few minutes, to demonstrate to those watching that Bill C-275, which is before us today, is a typical example of inefficiency resulting from the overlaps that are caused by poor co-ordination between the federal government and Quebec.

This bill, as was pointed out by my hon. colleague, the member for Laurentides, and I am going to repeat it because it is important, provides for the identification, protection and rehabilitation of flora and fauna in Canada threatened or endangered by human activity—the hon. member for Davenport has provided a fairly impressive list, I believe—to provide for the protection of habitat and the restoration of population.

This is a laudable sentiment, and obviously this bill is interesting because the government is limiting its legislation to federally owned lands. After all, the government is perfectly justified in taking environmental action on lands that belong to it.

But the problem lies in the fact that fauna, understandably, do not stay in one place, and sooner or later appear on sites where the federal government does not have exclusive jurisdiction. There is therefore a need for an agreement with the other governments concerned, including the government of Quebec, all the more so as the latter has already made known its intentions in this regard in a letter sent to the attention of the Minister of the Environment last March 28.

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In the circumstances, the least we could expect from the federal government is that it would consult the government of Quebec to find out its intentions and that it would table a bill taking into account the potential conflicts of jurisdiction with Quebec.

With respect to the environment, the distribution of powers is not fully spelled out, adding to the risk of overlap, overregulation and duplication. Let us look more specifically at the somewhat ill defined distribution of powers.

With respect to terrestrial fauna, Quebec has full authority over the species inhabiting the public or private lands held by Quebec.

(1815)

It may also take steps to protect species and their habitat. The federal government has jurisdiction over land animals on federal land only.

As far as our feathered friends are concerned, the federal government was responsible for implementing the 1916 convention on migratory birds. Since this was an international agreement, the federal government at the time assumed responsibility for protecting these birds.

Today, Quebec is responsible for all bird species, including migratory birds, except on federal land. One wonders what happens when birds are neither on provincial land nor on federal land. Furthermore, following a number of administrative agreements, Quebec is now responsible for enforcing Canadian legislation on the 1916 convention on migratory birds.

Finally, as far as marine mammals and fish are concerned—certain fish species are also on the endangered list—the Constitution Act, 1867 gives the federal government exclusive jurisdiction over ocean and inland fisheries. As of 1922, however, an administrative agreement gives Quebec full responsibility for fisheries management, without any regulatory powers, however.

This delegation of authority has changed over the years, and today, Quebec is responsible for managing freshwater resources and the species they contain, while the federal government manages salt water resources. The division of powers remains a problem.

In the light of the foregoing, it is clear that agreements on the division of powers in environmental matters will require a very sensitive approach. Bill C-275, however, ignores the very existence of this problem, which is why it merely increases the likelihood of overlap and jurisdictional disputes between Quebec and the federal government.

In fact, the Minister of the Environment is well aware of the dangers of overlap and the potential for jurisdictional disputes. In a letter dated March 28, her Quebec counterpart, and I

referred to this letter earlier, wrote that the federal bill on endangered species constituted an intrusion into one of Quebec's jurisdictions.

Not only does this government not consult Quebec but there is no attempt to consult within the government itself. In his letter, the Quebec Environment Minister suggested ways to regulate this area, saying that the minister should focus federal action on aspects that were obviously federal in scope, in other words, regulating international and interprovincial trade and exercising constant vigilance to prevent unlawful trafficking in endangered species. The bill before us today, however, does not reflect these suggestions, which means that the Liberal government's spokespersons for environmental matters may not have bothered to discuss the matter. Or even worse, they did and deliberately decided to "invade" an area over which Quebec has specific jurisdiction.

We certainly do not doubt the sincerity of the hon. member for Davenport, and I am sure, because I know him personally through the Standing Committee on the Environment, that the bill he introduced today is based on a genuine desire that is found the world over to protect the environment.

However, despite this sincerity, there is a significant risk that this bill will encroach on Quebec's jurisdictions. Even if the hon. member's motions are sincere, this is something we cannot accept.

I realize, and here I want to add a more personal note, that this is not the first time we rise in the House to speak out against bills or to say that there is a risk of encroaching on Quebec's jurisdictions. Every time we do, we look like troublemakers. I feel a bit like a troublemaker myself when I do this. Quite often, the bills introduced in the House are, to all intents and purposes, good bills.

From time to time, in committee, we draft dissenting opinions on committee reports which, all things considered, were excellent. However, we had to file our minority reports because the majority reports contained some very serious threats to Quebec's jurisdictions.

I think we should consider the demographic evolution of Quebecers since the founding of Canada.

(1820)

When Canada was founded, the number of francophones and anglophones was about even. Today, we represent only 23 per cent of the population. We used to be one of four provinces. Today, we are one of ten and may become one of 12 or 13, when the territories gain provincial status. Quebecers are one of Canada's endangered species.

That being said, I think we must protect the interests of Quebecers. That is what we were elected to do. I know this bill is sincere and relatively well drafted, but because it represents a

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serious threat to Quebec's jurisdictions, we intend to vote against this bill.

[*English*]

Mr. Paul DeVillers (Simcoe North, Lib.): Madam Speaker, I am pleased to take part in this debate on the bill introduced by the hon. member for Davenport.

First, I want to praise the hon. member for his unflagging commitment to environmental issues. Second, I want to point out how dedication to a cause can result in progress. Third, I wish to talk about the importance of protecting and rehabilitating endangered and threatened species.

My colleague from Davenport is well known for his commitment to environmental issues through his work as chair of the standing committee on the environment and sustainable development.

[*Translation*]

The hon. member has devoted his political career to keeping the environmental cause in the foreground in society and at the centre of debates in the House of Commons. He knows that sustainable development is the only way to secure our generation's prosperity without endangering the prosperity of generations to come.

[*English*]

He knows that preservation of the world's biodiversity is central to the preservation of the world's environment and the world's future success. He knows that taking an ecosystem approach to environmental issues is critical. We have to look at the big picture and understand that every action in any sphere of the environment can have and does have implications for other parts of the environment.

That brings me to my second point, that the dedication of the hon. member has helped to ensure that the protection of endangered species has become a national priority. Thanks to forceful advocacy by the hon. member and others, our party made protection of endangered species a core part of the Liberal red book. We promised to introduce Canada's first comprehensive federal law to protect endangered species, and we are going to keep that promise to Canadians.

Bill C-275 received first reading in the House of Commons last September. Since that time the Minister of the Environment has called for wide-ranging public consultation on a law to protect endangered species. A few weeks ago the minister completed those hearings and outlined the fundamentals of the new law to the last national consultation meeting.

[*Translation*]

As the minister herself said, she received over 5,000 very articulate letters from grade school and high school students in support of such a law. That is why she drafted the bill hand in hand with representatives of the industry, the farming sector, aboriginal organizations and the provinces and territories.

In addition, the Minister of the Environment and the hon. member for Davenport joined forces to ensure that their wishes for a law to protect threatened species became a reality. Their determination reflects the determination of the Liberal Party and our government. Their determination reflects the wishes of the vast majority of the members of this House and, more importantly, the desire of the vast majority of the Canadian public to bring in such a law.

[*English*]

The law is coming very, very quickly thanks in large part to many years of hard work and dedication by the chair of the standing committee on environment and sustainable development.

This brings me to the third point. The preservation of endangered and threatened species is of vital importance to this country. As the school children who mounted the campaign for endangered species legislation said, "There otter be a law". Mammals, birds, amphibians, fish, invertebrates, plants, and other wild organisms all play a critical role in the environment of our country. Endangered fish, endangered marine animals, endangered waterfowl, and endangered migratory birds are all an important federal matter.

(1825)

The species of the world contribute to the ecological wonders of the world. Of course these species have the right to exist for their own sake, but it is important to remember how much these species matter to us. They provide us with learning opportunities. They are part of our history. They offer artistic and spiritual inspiration. They are part of our identity as a country and as human beings. They help to sustain us environmentally, culturally, and economically.

Consider the list of endangered or threatened species in Canada and imagine how much poorer a country we would be without them. The Vancouver Island marmot, the beluga whale, the peregrine falcon, the leatherback turtle, the Acadian whitefish, the prairie orchid, the wood poppy, the wood bison, the harbour porpoise, the white-headed woodpecker, and the trumpeter swan are some of the endangered, threatened, or vulnerable species in Canada. These are some of the species that need protection and restoration. They are species whose habitat is disappearing or who have been victims of pollution or have been

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slaughtered so that a few human beings may trade in their precious products. That is clearly wrong. That is clearly foolish.

It is important to note the efforts undertaken by conservancy organizations throughout the country to preserve and protect some of our endangered species. I can think of no better example than the Wye Marsh Wildlife Centre in Midland, Ontario, which is located in my riding of Simcoe North. A few weeks ago I had the extreme honour of celebrating the 25th anniversary of the official opening of the Wye Marsh centre with many of its supporters. The centre is today a national example of leadership and ecological awareness and understanding of the importance of wetlands and wildlife in our world. In the past few years this centre has been very active in its program to increase the trumpeter swan population, which we know is very vulnerable.

It is now the time to assist Wye Marsh and similar organizations with meaningful and effective legislation. In addition to this private member's bill, the member for Davenport went to great lengths to organize a forum on wildlife, which was hosted last April by the standing committee on environment and sustainable development. This was a great opportunity for the members of the committee to discuss this serious matter with a variety of experts and organizations devoted to the protection of endangered species. I know that for me personally it gave me a newfound understanding of the consequences at hand and an appreciation of the urgency of this type of legislation.

[Translation]

The hon. member for Davenport and the Minister of the Environment are determined to put an end to these unfortunate practices in the federal jurisdiction. They are determined to have Parliament pass a law with teeth. They are also determined to see Canada adopt a credible and co-ordinated action plan to protect threatened and endangered species.

[English]

In our red book we committed the Liberal government to a vision of society that protects the longterm health and diversity of all species on the planet. The initiative we are debating today is one important contribution by the hon. member for Davenport to advance that vision and to advance that cause. We all ought to join him in this worthwhile cause. His bill is proof that he remains as committed as ever to providing good government for this country and responsible policies for the world's environment.

The Speaker: My colleagues, the time 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.

GOVERNMENT ORDERS

[English]

ELECTORAL BOUNDARIES READJUSTMENT ACT, 1995

MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with regard to the motion regarding consideration of the Senate amendments to Bill C-69, I move:

That the debate be not further adjourned.

(1830)

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 315)

YEAS

Members

Adams
Allmand
Anderson
Assad
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bethel
Blondin-Andrew
Boudria
Bryden
Calder
Catterall
Chamberlain
Collenette
Copps
Culbert
Dingwall
Duhamel
English
Finestone
Fontana
Gagliano
Galloway
Graham
Guarnieri
Harper (Churchill)

Alcock
Anawak
Arseneault
Assadourian
Bakopanos
Beaumier
Bernier (Beauce)
Bevilacqua
Bodnar Bonin
Brown (Oakville—Milton)
Bélair Caccia
Campbell
Cauchon
Clancy Cohen
Comuzzi
Cowling
DeVillers
Dromisky
Dupuy Eggleton
Fewchuk
Finlay
Fry
Gagnon (Bonaventure Îles-de-la-Madeleine)
Godfrey
Gray (Windsor West)
Harb
Harvard

Hickey
Hubbard
Iftody
Jackson
Keyes
Knutson
Lastewka
Lee
Loney
MacLaren
Malhi
Manley
Marleau
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Milliken
Minna
Murphy
Nault
O'Reilly
Parrish
Payne
Peters
Phinney
Pillitteri
Reed
Rideout
Robichaud
Rock
Serré
Sheridan
Speller
Steckle
Stewart (Northumberland)
Telegdi
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Valeri
Verran
Walker
Wells
Wood
Zed—145

Hopkins
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Martin (LaSalle—Énard)
McCormick
McKinnon
McTeague
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
O'Brien
Pagtakhan
Patry
Peric
Peterson
Pickard (Essex—Kent)
Proud
Richardson
Ringuette—Maltais
Robillard
Scott (Fredericton—York—Sunbury)
Shepherd
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Ur
Vanclief
Volpe
Wappel
Whelan
Young

NAYS

Members

Abbott
Asselin
Bellehumeur
Bergeron
Breitkreuz (Yellowhead)
Bridgman
Brown (Calgary Southeast)
Caron
Crête
Dalphond—Guiral
de Savoye
Dubé
Dumas
Epp
Gagnon (Québec)
Gilmour
Grey (Beaver River)
Guimond
Harper (Calgary West)
Hart
Hermanson
Hill (Prince George—Peace River)
Jacob
Langlois
Lebel
Lefebvre
Leroux (Shefford)
Manning
Mayfield
Mercier

Ablonczy
Bachand
Benoit
Blaikie
Breitkreuz (Yorkton—Melville)
Brien
Bélisle
Chrétien (Frontenac)
Cummins
Daviault
Deshaies
Duceppe
Duncan
Forseth
Gauthier (Roberval)
Gouk
Guay
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (MacLeod)
Hoepfner
Landry
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith

Government Orders

Mills (Red Deer)
Ménard
Paré
Picard (Drummond)
Pomerleau
Rocheleau
Schmidt
St-Laurent
Strahl
Tremblay (Rosemont)
White (Fraser Valley West)

Morrison
Nunez
Penson
Plamondon
Ramsay
Sauvageau
Silye
Stinson
Thompson
Venne
Williams—82

PAIRED MEMBERS

Bernier (Gaspé)
Bélanger
Debien

Bertrand
Canuel
Regan

(1850)

[*Translation*]

After the taking of the vote:

The Speaker: The hon. member for Rosemont has the floor on a point of order.

Mr. Tremblay: Mr. Speaker, I noticed that the member for Vaudreuil arrived long after the voting had started. Perhaps he should be reminded of the rules.

Mr. Discepolo: Indeed, Mr. Speaker, I arrived when the vote was already underway. I would point out to the House, however, that members of the Bloc Québécois and the Reform Party arrived after I did.

Some hon. members: Oh, oh.

[*English*]

The Speaker: Colleagues, before we get into finger pointing as to who did and did not come in, I would simply put it to all hon. members that if you come in after the vote has started, then you should not vote.

You know what you did. If you came in after it, you can inform the Chair or at least not vote during the course of the regular taking of the vote. If indeed there were some members who came in, the Chair is not aware of it. If hon. members want to declare that now, then let them.

[*Translation*]

Mr. Fillion: Mr. Speaker, I arrived late, but I relied on the television broadcast.

[*English*]

The Speaker: Colleagues, if there are some hon. members who feel that they came in after the vote was started and who want to have their names taken off of the vote, I want to do that now. It should not take more than a minute. All you have to do is if you came in after the vote and you were recorded as voting, stand right now.

I put it to the hon. member for Vaudreuil. Did you come in after the vote was started, yes or no, sir?

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Mr. Discepola: Yes, Mr. Speaker.

The Speaker: Thank you. Take his name off.

[*Translation*]

Mr. Caron: I came in late, Mr. Speaker.

[*English*]

The Speaker: Take his name off.

[*Translation*]

Mr. Laurin: So did I, Mr. Speaker.

[*English*]

The Speaker: Take his name off.

[*Translation*]

As well as those of the hon. members for Québec—Est, Mégantic—Compton—Stanstead and Verdun—Saint—Paul.

(1855)

[*English*]

Mr. White (North Vancouver): Mr. Speaker, the television broadcast within the House indicated a 30 minute vote. There must be other members in this House who saw that. As a result it started at 30 minutes.

The Speaker: The Clerk will give me the count unless there are other members who want to declare now that they came in after the vote started. This is the honour system. If there are not any, I want to hear the results from the Clerk now.

I will hear your points of order after this.

The Speaker: I declare the motion carried.

(Motion agreed to.)

Mr. Silye: Mr. Speaker, on a point of order, in light of what has happened here this evening and in the light of restoring some decorum to the House of Commons and due to the confusion, I would humbly request that you do a revote on this issue.

The Speaker: The vote will stand as it is.

* * *

(1900)

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT, 1995

The House resumed from June 19, consideration of the motion in relation to the amendments made by the Senate to Bill C-69, an act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries; and of the amendment.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, I am pleased to speak on Bill C-69, an act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries.

To start off, I would like to say that we proposed an amendment to improve Bill C-69. As we were denied this amendment, which was defeated in the House, we cannot support this bill.

It was essential for us to ensure proportional representation for Quebec in the unlikely event of other elections here in the federal system involving Quebec. We think it would be very surprising, but, if it did happen, we had to guarantee that Quebec had at least 25 per cent representation. We were denied our amendment; it was defeated democratically in the House and, for this reason, essentially, we cannot support this bill.

I must also point out the importance of the readjustment commissions, the commissions redefining electoral boundaries. It should be said that there are some obvious points here. There are ridings, like my own, with 110,000 constituents; there are other ridings with 43,000 constituents. Representation is therefore not proportional. In some regions, ridings are huge, and the member of Parliament, even with the best of intentions, is unable to serve the entire population.

Therefore the changes to the electoral maps planned for every five years with the census and the readjustment are fundamental and vital. In any decision to readjust boundaries, the primary criterion should be proportional representation. Before continuing, I would like to point out that it is unlikely that we will be involved in any more elections in Ottawa, but I would still like to speak to Bill C-69 because it directly affects my riding.

The federal riding of Terrebonne would be split in two on the new electoral maps. This is fine. As I said earlier, having 110,000 constituents can be a bit difficult, even though things are going very well right now. But it is a bit much as far as proportional representation is concerned, and they want to split the riding in two, to create the ridings of Repentigny and Blainville—Terrebonne.

This split will be the focus of my speech to the House. Briefly, the riding of Terrebonne, as it now stands, the riding I represent, has 110,000 voters, as I said earlier, and 160,000 inhabitants. It is the most densely populated riding in Quebec, and if memory serves, the sixth most densely populated in Canada. We therefore agree on the need to readjust the riding's boundaries.

I would like to show in this House that it is in the interest of the two groups of people concerned to examine the proposed ridings of Blainville—Terrebonne and Repentigny. I believe that a simple mathematical calculation was performed; 75 members divided by the number of people. As I will point out, there are elementary rules to follow. But these rules have not been followed by the electoral boundaries commissions.

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To do so, the commissions should go by the rules of geographical size and population density. In my riding in Lanaudière, the population increased 25 per cent in ten years. This was the most significant demographic “boom” in Quebec. So population density, community of interest, cultural identity and the region’s historic background—I believe the last two, cultural identity and historical background of the region should be included as criteria, but these are eliminated from the outset, and you will see why.

After analysing the two proposed electoral districts, it is clear that some of these principles were not considered at all by the commission, as I said earlier, I am referring to community of interest and historical background of the region.

(1905)

I started with the first riding the bill proposed, the riding of Blainville—Terrebonne. In its proposal, the commission, which visited my riding, suggested putting the following towns: Blainville, Bois-des-Filion, Lorraine, Rosemère, Sainte-Anne-des-Plaines and Terrebonne together in the riding of Blainville—Terrebonne.

Although the first five towns met all the criteria, Terrebonne, the most densely populated town in the proposed riding, would be the big loser. In fact, Terrebonne had a population of 39,678 at the last census. These residents have no geographical, economic or cultural affinity with the other towns in the proposed riding.

They do not have the same administrative regions, MRCs, school boards, economic development corporations, employment centres, Quebec manpower development corporations or CLSCs, but the commission still wanted to put them into one riding, grafting together bits and pieces that have nothing in common, and they think this will be a riding that makes sense. However, it makes no sense at all to uproot entire communities.

At a time when we are all working hard to eliminate costly duplication and overlap, we think this should be an opportunity to reinforce communities of interest instead of dividing them.

Considering that the riding of Terrebonne has existed since the Constitution Act, 1867—I have already said this here, but I want to repeat it in reference to the current bill—considering that the commissions are probably going to circulate again, I would like to ask the federal electoral boundaries commission to reconsider the proposal regarding Blainville—Terrebonne, and to decide to leave the riding as Terrebonne.

It meets the first criterion, which is historical development. Under this criterion, the towns of Lachenaie, Mascouche, Terrebonne and La Plaine could be grouped together to form the new riding of Terrebonne.

According to the decennial census of 1991, the population of this new riding would be approximately 91,156, which is within 1 per cent, or 800 persons, of the electoral quota set for Quebec, which is 91,946.

In addition, in the next briefs to be presented in the next hearings, the commission and Parliament will have to take into consideration the fact that the four towns mentioned earlier are already considered to form one entity for the purposes of the administrative region of Lanaudière, the RCM of Les Moulins, the des Manoirs school board, la Société de développement économique des Moulins, the Terrebonne Canada Employment Centre at Lachenaie, la Société québécoise de développement de la main-d’oeuvre and the Lamazer local community health centre.

Therefore, I believe that I have clearly demonstrated that creating the riding of Blainville—Terrebonne would be totally irresponsible and irrational. It is our duty to respect communities of interest, economic communities, historical development and thus to maintain the riding of Terrebonne with the new towns as I just explained.

Regarding Repentigny, we were pleased to see that the previous law created this riding. As I said earlier, with 110,000 voters, there is no reason for us to oppose the boundary as it stands.

In fact, the creation of Repentigny corrects a historical oversight. On April 16, 1647, Pierre Le Gardeur de Repentigny was granted the seigniory of Repentigny. We can only praise this acknowledgement of history which is one of the criteria in the bill before us.

The commission aims to group the towns of Charlemagne, Lachenaie, Mascouche, Repentigny and the part of the RCM of Les Moulins which is included in the parish of La Plaine in this new riding.

(1910)

In fact the cities of Charlemagne and Repentigny, on the one hand, and Lachenaie, La Plaine and Mascouche, on the other, have different RCMs, school boards, economic development corporations, manpower development corporations and so on.

We can see the aim is to combine two ridings into one, regardless of the economic, social and cultural realities of this area. Here again, administrative overlap and duplication have not been corrected.

In the light of the above, we are asking the federal Electoral Boundaries Commission for Quebec to review its proposal as follows.

The proposed electoral district would still be called Repentigny. It would include the cities of Charlemagne, L’Assomption, L’Épiphanie, Le Gardeur, Repentigny and part of the regional county municipality of l’Assomption included in the parishes of l’Épiphanie, Saint-Gérard-de-Magella and Saint-Sulpice.

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According to the 1991 decennial census, the population of the riding proposed, which we propose to improve, is 91,537, here again, almost exactly the electoral quota established for Quebec, which is, and I repeat, 91,946. Not even a difference of 300 people. It is therefore realistic.

In the new riding, under one administrative region, that of Lanaudière; there would be one regional county municipality; one school board, the Le Gardeur school board; a single economic development corporation; a single employment centre, the one in Repentigny; and a single Quebec manpower development corporation.

In short, the two ridings we are proposing: Terrebonne, in keeping with historical changes, and Repentigny, also in keeping with these changes, are entirely in accordance with the principles established by this same commission.

In the light of these facts, we are asking that, with Bill C-69, there be a little flexibility when the commissions resume their hearings in the regions. We therefore ask the federal Electoral Boundaries Commission for Quebec to review its proposal, which, we hope, is not cast in stone, and to understand the simple, rational and fundamental arguments here for the greater well-being of the people concerned by this readjustment. That is, of course, in the unlikely event these people will require representation in another federal election.

[English]

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Madam Speaker, it is a pleasure to rise in discussion of Bill C-69, an act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries.

This bill comes back to us from the Senate and therefore my remarks will address essentially the amendments proposed by the Senate and our reactions to them.

One approaches this debate in a spirit of respect for a co-ordinate institution and for the care that the Senate has attempted to give for the fulfilment of its constitutional duty. I would also say, however, that we are in a special area of the constitutional law of Parliament where each Chamber, being co-ordinate, must recognize that the histories and traditions of the other are different.

The House of Commons and the model from which we borrowed, the Parliament of Great Britain, separated historically from the House of Lords. Therefore conventions as to the role, for example, of the Speaker in the internal conduct of Parliament are different for the two Houses.

That suggests as a principle of constitutional comity a certain amount of self-restraint in the attitudes of one House to another. For example, it would be improper for the Senate to offer suggestions as to the conduct of the Speaker of the House or vice

versa, the House offering suggestions on the conduct of the Speaker of the Senate, other than in a spirit of study and a suggestion in the strict sense of the word. Comity enjoins a certain respect for differences in traditions and differences in historical evolution.

(1915)

This having been said, I will note that some of the suggestions made by the Senate seem to be valuable and the product of reflection. Time always improves examination of a measure. I believe on these points the House is in a mood to respond positively.

