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Wednesday, March 16, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Wednesday, March 16, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[English]

ELECTORAL BOUNDARIES

Mr. Bob Wood (Nipissing): Mr. Speaker, I would like to express my concerns to the House regarding the proposed changes to the electoral boundaries and in particular to those changes which would affect the ridings in northern Ontario.

The present proposal calls for the elimination of two seats in northern Ontario. It is my view that this would lead to a further erosion of the voice of northerners in Parliament. It would reinforce the image that northern Ontario is a sparsely populated hinterland whose concerns and aspirations really do not need to be heard.

In realigning these boundaries the commission formulated all its changes based on population levels alone. Certainly this is not the most comprehensive method which could be used for such an important undertaking.

Northern Ontario encompasses two-thirds of the province and is home for a significant number of French, English and native Canadians. Our region is as diverse as any other region in Canada. Therefore it should have electoral boundaries which encapsulate those regional enclaves which share many of the same economic, geographic and cultural characteristics.

I believe that if these new boundaries are accepted they will not only weaken the voice of northerners—

The Speaker: Order. The member is a bit over. The hon. member for Chambly.

[Translation]

NATIONAL MOUNTAIN, RIVER AND VILLAGE COMPETITION

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I am especially proud to announce to this House the launching of the fourth national “mountain, river and village” competition, which will be held in my riding of Chambly.

Many painters from all regions of Quebec, from Ontario and from the United States will take part in this competitive exhibition, which just three years ago was only local. Two hundred and fifty paintings will be selected for the exhibition, which will be held from September 23 to 27.

I join our association of popular painters, the town of Mont-Saint-Hilaire and all of Quebec in encouraging Quebec’s artistic potential, following the example of Ozias Leduc and Paul-Émile Borduas, who were born in the region.

I therefore invite you to see this outstanding exhibition of works by our painters and to share their talent and their vision of the world.

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[English]

VIOLENCE

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, between January and November of last year 193 women and 278 children took refuge in the Camrose Women’s Shelter in my riding and home town. The number of women and children coming through the doors of this shelter and many others throughout Canada has been increasing yearly.

Last year the former Tory government commissioned a report on violence against women. The report listed a number of recommendations, one of which is a zero tolerance policy, violence is not accepted in any case.

As this is the International Year of the Family we all need to put a stop to the senseless abuse of women and children. Awareness and thinking are a start. However only a positive, collaborative effort on behalf of all government agencies and individual Canadians will protect the most vulnerable people in our society and re-establish the family as the cornerstone and mainstay of this country.

S. O. 31

I concur with my constituents that we need action now.

(1405)

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CANADIAN EXECUTIVE SERVICES

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, CESO is a non-profit volunteer based organization whose mission is to transfer Canadians' expertise to business communities and organizations in order to help them achieve their goals of economic self-sufficiency.

Volunteers experienced in their profession or industry serve as advisers and trainers to clients in Canadian aboriginal communities, developing nations and the new market economies of central and eastern Europe.

I would like to take this opportunity to recognize the efforts of Lorne and Charleen Duquette from my riding of London—Middlesex. Their efforts in the country of Romania have gone a long way in contributing to human and global development.

We are proud of these Londoners and of other Canadians who devote their time and energies to improving our world.

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EASTER SEAL CAMPAIGN

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, one of the most pleasant duties as a member of Parliament is supporting the work of very important organizations in our constituencies and throughout Canada.

I had the opportunity last weekend in Thunder Bay to support the local Kiwanis Club in its kick-off luncheon to support the national Easter Seal campaign.

Those involved, Jim Whatley, Don Murphy, Shelagh McMillan, Pat O'Brien and Janice Harding are again to be congratulated for their efforts and their tremendous dedication.

This year's Tammy, Sarah Hovila-Dumbrell, and Timmy, Michael Holdt, are two outstanding young Canadians who, despite the challenges they face, are doing a marvellous job in their roles as ambassadors for the Easter Seal campaign. Both are fine examples to all Canadians who are physically challenged.

Sarah is a kindergarten student with a wonderful smile and she is a tremendous charmer. Michael, with respect, is a grade one student and a bit of a ham. I told him last weekend that he could very well end up as Speaker of the House.