The issue of the electoral quotient, the amount of permissible variation from constituency to constituency, was much discussed in the master committee of the House, the Standing Committee on Procedure and House Affairs which is really a de facto Constitution committee of the House. It was much discussed. On both sides there was considerable examination of the issue of whether the maximum permissible variation should be 15 or 25 per cent and with the Senate's suggestion the 15 per cent.

I have no particular quarrel. I gather the feeling of the House is very much positive in relation to this point. Similarly with the suggestion in appointing members of the electoral commissions that the members to be appointed or persons to be considered should be residents of the province concerned, that seems to be matter of ordinary common sense.

I see opposite an hon. member who made thoughtful contributions to the Standing Committee on Procedure and House Affairs. I suspect this is something we simply overlooked, and it is good to be reminded of it. It makes sense. It would not make sense to do it the other way.

Our suggestions in changing the procedure used over so many years were directed toward taking the current development in constitutional thinking, which is increasingly to constitutionalize large discretionary offices that exercise constitutional powers in a discretionary way, and to subject the incumbents of the office to some degree of prior scrutiny by Parliament of their qualifications. In an ideal sense this might mean that all executive council appointments would be subject to some sort of parliamentary examination.

It is not the function of the Standing Committee on Procedure and House Affairs to make a constitutional revolution all across the board. It does not have that mandate. Nevertheless we will notice a change here from a system where the appointment of the commissioners was solely at the discretion of the Speaker of the day and not subject to review.

There were attempts to establish a gloss on this practice made by a distinguished speaker, Madam Sauvé, to consult informally with people outside. In the early eighties the electoral com-

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missions that were formed by Madam Speaker were done after informal and private consultation with outside people. I believe she consulted a current member of the Senate, Senator Beaudoin, who was then a very distinguished constitutional authority.

What we have here is a proposal to further constitutionalize the process by establishing a duty of consultation with the House of Parliament. It is obviously not the same as submitting to Parliament the approval or ratification of that decision, but it opens up the process and it takes us a considerable way along in constitutional evolution. One of the good things in this committee was the general enthusiasm with which this change was recognized by the members of the committee. In responding to the Senate's suggestion again, I see no particular problems with it if they understand they are operating in the spirit of our original intention.

I have more difficulties when we arrive at the more substantive side of the Senate's suggestions. One problem is increasingly directed to what was one of the key thrusts of the recommendations of the procedure and House affairs committee. The problem essentially in this area is that the system of electoral boundaries, which purported to be private and non-political, was inevitably subject to political pressures which, because they were never out in the open, were not subject to public scrutiny and review.

(1920)

An ideal system of constitutionalizing electoral boundaries commissions would recognize that it goes to constituent power, which is prior to constitutional power and the ultimate source of state authority. That is something, I think ideally, on which we would have a set of very clear, concrete principles to be applied by commissioners so that their discretion would not be, as was once said of Lord Eldon when he was Lord High Chancellor, as long as the chancellor's foot.

Outside people could refer to clear constitutional principles in deciding whether the commissioners' discretion was exercised rationally or was exercised merely arbitrarily and capriciously and of course subject to review by the courts. The biggest gap in the Canadian electoral system is that there is no developed system of court jurisprudence.

If we examine the evolution, the democratization of electoral law in the United States is essentially because they have clear constitutional principles set out in the constitutional charter and a perfected system of court challenge by test cases financed by competing interest groups and clear court rulings. This constitutionalization through clear enunciation of constitutional principles and judicial review was borrowed by the German constitutional system, the contemporary system, from the

United States. It goes even more along that road than the United States does.

We have lagged behind in many respects perhaps because of the timidity—self-restraint might be the kinder word—of the Supreme Court and the absence of a disposition on the part of persons affected and even political parties to approach the court where boundaries are obviously gerrymandered or established arbitrarily and capriciously without proper regard to local conditions.

It can however be changed. The feeling of the committee was very clear that the criteria for establishment of electoral boundaries should be set out in the legislation, and that they should be criteria to which what was done by the boundaries commissions in the future would be referable and would obviously be subject to scrutiny by citizens, political parties and others affected, but subject to review by an ultimate authority. This is why we approached the statement of principles.

Coming back to what the Senate has done, I have some reservations in its striking out the provision intended to safeguard against unnecessary revision. I also have some difficulty with its touching the issue of community of interest. I felt that within the committee ourselves we did not go quite far enough in defining the criteria, but at least we made a beginning.

One thing we tried to establish was the respect for continuity, which is one of our constitutional values. Members of Parliament build up a special relationship with their constituencies. There is a relationship of trust which subsists during the mandate of the member. It should not idly be changed. Unless there is a pressing consideration of sociology, economics or something else set out in the criteria, there should be a presumption of continuity. One does not indulge in changes across the board just for the sake of making a professorial exercise.

In looking at the last electoral boundaries commission—and in an earlier pre-parliamentary capacity I served as an electoral boundary commissioner—Madam Sauvé as Speaker approached me and said that she wanted to depoliticize the process. She was looking for people a bit outside the political arenas for that. One of the principles we very clearly recognized was the principle of continuity, the relationship between members and their constituents. If we change a boundary dramatically halfway through a term, what is the relationship of trust between members and their existing constituents from whom the member will be separated by the next boundary change? Obviously one does one's best but it is not good for the relationship of trust which one tries to build up through the municipal, provincial and federal levels of government.

(1925)

We stressed, however, in community of interest that it should be established in an evolutionary pattern. Constitutions are not static instruments, laws are not and obviously society is not. It is

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a principle of the common law and I think of our constitutional jurisprudence that laws should evolve as society evolves.

One regret I had in looking at the work of the latest electoral boundaries commissions, the series of 11 reports that we had, was that in a certain sense in the philosophy, because everybody has a philosophy, we discovered that there had been no contact by the electoral boundaries commission the last time with the federal electoral commissioner who has a great deal of experience. There was no mutual contact between them so there were wide variations in approaches.

We discovered that essentially some of the commissions were looking back to the future. The unique feature of Canadian society today, which some have railed against, some have viewed with despair and others have viewed with joy as an opportunity for the future, is the fact that we have become a community of communities. It is interesting certainly in large cities that all the constituencies are plural in the sense of representing many communities. It is something in some sense that has been achieved accidentally over the years but is consolidated.

One of my deep regrets in looking at the latest exercise is that there is an attempt to turn the clock backward, seemingly, to create uni-communities, uni-ethnic constituencies. This is a false approach to building a Canadian society. It runs against all the trends. This is why in spelling out the criteria we have tried to stress two things: first, continuity unless there is a clear reason for doing differently and, second, a balance of characteristics, a balance of features in which sociology, geography and commonality of ties all operate together.

We must never forget the prime lesson of Canadian society which will be the hallmark of our society as we enter the 21st century. There is unity in the diversity because of the necessity of co-operation and co-existence between the different communities.

My suggestion to the Senate, and I do so in the full spirit of respect for a co-ordinate institution, is that it should hew more closely to the position adopted by the House. In our committee we gave hours of work, hours of give and take, in discussion of the particular clause and it should not be changed lightly. I would suggest that the excision of our principle of continuity is a step backward, particularly where continuity now by the happy accidents of the evolution of our society adequately reflects the diversity and in a sense the unity through diversity of our society.

I am optimistic about the venture in the constitutionalism of electoral laws. So far in society we have left the political parties untouched. It is my view that constitutionally the political parties as organs of our constitutional system are subject to the same principles of constitutional review as the main governmental institutions.

I would view it as a healthy situation if issues of the internal processes of parties where they operate in such a way as to negate the principles of representation are subject to court challenges and court review as they are in Germany, France and in all the countries that have borrowed from American constitutionalism. We would not have the great constitutionalism of the United States without it. In some senses principles we have established only in terms of consideration of electoral boundaries carry over to the political parties as prime instruments of our constitutional system.

(1930)

One thanks the Senate for the thoughtful suggestions among which we can very easily accept the reduction of electoral quotas from 25 to 15. "Thank you again for the suggestion of residency. Please, in a spirit of comity, take another look at what we have done with the substantive provisions. We would respect your accommodation to our suggestions here."

Mr. Charlie Penson (Peace River, Ref.): Madam Speaker, I would like to say that I welcome the opportunity to speak on this whole matter of electoral boundaries, in particular Bill C-69 and the amendments before us this evening.

It seems we have been dealing with this issue ever since I got to this House, and in fact I guess that is the case. Bill C-18, the Liberal government's attempt to disband the Electoral Boundaries Commission, was one of the first bills brought forward. In fact the first time I saw closure used in this House as a new member was on that very bill. This evening we see closure being used again to limit debate on Bill C-69.

The member for Vancouver Quadra talked about the changes that were made at the Senate and the reason we are back here this evening to debate those. Many of those amendments were ours. The quotient that he talked about from plus or minus 25 to 15 I think was a good one, but I think the thing that marks the whole business of Bill C-69 and the electoral boundaries is the mismanagement of this whole issue. We have been working on this for a year and a half, and in fact it may now revert back to the old boundaries commission if it does not get through this week. That shows how badly mismanaged this whole issue has been. I think it has been a tremendous waste of time in this House.

This is the government that was going to do things differently. We have closure on Bill C-69 tonight so that we have to vote at eleven o'clock. We had closure on Bill C-41 just this week on the hate crimes bill. We have had closure being used or time allocation on Bill C-68, gun control, and again on Bill C-85, the MP pension plan. What is this all about? I know members want to get back to their ridings, but it seems to me that this is not a very reasonable approach to limit debate in this very important Chamber.

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Bill C-69, should it receive royal assent by the end of this week, will make some adjustments to the Electoral Boundaries Adjustment Act, which was first enacted in 1964. As far as I am concerned, this bill should not be passed. The changes being proposed are not substantial enough to warrant the interruption of a perfectly good process.

The process that was in place before was fine. It is a process that was almost complete in any case. In fact the Canadian taxpayers had already spent around \$6 million on a process of redrawing our electoral boundaries before the Liberal government decided to change this through Bill C-18 and now Bill C-69. In fact hearings were held in a lot of ridings in Canada.

If this bill is not passed, we may go back to the original boundaries commission and pick that whole process up. People who have been waiting to make their case patiently are waiting to see what this new boundaries commission is going to be. It has been a year and a half, and I think time is of the essence because we may be only two years away from the next election.

What is the process that was interrupted a year and a half ago? It is a process that occurs every ten years or after each census. But last year there was considerable concern by the new Liberal MPs from Ontario that changes to their riding boundaries would hurt their re-election chances. This was the party that was going to be different. The member before me talked about what used to happen in the old days with gerrymandering. This smacks of the same type of thing.

If this government is unhappy with the results of the boundaries commission when they were allowed to complete their work, it should bring forward some substantive changes. In fact it has not done that. By substantive change I mean true representation by population in this House of Commons and true representation by region in the Senate.

(1935)

My riding of Peace River has been in place since 1925. It has a population of almost 107,000 people. Of the 13 large ridings in Canada, mostly northern ridings, that have areas of over 100,000 square kilometres, the Peace River riding rates up there at about ninth.

What do we have in this country? Do we have representation by population? We are not even close. The quotient the hon. member before me talked about is going to bring it closer, and it certainly needs to be. We have some constituencies that have populations as low as just over 30,000 people. We have others in downtown Toronto that are in the 230,000 range. This is too big of a spread. I believe we need some substantive changes, not tinkering in this House.

In our minority report to the Electoral Boundaries Readjustment Suspension Act we called for changes that would make sense in this House of Commons. The key change is that we would like to see the number of seats reduced. Our proposal

would create a House with 265 seats based on the 1991 census. This would be a decrease from the 301 that will come into effect under the current formula.

One thing we have heard a fair amount of in the last couple of years is that we are a country that is overgoverned. If we look at the United States, which has a bigger population by far, they have far fewer elected members. I believe we can never get to the situation they have unless we make substantive changes, but we can start the process in gear. The decrease would be spread among the eight provinces and would maintain representation by population as it is at present but with a fairer share for both Ontario and British Columbia.

If this government would only care to listen to what the people want, it would hear that Canadians want less government and fewer politicians. Look at what happened just recently in the Ontario election. Mike Harris promised that he would reduce the number of seats in the Ontario legislature by 25 per cent. It was one of the contributing factors to his election, I would think. And of course he won against considerable odds.

An hon. member: Against the Liberals.

Mr. Penson: It was very interesting that we had a lot of Liberal members in this House talking about the Ontario election about a month ago, but they got fewer and fewer as the weeks passed and it was obvious that the Conservatives were going to win in Ontario.

Of course, to Mike Harris's credit, he did borrow some of our ideas and policies. We applaud him for that.

Another Reform policy in this area is that government should give careful consideration to filling vacancies as they occur in the Senate with province-wide elections. These elections should be conducted in the same manner as the one in which the late Senator Stan Waters was elected, thereby having some popular support in the province. In Quebec, where the senators actually represent defined constituencies, the election would only have to take place in that constituency.

The official Liberal position is that they support an elected Senate. In our caucus we go even further. We believe in what we call a triple-E Senate, one that is equal, effective, and elected. A Senate where there is true representation by region would provide the people of the less populous provinces with an effective voice in the second chamber of Canada's Parliament. A triple-E Senate would give an equal voice to the smaller, less populous provinces and give them the clout in Parliament they have sought for so long.

It is not as if Canada would be breaking any new ground here. Other countries have two democratically elected chambers: the United States, Germany, and Australia. I realize that creating the kind of Senate of which I speak would require constitutional reform, but in the interim this government could hold senatorial

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elections in the same way it did when it appointed Stan Waters as a result of that election.

To date, the Prime Minister has ignored his own official Liberal policy and has chosen to fill Senate vacancies with the usual assortment of party hacks and cronies. This is in direct conflict with the stated Liberal policy.

Since Bill C-69 does not bring about substantial change to the redrawing of the boundaries and to the whole democratic process of true representation, I say let us revert back to the old process. Why would I say that? It is because we have already spent \$6 million on that process. Hearings have been held in a lot of those ridings. They understood what was going to happen in terms of what their new boundaries would be. It was well along before it was interrupted a year and a half ago.

(1940)

I say let us change the whole kit and caboodle. Let us bring in true representation by population and bring in true representation by region or else leave the process alone and revert to what it was before. We had quite a good process in place, one that recognized that there are people who move in the country from time to time, one that recognized growth in regions and therefore recognized that the boundaries have to be redrawn from time to time. That process is one we should revert to. The Senate recognized it, with some minor changes. I believe we would be wise to drop Bill C-69 and the mismanagement that has followed it and revert to a process that has worked well for us in the past.

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Madam Speaker, throughout Canada's history the issue of electoral boundary redistribution has been contentious. The hostility is derived from the very premise that those who have power are never willing to relinquish their hold on it.

I want to make it clear from the outset that I am opposed to Bill C-69, as it will attempt to fix a process that is not really broken. The government wants to scrap an electoral boundaries commission that has cost Canadians nearly \$5 million and redo that process at a cost of another \$5 million to \$6 million. My question to the other side of the House is what happened to fiscal responsibility?

I could see the need for Bill C-69 if the original report had in some way been tainted by any type of political influence—in other words, if there had been gerrymandering or if there had been a large outcry from Canadians regarding the current redistribution process. Neither of those events has occurred.

I think the idea of politicians redrawing their own boundaries lies at the very core of a serious problem in Canada. The problem is a lack of trust by the public regarding politicians. It is evident therefore that this government does not see that Cana-

dians are unhappy with the entire process in which politicians have been conducting their business.

Canadians want change. They want a new style of openness. They want a new style of fairness. This type of legislation can only be viewed as regressive. Even though the House was given the absolute right to redraw the electoral boundaries at Confederation, because of the contentious nature of electoral redistribution Parliament agreed to share the responsibility of redistribution with electoral boundaries commissions.

Since the creation of the electoral boundaries commissions in 1964, public perception that there is not a considerable amount of political interference in the readjustment process has diminished. The political interference that took place before the creation of the electoral boundaries commissions was seen as an attempt to ensure as far as possible that the members of the governing party were re-elected. That is absolutely wrong.

I hope this government is not travelling down the same path of earlier governments, where gerrymandering and the abuse of power were seen as commonplace. It is important to note that since 1964, while many politicians have been unhappy with the outcome of redistribution, there has rarely been a complaint of political interference. This is a direct result of one mitigating factor. These commissions are non-partisan. The commissions look primarily at the number of people in the province, not political partisanship. They do not consider how the changes will affect one party over another.

(1945)

The largest criticism of the commissions is they do not consider enough non-political information. Many times they overlook common community interests or community identities. It is important to ensure redistributed boundaries correspond as closely as possible to the national quotient while also taking into account community interests and the historical patterns of an electoral district.

These factors will enable the commissions to properly manage the geographic sizes of districts with sparsely populated areas. The commissions are allowed to deviate from the provincial average by plus or minus 25 per cent, as the bill was written.

This allows them to accommodate for human and geographic factors. Another issue that causes me a great deal of concern and which was not addressed by Bill C-69 is that because of a 1985 constitutional amendment no province can have fewer seats than the 1985 level of representation regardless of the population of that province.

The exception is P.E.I. which can have no fewer MPs than Senators, not something we disagree with. We therefore have done away with the premise of absolute representation by population. It is clear that within the concept of representation by population emerges the concept of equality of vote. Any

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notion of equality which rep by population may permit is countered by the fact the current and historical development of representation in Canada has only partially been based on the notion of this concept.

Since Confederation Canada has developed a system with respect to electoral representation whereby a heavily populated province retains its majority of seats within the House of Commons while the less populated provinces receive an adequate number of seats to ensure appropriate representation.

By no means does the federal government reflect the notion of true representation of population in its purest form. Rep by pop has been altered in order to guarantee a minimum number of seats within the House to the less populated provinces so they do not become under represented if their population base decreases.

Thus while the principle of representation by population may be said to lie at the heart of the electoral apportionment, it has from the beginning been altered by other factors. Due to Canada's vast geographic size and regional differences a modified version of representation by population has emerged.

It is therefore determined the equality of votes guaranteed by Canadians is one of relative equality and not absolute equality. Therefore we do not have equality of voting power but rather relative equality of voting perception.

Canada has many regions and there probably are as many definitions of regionalism as there are people defining it. Regionalism is not some sort of disease to be stamped out. Rather it is a healthy manifestation, lacking at present a healthy constitutional outlet. The only true significant political failure of the Canadian experience is its chronic inability to solve those regional tensions.

The Senate was established to protect the interests of the regions and the provinces, yet for too long western Canada has felt its interests have not been adequately represented in this federal Parliament. The Canadian Senate lacks legitimacy in the eyes of many Canadians because it is an appointed body which runs counter to the fundamental Canadian belief that democratic governments should be conducted by an elected rather than an appointed body.

(1950)

What Canadians need and what Canadians in more and more numbers want is an effective, elected and equal Senate. A reformed Senate will not just benefit one province or one region, it will help build a better and stronger Canada.

We should have an elected Parliament based solely on representation by population with a constant number of members.

This concept will work only if we have an elected Senate in which all of the regions of Canada have an equal number of senators; this would ensure that Parliament reflects a notion of one person, one vote and would allow the Senate to recognize the regional interests of our nation.

Moving on to the specific recommendations from the Senate on Bill C-69, I state for the record we support some of its amendments. Amendment Nos. 1 and 6(a) will reduce the allowable size of deviation from the provincial average to 15 per cent from the current 25 per cent.

This should help to equalize some of the concerns I have raised regarding the inequities of representation by population. This will ensure the ratio between rural and urban dwellers in that it will become smaller. It also allows for deviations of the plus or minus 15 per cent in special circumstances, which is totally acceptable to the Reform Party and is a point we as a party have argued for throughout every stage of this debate.

Amendment No. 4(a) is for the most part a technical amendment which simply states the two non-judicial commission members reside in the province for which the commission is established. The merits of this amendment speak clearly for themselves. However, for those for whom it does not, let me put it this way. Who better to understand the needs and requirements of a particular province than someone from that province?

Amendment No. 6(b)(i) eliminates the provision that a commission will only recommend changing to existing electoral district boundaries where the factors are set out and are to be significant enough to warrant such a recommendation.

Again it is important that an independent body able to make recommendations which could have boundary deviations which may be necessary is also free from the notion of perception of political interference. We must always remember it is simply not enough to be free from gerrymandering; it must be perceived to be free from gerrymandering.

I wish to make it clear that even with the three Senate amendments with which we agree the bill does not improve on the present process to warrant discarding the redistribution that is almost complete.

Bill C-69 failed to address the size of the House by capping or limiting the number of members of Parliament in the future. It plans to increase number of members of the House from 295 to 301. My constituents in Edmonton—Strathcona do not want more politicians; they want less government.

Bill C-69 will ultimately cost the Canadians \$5 million to \$6 million, as was already mentioned, to redo the distribution process. For these reasons I am against Bill C-69 in principle.

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(1955)

[Translation]

Mr. François Langlois (Bellechasse, BQ): Madam Speaker, it is my pleasure to take the floor once again regarding Bill C-69, this time at the consideration stage of Senate amendments and the amendment proposed by the hon. member for Kindersley—Lloydminster.

The two speakers who preceded me, the hon. members for Peace River and for Edmonton—Strathcona, spoke for several minutes about their desire for an elected Senate, a triple-E Senate, an efficient Senate, to use the words they used. In theory, it could appear interesting to elect members to the other place on a regional basis. Just imagine. I am merely asking a hypothetical question because this is not at all what I want.

They would like to create a parliamentary Senate with 24 members from the Maritimes, which is what we have now, 24 from Quebec, 24 from Ontario, 24 from western Canada, 2 from the territories and the 6 senators from Newfoundland in accordance with the Newfoundland Act of 1949, for a total of 104, but they would like to have them elected. That could create a balance of sorts. It is plain to see now that the Senate has completely strayed from its original mandate which was to protect the regions.

It is a House which speaks for itself and which, in the final analysis, has no other voice than the one that it gives itself. Except that the amendment proposed by the Reform Party will probably have its day when the time comes to reorganize Canada's political institutions, which will probably be in a few months. In the meantime, we have other decisions to make and we have work to do regarding the new partnership between Quebec and Canada.

This having been said, the Bloc Québécois opposes Bill C-69 at third reading for a very simple reason. Although we recognized that Bill C-69 was a significant improvement over the current law, we had no other option but to oppose Bill C-69 when this House refused to approve the motion in amendment that I tabled in this House at the report stage, which aimed to secure minimum representation for Quebec. This minimum representation would have been set at 25 per cent, in other words, would have guaranteed Quebec 25 per cent of all seats under the constitution.

I note with sadness that, apart from the Bloc Québécois members, the only other members who supported this amendment at the report stage were the hon. member for Beauce and the hon. member for Burnaby—Kingsway. This tells all about how isolated the Bloc, an hon. member from British Columbia and the independent member for Beauce were in their move to support this amendment.

It tells of just how isolated Quebec is and it tells the story of just how things evolved until we arrived at this state of affairs. While at the beginning of the federation we thought that we had

made a nation to nation pact and, overall, equality for anglophones and francophones, 128 years later, we find ourselves in a situation where we are even denied a minimum of 25 per cent. We find ourselves in a situation where Reform members expound their theory in the House that Quebec is only one province among ten and not a founding people. Canada has reached the multicultural and multiethnic stage; it is no longer at the biethnic and bicultural stage, as Quebec has always seen Canada.

(2000)

There are two opposing visions. I think it is useless to prolong these arguments about ideas, terminology and behaviour. This fall in Quebec, we will have to make up our minds about what we want. Do we want to be a people, a nation like other nations? Or do we want to be a province like the other provinces? That is the question we will have to answer this fall.

Later, together with our friends in English Canada, liberated from the political structures that are strangling us today, once we stop feeling like a minority group in a country where every day we become more conscious of the fact, then we will be able to create economic and political instruments that are far more effective than what we know today, which makes this debate so pointless.

I will not review everything that has been done since Bill C-18 was passed last year in this House.

A few moments ago, I referred to the fact that Quebec failed to obtain guarantees for 25 per cent of the seats, which was a minimum if we were to support Bill C-69. That being said, our support for Bill C-69 is not a foregone conclusion.

We have reached a theoretical stage in this debate. Tomorrow we will know whether the Senate will be able to garner the requisite unanimous consent to receive the bill from the House as amended and possibly proceed with third reading.

If the bill is not passed by the Senate by midnight tomorrow and has not received royal assent, the current legislation will prevail. After this evening's vote, we will look forward to what happens tomorrow in the Senate. Will there be unanimous consent to proceed or not? We have no control over the process.

I must say the government did a very poor job of scheduling this particular bill. Perhaps it did not expect such a strong reaction from the Senate. That may be, but I think that as soon as the bill was amended in the Senate, if the government had said no and stuck to its guns instead of caving in after the first negative vote in the Senate on this bill, the whole thing would have been settled long ago.

The Senate is starting to make a habit of this procedure, as we saw subsequently. It delayed Pearson, it delayed Bill C-68 to create committees and so forth. However, those who were responsible for these tactics were probably hesitant to use them, and when they did they were rather clumsy about it, so that in the end, the government no longer controls the agenda. We are at

the mercy of a single person who could defeat this bill, as happened in the case of Meech Lake.

However, this legislation would improve certain aspects of determining electoral boundaries. You may recall that if C-69 comes into force, the commissioners will have to hear submissions before starting on their work. This would give them some idea of the situation they would have to deal with.

The commissioners would produce three maps instead of just one, which is an improvement, as I have always said. I worked on the Standing Committee on Procedure and House Affairs on this bill until quite recently. Basically, I agreed with all the amendments except that when we were denied a guarantee of 25 per cent of the seats for Quebec, it was obvious we could no longer support the bill.

As for the technical improvements, there were quite a few. I see that the hon. member for Glengarry—Prescott—Russell, who also worked on this legislation, agrees with me in that respect.

The fact that Bill C-69 obliges the commissions to consider community of interest is certainly an improvement. Providing for a readjustment every five years instead of every ten was another improvement, because this prevents excessive distortion due to the population shifts that occur in Canada.

(2005)

My colleague, the hon. member for Terrebonne, was speaking earlier about the situation that is peculiar to the area he represents, where population growth is quite incredible. Adjustments every five years would mean avoiding redoing the electoral maps that upset everybody, every ten years.

Bill C-69, the result of a compromise, maintained the principle of the 25 per cent variation in the electoral quota. That is, if the number of voters in a riding was set at 100,000, the riding could have either 75,000 or 125,000 voters. The compromise in Bill C-69 lay in the fact that a riding could no longer have over 125 per cent, which is currently the case. One riding can have 200 per cent of the voters so that others may have 50 per cent fewer. In this regard, I think the bill is well balanced.

It is unfortunate that we were denied the constitutional guarantee for Quebec of 25 per cent of the seats, my own proposal, the bare minimum, given that, in 1867, we had 65 of the 181 seats, that is, two thirds of the members of Parliament were from Quebec. Now, from 33 per cent, if the next election is held using the new electoral map, we will have 75 seats out of 301. In other words, the fateful figure of 25 per cent will be wiped out. This is how the francophones and Acadians outside

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Quebec quietly became minorities. The same applies to the people of Quebec, who are quietly becoming a minority without a constitutional guarantee, either.

We are not lucky like the province of Prince–Edward–Island to have a senatorial clause. We do not have the special protection enjoyed by the Northwest Territories and the Yukon, which is a constitutional guarantee of one seat, regardless of their population. We are not questioning this—it is a fine thing for them. I am not questioning Prince–Edward–Island's representation or the Northwest Territories' or the Yukon's representation, but why not give the same representation to Quebec?

Two members voted with the Bloc. I remind my colleague for Glengarry—Prescott—Russell that they are the member for Beauce and the member for Burnaby—Kingsway. No other member considered it appropriate to support the proposal. Quite the opposite, they all rose to vote against it. Obviously this is their democratic right. I take the liberty, however, of drawing my own conclusions, and Quebec voters can do the same.

Were there other good things? I will look in my notes, as it has been a while since I have had occasion to speak about this. The provisions in Bill C-69 struck a certain balance that made it possible to function. We started over with new commissions and new commissioners appointed by the Speaker of the House and the provincial chief justices, and the Speaker's decisions could be reviewed at the request of a minimum number of members in this House.

Thus, members were involved more at the stage of appointing the commissioners than at the stage of reviewing the map. It is not work suited to MPs, who too often think that the riding belongs to them and who always want to hang on to the same boundaries so as not to lose a particular parish, because in the world of politics, of course, friendships are formed, as are some rather artificial boundaries, that become almost as important as the borders between countries.

We are probably left with two scenarios: either Bill C-69 does not receive Royal Assent tomorrow evening and we start all over again, or Bill C-69 is not passed tomorrow evening and we are left with the existing act. In either case, we will have a problem because we still do not have the 25 per cent for Quebec. Nobody is going to give it to us and that is that.

If the existing act is suspended until midnight tomorrow by Bill C-18, we will have the bizarre and unfortunate situation where commissions that have been suspended or that knew that they were going to be suspended, have nonetheless continued to do their work for quite some time.

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(2010)

And constituents, believing in good faith that the bill presented in the House would pass, did not come before those commissions which were obviously going to be disbanded. However, through the Senate amendments, they were only suspended, and they will be revived tomorrow night. They often held their hearings before empty rooms.

If those commissions, created under the old act passed by the previous government in another Parliament, are to be revived tomorrow night, they should at the very least hold new hearings to allow people to express their opinions on the electoral boundaries that have already been proposed. We should make no mistake about it, there are some members, particularly Liberal members, who think that if Bill C-69 does not pass, we go back to the 1993 electoral map.

On the contrary, I want to tell the hon. member for Glengarry—Prescott—Russell that this is not the case, he will not get back his 1993 riding. We have to tell him that it will be his riding as reviewed by the commission for Ontario. He does not seem to understand it; I would like him to explain to all his colleagues we can see here tonight that if Bill C-69 does not pass, we do not go back to the status quo, but to the electoral districts as they were established before Bill C-18 was passed.

In fact, if those commissions are revived tomorrow night, they will resume their hearings to hear constituents across the country.

Still, everything was not bad with the old act, particularly with regard to the definition of special considerations allowing the creation of electoral districts departing from the electoral quota by more than 25 per cent. Right now, under Bill C-69, a commission can deviate by more than 25 per cent below the provincial quota, and always below—it cannot be 150 per cent or even 126 per cent of the quota, but it could be 74, 65 or 50 per cent—only in very exceptional cases like those isolated and very hard to reach areas.

This is what Bill C-69 provides, but the former act was much more flexible. Let me read it. The act as it stands now, if Bill C-69 is not in force, says that a commission can deviate from the provincial quotient by more than 25 per cent more or 25 per cent less. Thus, it can go as high as 150 or 175 percent and as low as 40 per cent “in any case where any special community or diversity of interests of the inhabitants of various regions of the province appear to the commission to render such a departure necessary or desirable.”

Those guidelines are much more flexible than Bill C-69 where remote areas are concerned. The act we have now is more flexible. It is by no means certain, but it is likely that ridings in areas like the Lower St. Lawrence, the Gaspé peninsula and Lac-Saint-Jean would remain practically unchanged. With Bill

C-69, there is a real danger because the commissions cannot go beyond 125 per cent and create a reservoir of voters to compensate for another area.

The same holds true for Northern Ontario, where Bill C-69 will spell problems. I think that a certain balance was achieved with C-69, but that it is far from perfect.

As to the motion moved by the government House leader concerning Senate amendments, I am tempted to say that they are good amendments to a flawed bill.

Since it is a flawed bill, I will vote against the amendments later tonight, and I hope our colleagues in the other place will be guided by the Providence when they make their decision tomorrow on whether Bill C-69 will receive royal assent or the former commissions will be revived.

(2015)

[English]

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, this debate has been going on for quite a while. I remember it as one of the first debates in the House. It was ferocious and motives were attributed to the government that were not true, but what else is new.

I recall vividly the first debate we entered into when we said we wanted to update the electoral boundaries bill to better reflect the communities of interest and also make some other adjustments. I recall so well the member for Beaver River commenting on the fact that what we were doing was gerrymandering, trying to fix boundaries and trying to assure our political futures.

Today I listened to one of my colleagues from Peace River who was still using some of the same arguments. I thought it would be useful to recount what happened in my community and how the community came together. Instead of being divided by various political alliances, the community put aside its various partisan political representations and learned to cross political boundaries to support the interests of the community of the regional municipality of Waterloo, of which my riding is one member. There are three ridings contained in that region: Waterloo, the Kitchener riding and the Cambridge riding.

I recall when the commission came out with its proposal on how it was going to divide up the regional municipality of Waterloo. The consensus across the region was that the proposal was not acceptable. It did not make any sense and that the community, on which it would impact, had no representation. Their wishes were ignored.

I underline that because it is important, particularly for our colleagues in the Reform Party to understand this. What I as a member and my colleagues from Kitchener and Cambridge were reacting to was to the presentations made to members of

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Parliament by members of the community. Let us say that we were representing the wishes of our constituents.

As I mentioned before, we are contained within the regional municipality of Waterloo. It has three cities, Waterloo, Kitchener and Cambridge. It also has four townships, North Dumfries, Wolwich, Wilmont and Wellesley. We have seven local municipal councils. Then we have the regional municipality of Waterloo council.

If you looked at the partisan politics of these various councils, we had Liberals, many Conservatives, some New Democrats and even some Reformers. In the case of the riding of Waterloo, which contains the township of Wolwich to the north, the city of Waterloo and part of the city of Kitchener, I used to sit on the Waterloo city council. When I was elected to come to the House of Commons by the electors of the riding, the person who filled my position on the council was a gentleman by the name of Mike Connolly who was a candidate for the Reform Party in the 1993 elections.

When the Waterloo city council first heard about the proposal that was put forward, it was Mr. Connolly, the former candidate for the Reform Party, who moved the motion at the council that the boundaries commission proposal was not acceptable. Is that not rather interesting? You would think that the sincerity of partisan politics would go from the grassroots up to this place but it seems to remain at the grassroots. Mr. Connolly was quite active in making sure the resolution was passed on to the other six municipal councils as well as regional council.

(2020)

Mr. Connolly, who was appointed to fill my position on city council, had the same kind of support for the government's infrastructure program. Reformers in the House could not find anything useful to say about what turned out to be a very successful program.

Once the local councils talked about the issue they met with my colleague from Kitchener and myself regarding the boundaries. They were very concerned that the Waterloo region, which has evolved over a period in excess of 100 years, have its political integrity respected.

We went to the boundaries hearing. I was there, along with my colleague from Kitchener and the mayor from Waterloo. Representatives from the regional municipality of Waterloo were there. We had representation from all the individual councils. It was a community of interest that crossed partisan political lines to push for something on behalf of the community that made political sense. When one talks about community of interest that is one of the things that I am very happy about in terms of my community, the Waterloo region.

We were going to plead with boundaries commission to change its mind because it had already said what it was going to do. The response of the boundaries commission to our joint plea was that it made a few very minor adjustments. Its members could have told us they could have accommodated us within the

perimeter of the boundaries that they set up or they could have accommodated us by drawing lines that made sense, some of which would have coincided with the provincial boundaries but they did not do that.

Once again I am very pleased with this bill. I am pleased with a number of aspects of it. One is that the commissioners in the future will listen to reports from communities before they make up their minds. They will canvass the whole province and then they will have an overall idea of what should take place. Before they can do that they are going to have to hold hearings.

It is somewhat similar to what happens at the local council level when a developer proposes to zone a piece of property. We have in the province of Ontario and in other provinces a process under the planning act that is known as the informal public hearing where people in the community have an opportunity to have their say before the commission makes up its mind or ties itself down to some options.

The reason that is important is I believe that a community like Waterloo region probably could have got the commission to consider much more seriously what my community asked of the boundaries commission. We are going to have minimal changes. We are going to try to minimize the changes to boundaries. Let me expand on that a bit. The boundaries commission took the city of Waterloo, with a population of about 84,000, which is well below the 100,000 or 105,000 people that are supposed to be in a riding, and dismembered that city. It took a big chunk of lakeshore on the north side of the city and then it drew an imaginary line to the east and really did a hatchet job on the municipality. The commission then took a big chunk out of Kitchener and added it to the new Waterloo riding. That did not make any sense.

(2025)

The commission also did the same thing to the riding of Kitchener. It took away a big chunk of Kitchener and then it gave it a bigger chunk.

It is important for the people in the communities of Waterloo, Kitchener and Cambridge to have boundaries where they can understand who their provincial representatives are and who their federal representatives are. As much as possible those boundaries should coincide. As well, we should have boundaries whose names reflect the geographic location of the riding. In the case of the Waterloo federal riding, the township of Woolwich is included as well as the northern part of Kitchener. By calling the riding Waterloo, that is hard for people to understand.

One of the proposals put forward in the bill is that there should be a minimizing of the changes to the boundaries. The interests of the community should be the dominant factor. The commissions will listen to the input of the people living in the districts before its members make up their minds. The commissions will conduct informal public hearings where it will hear the constituents. I believe that the end product will be something with which

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my community, both in the Waterloo federal riding as well as in the regional municipality of Waterloo, will be a lot happier.

Let me conclude by emphasizing that the partisan political parties in my community came together and in my riding, the city of Waterloo, the person who moved the motion expressing grave disagreement with the proposed boundaries was the candidate for the Reform Party in the last election campaign. He stood for what the community wanted. My position, the position of my colleague from Kitchener, as well as my colleague from Cambridge, come from trying to represent what is best for our community and what our community so articulately expressed to us.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I would like to thank the hon. member for Waterloo for his remarks. I particularly enjoyed his comments about the former candidate for the Reform Party. It will be nice after the next election when we will get to enjoy reading his comments in *Hansard*. I am sure those comments will be far more to the point and much easier to digest.

It is a pleasure to speak to this bill tonight. In a sense the bill encapsulates part of the problem with the democratic process, or the choosing in this case of electoral boundaries. It deals with the neutrality of that, the idea that we as politicians should not be messing around in choosing the riding boundaries. We should be leaving that to a neutral body which will ensure that fairness is the key word in all boundary decisions.

(2030)

It also gives me an opportunity to talk about the whole legislative process by which we bring laws into being in the House. On a late night sitting like this, it gives me cause for a few moments to talk about the whole idea of debate, which again is part of that democratic process. The flaws that I see in the House and in this current parliamentary system.

I am often asked after being here for a year and a half what I think of it now, if it is everything I thought it would be. Is it everything I thought it would be? Is it everything I thought it would be when I first got here? I have to say sadly with considerable disappointment that no, it is not. This evening I will give a 20-minute speech to a largely empty House. This is my second speech of the day. I gave another 20-minute speech on Bill C-86 earlier today. It was germane to my riding. It was about the dairy commission.

A lot of work goes into the preparation of a speech. There is the research, the time my staff and I commit, my resources, the communication with my constituents and earlier today with my dairy farming constituency, and so on. There is all that effort to

prepare a decent and hopefully cogent argument and then I deliver it into an empty House. There has to be something wrong when people back home are wondering what I think of it. I am pleased to be here. I am proud to represent them, but they should know that there is a systemic problem here.

When I see debate after debate and speaker after speaker presenting arguments to themselves and not having someone to debate with, it is rather discouraging. The very process of debate presupposes that there is someone to debate with. We have to suppose that we are going to talk to someone and try to understand their point of view, debate them on the merits of that point and then listen to their points. It goes back and forth until we come to a resolution that maybe was wiser than either one of us started out with.

Again, when I give another speech to a largely empty House, I wonder sometimes about the value of it. Is it just killing time or is it really debate where I hope to speak to someone's intellect and challenge them in some ways?

Yesterday there was a vote on a private members' Bill C-295 that I initiated. It was defeated. I was not upset about the defeat of the bill. What does annoy me is that early in the debate I had misplaced a word in the text of the peacekeeping bill I brought forward. I asked for and received unanimous consent of the House to change the word command to operational control.

The word was changed and for the next three debates I listened to the prepared speeches from the other side. Members just went through their prepared speeches time and time again saying that the word command should be changed to operational control. It had been done at the outset but they did not listen. They are not not listening and they do not care to enter logical debate.

Instead, the government wants to come in with a legislative agenda, crack the whip and tell people how to vote. The concern for actually coming to a consensus is somewhere down there. I referred to it earlier in my dairy speech as the spreadings of the honey wagon.

An hon. member: Some people might not know what a honey wagon is.

Mr. Strahl: I will leave the honey wagon explanation to others.

In his intervention the member for Waterloo was speaking about the need to represent the wishes of his constituents. I urge the member to go back and check his speech. He may want to check the blues to see if he can get that erased. Representing the wishes of a constituency. What does that mean to Liberals exactly? What is the purpose of representing their constituents?

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(2035)

If the Liberals were to represent their constituents but it was not the party line, I wonder what would happen. I am sure the Liberal Party would shrug it off. It would say that probably the member had a legitimate point of view having consulted with his constituents and wanting to legitimately represent their concerns even though they happen to be juxtaposed against the Liberal Party. That would be fine, would it not?

We have seen in the last couple of weeks—and this comes down again to the democratic process—what would happen if Liberal members truly try to represent their constituents in the Liberal Party. First they would get the mild reaction, the tongue lashing. “Mr. Member from wherever, if you do that again, if you happen to be so brazen as to actually represent the people who put you into power, we will make sure that you do not get a voice on committees”. That would be the first step: Why do we not just yank them from their role on committees? That is of course a small thing, but when they are trying to do their job I suppose those three or four Liberals would feel just a tad chastized. What would happen if this continued? If the members were so brazen as to vote a second time against the Liberal Party, what would happen?

Suppose the member was a 30-year man having been on the job for 30 years, never voting against or bucking the party line but finally he did what he thought was the wishes of his constituents. Perhaps the member was a former cabinet minister who had bent the ear of several prime ministers. If he dared to step out of line, what would happen? He would be threatened with dismissal from the chairmanship of his committee, having done nothing wrong, having done nothing but represent the views of the people in his riding.

If it were to continue, what would then happen? The Prime Minister would stand up and say words like this: “You either do as you are told or I will not sign your nomination papers next time”.

It is incredible. That is the way the old line party seems to think is a good way to run the country. It goes to the very heart of what we are talking about tonight, this need to interfere in the democratic process. The way it says that the party knows best, the constituents know nothing, and the members know less. The Liberals have come from a time when they used to be a coalition of friends scratching other friends’ backs to friends warning other friends that if they step out of line, they will not be around much longer. It is a sad, sad day.

I wondered even as I listened to the member from Waterloo waxing eloquent as he said: “We are going to make sure that they are going to listen to us. We are going to make sure that they observe the boundaries we want”. What kind of nonsense is

that? What kind of diatribe is that when we hear someone saying: “We will make sure the next group that sets the boundaries does what we want”. It is nonsense.

The reason it is nonsense is that they do not seem to understand the role of a neutral or fair minded boundary commission. The role of a commission is to come in not to do the wishes and the bidding of the member sitting in the riding. It is to listen to witnesses, do what it can to have input from the community, and then it has to make a decision.

The sad but ironic thing about what is happening here with this bill is that the Liberal backbenchers who initiated this whole gong show of a revisiting this whole thing have shot themselves in the foot so to speak, maybe both feet. They said: “We do not like the boundaries that C-18 gave. We do not like the boundaries and in fact the boundaries are so new, it will give us so little time to adjust that what we are going to have to bring in a new set of boundaries”.

By pushing it off until this late, we are going to end up with a set of boundaries for Reformers and Liberals alike that no one will know until probably a couple of months before the next election. What a wise, wise move. Of course it will cost another \$5 million or \$6 million to do it. I guess that is just pocket change. The introduction of the \$2 coin is only going to save \$12 million a year and the Liberals had to move heaven and earth for that. But for \$6 million they will get another set of boundaries that will not be any better than the ones they had before. They will be slightly different and there will be slightly more of them. I wonder if they are listening to their constituents.

(2040)

I repeat what the member for Waterloo said: “It is important that we represent the wishes of the constituency”. Well, what would the constituency want? Maybe I should not speak for the member from Waterloo. Maybe his constituents do want more members of Parliament.

As a matter of fact if we could get 301 members in the House we could start the renovations. Soon we will not have enough room in the House. We could just push the walls back and add more seats until the House becomes—

An hon. member: Tent meetings.

Mr. Strahl: Maybe that is what they would like, tent meetings in order to handle more members of Parliament that are inevitably going to come because of the way this bill has been set up.

The Liberals refused to listen to the Reform Party. The Reform Party said there should not be more than 265 members of Parliament. They should not be looking to expand the numbers of members of Parliament. They should be looking to restrict them, to cut back on the size of government, not to continually think of ways to expand it.

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If the Liberals would listen to the constituents in my riding and I would think in Waterloo as well, they would not be adding more seats and pushing the translators out into the boonies. They would be saying: "We have more than enough people here. We have too many members of Parliament. Let us cut back the size of the House of Commons to 265 members". It would be a manageable thing and would save money. If we are going to go to the trouble of a boundary redistribution let us at least save the taxpayers some bucks. Instead, that gets tossed out. It gets shoved aside and the Liberals decide instead to keep expanding it.

Also there have been comments from many members of the Bloc on their supposed concern about the 25 per cent representation. The firm figure they want is a 25 per cent representation of all the seats in the House of Commons must be from Quebec. I do not know where they are coming from. They want out of Canada but they demand at least 25 per cent of the seats in the House of Commons. They want to make sure they have a referendum this year so they can leave Canada, but they demand that they get their MP pensions. They sound confused. A little bit like the Liberals, although granted in a different way. Still I do not understand what they want.

In the bill we talked about earlier today Bloc members wanted continued access to the Canadian dairy market, except that they want to be a separate country. Quebec has 50 per cent of the industrial milk in Canada already. What do they want? I do not know and I do not think they know themselves. With the three leaders getting together I suppose they just want everything. That way they cover it with the three leaders. I am not sure what else it could be.

It is in the best interests of the Liberal Party to let the bill die. If they would just let the bill die at least Liberal members going into the next election would have some idea as to where they are going to fight their next losing battle. It is in their own best interests to at least set up their own Waterloo in such a way that they could at least plan for their own demise.

There is no sense in being surprised by this. Why ask for a new arbitrary boundary so that we can try to make political contacts, media contacts in a riding where we do not know the boundaries. It is far wiser to go ahead and make whatever changes are necessary, and members opposite, if there were members opposite, should listen to this. There will be and must be changes. The boundaries cannot stay the same. There is no sense in saying: "I wish this town or this little area were included". It is not possible to stay the same. It has to change. It must change.

If it changes, and it will, let us change it now. We can all get on with life and represent the ridings we have and we will go into the next election knowing the boundaries of the ridings we are going to represent. If some ridings need to be eliminated,

perhaps we can eliminate the riding of the hon. member who is leaving the House now. If we have to eliminate some, let us eliminate them now and get it over with so we can get on with making our plans for the next election.

(2045)

Based on the 1991 census the Reform plan originally tabled with the committee would have created a House with a total of 273 members, 265 seats plus some constitutional requirements to include some extras from certain provinces. There would have been only slight future growth. That is the kind of thing our constituents want. They do not want more government.

I will speak for a moment about the way the amendments came back from the Senate. What an improvement it would be if we let the House of Commons operate with representation by population as close as we can work it. Then we move on to an upper House that is as close as we can make it in representation by region. What an improvement it would be if we said we all have 100,000, or whatever the figure, constituents to represent. Sometimes it is difficult because it is spread out; sometimes it is concentrated in cities. Be that as it may, this is rep by pop in the House of Commons.

When we wanted advice or a sober second thought we could go to the Senate elected by the people, that had regional representation so that for instance the farming community in Saskatchewan would have people it could go to and say: "This is the region you represent; this is the job you have. Get with it and represent my interests as a regional centre". We could go to a senator from Toronto and he could do his best to represent that city and so on.

What a better system it would be if we had true rep by pop in a smaller House of Commons and a triple E Senate. We could all look forward to an election for that and the job it would do.

As I talk about this democratic process, the process of who should choose our electoral boundaries, obviously it should not be the members of Parliament but a neutral body. When we set up cost saving measures we should be willing as members of Parliament to pull in our vision of more seats and instead restrict it to a more cost effective way of doing business in the House.

Think of the way we run things in the House where we should be elected to represent our constituents, not just our parties. Think of the changes required to make sure the House of Commons allows freer votes without party discipline. Think of the changes required in committees when a bill is referred to a committee on first reading in the hope of obtaining ample input from members of Parliament only to find out that in some committees when it comes to a clause by clause debate debate will be restricted to five minutes per clause; amendments will be refused if they are in one official language only; clauses of a bill

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will be passed without having a vote; decisions will be reversed on votes; witnesses will be refused.

In the case of the MP pension plan members of the committee refused to hear from members of Parliament to be affected by it or from ordinary citizens. They restrict the input into those committees to maybe a single day. They did not allow enough time on Bill C-68, one of the most controversial bills of the year, to have legislative counsel draft the amendments properly.