NUTRITION MONTH

Ms. Hedy Fry (Vancouver Centre): Mr. Speaker, I take this opportunity to remind members of the House and all Canadians that March is national nutrition month.

The theme for the Canadian Dietetic Association's 1994 national nutrition campaign is "Nourishing Our Children's Future". The goal of the campaign is to promote the importance of nutrition and healthy eating for children between the ages of four and 12.

The campaign will highlight the role that healthy eating plays in the physical, intellectual, emotional and social development of children.

This year's nutrition month theme is especially timely because 1994 is the International Year of the Family. Through information materials, media coverage and local activities across Canada, Canadians will become more aware of the importance of healthy eating for children and how they can influence those eating habits.

Health Canada is proud to be a partner with the Canadian Dietetic Association for this year's nutrition month and to be involved in the launch of this important event.

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[Translation]

FOREST MANAGEMENT

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I am proud to mention today the strength and determination of Gaspé people in the villages of La Rédemption and Marsoui, in the town of Matane, and in the Matapédia Valley who are fighting to protect their natural resources and their lifestyle by protesting the closure of their sawmill and demanding control over forest management.

These people show that Quebec's rural regions will never let themselves die. Often neglected by governments and having seen their young people move in large numbers to major centres, the inhabitants of rural regions are increasingly taking charge of their destiny and regaining their dignity through their courage.

We should applaud these examples of solidarity which are reviving our rural regions.

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[English]

LETHBRIDGE PRONGHORN HOCKEY TEAM

Mr. Ray Speaker (Lethbridge): Mr. Speaker, the Lethbridge Pronghorn hockey team has matured into an outstanding representative of southern Alberta.

Last weekend for the first time in its history the hockey team advanced to the University Cup national championship tournament in Toronto. The team's accomplishments did not end there. The Pronghorns went on to capture the national CIAU title after a five to two win over the University of Guelph in Toronto's Maple Leaf Gardens.

I would like to commend the Pronghorns for their hard work throughout the season. The University of Lethbridge is a small university but clearly has produced a team from southern Alberta that we can be proud of.

It must be noted the Pronghorns have claimed the CIAU victory in the face of serious budget cuts in the athletic department. For this reason I believe Sunday's win is a double victory for the team.

I would like to congratulate the Pronghorn members. Their win displays their ability to do what they do best despite difficult circumstances.

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BERNIE NICHOLLS

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, it is with great privilege that I rise today and salute a recent milestone attained by a gentleman born and raised in West Guilford in Haliburton county, Mr. Bernie Nicholls.

A few weeks ago Mr. Nicholls became the 39th player in the history of the National Hockey League to attain 1,000 points in scoring. He has joined the elites in the game: Gordie Howe, Jean Beliveau, Bobby Hull, Stan Makita and others who have reached the millennium mark and beyond in the NHL.

Bernie has achieved this level while enduring a great number of changes in his life both professionally and at home. He started his career in Los Angeles, was traded to the New York Rangers where he played for a short time, was moved to Edmonton and is now with his current team, the New Jersey Devils. Add to this movement from team to team the loss of a child this past fall.

That Bernie has been able to play this long and with such high skill is a testament to the perseverance, ability and commitment to hockey. He recognizes that his family obligations are first and foremost in his mind.

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NEW BRUNSWICK

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, at the end of this month there are several important co-operative agreements due to terminate between the federal government and my province of New Brunswick. The co-operative agreements in such areas as agriculture, forestry, mining and econom-

ic development are extremely important to the citizens of New Brunswick.

(1410)

Both my government and the Government of New Brunswick are emphatic about the importance of jobs and the dignity they bring to our citizens. These agreements are extremely important to New Brunswick in its efforts to maintain current employment and work toward future job creation.

I urge all parties involved to expedite a successful conclusion of the negotiations to extend these agreements for the benefit of the citizens of my constituency of Carleton—Charlotte and all of New Brunswick.

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CANADIAN JUNIOR CURLING CHAMPIONSHIPS

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I am very proud and very pleased to rise in this prestigious House today to welcome young Canadian curlers to Truro, my hometown, where they will compete in the 1994 Canadian Junior Curling Championships.