We saw our Prime Minister saying do as you are told by the party, not as you are told by your constituents or else. We see motions to extend hours and voting until 1 a.m. or 2 a.m. in order to shove through legislation. We see what we are facing here tonight, another example of closure where the government will force the bill through without allowing all the debate members want on it.

We see all of this compiled in only 20 months of the Liberals in government. We wonder where their vaunted red book promises are. Where is the promise of freer votes, more open government, a chance to represent our constituents? It is gone. In only 20 months of arrogant government that is being wrapped up, shipped out in the fish wrappers of old. It is not a reality. The time has come and gone when we could look to the Liberal Party for reforming the House of Commons.

(2050)

It is becoming obvious that reform of the House of Commons will take the Reform Party. That is why it is a pleasure to stand here with many members of the Reform Party sitting in their seats listening to the debate, entering into the debate with government members who are willing to. We offer constructive criticism, beg the members opposite to debate us in public on issues such as closure, MP pensions and so on and we get no response.

Still it is a pleasure to make known the concerns of my constituents and the concerns of the Reform Party as we want to make this place work better, more democratically. We want an electoral boundaries system free from political interference. That is why I will be voting against this bill and I am proud to do it.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I am pleased to have the opportunity today to participate in this debate on Bill C-69.

[*Translation*]

First of all, I want to congratulate all the members who sat on the parliamentary commission on Bill C-69. I want to point out in particular that this bill was agreed on and approved by all the members of the parliamentary committee. I can remember, for instance, the rather significant contribution made by the hon.

member for Bellechasse and his support during the final vote in committee. The hon. member enthusiastically agreed to support this government bill.

However, he had to yield to the higher authorities within his caucus, to the big shots in his caucus, and was unable to support the bill in the House. His colleagues even forced him or encouraged him to move an amendment. Even though we were told that the amendment was in order, it was unconstitutional because it would have changed the constitution of Canada.

As you know, the hon. members of the Bloc and others may want to talk about the constitution, because they get a kick out of it, but I for one do not want to address this issue and the right hon. prime minister did say that he did not want to talk about it. Mr. Speaker, you are totally objective and impartial; therefore, you must have noticed that we have stayed away from the issue of the constitution since we came into office.

I want to come back to the substance of Bill C-69, but I cannot miss the opportunity to comment on the statements made by the hon. member for Fraser Valley West.

[*English*]

A little earlier I listened to the remarks of the hon. member for Fraser Valley West. He was talking about the virtue within the Reform Party. He was talking about the fact that the Reform Party was so virtuous in his opinion, that the Reform Party could do no harm.

As my colleague the parliamentary secretary to the government House leader said so eloquently, obviously if that had been the case it would have been a very short speech because the Reform Party is rather short on virtue.

Nevertheless, he referred to MPs' being able to in his own party, so he said, vote the will of the people members represent and that they were never disciplined for doing so within the Reform Party. Surely some of us remember when the then justice critic was bumped off his parliamentary committee. The then justice critic, the member for New Westminster—Burnaby, whom I see before us in the House right now, got the boot. He was booted off his committee because he said something his leader and many other people disagreed with.

(2055)

What happened? He got bumped off the committee. He was unceremoniously demoted. That is what happened to a Reform MP. What happened to another MP? I remember a certain speech in the House on Bosnia.

Mr. Hermanson: Mr. Speaker, on a point of order, the statement the member for Glengarry—Prescott—Russell made is absolutely untrue. He has no basis to make that comment. I ask him to retract it.

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The Acting Speaker (Mr. Arseneault): That is a matter of debate and not a point of order.

Mr. Boudria: Mr. Speaker as usual has adjudicated in a totally objective and non-partisan way.

Getting back to those people across the way in the Reform Party, I signed the form that assisted in bumping the member off the committee at the request of someone representing another party. We will not mention the name of that party.

However, let us get back to other members of the Reform Party and what happened to them. Do members remember the debate on Bosnia in the House? I do very clearly. I remember a speech from the hon. member for Esquimalt—Juan de Fuca. He spoke very well on the issue. Do members know what happened after that? The member never spoke again; weeks and weeks without being able to speak in the House. I wonder why that happened. He was silenced by the authorities within his party.

Mr. Hermanson: Mr. Speaker, on a point of order, the hon. member for Glengarry—Prescott—Russell is a seasoned parliamentarian. He should certainly recognize his comments have no relevancy to Bill C-69, absolutely none.

The Acting Speaker (Mr. Kilger): Over the years the relevancy rule has had a tremendous amount of flexibility and elasticity. I know within the confines of a 20-minute intervention the hon. member for Glengarry—Prescott—Russell is probably just getting to the very point of debate, which the hon. member for Kindersley—Lloydminster was raising.

Mr. Boudria: Well put, Mr. Speaker. Not only is that true but I was responding to the speech from the member for Fraser Valley West and I know that he would not have made an irrelevant speech.

I will stand up to defend the member for Fraser Valley West against this vicious attack by the Reform Party House leader that we just saw against the member for Fraser Valley West because when he talked about free votes in the House we let him say it because we knew it was relevant to this debate.

We all recognize it in the Liberal caucus. The Reform Party House leader now tried to silence that member and to reprimand him for what he said previously. We will not put up with that. We will defend the member for Fraser Valley West.

Having discussed and proved beyond a shadow of a doubt that Reform Party senior big wigs have reprimanded most severely the member for Fraser Valley West a moment ago by the comments from the House leader, and also silenced the member for Esquimalt—Juan de Fuca, forbidding him to speak in the House for weeks and then bumping the member for New Westminster—Burnaby off his committee unceremoniously, now we can get back to the main topic of Bill C-69.

(2100)

My colleagues remind me about the hon. member for Crowfoot who was demoted from the human rights committee, but I shall not even mention the member for Crowfoot being bumped off that committee. I am sure he was excellent, but the authorities within the Reform Party saw fit to demote him.

Let us get back to the substance of Bill C-69, recognizing of course that everything I have just said is totally germane to the bill, as the hon. member for Fraser Valley West so eloquently pointed out earlier today.

Mr. Epp: Mr. Speaker, I rise on a point of order. This may be a trivial matter, but he keeps talking about the hon. member for Fraser Valley West and I am sure he means Fraser Valley East. To avoid the necessity of having to change *Hansard*, maybe we should correct the member.

The Acting Speaker (Mr. Kilger): The hon. member for Elk Island is absolutely right. I am sure the hon. member for Glengarry—Prescott—Russell will now make that adjustment.

Mr. Boudria: Mr. Speaker, I suppose that east met west. That is correct, it is the hon. member for Fraser Valley East. But I would gladly defend the hon. member for Fraser Valley West as well, should that be necessary, against any attack by the leadership of the Reform Party.

On the substance of Bill C-69, this bill was necessary. It was tabled in the House by a parliamentary committee. This bill is the only piece of legislation of its kind. It was produced by a parliamentary committee. I am glad to say that I was a member of that committee very ably chaired by the hon. member for Kingston and the Islands. Of course we had the distinguished leadership and ability of the hon. member for Bellechasse.

[Translation]

Several other members, including Reform members, have also helped to make this bill a rather unique piece of legislation, having been entirely drafted by the parliamentary committee.

So, this bill was debated and passed in the House of Commons. Then it was sent to the other place. The other place, in its wisdom, decided to send the bill back to the House with some amendments.

Despite all this shuffling back and forth, we are on the last day of debate on this bill, or so we hope. The other place refuses to adopt this bill, which is not a government bill, but a bill produced by all parliamentarians, by all of us in this House of Commons, who are the salt of the earth.

I do not want to show a lack of respect for the hon. persons in the other place, but not being subject to electoral rules as frequently as we are—and that is the least we can say since, when they are appointed to the other place, they are there for a good long time—they should not be lecturing us on how to get

elected to this House. This bill is good and I am proud to support it.

As a matter of fact, the member for Bellechasse praised this bill a few moments ago, which certainly means that it must be good. The member for Bellechasse spoke about the five-year redistribution that we will have after this bill is adopted, and it will be adopted. After that, there will be no need for the kind of electoral redistribution we have now.

Some members of this House, such as the member for York North, the member for Mississauga, the member for Ontario and the member for Terrebonne, represent ridings that are often two or three times more populated than other ridings across Canada. This is not normal.

(2105)

This situation will prevail as long as we have a system where electoral redistribution happens only every ten years following the census.

But now, we have a new formula. We have a good bill, a bill that will allow us to make smaller changes every five years, changes that will ensure that the House continues to apply the principle of proportional representation much more adequately than it does now.

I am not convinced that a member who represents 250,000 or 275,000 constituents can take as good care of them as another member whose riding is smaller, like mine for example, with 100,000 constituents, or yours, Mr. Speaker, with some 60,000 constituents. This is the sort of figures I am talking about.

There comes a time when, unless he has access to considerable resources to help his constituents, a member can no longer do his or her job as an MP alone at the riding level, especially when the riding is very large or heavily populated. This is the case of a number of ridings in the Toronto area and, of course, in the Montreal area, the riding of Terrebonne, which is certainly the best example I could come up with in Quebec and stands to benefit from a bill like this one.

[*English*]

Some members have advocated that it is necessary in this bill to put this business of the 25 per cent representation for the province of Quebec. We know the House has already voted that down, as it had to. This is not a constitutional amendment; this is a bill having to do with electoral redistribution. There are right now a series of thresholds in electoral redistribution and we know what they are. There is what is commonly referred to as the Senate floor: no province can have fewer MPs than it has senators. There are a few other criteria in there as well. At present provinces do not lose seats from what they had prior to the last redistribution, and that is since 1988 or so. We must respect what is in there now. We cannot unilaterally today make

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those kinds of amendments to give that 25 per cent representation.

[*Translation*]

We must also remember that the whole Canadian electoral system is based on a specific province, when it comes to allocating seats to the other provinces. As we all know—at least those of us who, in the past, worked on redefining electoral boundaries—, that province is Quebec. We take the province's population and we divide it by its number of seats. The quotient is then applied elsewhere in the country. It is as simple as that. There is of course another factor, namely the fact that a province cannot have fewer MPs than senators. This explains why, for example, Prince Edward Island has four seats in the House.

[*English*]

In conclusion, I want to ask all members to support this bill. It is a good bill. It is the only bill produced by a parliamentary committee. It is unique and it is our bill. It is the bill of MPs for electoral redistribution for those of us who got elected and for future candidates who will be elected to replace MPs who will not run again or who will be defeated in the next election and so on. It is the bill for redistribution and it is a fair one for all Canadians.

Without being disrespectful, those who do not get elected to anything, after having made their representation to us once, should recognize the second time that this is the will of the House of Commons, democratically elected, and that the will of the people is totally respected by a bill like this.

I say to the members across that they did not produce one piece of evidence why this bill is unfair, nor do they have any alternative to this electoral redistribution bill. Their members who worked on the committee know better than the hon. member who just heckled from across the way.

(2110)

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, this is not a happy occasion, because just before the fall referendum in Quebec, the Parliament of Canada has failed to recognize the historic contribution of the people of Quebec and confirm that Quebec will have 25 per cent of the seats in Parliament.

I know the amendment was defeated, but I cannot help talking about it because for us in the Bloc Québécois, and, I suppose I could say, in Quebec, the most important aspect of the bill is the representation of the people of Quebec. This is a gesture the Parliament of Canada could have made to Quebecers. It is a gesture it refused to make, which sends the following message to Quebecers: "We do not recognize your position, your historic contribution or what you are as a people and a distinct nation".

I realize historic references are not always appreciated in this House. But since I am speaking to you, Mr. Speaker, I will try

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and make a few. To know where you are going, you have to know where you are from. We must remember that in 1837–38, we had a rebellion in Lower Canada and Upper Canada, both of which were put down. Upper Canada and Lower Canada were forced to come together in a union. Canadians, and I am referring to the “Canayens”, the people who came over to America from France and, before France was defeated by England, had become sufficiently independent to start criticizing France, the church over here quarrelling with the church over there, so that if the colony had remained French, after a while it would have become independent like all the American colonies did after a while. These French men and women, who became the “Canayens”, are the ones who were defeated. They were left here, about 60,000 of them, and here in North America they continued to multiply, develop the land and try in spite of everything to preserve their language, their religion and identity.

(2115)

These “Canayens” who in 1791 obtained their national assembly, these Canadiens who for years elected their members and founded a party called the Patriote Party, who wanted to negotiate the patriation of executive powers with England, and finally, these “Canayens” who, according to the historians, were provoked by the Doric Club in 1837, were defeated and became a minority as a result of the forcible union of 1840.

I say became a minority because we should remember that in 1810 and later in 1822, the British Montrealers wanted to make Montreal Island a part of what was not yet known as Ontario but as Upper Canada. However, they were not successful because the “Canayens” who had large families were not about to become a minority.

After the rebellion was put down in 1837–38, when Lord Durham came to conduct his investigation, he said the following: “I found two nations warring in the bosom of a single state”. Lord Durham was anxious to put these “Canayens” in a minority position, to ensure that the character of British North America, come what may, would remain British.

At the time, there were about 450,000 “Canayens” in Lower Canada, 150,000 anglophones and about 400,000 British or people of British descent in Upper Canada. This means that although the population was not the same within the union, Upper Canada and Lower Canada were given the same number of members, irrespective of population. There was a significant difference between the number of people in Lower Canada and in Upper Canada. At the time, it was important to maintain the minority status of the “Canayens”.

Once the union became official, it did not work very well. According to the history books, many settlers came to Ontario, to Upper Canada, and when the union did not work out, members

for Upper Canada, under the slogan “Rep by Pop”, demanded a new government. An alliance was formed between representatives of Lower Canada and others, who did not seem prepared to unite with them in Upper Canada to produce a federation, when it became clear that the union was not going to work and something new had to be found.

(2120)

But, in exchange, and this was clear, patriots like George-Étienne Cartier who fired the first shots, George-Étienne Cartier who was a member of the McDonald government, could not accept a confederation proposal which did not recognize Lower Canada, what it represented and its importance.

Confederation was enacted in the British North America Act. At Confederation, Quebec, because that was how it was then known, became one of four regions. Quebec was granted 65 MPs out of a total of 181.

Since then, Quebecers have steadily become a minority. This situation led a large number of Quebecers to want sovereignty, and it led us, the Bloc Québécois, who are here in the Canadian Parliament just a few months before the referendum, to say to ourselves that the Canadian Parliament possibly would recognize the right of Quebecers to 25 per cent of all seats because of their status as a founding people.

Now, I will talk about the Quebecois people. This people has long been recognized as Canada’s francophone nation. The francophone nation of Canada, the “Canayens” of whom I spoke, held their hands out to the anglophone nation after 1840 in friendship so that those who called themselves English Canadians could try with French Canadians to piece back together the pieces of two shattered colonies.

For a long time, French Canadians in Quebec desperately tried to find their niche within Canada. They were searching for equality. I said for a long time and desperately because there is something desperate in this repetitive quest over the years, we can even say over the centuries, of the descendents of the first francophones, the “Canayens” who became French Canadians who, despite the circumstances, wanted to take their place within Canada.

It is only after repeatedly failing to do so, after recognizing the potential to develop to their fullest in Quebec, that in the 1960s or thereabouts, because history cannot be boxed in, Quebecers saw events quietly transform reality. At a certain moment, the situation changed: in the 1960s or thereabouts the people who were referred to as the cradle of French in Canada became the Quebecois people.

(2125)

I am always pleased to quote Daniel Johnson, the father, the one who was Premier in 1966, whose father was Irish. Daniel Johnson, the father, this leading Quebec politician, a French

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Canadian, the first to launch his party, the Union Nationale, the party in power without a break from 1944, except for the period between 1960 and 1966. He is the one who called an election on a platform of "Égalité ou indépendance". He was thinking of equality for the French-Canadian nation, but he said in his text: "If French Canadians cannot achieve equality within Canada, it will be legitimate, normal and natural for them to seek political independence within their territory".

The people known as Quebecers have a long and meandering history, having moved from a French colonial identity to a North American identity, from Cajun to conquered, to dominated, to colonized by the British colony, to French Canadian in a colony that gained its independence from Great Britain in 1931. The French Canadians, who became Quebecers in the 1960s, are having a hard time discovering their identity, some of them. Some of them mock it.

Their history, although meandering, is one of courage. And Parliament's recognition in acknowledging Quebecers' entitlement to 25 per cent of the seats would have been a minimum tribute to Quebecers' contribution to Canada.

I would add the following. The French Canadians, I saw it earlier and I am repeating it, it hurts me but it is true, French Canadians desperately wanted to find their place and grow within Canada. Often they were the only ones wanting to. At the same time, though, they developed the qualities that go into making a people. They meet all the criteria of a nation: language, different laws, the Civil Code, their religion, a culture and a community spirit. Neither the people nor the nation is closed, as some would claim.

I quoted Daniel Johnson senior earlier. He was the son of an immigrant and became premier. I do not think I need to provide many more examples in talking of this openness.

This people tried to find its place in Canada. After the referendum when the people said "no" in 1980, because Trudeau had promised change, federal reform, the people followed Bourassa with his five basic conditions. Today, some people have no other choice but to say: "We will take charge ourselves".

They do not want an end to relations. For them, the only way to grow in this country is to say yes to who they are and offer the rest of Canada an economic and a political agreement.

(2130)

It would not have cost Parliament much to grant this status to the people of Quebec, a status they have anyway, by recognizing that they are a founding people of Canada and play a fundamental role within Canada.

Personally, I would have liked to see such a sign. Instead, what we saw was its failure to recognize this basic difference of ours.

Some members addressed the technical requirements of the rep. by pop. rule and we understand that this is important. However, the message Parliament could have sent or still could send Quebec is infinitely more important than setting the allowable percentage of variance in determining the size of any given riding. We are talking about having one country or two.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I was quite surprised to hear the comments made by the hon. member for Mercier.

In his speech earlier tonight, the government whip suggested that Bloc members disagreed on this bill. This is quite obvious tonight as the hon. member for Bellechasse, who sits on the committee, proposed in committee an amendment to the bill that would have given Quebec at least 25 per cent of the seats in this House.

The suggestion to amend the bill actually came from a senator who testified as a witness before the committee. The committee nonetheless decided that amendments to the Constitution of Canada were not needed at this time and that, as everyone agreed, the amendment suggested by the hon. member for Bellechasse would involve amending the constitution. Consequently, the committee rejected this amendment and decided to preserve the constitutional relations now in effect among all Canadian provinces, and especially the constitutional provisions concerning representation in this House. We then heard the hon. member for Berthier—Montcalm deliver a long speech in this House at second or third reading of this bill.

The hon. member for Bellechasse did not have anything to say at that time, while his colleague from Berthier—Montcalm called for major changes to this bill and proposed an amendment. This amendment was rejected by the House. We now hear all kinds of speeches dealing with the amendments proposed by the Senate, which have nothing to do with the constitution, nothing to do with the representation of any province in this House, although all speeches by Bloc members deal with this. This has nothing to do with the motion before the House tonight. Perhaps they would like this to be the case, but it is not.

(2135)

The motion before the House and the amendment concern only the amendments proposed by the Senate. It is noteworthy that the Senate did not propose the amendments requested by the hon. members for Mercier and Bellechasse. Why? Because such amendments would have also been rejected by the Senate.

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I am surprised. During her speech, the hon. member for Mercier rewrote the history of Canada. It is very obvious that our country was built by two partners, English Canadians and French Canadians. That much is obvious to everybody. Canada will continue to prosper because of these two partners. If we are together, if we work together to continue to build this country, there will always be enough wealth for everyone in Canada and no one will be denied their rights. That is what created this great country, Canada, and what will sustain it in the future.

I am certain that when the Bloc Québécois will have the courage to hold a referendum in the Province of Quebec, Quebecers will tell all of the world that they want to remain in Canada, that they want to remain part of this great country, because they have always worked with all other Canadians to create this country, not without difficulty, but ever hopeful for the future of this great country, one of the world's greatest.

[*English*]

I want to leave that subject and speak instead tonight about the Reform amendment, which is, after all, what we are supposed to be discussing.

I am very surprised to see the Reform Party carrying on the way it has been tonight. Again I have the little green book handy. I was just browsing through it. I know we have heard hon. members of the Reform Party almost speak disrespectfully of the other place. I am shocked, to say the least. I am shocked because here we have a spectacle of the Reform Party on the one hand speaking disrespectfully of the other place and on the other hand supporting the amendments it has made to this bill. I do not think it is any accident that many of the amendments proposed by the Reform Party members in the committee and rejected by the House and the committee are now being supported by their friends in the other place.

The other place has a constitutional right to suggest amendments to this House and send bills back, as it has done in this case, but I am surprised that a party that speaks so disrespectfully of the other place would now support by its amendment the amendments that have been proposed there.

I want to quote from their leader, the hon. member for Calgary Southwest, in the little green book. The book is called "The Gospel According to Preston Manning and the Reform Party". He said the following, although I want to say at the outset that I do not agree with the statement: "The three priorities of the present Senate are, in order, protocol, alcohol and Geritol".

Mr. Hermanson: Hear, hear.

Mr. Milliken: There is the hon. member for Kindersley—Lloydminster, who quoted this very statement in his speech the

other night, applauding it. Yet I note on the other hand that he is supporting the Senate amendments to this bill.

We are not just asking him to vote for the one amendment the government supports. He is saying we should support a whole bunch of them and has proposed an amendment to do. We are saying reject it because those amendments are not good amendments to this bill and we are asking the Senate to withdraw them. That is what the motion states. It is a sensible bill.

What is the principal objection the Reform Party has? I suggest there are two. One of them is not dealt with in any of these Senate amendments and it was not dealt with in the bill, but there are two. The first was that Reformers wanted the possibility in a riding of moving away from the provincial quotient to the variation permitted to be 15 per cent above or below instead of 25 per cent above or below.

The result of such a change would be to ensure that the ridings would be closer in size. In other words, there would be one person equal to one vote a little more closely across the country than is the case now. In fact it would only apply within a province, but it would result in a substantial shift.

(2140)

The hon. member for Kindersley—Lloydminster and the others who are hooting and hollering over there tonight know perfectly well that it would result in changes so that large rural ridings such as that occupied by the hon. member for Bellechasse—I could name a whole host of others in this House, but he is here, he was on the committee, he knows the argument—would be enlarged enormously to fill it up with more people to get it closer to the provincial quotient in numbers and other ridings in big cities would be cut up and divided into smaller units. More ridings would move to the cities than there are now and there would be fewer rural ridings in Canada.

I am surprised that hon. members opposite, largely from rural parts of the country themselves, are supporting this kind of amendment. I know their hope lies in winning additional seats in other parts of Canada, but I know perfectly well their hope lies in rural Canada. If they cannot win seats there, they are going to be in difficulty.

Mr. Duhamel: They are in difficulty.

Mr. Milliken: My hon. colleague says they are in difficulty, and he is right on that score.

The second argument they had was that the House was getting too big and they wanted to stop this House from getting any bigger. They said 295 was ample. Some of them wanted to cut it back. There was disagreement on how far it should be cut back, but they wanted to cut it back.

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The government and the members of the committee agreed that 301 was not too many and we have agreed to go along with the existing law. So we have proposed no change in the Constitution or in the rules relating to the size of the House and we have left it at 301 members, which is what the number will be after the next election, whether this act passes or not.

Let us see what their leader says about how you fix meetings. He said this is one of the things you have to do to preserve party dignity: "If you think it's going to be that type of meeting, get as many sane, sober people there as possible. Overwhelm the kook element." We are only following his leader's advice. We are going to try to expand this House to overcome the kook element. That is the aim. We are going to try to create another five or six seats, fill them with good Liberals, and overwhelm the kook element in the opposition—and I do not mean the official opposition.

That is just one of the things his leader said. He said more. There is a lot more. This man is productive.

Mr. Epp: Mr. Speaker, on a point of order, I am very curious as to whether the hon. member referring to us over here as the kook element is denigrating our position and impugning our honour. I would ask him to please retract that.

The Acting Speaker (Mr. Kilger): Certainly any member can retract anything upon the request of another member, but respectfully I must say to the House that is not a point of order.

Mr. Milliken: Mr. Speaker, I did not think the member would be offended; I was only quoting his leader.

I want to quote the hon. member for Calgary Southwest again. He also said "Every political party has a few bad apples". I think he was right, but I will not throw stones.

The member obviously holds politicians in very low esteem. The hon. members opposite say they do not want to have 301 seats because it would increase the number of politicians, and they say that Canadians do not like politicians. I do not know about the hon. member for Glengarry—Prescott—Russell, the hon. member for Wellington—Grey—Dufferin—Simcoe, the hon. member for Bruce—Grey, the hon. member for St. Boniface, the hon. member for London West. All of these people are not unpopular in their constituencies. I know when they go home they are greeted warmly. They are not regarded as unwanted politicians. Perhaps the hon. member for Calgary Southwest and some of the members of his party feel they are unpopular and therefore think politicians are unpopular. It does not follow. Some are, but I know many who are not. Many of my colleagues on this side of the House are very popular.

Let me read what the hon. member for Calgary Southwest said about politicians: "What's the difference between a politician

and a catfish? One is a slimy, wide-mouthed bottom feeder and the other is a fish."

Some hon. members: Hear, hear.

Mr. Milliken: I knew hon. members opposite would applaud that one. As my hon. colleague from St. Boniface said, obviously they are intellectuals.

(2145)

If the hon. member for Calgary Southwest holds politicians in such low esteem, I can understand why he and his colleagues do not think there should be any more in the House. I assure him that my constituents and the constituents of my friends—

An hon. member: You are exhibit *a*.

Mr. Milliken: The hon. member suggests that I am an exhibit. I do not think that is quite fair.

The hon. member for Glengarry—Prescott—Russell is well regarded in his constituency. I know; I have been there. In St. Boniface the hon. member is very well regarded. In Bellechasse I have no doubt the hon. member is well regarded.

For the member for Calgary Southwest to speak this way about the profession that he now claims to profess and to refer to his own colleagues in this way is unfair and unjust. Hon. members opposite deserve a better defence and I am prepared to defend them from the ravages of their own leadership.

Having said that, let us turn back to Bill C-69. The bill, after all, represents an honest attempt by the government and by members of the House. The House is dealing with a bill that has been approved by the membership of the House in a committee. As the hon. member for Glengarry—Prescott—Russell said in his remarks earlier, this is the first time the House has come up with a bill that has been created or drafted from scratch by a committee of the House. It was agreed to in the committee.

I know the hon. member for Calgary West said in his remarks in the debate on the bill the other day that this was their fourth and fifth choice, that they went along with it only because we rejected choices one to five. All of us had choices we wanted on different things rejected in different ways. We all settled and made compromises. That is the way committees work.

I do not know where the hon. member comes from when he thinks a committee goes the way of only one person. I was only the chair of the committee so I did not even have a vote. I accept the work of the committee as good, solid work. I think it was fair. I think it was reasonable. The hon. member opposite was there. He knows it was reasonable. The hon. member for Bellechasse knows it was reasonable.

When the bill came back to the House, when the government introduced the bill, it had reasonable support. I know hon.

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members complained about it. Of course it did not have everything in it that they wanted. They are members of an opposition. They are paid to be here to oppose. So they did what any opposition would do and opposed it. I have been in opposition before. I know how it works.

Let us face the facts. The bill was a reasonable compromise reached by the members of that committee working together. I think we worked extremely well together. We came up with a reasonable proposition.

Now we have this loud criticism going on night and day, especially from the Reform Party, spouting absolute nonsense in respect of the bill. The extraordinary thing is that they have had to do it on the basis of Senate amendments when they know perfectly well the Senate amendments are not ones the committee agreed to. The committee considered almost every one of the Senate amendments in one form or another in the course of its deliberations, rejected those changes in the law, and came up with something different.

The Senate is trying to take us back to the same old law we had before. The Senate amendments proposed in the notice that was sent to the House effectively gut the bill of any significant change over the existing law. Hon. members opposite know that is not what the committee agreed to. They wanted changes in the law. They did not get everything they wanted but they got a good number of changes that were quite reasonable. We all agreed to the changes. For the most part they are good changes and reasonable changes. We should support them and tell the other place that is the case.

Hon. members opposite like to complain about the use of closure in this debate. They have not said a lot about it. Nor should they because we are getting toward the end of a session. An upcoming summer vacation is specified in the rules where members will have a recess from the House and will go to do work in their constituencies. I am looking forward to the opportunity to do some work in my constituency. I am sure hon. members opposite are doing exactly the same.

(2150)

When we get to the end of the line and are running out of time, the government is trying to get its legislative agenda through and has adopted measures with respect to arranging the time of the House to ensure the legislative agenda is adopted. The government has various tools at its disposal.

Hon. members opposite could get up and quote chapter and verse on the evils of time allocation and probably on the evils of closure. As a member of the opposition I opposed those applications in years past. However I can say to hon. members opposite that they do not know how lucky they are that they have a Liberal

government on this side of the House that is so beneficent and so careful in its use of these tools.

I see the hon. member for Beaver River. She was here. None of her colleagues was but she was. She knows that the former government used closure and time allocation right, left and centre with what can only be described as gay abandon. I should also say that it was used by the previous government unilaterally with no co-operation from anybody.

This government used closure today for the first time and with reluctance only because members opposite would not make any arrangement to dispatch this business expeditiously. It is quite reasonable to apply it. Look at the difficulty they are having filling the time with speakers tonight.

With respect to time allocation we have used it in almost every case with full co-operation of the opposition. In other words we have not used it unilaterally. We have done it with co-operation from opposition members. They know organizing the time of the House is important to the orderly conduct of business. They know we have an interest in seeing that bills are passed in a timely way, and that when debate has come to a logical end and it has gone on for too long it is time to bring it to an end and to reach a decision in the House.

I spoke on this issue last week when the time allocation motions were moved and carried in the House with a substantial majority of the members. Only the Reformers and a handful of Independents were voting the time allocation process adopted in the House. The time allocations we allocated on the bills were reasonable. On this one we could not get agreement but closure was a simple, short way to dispatch this item of business.

Hon. members opposite know in their heart of hearts that they want the bill passed. They want the Senate to back off on these amendments and get on with life. They prefer to get the amendments in but they know if we agreed to their amendments tonight they would be standing here screeching at the Senate to pass the bill tomorrow.

The hon. member for Calgary wags his head but he knows perfectly well that is the case. He would not be supporting the amendment otherwise. He wants these amendments if he can get them.

I remind hon. members opposite—and I thank the hon. member for Glengarry—Prescott—Russell for this point—that we have even had support from members of the Reform Party on time allocation when there were bills they wanted passed.

We have not used time allocation unilaterally very often. In fact it has been extremely rarely. The hon. member for Kindersley—Lloydminster keeps a little list and marks it down every day it is used. It is not a long list but he has it there. I invite him to count how many times it was used unilaterally. In almost

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every case it was done with the co-operation of one or the other of the opposition parties.

An hon. member: It is a new rule.

Mr. Milliken: It is not a new rule. Standing Order 78(2) has been in the rule book since 1969 when it was passed. It is just that it has not been used before. Governments have usually acted unilaterally and we fought that when we were in opposition.

We are in a different situation. It is a different kettle of fish at the moment. We are getting co-operation from one party or the other because the parties opposite realize that for the orderly conduct of public business it is sometimes necessary to fix times. That is exactly what we have done. We have done it fairly and we have done it in a way that could not lead to any complaints from hon. members opposite despite the screeches of horror we hear so regularly.

I urge members of the House to vote against the amendment, to vote for the government motion rejecting these amendments in the other place and to urge the other place to pass the bill with dispatch so that we can get on with drawing proper electoral boundaries for all the constituencies in our great country.

(2155)

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, on behalf of the people of Okanagan—Similkameen—Merritt I am pleased to have the opportunity to speak on Bill C-69 respecting changes to electoral boundaries.

The arrogance and the lack of integrity that have been displayed by the government, particularly over the last couple of weeks, are absolutely astounding to me, the Reform Party and all Canadians. In true Grit fashion the Liberals have had the nerve to campaign on a theme of restoring integrity to government. Yet the government's arrogance is increasing while its integrity is decreasing. The government's lack of competence is appearing in more and more areas.

The defence minister, the heritage minister, the health minister and the minister of Indian affairs are seriously mishandling their portfolios. The human resource development minister has caused a complete collapse in the social reforms promised in the red book.

Speaking of promises in the red book, let us for just one moment take a look at some of the promises in the red book that the Liberals talked so much about during the election campaign. Did they not promise to base key federal appointments solely on the competence of the person rather than on patronage? That promise is routinely broken on a weekly basis.

Was it not the Liberal government that said in the red book that it promised not to alter federal-provincial transfers without

the full co-operation of the provinces? That was broken by the introduction of the Canadian social transfer in the recent budget.

Was it not one of the cabinet ministers, the Deputy Prime Minister as a matter of fact, who said that she would resign if the GST was not replaced within one year? Shamelessly that promise was broken on October 25, 1994.

There were more promises. There are sheets and sheets, literally miles and miles of promises the Liberal government has broken over a short period of time. In a mere 19 months it has broken promises to the Canadian people.

The arrogance of the Liberals is clear in their coercive treatment of individual MPs, forcing them to vote against the wishes of their constituents. Can we imagine? The Prime Minister even congratulated those members for toeing the party line. For goodness' sake, if we were not elected to this place to represent our constituents, what were we elected for?

More examples are the Liberal's sexual orientation bill, the gun registry bill, and the disappointing changes to the MPs gold plated pension plan. They have all been torpedoed through the House. The use of time allocation and closure effectively limiting debate in the House is as prevalent as it was in the government before.

The Liberals should be absolutely ashamed of what they have done to parliamentary democracy. They are not governing with integrity. We have seen conflicts of interest, unethical behaviour, broken promises, arrogance and incompetence. The confidence of the people in the government is decreasing as the integrity of the government decreases.

Let us take Bill C-69 as an example. This piece of legislation has cost the taxpayer some \$6 million so far. That is the amount of money needlessly spent on previous federal electoral boundaries commission proposals. These were scrapped by the government in Bill C-18 because a number of Liberal members disliked the new maps. Now the whole process is being redone in their favour under the guise of Bill C-69.

(2200)

To obscure the real intent of Bill C-18, this government put forward a motion which initiated this bill. It asked the procedures and House affairs committee to examine methods of capping or reducing the size of the House of Commons, to improve the process by which the boundary commissioners are selected, to consider how boundary commissioners conduct their work and examine the involvement of the public.

If this bill capped or better yet reduced the number of members of Parliament in the House of Commons, then the \$6 million lost by scrapping the previous commission and its proposals could have been justified. The cost savings could have

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been much more than the \$6 million already spent on the previous commission's proposals.

Sadly and in true Grit fashion, this government has shown its usual contempt for the taxpayers of this country. The government did not address the most fundamental reason it claimed for reinitiating the whole process. The government failed to reduce the already excessive and growing number of members of Parliament sitting in the House of Commons. This bill has been rendered utterly useless in the face of the \$6 million which is removed from the pockets of hard working and tax paying Canadians.

Worse still, contrary to all logic, the government actually intends to increase the number of members in the House of Commons from 295 to 301. This will cost the Canadian taxpayers millions in additional salaries, staff costs and how about travel expenses? Of course, something the Liberals do not like talking about very much is the lavish gold plated MP pension benefits which they will receive. We only have to worry about that if there are any members opposite left here after the taxpayers vote in the next election.

In addition to the extra cost this bill imposes on Canadians by increasing the size of the House of Commons, new commissions will need to be struck to redo what the commission scrapped by this government has already done. Judging by the last commission, this will cost taxpayers at least another \$6 million, maybe more.

Many Canadians have questions, as do I. Why has this government shown such contempt for the taxpayers? Why does the government fail to cap or reduce the number of members of Parliament? The answer is obvious. It is very clear. Self-interest of course. The interests of the voters and taxpayers were set aside so that no Liberal members would have to voluntarily give up their seats when the numbers were reduced.

This example of arrogant self-interest will backfire when the taxpayers get the opportunity to vote in the next election. Liberal members need not worry. They will not have to voluntarily give up their seats because they will be booted out of this place by the seats of their pants in the next election.

Liberal arrogance and incompetence reared its ugly head before this bill even made its way to the committee. The government actually intended to include a schedule of special ridings exempt from having their boundaries adjusted by the future electoral boundaries adjustment commission.

(2205)

This is laughable. It is not funny but it is laughable. What a tool that would have been. Imagine the Liberals manipulating the system by creating safe seats. Even though the schedule was dropped in committee, the arrogant attempt to create safe seats

shows that the Liberals are running scared. They know what is going to happen to them in the next election.

Whatever happened to the red book promise to govern with integrity? We all know the Liberal red book's title "Creating Opportunity" and what that stands for. Unfortunately the Liberals left out the subtitle: "for deception, hypocrisy and greed".

During committee and at report stage the Reform Party offered a number of amendments to the government which could have salvaged the bill. The government could have succeeded in making the bill workable and productive. It could have succeeded in making this bill worthwhile for the taxpayers. However, the constructive amendments were rejected by the government.

Bill C-69 then went to the Senate where a number of our concerns were again raised. It was returned to the House from the Senate with a number of constructive amendments. For example, the Senate amendment to reduce the allowable size of deviation from a provincial electoral quota of 25 per cent to 15 per cent is well worth supporting and has been raised a number of times by the Reform Party.

A deviation of 25 per cent is totally unacceptable to Canadians. The creation of ridings which could actually vary by 50 per cent is not only unfair but is undemocratic as well. A 15 per cent deviation would promote the equality of vote for each Canadian while at the same time allowing the boundary commissioners sufficient flexibility when drawing up new boundaries. Despite the constructive amendments offered by the Senate, this piece of legislation will still be lacking.

Bill C-69 fails to address the supposed intent of the motion put to the procedure and House affairs committee which was to reduce or cap the number of ridings in Canada. The House of Commons will needlessly swell to a size taxpayers need not and should not support. At a time when it is urgent to cut the fat and bloat we see everywhere in government, there is absolutely no excuse for putting forth legislation which would make the House grow. This is not in tune with the people of Canada or the finances of the country.

It is appropriate to remind hon. members opposite that Premier elect Mike Harris handily defeated the Liberal Party in part because he promised to reduce the size of the Ontario legislature.

This government could partly make amends to the people of Canada by letting this unnecessary and counterproductive legislation die. If nothing else, it would save the Canadian taxpayer \$6 million. I urge all members to vote against Bill C-69.

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, I have been sitting here listening to this debate for some time. I was interested in the comments offered up by the

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hon. member for Glengarry—Prescott—Russell and by the hon. member for Kingston and the Islands. Back in British Columbia we call some of the comments which were made symptoms of the Ottawa disease: no substance but a lot of cheap political gamesmanship, and this from veterans in the House who could pursue much more productive avenues.

The bill we are discussing tonight was not produced by all parties, as those members well know. We co-operated, which is our norm and we filed a dissenting report. We heard in typical style that this bill will be adopted. One of the problems with this House is that the results are a foregone conclusion when we see the stubbornness with which these bills are approached.

(2210)

This is the fourth time I have spoken in public on Bill C-18, the forerunner to this bill, on Bill C-69 today and indeed on another occasion to the electoral boundaries commission in British Columbia. This dates back to February 9, 1994, March 21, 1994, May 26, 1994 and again today.

I must say that when members of the public ask me what is transpiring in terms of the whole electoral boundaries situation, there is a natural tendency to try to not talk about it because everything has become so complex, unravelled and intertwined. There is a great deal of uncertainty among everyone as to where we are going on these boundaries and when the changes, if there are going to be changes, will actually take place.

It is important to dredge up the history behind all of this and why we stand here tonight in this circumstance. We have to explain a little bit of that history to understand what is going on here.

One thing was of concern to me last year and is still very much at the forefront of my thoughts. The whole initiative to kill the electoral boundary redistribution process started in Ontario. It had got up a head of steam so that Bill C-18 was being drafted before British Columbians had even received their original electoral boundaries report to know where their proposed boundaries were.

This is typical of how many regions of the country feel left out and manipulated by what goes on in Ontario or in central Canada. It is worth repeating that there is no necessity in this issue. It was not an issue in the campaign. It was not an issue after the campaign. It is not in the Liberal red book, the dead book.

This bill continues to do one thing and one thing only. It responds to the desires of politicians to draw lines on a map. The Ontario MPs are trying to kill the boundary redistribution process. As I said before, they were trying to do that before the B.C. report was even out. This process has been in effect every decade since 1867 during the time of Confederation. It has been tied to the census. There was no public outcry. The outcry does not exist.

Mr. Milliken: There was in 1986, it was changed then.

Mr. Duncan: Phone the electoral boundaries commissions that were in place at the time. Phone the chief electoral officer and ask him if there was a public outcry. There certainly was not. There is self-interest in this issue and that is what it is all about.

What do I do to tell my constituents where we sit on this electoral boundary redistribution process? Confusion reigns supreme because of government actions. There is confusion over timing and confusion over the role of the Senate. There is uncertainty as always over when the election date is going to be and when these things are going to kick in.

(2215)

Is the original motivation of government, of this administration, still the same today as it was last February? It is a good question; we do not know. When does government embarrassment kick in? I do not know if the government ever gets embarrassed. When does the government want to end the uncertainty? I thought that day would come sooner than it appears it will.

Listening to the debates tonight one thing is very clear. What was a non-partisan exercise to realign constituency boundaries has already deteriorated into a partisan political exercise in Parliament. That is really not what we should intend.

I hope we can separate the whole process at some point into boundary adjustments and the question of how many members there should be in the House. Those two issues became a part of this last exercise when in my view they should be quite separate. If we had left the original redistribution process the way it was and taken an all party committee to look at the number of members for the next exercise we would have been in very good shape.

It may be two years from the next election. When will Bill C-69 ratification lead to a final resolution? I cannot answer that question and I do not think anyone else can at this point.

This whole exercise has been political football and now the is government trying to save face by continuing this charade. It would have been better to drop it at this point. The government has wasted time, money and the goodwill of members to keep a few disgruntled government members happy.

We have debated in numerous readings, we have gone to committee, we have had dissenting reports and now we have six Senate amendments before us and our constituents have lost the thread to this rapidly unravelling bad novel.

I felt strongly in March 1994, as I did on February 9, 1994 when once again I protested politicians' drawing lines on maps. I will talk about Amendment No. 1 the deviation quota. This amendment reduces the allowable size of deviation from a provincial electoral quota from 25 per cent to 15 per cent. Reform can support this amendment. From the outset we called for an allowable maximum variance of 15 per cent to ensure the

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primacy of the equality of voting power over sociological considerations.

Elections Canada had reported 51 of the 295 existing ridings exceeded the current permissible population variances. Legitimate concerns were expressed by the Reform Party that this situation could be compounded in light of population shifts between redistributions. The bill still allows for deviations greater than 15 per cent in special circumstances.

Amendment No. 2 deals with non-judicial commission members. When the bill was drafted this clause was probably left out in error. Adding the requirement for the two non-judicial commission members to be resident in the province for which the commission is established does make sense; who better to monitor and recommend boundary changes than those from the province concerned? The Reform Party can support this amendment but overall does it really improve the bill? Does it really change or improve the existing process enough to warrant discarding the redistribution process that is almost complete?

(2220)

Amendment No. 3, the 20-member factor to challenge the Speaker's appointments to the boundary commissions, is an indefensible amendment in our view and we oppose it. These appointments are not under parliamentary rules a ruling by the Speaker. It may cause the Speaker a little embarrassment but little else. It hardly can be construed as a non-confidence motion in the Chair. It is turf protecting and is adding a political element to a supposed non-partisan apolitical function.

The Senate amendment does not take the House of Commons dynamic into account. The Reform Party views the ability to challenge appointments as an improvement over the current process when the Speaker's appointments cannot be challenged and therefore can be influenced by government.

If we could have maintained this challenge option, I dare say before appointments were made the Speaker would surely have consulted with all parties in the House.

Amendment No. 4 is a trigger based on population shifts. This Senate amendment eliminates the use of a trigger based on population shifts to determine whether a boundary commission must be established in a province. We oppose this amendment.

Already under Bill C-69 the Speaker and the chief electoral officer can order a redistribution where one has not been automatically triggered. To say the least, this elimination of a trigger is perplexing. The trigger is largely a cost saving measure and it is estimated the cost savings are substantial.

Some may argue there could be challenges to this section under section 15 of the charter surrounding the quality element. We view this as extremely remote because the Constitution requires only an interprovincial decennial redistribution, thus the prevention of an intraprovincial redistribution would not contravene section 51 of the Constitution. To me this is good grounds not to eliminate the trigger.

Senate Amendment No. 5 deals with eliminating the provision that a commission will only recommend changes to existing electoral district boundaries where the factors set out are significant enough to warrant such a recommendation.

The original intent of this provision was designed to encourage the commission to give greater consideration to existing boundaries. We can support this amendment because for all intents and purposes existing or traditional boundaries of electoral districts are also included for the commission's consideration in the current definition of community of interest.

Amendment No. 6 deals with redefinition of community of interest. Reform is opposed to this amendment because it calls for a redefinition of community of interest using the Lortie commission's definition.

Community of interest according to clause 19 would include such factors as the economy, existing or traditional boundaries of electoral districts, urban or rural characteristics of a territory, boundaries of municipalities and Indian reserves, natural boundaries and access to means of communication and transport.

I ask why clause 19(4) currently contained in Bill C-69 is so offensive. It is clear and gives clear direction to the boundary commissions. While the Senate's proposed definition is consistent with the recent Supreme Court decision, the procedure and House affairs committee considered and rejected this definition because it turns redistribution into an affirmative action process.

This is not in keeping with the process that has been in place since Confederation. We oppose this amendment also and that concludes my remarks on this bill.

(2225)

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, at this rather late hour we are debating a bill that is purely technical. I wonder whether people who may still be listening would appreciate some information on the present proceedings. There are not many of us here but that is not the point.

We are discussing Bill C-69, which provides for the establishment of electoral boundaries commissions. The bill is of particular interest to Quebecers and in fact to all Canadians, as we saw in the course of the debate this evening.

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The bill is of particular interest to people in Quebec because at the report stage, we proposed an amendment that would guarantee Quebec 25 per cent of the seats in the House of Commons. This amendment was voted on and defeated.

When we first arrived in the House of Commons, we voted on a bill, C-18, which suspended the proceedings of the commission which had started to review the electoral districts under the legislation then in effect, on the basis of the 1991 census.

We went through the whole procedure to pass this legislation, and now we have Bill C-69 which must be approved before tomorrow midnight, if the new legislation is to come into force. In this area, as in so many others, as we saw recently in the case of the CRTC and satellite television, we may end up with a new legal debate.

If Bill C-18 is once again in effect on June 22 because the bill before the House today has not been passed by the Senate, according to the parliamentary House Leader who has his own interpretation of the facts, we will have a problem because we will have to find out which legislation will be in effect on June 26: the one that was in effect before or the new legislation, when it is passed by the Senate? That is a legal argument we can look forward to.

What is difficult to understand in this process is the government's agenda. The bill was tabled, and we worked together on this bill, as the government's chief whip pointed out. In fact, the hon. member for Bellechasse contributed his expertise to make this bill as good as it could be.

But in the end, we had to vote against the bill, unwillingly, but the government refused to concede on one thing we considered essential: the guarantee of 25 per cent of the seats.

The bill went to the Senate. The senators are appointed, not elected. They come from the regions. They met and tried to find something that could be changed in the bill, with the good intention, no doubt, of improving it. When we look at some of the amendments from the Senate, we wonder how these people, who in principle are supposed to represent the various regions in Canada, could propose an amendment like the one to change the variation in the quota from 25 per cent to 15 per cent.

To put this in concrete terms, suppose there was an average of 100,000 voters in Quebec ridings, the bill provides that the number could grow to 125,000 or drop to 75,000 in a riding because the variation can go 25 per cent either way.

(2230)

The Senate, for its part, suggested that this quota should be reduced from 25 to 15 per cent. As you can well understand, such an approach could not have been worse for regional representation. This bill came back from the Senate with six

amendments. At first, the government said, "We will accept the one amendment that makes sense". An amendment to the amendment was moved by our Reform colleagues, who suggested that we approve a few others. But as far as the substance of this debate is concerned, what is really interesting to us, the people of Quebec, is that the message is very clear. When they were in opposition, government members were the first to demand 25 per cent representation for Quebec and to express a willingness to guarantee such an outcome.

The statements made by the hon. member for Papineau—Saint-Michel, who insisted that Quebec should be guaranteed 25 per cent of seats, are still fresh in our memory. This is not the first time we point out that, when they were in opposition, the Liberals advocated policies that were sometimes very innovative in my opinion. However, now that they are in power, they repeat the speeches made by those they used to criticize when in opposition, and it could even be said that, in some regards, they are going much further than the Tories would have gone.

To us, the message is crystal clear: Quebec no longer has its place in Canada. What they want is to turn Quebec into a minority as quickly as possible, to reduce its representation as much as possible, and they are not even interested in saying that they want to keep Quebec in Canada. They are telling Quebec that 25 per cent is too much. They will reduce its representation as much as possible; they could not care less if some day Quebec ends up with only 5 per cent representation.

In the end, the clear message from the government is that Quebec is not welcome and that it can go on with its plans. On the eve of the referendum, when we see that the government is unable to send us a clear message, as our colleague from Mercier reminded us, we may well ask ourselves where this is taking us. If we look at what happened in history, I remember that the Prime Minister recently stated that, "If we continue like this, the sovereignists will want to keep the name of our country, Canada, for themselves". Rest assured that you can keep that name, even though you took it from us, as Canada first came into being in Quebec.

At the very beginning, before Quebec took its name, it used to be called Canada. So, you took our name. You stole it away and said: "We will turn it into a great country from coast to coast". Both my colleagues from Bellechasse and Mercier made historical reviews, saying that, while it may not be fun to hear historical reviews in this House, we need to be reminded that Quebec is a founding people. We were here first. You came 200 years later. My ancestors were here before the British conquest. This gives me a sense of belonging to this land. We first settled in the province of Quebec, which was known at the time as Canada. When Upper and Lower Canada were created, we were on equal footing as two founding people.

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Did you know that this is what we would like to return to, because the only way for us to continue to develop on this land is by restoring somehow the balance that used to exist between Upper and Lower Canada in numerical terms. These were two distinct entities and one could not legislate for the other. They settled their problems between themselves and even had the decency to pay their debts. Debts were released and we started over with a clean slate. Realizing that this did not work so well and learning from this experience, another step was taken in 1867. And what we want to do now is basically the same thing: have two equal people who recognize and respect each other as such, two founding people. It is obvious that within Canada, there are two nations: the Quebec nation and the nation of Canada.

(2235)

So, let us have two separate countries. Then we can talk about an economic and political union. After all, we will have things to manage together in the process of starting from scratch again so that you can have your country and run it as you wish. Never again will you have to wonder what we want, since we will have gone with all we wanted, and that is a country. That is what we want.

Eventually, discussions would be bound to be held to sort things out because to us it is very important, as a founding people, to be able to deal with you on an equal footing.

You took the name; keep it, it is yours. Not everyone knows this, but you also took the national anthem from us, lyrics and music. That is right, both the lyrics and the music are from francophone Quebecers.

There are people in Canada who are not aware of this important fact. When Canada adopted the national anthem, one of longest debates in the history of this House, the problem was to agree on an English version of the "O Canada". It made for very stormy debates. If there had been television back in those days, we could watch how low members quibbled over how the original "O Canada" should be translated into English.

People can even be found who think that we are responsible for changing the words to the national anthem, when translations were in fact adopted following these events. It is obvious that the small favour we were asking was the assurance that we would continue to carry a reasonable political weight, as a form of recognition for all we had done for Canada. Do not think, however, that we came here and did nothing for the country. We helped build this country, we helped give it a top notch image, a respectable image in the eyes of the international community; we have contributed at least 25 per cent towards its development, because we represent 25 per cent of the population. But, at one point, we made up at least 50 per cent of the population of Canada.

If policies which were fair towards both founding countries had been adopted, if a dominant approach had not been taken in order to crush us, under Lord Durham's policy for example, we would not be where we are today. We would have been two peoples who could have grown in ways we wanted to grow and could have carved out the niches we wanted.

Therefore, our demand for 25 per cent representation was entirely legitimate. Our demand was supported by a very, very large consensus among politicians in Quebec.

It is safe to say, for example, that the Liberals from Quebec who were in the House in 1992 and who are still in the House today, want Quebec to be guaranteed 25 per cent of representation. Therefore, if we add these Liberals, who are government members, to the Bloc members, who are on this side of the House, and to the Quebec Liberals, because, do not forget that the leader of the opposition in the National Assembly, Daniel Johnston, tabled the following motion: "That the National Assembly of Quebec reiterate its goal of maintaining Quebec's representation at at least 25 per cent in the House of Commons of Canada, and that it ask the Government of Quebec to make representations to this effect". A federalist, a Liberal, Daniel Johnston, the leader of the opposition to the Government of Quebec, asked the Government of Quebec to make such representations to the Canadian government.

So we can say that all the elected representatives of the people of Quebec, all the representatives of Quebec, in Quebec and Ottawa, came to bring this message to Canadians who also represent the people, asking them to grant us this representation of 25 per cent. It was denied. For us, as the hon. member for Mercier said, it was a very sad day.

(2240)

This bill is going to the Senate, to the other place. Personally, I hope the senators do not intend to sit tomorrow or, if they do, that they will take a long time to discuss the bill so it will not be passed in time to supersede Bill C-18 which was passed last year. That is the sad part for Canada, because the referendum will be held this fall and we still do not know what the democratic choice of Quebecers will be. So no gesture was made to Quebec.

In a way, as a sovereignist, I am delighted. I will be able to travel all over my riding all summer, and at all the political meetings I attend during the referendum campaign, I will be able to tell Quebecers that Canada does not want us. Canada is not willing to make any concessions. Canada is not making any gestures.

I think Quebecers will realize there is no future in Canada for us and that we could never develop our potential in this country. We were here first. We want to see a gesture of openness, of sympathy for a people and a nation you say you want to keep in this country. It seems to me that if the government wanted to

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show that it loves Quebec, it should have realized long ago that what we wanted was a guarantee of 25 per cent.

[*English*]

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I am pleased to speak in the debate tonight, but while we see this place going round and round, let me interject this. In the real world New Jersey has just scored and it is two to two with about three and a half minutes left in the game, so stay tuned.

We are tied up in a ridiculous wrangle about changing electoral boundaries. This has been going on for some time now. In 1993 when the former government set up the electoral boundaries commissions, as governments have done for many years, the process kicked into place. It was during the 1993 election campaign that the commissioners started their work. When they came out with the maps a year ago last spring, the present government was very displeased with them and Bill C-18 was put in place.

The question which anyone would ask is: Why was Bill C-18 initiated in the first place? We would not be here today debating Bill C-69 if Bill C-18 had not been brought forward.

The process was proceeding without government interference. The commissioners were chosen, the maps were being redrawn and people were attending the public hearings. That process was being carried out by the electoral boundaries commissions. It was fair and democratic and there was no basis for suspending it whatsoever at considerable cost to the taxpayer. This whole exercise has cost millions of dollars.

Last spring, a year and a bit ago, shortly after the independent commissions reported their findings and were preparing public hearings on the boundary changes, the present government blatantly interfered with the democratic process. Of course government members would argue tonight that they did nothing of the kind.

However, the maps were drawn by the original commissions after the 1991 census. Those people said: "Here is our best shot at it". Maybe they were not perfect. Who knows what the community of interest and all these other geographic and psychological boundaries are. However, the government said: "Wait a minute", and blatantly interfered with the process.

I am sure the government was under pressure from many new Liberal MPs who were not pleased with the new electoral maps, particularly where boundary revisions transferred blocks of voters from one riding to another. Nothing to me is sadder than a self-serving politician saying, "Wait a minute. That is my strong area that you are taking and you had better not do that". Territorialism is probably the most frightening thing that could happen in the Chamber, when someone says: "This is my ground. This is my territory," and as we say in Beaver River,

"Keep your mud hooks off it". That kind of attitude is something that is becoming more and more prevalent, certainly not just with Bill C-69 but with a government, as we have seen in the last 10 days, that has said we know what is best for you and you just like it or lump it. Unfortunately, many of the members who are speaking up are going to have to lump it, and that is very unfortunate.

(2245)

In the guise of opening the redistribution process for fundamental review the government scrapped the maps produced by the provincial boundary commissions and introduced Bill C-18, which suspended the whole operation.

I just did my spring tour in my riding. People asked me, where is this anyway? Is it cancelled? Is it going forward? Are the maps good? Are they no good? What is happening? I tried to explain to them that the government actually put this process on ice for exactly one year and now it is coming up with other legislation and if it does not get royal assent by the magic day of June 22, which is about 48 hours from now, then that whole process that we wasted all this time and money on, Bill C-69, gets scrapped and we go back to the original.

If anything is confusing for us, it is that process. How in the world are we supposed to tell people across the country the facts and the figures and what actually is going on? It is just absolutely ludicrous.

These commissioners last spring were told "You're on ice". You know that feeling, Mr. Speaker. "You're on ice. Hang on to it for a year and we will let you know next June 22 if your work is going to be of any use or not." It is ridiculous. Those commissioners felt disappointed, they felt disillusioned. They thought: "What about all this work? I was being paid good money for my work." It just seems as though it was all for nought.

Many of the witnesses who came in good faith and drove miles in our rural ridings thought the process was going somewhere, that they were really participating in democracy, only to be told, "Sorry, that's on ice. We'll let you know next June 22 if anything in fact is going to happen."

Following a one-day debate in the House of Commons the government imposed that "the question be now put", thereby suppressing any further debate and smothering democracy one more time. Here we are today, the democratic process again being thwarted.

Mr. Speaker, you and I sat in the last Parliament and watched government members then, the Conservatives, bringing in time allocation and sometimes they got really scandalous and just brought in actual closure, and my friend from Kingston and the Islands said that it was "scandalous" and of course "rubbish"

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and finally he said “This is morally wicked for a government to do this”.

What in the world is the difference between this side and three sword lengths across the aisle? It is three big steps. What ever happens to the psyche that goes from here, saying it is morally wicked, to all of a sudden on that side saying “We are government and we do have things that we need to get through for the Canadian public”?

I do not see any benefit to the Canadian public in this bill, quite frankly. What I see are self-serving politicians who say “We want it this way because I’ll keep my good polls and you can give the lousy polls that don’t support me very much to somebody else”.

This process has gone on for a year. Last July these committees sat during the summer recess. They heard witnesses. It has just been chatted among us here and it is unanimous; you may find it surprising, but we decided that this whole exercise has been pointless. Frankly, there has been no positive outcome on it for anybody. I do not think these MPs are going to be a whole lot better off in the next election, regardless of what their boundaries are, if they keep behaving this way. It will not matter what the boundaries are, folks. It will not matter what the boundaries are one bit if people are disgusted and they say “You in your lofty positions on Parliament Hill, if you don’t listen to us, you will go the same way the Conservative Party went in 1993”. And no member in this House should think they will not do it. They did it in 1993 and they are prepared to do it again in 1997, with every opportunity that they see for this arrogant behaviour, keeping people here until all hours of the night, ramming legislation through 48 hours before it is actually due.

It has been a total waste of time. It has kept people flying back and forth to Ottawa. It has been an incredible waste of money. It has taken so long to do. This partisan manoeuvring and meddling are why we are here tonight to debate this bill.

The odd person is snorting across the aisle. I suppose that is fine for them. What they are forgetting is that there are real voters out there. We are not just talking about people in the Chamber and then all the rest of the people out there. People are not dumb. After the Charlottetown accord, which I have mentioned so many times in here, people are not going to put up with this kind of nonsense from politicians any longer. It is as simple as that.

(2250)

Bill C-69 will go the way of the dodo bird for all those people who are running on these new boundaries that are supposed to be sacrosanct and supposed to save their seats. SOS—“save our

seats”—is what this government is talking about. It is not going to happen.

This is blatant interference in what is supposed to be a democratic and non-partisan process. If ever I have seen anything that is partisan, it is certainly to say: “We know what is best for you. Father knows best. The House leader, the whip, the Prime Minister know what is best for you”. It is interference. And Mr. Speaker, you know better than any of us in this Chamber that when there is interference there ought to be a penalty, for sure.

My guess as to why the electoral boundaries readjustment process was suspended is that the Liberals did not like some of the results in the last federal election. If we look at the numbers, not the theory, it is interesting what happened, especially in Ontario. While we are here in the province of Ontario tonight, we might as well have a look at some of those results. My friend from Ontario would be interested.

The Reform Party came second in 57 out of the 99 ridings. My friend from Broadview—Greenwood knows that. He has probably also added up that in 25 of those ridings the PC and Reform vote combined would have defeated the Liberal vote. That is rather interesting. That starts getting into the actual numbers of this and the hidden reason why so many people are demanding that their ridings become safe.

Across the country the combined PC and Reform vote defeated the Liberal vote in about 100 ridings. If you add that up you realize that only 130 Liberals would have been elected. That would have been a minority government.

If it comes to another vote in 1997, I could refer my friends to the corner over there, where the former government, for the first time in Canadian history, was totally obliterated. That may well happen again.

It has often been said that the Reform Party would split the vote. Of course nothing could be further from the truth, because those people are going to go for absolute, fundamental change and democratization of this system, regardless of what my friends in the governing party would say. This is democracy. It is wonderful.

Closure is okay now that the Liberals are government, making sure that their backbenchers fall into line or their nomination papers will not be signed. That is the kind of behaviour people are sick of and do not want to see any more.

The Reform Party has managed to get some improvements to the redistribution process. The selection of boundary commissioners is less partisan and subject to more public scrutiny. That is a wonderful thing. That is a good move with some of these amendments.

Under the changes that have been made, the role of MPs and the redistribution process has been greatly reduced. As far as I

am concerned, nothing is better than politicians' hands being pulled out of any of these processes. There is nothing better than politicians being yanked back from the process and not being able to take part in it quite so self-servedly.

In provinces where significant population change has occurred, the possibility of a five-year redistribution now exists rather than ten years. I know my friend from York North has an incredible population explosion. It seems wrong that he would have to wait for ten years. There is also my friend from Surrey—White Rock—South Langley. The population in the riding she represents is incredible. To be able to do that on a five-year span rather than ten years is probably really good.

Reform also pushed for a cap or a reduction in the number of seats in the House of Commons. The Liberals rejected it at every stage totally out of hand. As a result, this House will immediately increase to 301 seats and continue to increase in the future.

I ask anybody sitting in this Chamber tonight or watching on TV, if they are not watching the hockey game, does this country need more politicians?

Some hon. members: No.

Some hon. members: Liberals, yes.

Miss Grey: The answer is fairly clear, because there is a direct correlation to the amount of noise on the government side to the question.

If Bill C-69 receives royal assent by June 22, just 48 hours from now, after tomorrow we celebrate the longest day of the year, and nobody knows other than the people who sit in this Chamber how long these days are getting.

If it gets at the new redistribution process, we will begin all over again. We are going to start this dance again. Because of the government's interference in the democratic process, here we are almost two years later back to square one. Because of the time the electoral boundaries readjustment process takes, the new boundaries will not even be known until shortly before the next election.

(2255)

With this process in place, we will have new ridings and new riding associations. The question of course is where is the money going to be split up between this riding and that riding? How are they going to break up the bank accounts? Who is going to run for nominations in these ridings? The answer: "Your guess is as good as mine". That is ridiculous. You cannot be prepared for an election, move ahead for an election, and nominate candidates if you do not know the boundaries until just a couple of months before the election is called.

This is the government that said it was going to restore honesty and integrity to our political institutions. Canadians are

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still waiting for that restoration of integrity. They are still waiting for some of those promises in the red book to be fulfilled. They are not waiting for a government that is going to start ramming through time allocation, closure, and the attitude of we know better than everybody else does. We have seen that in this House, and we are going to see it again in 1997 if this government does not get its act together, get these things on their way, and quit wasting time and money. The people who are paying the bills are disgusted with it.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I am going to probably have little time beyond giving my introduction, but I do want to say something with respect to boundary reallocation.

What we are talking about is how many MPs we send to this House, where they come from, what region they represent and what their constituencies are. It reminds me of a story I read a long time ago entitled "How Much Land Does a Man Really Need?" It was a story about a man who, in almost a crusade, spent his whole life amassing land. At the end of the story he died and it was found that the amount of land he really needed was a plot of about two feet by six feet.

I asked myself the question: How many MPs are really needed in this place? I have come to the conclusion that we need 20 MPs. Those 20 would all be cabinet ministers. They would decide what is done and the rest would be redundant. Members may say that does not sound very good, but that is really the way it is right now.

This is a government that promised more involvement for members of Parliament. It is a government that promised more meaningful work in committees. I have observed what happens in committees. During the beginning we had some really good debates, good honest give and take and some true negotiations. However, when we came to the place where we were actually voting on the clause by clause, these poor members from the government side all came in with their little sheets of paper and were told what to do. Even though prior to that I know from the way they responded that I had persuaded a number of them on different issues, they voted against them. When I asked several of them why, they said "Well, we don't really have a choice". That is deplorable.

If that is the way this government is going to work and that is the meaning of more MP involvement then this whole exercise is really an exercise in waste. Why should we even consider increasing the number of members of Parliament from 295 to 301 when most of the members here are redundant in any case?

Added to that is the fact that we are also limited in the debate. As a member of Parliament representing Elk Island, the only way I can represent them and have their wishes influence the decisions of government is through debate. When I debate I put out my best arguments. I try to persuade the other members to

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my point of view. We actually experienced this in one of the committees in which I participated, where there was a closure right in committee and we were not permitted to debate. Even if I were able to debate and persuade, if members are not given the freedom to represent their constituents, as is the practice with this present government, there is no point in having them.

(2300)

My conclusion is very simple: The move of this government to increase the number of members of Parliament is truly an ill conceived notion. It is one that should not even be thought of until it is decided that members of Parliament will be allowed to truly represent their constituents. How deplorable of the Prime Minister to praise the members of Parliament who defied their constituents, who went against what even they believed, by saying to them it was wonderful that they put that aside in order to keep party unity.

This Parliament needs true representation of the wishes of the people. If we had true free votes then surely there would be meaningful give and take, meaningful debate, meaningful negotiations on different points. We would eliminate and we would amend those clauses of bills which were undesirable. We would pass bills in amended form which would be good for the country.

The way it is right now we end up with the lowest common denominator. It is forced on us. We have absolutely no say in the matter. I am speaking now of the Liberal backbenchers who are not permitted to vote according to their consciences and according to the wishes of their constituents. We need to redefine the way Parliament works.

The Senate has sent Bill C-69 back. Of course we have a little bit of a problem with the Senate because it is not elected, but the Senate has in sober second thought come back with some amendments to the bill, some of which we actually support.

This country has the potential for the best government possible. If only we would in honesty and in clarity do away with those aspects of our democracy that do not function properly. We could replace them with a true representative democracy, one in which we acknowledge that democracy works best when the wishes of the majority are considered, when the common sense of the common people by majority vote is brought into this place, where each of us as members of Parliament can represent that. If we find a consensus among the Canadian people for the views that are being put forward because we represent them, then certainly Canadians will continue to have a high regard for law and order which we so desire.

A basic fundamental aspect of democracy is the willingness of the governed to be governed. We are going to lose that if we practise the arrogance of the kind of government we are experiencing here where a small group of people simply impose their

wishes on everyone else by cutting off debate, not allowing free votes, controlling and inhibiting the freedom of members of Parliament. It is time that we clarified this. We must indicate to the Canadian people that we are ready to make the needed changes. This is urgent. Really urgent.

For example, while we are going down the tube at the rate of \$110 million a day, more and more people are no longer willing to participate in the tax process. Why is that? Because the GST was rammed through without the majority will of the people. It was rammed through using exactly the same system which is being used here tonight. Because of that we are losing between \$7 billion and \$10 billion a year, and some estimate up to \$40 billion to \$50 billion per year, in unpaid taxes. People are saying that if this government rams things through that the majority does not concur with, they just will not concur in practice. That is exactly what is happening.

We see the same thing in the justice system. Rules are being passed that do not bear the majority of Canadian support. Consequently there is no reflection in the laws of what the people support. There is a reduced respect for it and this country has an increasing amount of lawlessness and crime.

(2305)

The government got elected on its word that it would restore integrity, give more meaningful work to members of Parliament, and increase the importance of committees. The government having been elected on those words is missing a great opportunity by not delivering on them. It is a terrible thing that the government is thumbing its nose at the people of Canada by engaging in these practices.

I am appalled at the fact that the government persists in doing things like pushing this bill through for purely political reasons. There is no excuse that would warrant changing the political boundaries simply because after the process had started, a number of members felt they were being threatened.

If we wanted to do the honourable thing, we would say that perhaps there is a problem. In order to provide for continuity and stability in the political process, we would simply begin our work and the rules which are presently in place would stay there until the next election in order to remove the political motivation from the process.

This is a tremendously important era we are embarking on. The government talks about representing the people. It comes up with that theme so often. Members of Parliament are saying that if they have 25 per cent more in their ridings they will be unable to represent them properly. With all due regard, those are empty words from members of Parliament who persist in ignoring the wishes of the very constituents they are concerned about. We need to be honest about this. We need to do what we are sent here to do, which is to represent our constituents.

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With respect to the bill before us, we would do well to give it some serious second thought. We would do very well to think soberly and carefully about the ramifications of it. With all of the push and rush of the last few days I am not sure that we are making good decisions.

I cannot believe that raking members of Parliament over the coals as we have been doing for 14 hours a day yields any good thought. It does not give us the best ability to think clearly. Putting through bills such as the MPs pension plan without looking at the long term effects of it and ramming through other bills such as Bill C-41 and Bill C-68 have tremendous implications to our population.

The government rams this through by saying: "We are only going to talk for so many hours and then we are going to vote. You are going to vote the way you are told. We are the majority. We will get it through". That is not the way to provide good democracy and good decision making.

Many members of this 35th Parliament will look back. They will then recognize how grave the errors were because of the lack of thought and the lack of integrity in the democratic process. There is no adequate debate, no freedom to vote, so what can we expect?

(2310)

The only thing I can do as a member of Parliament is to try to persuade. In most of the committees on which I sat there were two and sometimes four opposition members, but there were always more government members. If I wanted to get my point of view across to influence a change in the legislation we were contemplating I had to persuade.

I challenge government members to be brave, to stand up for what is right and to put aside the years and years, almost a century of a tradition which is taking us down the wrong road. I challenge members of the Liberal Party, who in majority can do whatever they want, to think independently in terms of what is good for their constituents and what is good for Canada. Without disrespect to their leader they should simply say: "I stand on a high principle. I will do what I know is right". I am sure that if members of Parliament from whatever party followed that principle they would be applauded by the people who really matter, the people who elected them.

On the other hand, I would probably be better off politically speaking if I were to encourage Liberal members to continue to do what they are doing. The more they do that the more cynical Canadians will become and the more seriously they will think about alternatives. Canadians had it up to here with the Conservatives because of their arrogance. If we continue to have this kind of behaviour from the Liberal government Canadians will

be more likely to look at an alternative in terms of a true democratic system which will represent them.

I also want to say a few words to Bloc members and to the Quebec members of the Liberal Party. These days we are facing the challenge of having our country torn apart. A group of people is saying that Canada as it exists no longer works and that group wants out. Of course, they do not want to opt out of the pension plan; they want to opt out of Canada but not out of the pension plan. These people are saying that Canada does not work.

It is an easy and simplistic response for the government to say that it is Quebec's problem. It would be much more honest to say: "Let us look at what part of it is the Ottawa problem". When will the federal government wake up to the fact that the people of Canada are tired of having somebody in distant Ottawa controlling every aspect of their lives? It is no wonder that some of them would come to that conclusion, although we disagree with it.

All Canadians, not only the people in the west, or in Ontario and eastern Canada, but also the people of Quebec should be made an offer which says: "Let us stay together in a democracy, in a federation which truly works because the people who come here to represent the constituencies are free to represent them". If we were to practise that and if we were to go back to the principles of our Constitution, in which the members of Parliament represent their constituents and guard the rights of the provinces, we could all live together in harmony. We could all survive, look after our own domains and do so very efficiently. No one would be so disgruntled with the country that he or she would feel it necessary to leave.

The electoral boundaries issue is but a symptom of a much larger problem. We need to look at what is causing the problem and correct that. It is in that area that we will maintain the unity of the country.

(2315)

To all people in Quebec, and they may not have thought of this before, I urge all in la belle province, to consider what we say. We want to be one with them. We want to reconsider. We want to look again at the Constitution of the country. We want to build it in such a way that respect of all Canadian citizens is maintained and that all provinces can live in Confederation in unity and in harmony.

This bill is very important. I urge members to vote against it so that it will die and we can look at this more seriously in a better way later.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 57, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the bill now before the House.

Government Orders

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 316)

YEAS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)	Cummins
Duncan	Epp
Forsyth	Gilmour
Gouk	Hanger
Harper (Calgary West)	Harper (Simcoe Centre)
Hart	Hayes
Hermanson	Hill (Macleod)
Hill (Prince George—Peace River)	Hoepfner
Johnston	Manning
McClelland (Edmonton Southwest)	Meredith
Mills (Red Deer)	Morrison
Penson	Schmidt
Silye	Stinson
Strahl	Thompson
White (North Vancouver)	Williams—34

NAYS

Members

Adams	Allmand
Althouse	Anderson
Arseneault	Assadourian
Asselin	Axworthy (Winnipeg South Centre)
Bachand	Bakopanos
Barnes	Bellehumeur
Bellemare	Bergeron
Bernier (Mégantic—Compton—Stanstead)	Bevilacqua
Bhaduria	Blaikie
Blondin—Andrew	Bodnar
Bonin	Bouchard
Boudria	Brien
Bryden	Béclair
Bélisle	Caccia
Calder	Campbell
Caron	Catterall
Cauchon	Chamberlain
Chrétien (Frontenac)	Clancy
Cohen	Collenette
Copps	Cowling
Crête	Culbert

Dalmond—Gural	Daviault
de Savoye	Deshais
DeVillers	Dhaliwal
Discepola	Dromisky
Dubé	Duceppe
Duhamel	Dupuy
English	Fewchuk
Fillion	Finestone
Finlay	Fontana
Fry	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Gauthier (Roberval)
Gerrard	Godin
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Guay
Guimond	Harb
Harper (Churchill)	Harvard
Hickey	Ianno
Iftody	Jackson
Jacob	Jordan
Keyes	Kirkby
Kraft Sloan	Lalonde
Landry	Langlois
Lastewka	Laurin
Lavigne (Beauharnois—Salaberry)	Lavigne (Verdun—Saint-Paul)
Lebel	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loney	Loubier
MacAulay	MacDonald
MacLellan (Cape/Cap-Breton—The Sydneys)	Maheu
Maloney	Manley
Marchand	Marleau
Martin (LaSalle—Émard)	Massé
McLellan (Edmonton Northwest)	McTeague
McWhinney	Mercier
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murphy	Ménard
Nault	Nunez
O'Brien	O'Reilly
Paradis	Paré
Patry	Payne
Peric	Peterson
Phinney	Picard (Drummond)
Pickard (Essex—Kent)	Pillitteri
Plamondon	Pomerleau
Proud	Reed
Richardson	Rideout
Ringuette—Maltais	Robichaud
Robillard	Rocheleau
Sauvageau	Scott (Fredericton—York—Sunbury)
Shepherd	Sheridan
Skoke	Speller
St-Laurent	Steckle
Stewart (Brant)	Telegdi
Torsney	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Ur
Valeri	Vanclief
Verran	Volpe
Walker	Wappel
Whelan	Wood
Young	Zed—170

PAIRED MEMBERS

Bernier (Gaspé)	Bertrand
Belanger	Canuel
Debien	Regan

Government Orders

(2330)

The Acting Speaker (Mr. Kilger): I declare the amendment lost.

[*Translation*]

Mrs. Venne: Mr. Speaker, as I was absent for the first vote, I would like my vote to be recorded for the next ones with the Bloc Québécois.

[*English*]

The Acting Speaker (Mr. Kilger): The next question is on the main motion.

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe you would find unanimous consent for the members who voted on the previous motion to be recorded as having voted on the motion now before the House, with Liberal members voting yea.

You will probably note as well, Mr. Speaker, that some members who were not here for the first vote may wish to rise to add their names to those who were here for the first vote.

Mr. Silye: Mr. Speaker, I rise on a point of order. Unanimous consent was sought and I do not give unanimous consent. I would like a recorded vote.

The Acting Speaker (Mr. Kilger): The House did not give its unanimous consent.

The question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 317*)

YEAS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Bakopanos
Barnes	Beaumier
Bellemare	Bethel
Bevilacqua	Bhaduria
Blondin—Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Bryden
Bélair	Caccia
Calder	Campbell

Catterall	Cauchon
Chamberlain	Chan
Clancy	Cohen
Collenette	Comuzzi
Copps	Cowling
Culbert	DeVillers
Dhaliwal	Discepolo
Dromisky	Duhamel
Dupuy	Eggleton
English	Fewchuk
Finestone	Finlay
Flis	Fontana
Fry	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway
Gerrard	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harper (Churchill)	Harvard
Hickey	Hopkins
Hubbard	Ianno
Iftody	Irwin
Jackson	Jordan
Keyes	Kirkby
Knutson	Kraft Sloan
Lastewka	Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Lincoln	Loney
MacAulay	MacDonald
MacLellan (Cape/Cap-Breton—The Sydneys)	Maheu
Malhi	Maloney
Manley	Marchi
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Nault
O'Brien	O'Reilly
Pagtakhan	Paradis
Parrish	Patry
Payne	Peric
Peters	Peterson
Phinney	Pickard (Essex—Kent)
Pillitteri	Proud
Reed	Richardson
Rideout	Ringuette—Maltais
Robichaud	Robillard
Scott (Fredericton—York—Sunbury)	Shepherd
Sheridan	Simmons
Skoke	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Torsney
Ur	Valeri
Vanclief	Verran
Volpe	Walker
Wappel	Wells
Whelan	Wood
Young	Zed—152

NAYS

Members

Abbott	Ablonczy
Asselin	Bachand
Bellehumeur	Benoit
Bergeron	Bernier (Mégantic—Compton—Stanstead)
Blaikie	Bouchard
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Brien
Brown (Calgary Southeast)	Bélisle

Government Orders

Caron	Chrétien (Frontenac)
Crête	Cummins
Dalphond-Guiral	Daviault
de Savoye	Deshaies
Dubé	Duceppe
Dumas	Duncan
Epp	Fillion
Forseth	Gagnon (Québec)
Gauthier (Roberval)	Gilmour
Godin	Gouk
Grey (Beaver River)	Guay
Guimond	Hanger
Harper (Calgary West)	Harper (Simcoe Centre)
Hart	Hayes
Hermanson	Hill (Macleod)
Hill (Prince George—Peace River)	Hoepfner
Jacob	Johnston
Lalonde	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Leblanc (Longueuil)	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Manning
Marchand	Mayfield
McClelland (Edmonton Southwest)	McLaughlin
Mercier	Meredith
Mills (Red Deer)	Morrison
Ménard	Nunez
Paré	Penson
Picard (Drummond)	Plamondon
Pomerleau	Ramsay
Rocheleau	Sauvageau
Schmidt	Silye
St-Laurent	Stinson
Strahl	Thompson
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne	White (Fraser Valley West)
White (North Vancouver)	Williams—92

PAIRED MEMBERS

Bernier (Gaspé)	Bertrand
Bélanger	Canuel
Debien	Regan

(2340)

The Acting Speaker (Mr. Kilger): I declare the motion carried.

* * *

[Translation]

CN COMMERCIALIZATION ACT

The House resumed consideration of the motion that Bill C-89 an act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the company to the public, be read the third time and passed.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division at the stage of third reading of Bill C-89, an act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the Company to the public.

Mr. Boudria: Mr. Speaker, I will try again. Would you ask the House if there is unanimous consent for the members who voted on the previous motion to be recorded as having voted on the motion now before the House? If there is, Liberal members will vote yea.

Mr. Duceppe: Mr. Speaker, Bloc members will be voting nay.

Mr. Silye: Mr. Speaker, Reform Party members vote nay, except for those members who wish to vote otherwise.

[English]

Mr. Blaikie: Mr. Speaker, when it comes to the privatization of CN there is no unanimous consent to apply the vote. We will have another vote.

The Acting Speaker (Mr. Kilger): There is no unanimous consent.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 318)

YEAS

Members

Abbott	Abлонczy
Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Bakopanos
Barnes	Beaumier
Bellemare	Benoit
Bethel	Bevilacqua
Bhaduria	Blondin—Andrew
Bodnar	Bonin
Boudria	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Bridgman
Brown (Calgary Southeast)	Brown (Oakville—Milton)
Bryden	Bélair
Caccia	Calder
Campbell	Catterall
Cauchon	Chamberlain
Chan	Clancy
Cohen	Collenette
Comuzzi	Copps
Cowling	Culbert
Cummins	DeVillers
Dhaliwal	Discepola
Dromisky	Duhamel
Duncan	Dupuy
Easter	Eggleton
English	Epp
Fewchuk	Finestone
Finlay	Flis
Fontana	Forseth
Fry	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway
Gerrard	Gilmour
Godfrey	Goodale
Gouk	Graham
Gray (Windsor West)	Grey (Beaver River)
Grose	Guarnieri
Hanger	Harb
Harper (Calgary West)	Harper (Churchill)
Harper (Simcoe Centre)	Hart
Harvard	Hayes
Hermanson	Hickey
Hill (Macleod)	Hill (Prince George—Peace River)
Hoepfner	Hopkins
Hubbard	Ianno
Iftody	Irwin
Jackson	Johnston
Jordan	Keyes
Kirkby	Knudson
Kraft Sloan	Lastewka
Lavigne (Verdun—Saint-Paul)	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	Lincoln
Loney	MacAulay
MacDonald	MacLaren

Private Members' Business

PAIRED MEMBERS

MacLellan (Cape/Cap-Breton—The Sydneys)	Maheu
Malhi	Maloney
Manley	Manning
Marchi	Marleau
Martin (LaSalle—Émard)	Massé
Mayfield	McClelland (Edmonton Southwest)
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest)
McTeague	McWhinney
Meredith	Milliken
Mills (Broadview—Greenwood)	Mills (Red Deer)
Minna	Mitchell
Morrison	Murphy
Murray	Nault
O'Brien	O'Reilly
Pagtakhan	Paradis
Parrish	Patry
Payne	Penson
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Ramsay
Reed	Richardson
Rideout	Ringuette—Maltais
Robichaud	Robillard
Schmidt	Scott (Fredericton—York—Sunbury)
Shepherd	Sheridan
Silye	Simmons
Skoke	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Stinson	Strahl
Szabo	Telegdi
Terrana	Thompson
Torsney	Ur
Valeri	Vanclief
Verran	Volpe
Walker	Wappel
Wells	Whelan
White (Fraser Valley West)	White (North Vancouver)
Williams	Wood
Young	Zed—194

Bernier (Gaspé)
Belanger
Debien

Bertrand
Canuel
Regan

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Bill read the third time and passed.)

The Acting Speaker (Mr. Kilger): It being 11.54 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

TREATMENT OF MUNICIPAL SEWAGE

Mr. Bill Gilmour (Comox—Alberni, Ref.) moved:

Motion No. 425

That, in the opinion of this House, the government should support the undertaking of a country-wide program of improving the treatment of municipal sewage to a minimum standard of at least that of primary treatment facilities.

He said: Mr. Speaker, I am delighted to have the opportunity to speak to my motion before the House today.

The motion deals with the need for the government to support the undertaking of a country-wide program of improving the treatment of municipal sewage to a minimum standard of at least that of primary sewage facilities. The motion is about setting a minimum standard right across Canada for sewage treatment.

As Canadians we often take for granted the vastness and magnificence of our environment. As much as we struggle to balance environmental with industrial and economic concerns we hold our environment in high esteem.

(2355)

Reform environmental policy supports the balance between environmental and economic concerns and encourages Canadians to develop, renew and conserve our resources and environment to ensure the next generation inherits an environment equal to or better than that which the last generation received.

Essential to a clean and healthy environment are clean rivers, oceans and water bodies. When our water bodies are threatened with over pollution it hurts our environment, our fisheries, our economy, tourism, industry and municipal growth.

NAYS
Members

Althouse	Asselin
Bachand	Bellehumeur
Bergeron	Bernier (Mégantic—Compton—Stanstead)
Blaikie	Bouchard
Brien	Bélisle
Caron	Chrétien (Frontenac)
Crête	Dalphond—Guiral
Daviault	de Savoye
Deshaiés	Dubé
Duceppe	Dumas
Fillion	Gagnon (Québec)
Gauthier (Roberval)	Godin
Guay	Guimond
Jacob	Lalonde
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	Leblanc (Longueuil)
Lefebvre	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Loubier
Marchand	McLaughlin
Mercier	Ménard
Nunez	Paré
Picard (Drummond)	Plamondon
Pomerleau	Rocheleau
Sauvageau	St-Laurent
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne—53	

Private Members' Business

For these reasons municipal sewage facilities, set at a minimum level of primary treatment, are essential to maintaining and protecting our environment. That is why I am introducing the motion today.

I will give some background on the state of sewage treatment in Canada today to illustrate why the motion is necessary.

In most provinces the provincial government sets the standard for sewage treatment and for disposal of municipal solid waste and provides the regulatory function. Municipalities are responsible for the actual treatment of sewage and for collection and disposal of garbage. In 1993 approximately 57 per cent of Canadians were served by waste water treatment plants. That compares with 74 per cent for the Americans, 86 per cent for the Germans and over 90 per cent for the Swedes. We are obviously well behind.

Many cities have lagoon facilities which provide minimum treatment. Waste water flows through the lagoon, allowing long residence times for the settling of solids and the microbial degradation of organic matter. This is basically a system where raw sewage, less the solids, is dumped directly into the ocean or water basin with no treatment. This is the system used in the city of Victoria as well as in Halifax. We have the problem on both coasts. I will discuss the objections to this system of dealing with sewage later on.

Victoria is the only city from Alaska to the Mexican border which still dumps untreated sewage into the ocean.

I will give a quick summary of the three types of sewage treatment which include primary, secondary and tertiary treatment facilities. Primary treatment, which I am calling for, is the most basic stage of sewage treatment and is the minimum level I propose in my motion. Primary treatment involves the settling and chlorination stage prior to effluent discharge.

A more advanced stage of treatment is secondary treatment, which uses an activated sludge process to hasten the rate of waste water treatment. Large masses of actively growing bacteria are retained in large tanks and fed waste water. High levels of mixing and aeration facilitate microbial action.

Treated water then goes through a settling stage to remove the micro organisms and is chlorinated prior to release to the receiving body of water. Edmonton, Fredericton, Hamilton and Winnipeg use this more advanced form of waste water treatment on the majority of their municipal sewage.

Tertiary treatment is the most sophisticated form of water treatment practised in Canada. An anaerobic microbial fermentation step is added after the activated sludge process. The final effluent is relatively clean and in desert areas such as Israel is used directly for crop irrigation. Tertiary waste water treat-

ment is used in Calgary, Kitchener, London, Oshawa, Ottawa, Regina, Sudbury and Toronto. In the maritime provinces a large percentage of municipalities do not have any sewage treatment and tertiary treatment is virtually non-existent.

The annual volume of untreated sewage in this country would cover the entire 7,800 kilometre Trans-Canada highway to a depth of nine metres. That is a lot of you know what, Mr. Speaker.

The effects of raw sewage dumping are being debated in cities such as Halifax and Victoria, which both discharge sewage into large water basins. In cities such as Regina, which dumps into small rivers, the effects are potentially disastrous. Sewage removes so much oxygen from the water that fish cannot survive and decomposing sewage may render the water undrinkable.

(2400)

The government is in the process of major infrastructure spending with funds initially targeted for projects such as sewage treatment facilities, roads and water lines. Many towns and cities remain without any sewage treatment while tax dollars are being directed toward art centres and hockey rinks. Where are the priorities?

The government has made some significant promises regarding sewage treatment facilities in the country. The Liberal red book states on pages 66 and 67:

One of the country's biggest sources of water degradation is untreated municipal sewage, aggravated by decades of neglect of sewage and water treatment infrastructure. A Liberal government would assist provincial, regional, and municipal governments to finance new or renewed municipal sewage and water treatment infrastructure. This federal commitment would be conditional on municipalities encouraging water conservation and developing a sound financial regime for infrastructure maintenance in the future.

Federal assistance to municipalities for sewage treatment has been discussed in the House for over 25 years. In 1960 amendments to the National Housing Act provided for federal aid for municipal sewage projects to be administered by the Canadian Mortgage and Housing Corporation. Up to two-thirds of the cost of projects would be lent by the federal government. Municipalities would have to repay only 75 per cent of the loan if sewage work was completed by 1963.

The purpose of the 1960 legislation was to provide incentive to make an early start on these problems while it was still relatively inexpensive. Municipal sewage became an ongoing problem with annual allocations of \$50 million to \$75 million administered by the Canadian Mortgage and Housing Corporation.

The system was put into place 25 years ago, yet today Canada remains with almost half of its residents without any sewage treatment whatsoever. Now costs have skyrocketed. The longer municipalities wait, the more expensive it will become.

Private Members' Business

Despite efforts to date there are several reasons sewage remains untreated in many areas. One reason is Canada's large land mass and relatively low population which often mitigate the need for expensive, centralized sewage treatment facilities.

Another reason for the low level of sewage treatment is that many Canadian communities located adjacent to oceans and large rivers discharge raw sewage directly into water bodies, as in some cases the solution is to simply dilute the sewage.

In small amounts this may not harm the environment as organic matter can supply nutrition to aquatic organisms and benefit the fishery. However, once communities reach the municipal size, primary sewage treatment should be a requirement.

If we do not encourage a minimum standard of primary sewage treatment we risk damage to the environment, tourism, recreation, fisheries and health. In large amounts raw sewage can devastate the area by drastically degrading water quality, limiting dissolved oxygen levels, harming marine life, polluting shorelines, removing areas from recreational use and endangering human health.

The Liberal Party has recognized that a national waste water program exists and has pledged financial assistance to provincial, regional and municipal governments to finance new or renewed municipal sewage and water treatment infrastructure, but infrastructure spending is bypassing much needed sewer upgrades.

For example, Halifax and Victoria are still without any sewage treatment while at the same time government spent over \$12 million in infrastructure funds for improvements to the Olympic Saddledome in Calgary and a hockey rink in Winnipeg.

In the big picture, basic infrastructure such as water and sewage treatment clearly has to take precedence. It is time for the government to renew its commitment to the public. Infrastructure spending should be targeted to local improvements which would benefit the entire community, not just a select few.

Clearly the biggest problem is expense and we all know it. There is no doubt that sewage treatment upgrading will require additional funding. When we look at the environment, environmental costs must be weighed with economic costs. In many instances taking action will be far more economically beneficial than the costs of the long term environmental damage of doing nothing.

(2405)

Effective municipal waste treatment facilities are an expensive proposition for any municipality as they involve the provision of basic infrastructure as well as treatment facilities.

To counteract the cost, some cities such as the city of Toronto have proposed user pay fees on sewage discharge. That is one way to collect for the cost of cleanup and upgrading. It is one of the many options that warrants consideration.

In deciding which areas necessitate primary sewage treatment facilities, the environmental benefits of treatment must equal or outweigh the environmental costs. I am not proposing that all towns and cities undertake a program of primary treatment because there are many towns that are too small to benefit from sewage treatment programs.

For example, towns with small populations often do not generate enough waste to necessitate sewage treatment facilities. My proposal applies only to the minimum standard of municipalities which by definition have a minimum population of 1,000 residents.

Many studies have shown that secondary or tertiary forms of treatment are not necessary in all cases. In Victoria, for example, studies concluded that the treatment of waste water discharge into the strait would provide no appreciable health or environmental gain to the city or to the strait and that primary treatment was all that was necessary. That is what I am calling for in my motion.

Provincial governments have known about the bio-hazard of municipal sewage for generations, but many choose to ignore the problem. Concerns with the volume of minimally treated waste water were first identified in 1975. Yet many municipalities routinely fail to comply with permits on the discharge of sewage from outfalls.

The Fraser River is B.C.'s most endangered watershed with a sewage discharge amounting to 450 billion litres per year. If one were to package the sewage into one-litre milk cartons and pile them one on top of each other, a year's discharge would extend to the planet Mars and back with enough left over for 100 side trips to the moon. That is a lot of fertilizer.

Federal fisheries scientist analysed discharges from the sewage outfall at Iona Island on the Fraser in 1985 and found 200 toxic substances, many of them persistent and some with the ability to increase in concentration and toxicity as they migrate up the food chain.

Other substances identified are associated with organ damage, birth defects, cancer and second or third generation reproductive collapse in both humans and wildlife. Obviously these substances simply cannot continue to be dumped into the Fraser. I am pleased to report that one of the larger infrastructure projects of the government involves upgrading the Fraser sewage treatment facility.

A report by the World Wildlife Fund said sewage plants in Ontario and Quebec were receiving, along with billions of litres of waste water, about 100 tonnes of industrial metals and

Private Members' Business

chemicals each year. This discharge can cause serious damage to the ecosystem and contaminate drinking water.

Provinces such as Ontario have been working on developing effluent quality standards for sewage plants but nothing concrete has developed to date. Six years ago the federal and Nova Scotia governments agreed to deal with the untreated sewage flowing directly into Halifax harbour. Concern was raised seven years ago that the lack of sewage treatment facilities in the harbour would have long term consequences on the fisheries and on growth and investment in the metropolitan area.

Over 30 million gallons of untreated sewage enter Halifax harbour waters every day, with close to 20 per cent of this inflow classified as industrial in origin. This has resulted in documented levels of toxic contamination of the harbour waters.

This sewage and waste dumping into Halifax harbour present health hazards on top of the aesthetic problems with the harbour mired in sewage. The Nova Scotia government and Canada entered into an agreement in September 1988 to upgrade existing sewage infrastructure in the Halifax-Dartmouth area.

The agreement recognized that:

Even though the provision of municipal sewer services is fundamentally a provincial-municipal responsibility, Canada and the province recognize that the current state of sewage infrastructure in Halifax-Dartmouth is of urgent concern and justifies assistance on the basis of a regional development priority; and a significant portion of waste water is generated by federal facilities in the Halifax-Dartmouth metropolitan area.

(2410)

Some \$200 million was set aside to build a sewage treatment facility in Halifax, yet today the project is at almost a complete standstill with over \$20 million sunk into consulting and with Halifax no closer to a primary sewage treatment facility. This is where the G-7 conference took place.

Today the estimated cost has doubled to over \$400 million, twice that which was first estimated six years ago. The longer we wait, the more expensive it will be.

Now the Nova Scotia government and the federal government are wondering how it will come up with the extra money. After several promises that this will be completed they appear to be backtracking on their promises. Again I go back to the G-7.

Halifax harbour is but one example of the status of sewage facilities throughout the country. It is now commonplace to hear each summer which beaches are open and which beaches are closed due to high concentrations of fecal chloroform. Now is the time to deal with the problem.

In conclusion, I hope all members will support Motion No. 425 to undertake a country wide program of improving the

treatment of municipal sewage to a minimum standard of at least that of primary treatment facilities.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I commend my colleague for introducing this private member's motion. It is a very important subject. We share the feeling that this is a question of key importance.

I know my colleague is extremely concerned about matters of the environment. However, at this time when friends are fewer and fewer as days go by, we have almost completed an infrastructure program. The federal, provincial and municipal governments have joined together to launch a \$6 billion program, effectively to renew infrastructure including the sewage systems in the country.

Whatever we do we cannot do by imposing ideas from the federal government. It has to start at the municipal level because sewage is a matter for municipalities to deal with and municipalities are creatures of provincial governments. This is why at the time of the election, in our red book, we decided to join with the Federation of Canadian Municipalities and with all the provincial governments without exception to start a broad infrastructure program.

The \$6 billion infrastructure program has achieved sewage treatment upgrades amounting to \$2 billion in total. I will give a few examples of various projects that are being carried on under the program. In British Columbia, as the member for Comox-Alberni pointed out, there has been a \$206 million upgrade projected of the Anascis Island sewage treatment plant; one of \$2.2 million in Sherwood Park, Alberta; one in the Hamilton-Wentworth region of \$25 million; one in Chicoutimi, Quebec, of \$7.2 million; one in Grand Falls, New Brunswick; another one in Crossroads, P.E.I.; another one in Deer Lake, Newfoundland; and so on.

The irony of it is that the leader of the Reform Party at the time of the election was quoted as saying:

Any politician who thinks he can stimulate a \$700 billion GNP economy with some sewer projects or \$2 billion to \$3 billion in public works will believe he can start a 747 with a flashlight battery.

(2415)

Therefore, with due respect, I think my colleague from Comox-Alberni should speak to his leader and suggest that sewer and infrastructure programs are key to the renewal of a prosperous economy. In fact the Reform Party, in its own budget plan, referred to physical and intellectual infrastructures on one page. However, as I read through it, there is not one mention of the environment or sewage projects. It mentions Canadian highways, airports, information transmission systems, ports, and railways, but not one word about the environment, sewage or water treatment.

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It would seem to me that this is where it must start. If the member wants to do something constructive he should start at the level of his own party and persuade his leader to include the environment, sewage treatment plants, and infrastructure projects dealing with environmental needs in his future budget.

It is significant that during the infrastructure program the following provinces spent the greatest part of their money toward sewer upgrades and environmental projects. British Columbia has spent as much as 75 per cent, amounting to \$488 million. Sixty per cent of all New Brunswick's infrastructure money went into environmental projects. In Newfoundland it was 48 per cent, in Nova Scotia 62 per cent, in P.E.I. 60 per cent. Admittedly, the other provinces spent a minor part of their infrastructure moneys in sewer and environmental projects. Even then, it is pretty significant. Alberta has spent 30 per cent to date, Saskatchewan 32 per cent, Quebec 33 per cent, Yukon 27 per cent, and so it goes.

Mr. Caccia: In Ontario?

Mr. Lincoln: The figure for Ontario was only 16 per cent, and in Manitoba it was 16 per cent.

Mr. Morrison: They fixed up the rinks.

Mr. Lincoln: Well they might have fixed up the rinks, but they also fixed up a lot of sewer projects. In the member's own riding I see that out of this infrastructure project the village of Ucluelet, the regional district of Comox, Strathcona, Port Alberni, and the village of Cumberland all realized sewer projects with their infrastructure money.

What I think we have to do is support what we have already in order to make it a better project and convince the member's own party that the environment counts. When they redraw their famous budget they should include the environment and sewer projects.

I agree that work has to be done, but it will only be done when we sit together with the Federation of Canadian Municipalities, all the municipalities in the land and all the provinces so that future infrastructure projects, if we can find the collective money to put them together, will be geared firstly and hopefully almost exclusively to environmental needs.

Admittedly a lot of money has been spent on road repair and all other types of infrastructure projects, which were also necessary. However, maybe we can agree in the future that environmental needs will come first and foremost. In this I would support the member 100 per cent.

What we must do is first of all ensure that what we have already works and works well. What we have attempted here has been a significant achievement to put together for the first time a collective program of \$6 billion at a very tough juncture for both

provincial and federal governments as well as for municipal governments. It has been a big achievement, \$2 billion spent on environmental projects.

(2420)

I believe that we have the start of something constructive, and I respectfully suggest to the member that this is a solution for the future in what he is trying to do.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, I see that the Minister of the Environment has managed to influence the hon. member for Lachine—Lac-Saint-Louis. He speaks the same language as the Minister of the Environment. He now engages in petty politics.

It is with great interest that I rise tonight during private members' hour. Motion M-425 put forward by the hon. member for Comox—Alberni deserves a few minutes of consideration since it deals with an issue that affects us very closely, municipal sewage.

If I understand correctly, the purpose of the hon. member's motion is to prevent municipal sewage from being dumped back directly into the environment without undergoing at least primary treatment, as the motion says.

I, for one, am totally in favour of this. Sewage must undergo a minimum level of treatment. We no longer think that we can flush our sewage directly into bodies of water without negative consequences. We, unfortunately, did this for too long, and we must now pay for our carelessness and stupidity. Today, we must live with and clean up polluted lakes and rivers. Of course, at the time, we thought that our hydrographic system could absorb a certain amount of sewage. Perhaps it could, but did we have the right to do this?

Since then, however, the amount of sewage has grown by leaps and bounds, so to speak, and it now contains an increasing variety of products whose long term effects are totally unknown. At the present time, if we dumped all municipal sewage without treating it, our hydrographic system would be totally devastated and become unusable for no good reason.

Fortunately, some 30 years ago, I would say, we became aware of how big the problem is. The small facilities then in existence quickly became outdated and inefficient, even obsolete.

It is then that it was decided, in Quebec in particular, to modernize existing systems and build more sophisticated and efficient equipment that could absorb and treat large amounts of sewage.

Significant amounts were invested. Provincial funds and municipal taxes were spent through specific programs. Of

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course, there were major flops. Some of the plants that cost a lot to build did not live up to expectations. But on the whole, we can say that it was a success.

Much work has been done and much money has been poured into this since, but we are still far from being able to draw our drinking water directly from our lakes and rivers or dip our big toe into certain waters that bathe our urban or semi-urban areas. In that regard, is it not somewhat paradoxical that we treat our sewage before discharging it and have to treat water again before using it?

That being said, it is clear that efforts are required in that area. So far, all the efforts have come from the provinces and municipalities.

Municipal sewage is therefore and undeniably an area of provincial and municipal jurisdiction. So, when the hon. member for Comox—Alberni talks about a country-wide program and a minimum standard, I cannot help but wonder and worry about what he wants exactly.

(2425)

Does he want the federal government to come and impose, because of its spending power, standards in a jurisdiction clearly belonging to other levels of government? If that is what he wants, I think that he is mistaken. The federal government is certainly no guarantee of a better environment. As media reviews and environmental groups have been telling us regularly these days, the federal government is backing off in matters of the environment. It is cutting funding, abandoning the Green Plan, showing its inability and blatant lack of willingness to meet its own targets and failing to honour every one of its international undertakings under various treaties.

In the face of this abdication, I think that the federal government should stay in its backyard with respect to municipal sewage. Not in my backyard, as the popular saying goes. The government could nonetheless provide funding to carry out this great plan of discharging clean sewage into our waters. A resource envelope divided equitably among the provinces would certainly help achieve this objective. Do not get me wrong. All I am talking about is funds divided equitably, period.

If the federal government starts imposing standards, as it tends to do more and more, its attempt will have to be quashed. Finally, I wish to underline the good intention of the hon. member for Comox—Alberni. His motion reflects a genuine concern for the environment. Besides, the Reform Party's concern for the environment is made abundantly clear anytime we deal with an environmental issue. From Cape Breton, where we have the Sydney Tar Pond Projects, to the Standing Committee on the Environment and Sustainable Development, where the CEPA is being reviewed, the Reform Party contribution has shown exemplary concern for the environment.

In concluding, I should say that municipal sewage is only one element of the much larger pollution problem. It is essential that we immediately correct the problems and that we consider very

seriously all the other sources of pollutants. If we do not act now, the condition of our planet will be such that in the future our children and grandchildren will not be able to survive. I would like to propose an amendment on behalf of the Bloc Québécois to the motion of the hon. member for Comox—Alberni. I move, seconded by the hon. member for Hochelaga—Maisonneuve:

That Motion M-425 be amended by adding, at line 2, after the words "a country-wide program" the following: "with opting out provision and full financial compensation for all provinces".

The Acting Speaker (Mr. Kilger): Order. The amendment moved by the hon. member for Laurentides, seconded by the hon. member for Hochelaga—Maisonneuve, is in order.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, the motion by the member for Comox—Alberni concerns the establishment of a country-wide program to permit municipalities to upgrade their sewer systems. I would point out to the House that the infrastructure program launched by the government in co-operation with the provinces and the territories has helped municipalities modernize their effluent treatment facilities and, at the same time, has created the jobs these communities badly needed.

(2430)

On June 14 of this year, the government approved \$1.2 billion dollars for infrastructure projects across Canada to modernize and expand sewer systems. If we add to this the funds approved for projects to improve drinking water supply and treatment systems, we end up with a figure of \$1.9 billion, or a third of the money earmarked for the infrastructure program, going to water or sewer system projects.

These figures indicate that clean water and establishment of a healthy environment are priorities in each province. The municipalities invest the money from the infrastructure program to provide essential services, and we are their partners in this undertaking.

The improvements will benefit the municipalities themselves and Canada as a whole. The projects will mean work for workers, improved quality of life in the communities and a better future for our children.

[English]

The member sponsoring this motion comes from British Columbia. In that province 75 per cent of infrastructure works funding has been set aside specifically for sewer and water projects and \$388 million has already been approved for sewage treatment improvements.

The largest single infrastructure works project in the country is a major sewage treatment facility in B.C. The \$206 million upgrade to the Annacis Island sewage treatment plant will reduce waste reaching the Fraser River. Costs will be shared with the province of British Columbia and the greater Vancouver regional district. The upgrade will cover the first phase of secondary waste water treatment and reduce the level of pol-

lutants expelled into the Fraser River, home of the largest salmon run in the world. More than one billion fish migrate up the Fraser River to spawn every year.

Still in British Columbia, communities from one end of the province to the other are taking advantage of the unique partnership created by Canada infrastructure works to upgrade vital services and boost their local economies. For example, in the Okanagan region infrastructure funding of \$27 million is allowing the district of Summerland to build sanitary sewers and a sewage treatment plant. With a population of almost 10,000 Summerland is the largest community in the Okanagan without a community sewage program.

Thanks to the \$7.5 million in infrastructure works funding Prince George is moving ahead with stage three of a waste water treatment plant in that city. Smaller communities are also benefiting. On the northern part of Vancouver Island, Port Alice, Port McNeill and the district of Powell River are upgrading or building sewage facilities under the infrastructure program.

[Translation]

By taking advantage of the possibilities for co-operation offered by infrastructure works, municipalities can begin earlier, and at a lower cost, to modernize their water treatment facilities. In my province, Manitoba, Winnipeg is modernizing its sewer system in order to reduce spillover into the Red River. Four projects worth a total of \$20 million will prevent the rise and overflow of sewer water.

[English]

A similar project is now under way in Hamilton, Ontario. That city is building a \$25 million facility that intercepts combined sewer overflows and contains them for treatment at the water pollution control plant. Here again is a case of the national infrastructure program responding to local priorities and improving our environment.

The infrastructure program is bringing water and sewer service to many rural Atlantic Canada communities for the first time. Examples include Colchester county, Nova Scotia where a \$13 million project will build a sewage treatment plant to service the town of Truro and surrounding area. This improved infrastructure will assist industrial development while enhancing the local environment. What is more, using the latest technology will develop the job skills of those employed in the construction and operation of the plant.

Three communities in Prince Edward Island have worked together to expand sewer facilities. Bunbury, Southport and Crossroads have now been amalgamated into one town. The community is pleased with the rapid implementation of the \$1.5 million project. It is a densely populated area and environmental

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problems were imminent if the sewer system had not been extended.

(2435)

According to the head of the local pollution control commission, the community benefits in several ways. I quote: "One is the potential for safer groundwater for a much longer time. It also makes the area much more attractive to live in. There's also a greater potential for commercial and industrial development in the area".

In the community of Conception Bay South, Newfoundland about 350 homes, schools and businesses will have water and sewer services available to them this summer for the first time. The \$5 million infrastructure project employed over 200 people and has been a real shot in the arm for the local economy. The town's mayor says that it is the best thing that has ever happened to his community. I quote: "There are a lot of families that have been waiting a long time, perhaps 20 years, for these services, if not for the infrastructure program".

[Translation]

Finally, the infrastructure program has allowed large and small municipalities across Canada to make improvements to their sewer systems, improvements they established as priorities themselves.

Thanks to federal-provincial co-operation, these improvements may be made now and create the jobs these communities so badly need. The program is a fine example of what can be accomplished when three levels of government decide to work together for the welfare of the people.

[English]

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, it is now 12.35 in the morning and it is a privilege to speak to the motion put forward by my colleague from Comox—Alberni. The motion says:

That, in the opinion of this House, the government should support the undertaking of a country-wide program of improving the treatment of municipal sewage to a minimum standard of at least that of primary treatment facilities.

The motion put forward is to improve sewage treatment facilities, part of what I might call need to have rather than the like to have, which are often put forward by the government in its infrastructure program.

This is not a western issue. It is a national issue. It is also an issue raised by the Liberals in their red book, an issue that now seems to have been put on the back burner.

I want to read the promise in the red book word for word. I encourage my colleagues from across the floor to listen closely. It states: "One of the country's biggest sources of water degradation is untreated municipal sewage, aggravated by decades of neglect of sewage and water treatment infrastructure".

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This sounds very similar to the motion so I would assume its mover would have the full support of all the members on the government side on this one.

The lack of basic sewage treatment is a serious problem. According to the Sierra Legal Defence Fund report: "If the annual volume of untreated sewage were piled on the trans-Canada highway, all 7,800 kilometres of it, it would cover the road to a depth of nearly 9 metres from coast to coast".

Running on the boundary of my riding of New Westminster—Burnaby is the Fraser River. British Columbians realize that the Fraser is in serious jeopardy. Unfortunately most do not truly understand why it is in the condition that it is in. I am sure there are many answers, complex scientific ones, but certainly one answer is that it is how sewage is handled in and around the river.

Just last week the Fraser River Management Program issued a report card on the Fraser basin. Sewage treatment plants on the river were singled out as the biggest problem, receiving an *f* grade, a fail. Dumping of under treated sewage is benefiting no one and is endangering once abundant fish stocks.

The Outdoor Recreation Council declared that the Fraser River, which supports about a \$300 million a year salmon fishery, is British Columbia's most endangered river.

We realize that the cost of upgrading or building new treatment plants is rather expensive. We also realize what our priorities are. Our priorities should always be for the well-being and health of Canadians.

A ribbon cutting ceremony for a new sewage treatment plant may not make for great photo opportunities but photo ops are not what will keep the country environmentally sustainable. We all know the Liberal government is more into photo ops than it is into environmental cleanups.

(2440)

The government implemented its grand infrastructure programs soon after they were elected. They talked about funding going toward roads, sewers, bridges and water mains, except here is where some of the funding is actually going: \$15 million for renovations to a coliseum; \$21 million for a convention centre; \$173 million for a trade centre; \$50 million for an arts centre; \$24 million for a tennis stadium; and almost \$15 million for building a circus training facility.

This is only a portion of the list. I believe the list I just read will give an understanding of how wasteful this government has become. Among the legitimate projects there is also a lot of Liberal pork. These are misplaced priorities from misguided Liberalism.

Our motion clearly calls for the federal government to improve municipal sewage facilities to a minimum standard of at least primary treatment. With only three types of possible treatments available, this is the second from the bottom for effectiveness yet it would be far greater than some Canadian cities currently have. Some of them have nothing at all.

In Halifax, Nova Scotia the city dumps all of its raw sewage down the pipe into the ocean. That is 250 years of pumping untreated sewage right into the Halifax harbour. The same method is used in Victoria, British Columbia. In both places proponents hope that the cold tidal waters will be capable of carrying the waste out to sea. I believe both cities are realizing that there is only so much that the waters are able to neutralize.

So many promises have been made that people are having trouble keeping track of which level of government actually said what. For Halifax, the federal, provincial and municipal governments apparently earmarked \$200 million to build a new treatment facility yet residents of Halifax are still pumping over 100 million litres of untreated sewage into the harbour each day. While Nova Scotia waits for its much needed facilities, Montrealers will be serving up aces in their new tennis complex and doing somersaults in their new circus tent, all part of infrastructure money.

This country's deficit and debt are ballooning larger every day. The federal government must be frugal on how it spends its money. My constituents have told me that when their bank accounts are low, they spend according to priority. They only purchase what is most necessary and they expect the government to do the same.

Like many of my constituents, Canada has basic necessities like education, health and the environment. When my own personal bank account is low, I do not go out and purchase a painting but when the federal government's bank account is low it goes out and builds an art gallery. Something just does not make sense here.

The Minister of the Environment talks of sustainable development but talk is insincere when the words are not put into action. British Columbia's Fraser River is the greatest salmon producing river in the world. People living along the Fraser have always had a close connection with the river, relying on it for water, food, transportation and livelihood. However this river system cannot be sustained if municipalities along the river are forced to release untreated sewage.

My colleague from Comox—Alberni is not proposing anything new with his motion. He is simply reminding the government of its commitments for sustainable development. I hope that the revenue minister as well as the member for Halifax are listening closely to this debate because Victoria and Halifax are the two Canadian cities that are dumping untreated sewage into our waters.

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I note that the revenue minister is quite aware of the situation. In February 1993 he wrote a column in the *Globe and Mail* entitled: "The benefits of dumping sewage in the sea". In the article he wrote: "When the waste water leaves the pipe, it is immediately subjected to vast quantities of cold, fast moving sea water high in oxygen which would result in a biological, bacterial and chemical change". Strangely enough, he does admit there is the possibility that something dangerous but unknown may be in the discharge water and might become a problem in the future.

Finally it should be noted that in 1989, 70 per cent of Victorians supported treatment for all waste water coming out of Victoria's capital regional district. I hope that the minister will have the courage to listen to his own electorate.

The government was so proud of the red book during the election. I often heard the Prime Minister tell Canadians that if his Liberal government was not following the red book promises to notify him and make him accountable, not that the red book was so great anyway.

Someone mentioned to me recently that the Deputy Prime Minister said a similar thing but added that if promises were not kept that they should give her a good swift kick. After the next election, the voters will not be able to kick the minister around any more for she will not be around.

The Reform Party through this motion is asking the government to live up to its basic promise and to support improvements to municipal sewage facilities. Should it fail to do so it will be conveying a message to Canadians that the red book was merely an election pamphlet which was long ago forgotten.

(2445)

I urge the government to take care of the basics, to do at least the minimum and quickly act positively in response to the motion presented today.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the motion and the well researched speech by the hon. member for Comox—Alberni are very important and stir the sentiments of many in the Chamber who share the views with respect to the importance of continuing this effort.

I remind my colleagues in the Reform Party it was the Liberal Party and the Liberal government which initiated the infrastructure program. Even if the method by which the program was launched is not 100 per cent satisfactory, programs related to sewage treatment, water improvement and the like have been set in motion which permit the debate tonight in a search for ways of improving what is under way.

The infrastructure program is a good measure. It has helped to create jobs for Canadians and it has helped to finance initiatives environmentally oriented in conjunction with other initiatives, as the hon. member for Comox—Alberni has already indicated and as the parliamentary secretary indicated in his reply.

What needs to be stressed in the debate is the importance of the Canadian Federation of Municipalities and of the respective provincial governments in deciding how the money is to be allocated. Evidently Ottawa, even if it wanted to allocate 100 per cent of its funds to a specific purpose, would have to obtain the concurrence of the other two partners. Therefore there is the necessity of working very closely with and convincing municipalities and provincial governments to agree to what we think are the priorities for the infrastructure program.

However, the infrastructure program has come to an end. This is year two and the scheme has virtually been completed. The question is how to continue. Obviously in considering the economic policies of the Reform Party and the limitations which have been imposed by the budget one would have to be very creative in the search for the funds.

I invite members of the Reform Party to look at a study conducted by the Department of Finance in December of 1993 and January of 1994 entitled "Tax Expenditures". There is one item which is rather considerable, a tax expenditure which is the equivalent of a loophole in the taxation system with respect to lottery winnings. In 1991, because of non-taxation of lottery winnings, the loss in revenue amounted to some \$860 million. I suspect that amount increases every year. Therefore there are places where moneys can be found by way of improving our taxation system and by closing loopholes.

I bring these thoughts to the attention of the hon. member for Comox—Alberni because I am sure he is very keen in his search for funds required in order to continue the infrastructure program in years three and four.

(2450)

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, I am pleased to rise in the House at this late hour and be the last speaker on the motion brought by the member for Comox—Alberni.

Like the member for Davenport, I will begin by congratulating the member for Comox—Alberni on his motion and on the presentation he gave which was a very thorough exposition of the nature of the problems in our country and in every modern society dealing with effluent. We have to be very conscious of this. This is an example of the type of debate we can have in the House to search for the best solutions to these perplexing and complex problems from a technological point of view and from a human management point of view.

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I suppose as a member of the government one regret I have about the debate is I was disappointed to see it degenerate so quickly on the other side of the House from what I considered to be the high level of the opening moral tone of the member for Comox—Alberni to other members of his party who then used the motion as a way to attack the government for not doing things which we have been doing.

It reminds me of earlier when I listened to the member for Fraser Valley East spending his whole speech complaining that there is no discussion in the House. When members of the third party get up and use these opportunities to attack another party, no wonder we do not get into any discussion.

This is a constructive opportunity to exchange views. The member for Davenport has indicated members of the House on all sides are passionately interested in finding solutions to these problems.

I, as chairman of the foreign affairs committee and the member for Red Deer, who also sits on that committee, are more than aware of the consequence of effluents flowing from Victoria into international waters and our relations with the United States. It behoves all of us to be aware of that.

To suggest that the government is not aware of it is totally ignoring reality. Suggesting the infrastructure program has been deficient in this respect is doubly unfair. The infrastructure program is, as the member knows, a tripartite program conceived in the Canadian spirit. It requires the collaboration of the federal, provincial and municipal governments.

When we look at the way the infrastructure program has been applied around the country and the way it has been used, it co-ordinates the needs and desires of all people. Members of the Reform Party should be happy because at the municipal level we are getting the input from the very lowest level of government in the European sense of subsidiarity, that which is closest to the people, and it is their choice.

There are municipalities that have selected water treatment facilities. In those cases the federal government has participated, encouraged and done its best to make sure the country and the needs of the municipalities are served. Where other municipalities have chosen other priorities, the federal government has recognized that it is their right as citizens and as municipal governments.

I suggest to the third party we should concentrate not only on the question of effluent removal, which is a most important priority, but also on the principle on which the country is founded; a principle of tolerance and co-operation by all levels of government. If we can get all our programs working that way and use persuasion to get the federal government to do its work we can achieve the results wished for by the member for

Comox—Alberni without trampling on the rights of local municipalities.

The Acting Speaker (Mr. Kilger): The time 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 is deemed to have been made.

GUN CONTROL

Mr. Jim Jordan (Leeds—Grenville, Lib.): Mr. Speaker, I would like to focus on the recently passed gun legislation.

(2455)

Our articulated gun bill in Canada says something for us as a society not only for today but for generations to come. However, I have some real concerns in the ability to apply that law. We would like to think that Canadians are law-abiding citizens in terms of there being seven million guns. I do not know who counted them. I do not know who knows for example that I have three guns.

Let us say there are seven million guns out there. A lot of those guns have been sitting around. They are in attics, basements and behind pantry doors. A lot of them are not used and have not been used for years. I have two rifles that have not been used for 20 years. My concern is that we must have some incentive to flush out of existence a lot of those rifles and guns which have not been used, are not being used and will not be used unless they happen to fall into the wrong hands.

I am proposing a form of gun amnesty in Canada. There would be some incentive for people to turn in those guns. Some people are quite aware they have no use for the gun but there is a reluctance or a sentimental attachment to it. Perhaps the widow's husband used the gun for many years and she is just a little bit reluctant to get rid of it but at the same time knows she has no earthly use for it.

The bill could be improved. The application of the bill certainly would be much easier. It will be a tremendous and horrific job for our police departments unless there is genuine co-operation to register the guns.

My proposal is to have a form of amnesty, amnesty plus if you like, with some sort of minimal tax credit, something in the area of \$25 or so for turning in those guns. Motivation is needed. I do not think a lot of people would object to that. It would not cost very much. It is going to cost something to register the gun

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anyway so it is not as if it were all lost. Some program like that with a public relations selling job associated with it would have a very positive effect on the number of guns that are in this nation.

I would be glad to turn in my two rifles and keep my shotgun. In that case I would probably make better use and take better care in the storage of my shotgun than if I had a whole lot of guns sitting around.

We could flush out those guns that are no longer used and where their purpose is long forgotten. I do not see any advantage to having them sitting around when people will be reluctant to go through the inconvenience of registering them. They would be relieved if there were some way in which they could dispose of them. The motivation could be a very small tax credit. I think it would work. I have received very positive feedback from some very unexpected corners when I think back to their attitude toward the gun bill. That is why I brought this matter forward.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the member for Leeds—Grenville brings forward a very interesting proposal. There is a new twist I have not heard before which is the aspect of the tax credit.

With the passage of Bill C-68 in the House of Commons and the expected passage of the same bill in the Senate later this year, we will be registering all firearms. As the member for Leeds—Grenville has said, some people may not want to register firearms.

Frankly, I do not think it will affect the gun owners themselves, but for those who have inherited firearms or have had firearms lying around the house, they may not want to go through that procedure if it is not their intention to use those firearms. Of course I think mainly of long guns, rifles and shotguns. Firearms can be sold. Handguns, even the prohibited

ones, can be sold to people who have similar types of firearms. They can be turned in at any time or they can be sold out of the country.

It is correct that when there is an amnesty it focuses the idea in people's minds so they become more conscious of turning in their firearms. A lot of people will turn in firearms without any compensation but certainly more people would turn in their firearms if there is compensation.

The main problem is the cost which would be considerable. One never knows how many people would take advantage of the amnesty but we would have to expect that there would be a cost.

The other question that has to be looked at is if prohibited weapons are being turned in that can be purchased on the street or out of a trunk of a car for a very small amount, then these people with the tax credit would receive more than they actually paid for the firearm. That would only take place for a short while. Once registration came into effect they would not be able to do that. However, it is certainly something that should be examined further.

I know the Department of Justice and the Minister of Justice will be discussing this idea with the Department of Finance. Something may result from this but it is too early to speculate whether the idea of the hon. member for Leeds—Grenville will result in a solution or not. We will have to wait until these discussions take place.

[Translation]

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed adopted.

Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 1.02 a.m.)

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