I wish to congratulate the Truro Curling Club in hosting this national competition and Pepsi-Cola Canada Ltd. in sponsoring the Canadian junior curlers. I congratulate as well the young athletes as they are already winners to have qualified at the national level.

Some 24 teams from the provinces and territories will enjoy Nova Scotian hospitality this week. I invite members of this House to join me in wishing these young Canadian curling champions a week of good friendship, good competition and good curling. This is Canada at its best.

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[Translation]

YOUTH SERVICE CORPS

Mr. Antoine Dubé (Lévis): Mr. Speaker, as you know, over 400,000 young Quebecers and Canadians under the age of 25 are presently unemployed. To remedy this problem, this government intends to set up the youth service corps. But the first year, this new program will be available to only 2,500 young people, or 0.6 per cent of all the young unemployed.

Also, the youth service corps is similar to the old Katimavik program the Conservatives abolished in 1986 in that very few activities are directed to the labour market and allowances are paltry. How can one imagine that a young graduate can live on a mere \$61 a week.

I submit that the federal government should review its plans with respect to young Canadians and consider putting into place a genuine employment program for them.

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[English]

FOREIGN POLICY COMMITTEE

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, tonight this House will vote on a motion to establish a special joint committee on foreign policy.

Yesterday my colleague from Red Deer moved an amendment to the motion that would exclude members from the other place from sitting on that committee.

Individuals from that other place have a valuable contribution to make and should be able to appear before the committee as witnesses. However, members from that other place, a place that is unelected, unaccountable and undemocratic, have no business sitting as members on this important committee.

I encourage all members of this, the elected and accountable House, to vote in support of the amendment. I hope the government will allow its members to vote freely on this issue.

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[Translation]

SIXTH PARALYMPIC WINTER GAMES

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, like the traditional Olympic Games, the paralympics held in Norway this week are a symbol of nations gathering in a spirit of brotherliness and peace.

[English]

Canada is a major force in a world of paralympic sport. Like all athletes, our paralympic athletes head into Lillehammer full of hope and optimism, ready to realize the dream of a lifetime.

[Translation]

I am proud to see that a Canadian from Restigouche—Chaleur, Mr. Denis Lord, is representing not only Canada but also northern New Brunswick in these games. We are proud of the determination he is displaying on the slopes and in his everyday life.

[English]

On behalf of all the citizens of Restigouche—Chaleur and the members in this House, I wish to congratulate Denis and all our paralympic athletes for their strength and courage and for representing so well the spirit of the games.

[Translation]

Good luck to all our paralympic athletes.

[English]

SPEED SKATING CHAMPIONSHIPS

Mr. Janko Peric (Cambridge): Mr. Speaker, on March 20 the city of Cambridge will proudly host the 1994 World Short Track Speed Skating Championships.

The high speed and aggressive edge of short track have been attracting a worldwide following. What started out as individuals lacing animal bones to their wooden footwear and skating across the frozen canals and waterways of Scandinavia has evolved into one of the fastest growing sports in the world.

Despite its relatively short history, short track speed skating has produced many proud moments for Canadians. We are proud of our skating talent in Canada, including Frederic Blackburn, Marc Gagnon, Nathalie Lambert and especially Cambridge's very own Derrick Campbell, who recently participated in the winter Olympics in Lillehammer, Norway.

(1415)

I would like to extend my best wishes to all participants in Sunday's competition, as well as to the organizers, who have been working so hard to make this event in Cambridge a real success.

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SAINT JOHN

Mr. Elsie Wayne (Saint John): Mr. Speaker, the *Telegraph-Journal* reported today that the Liberal member for Fundy—Royal stated that he and the Minister of Transport felt a "double duty" to look after my riding of Saint John because it is not aligned with the government.

I look forward to any help I can receive from the transport minister and from the member for Fundy—Royal in settling the issues I have been raising as the lone opposition MP from Atlantic Canada.

I look forward to their help in reversing base closures that I have spoken out against, as well as any support for my efforts to ensure support for our shipyard and VIA Rail. I look forward to their help in reversing hurtful budget measures brought in by their government against Atlantic Canada.

I will continue to work diligently for the people of Saint John as I always have.

*Oral Questions***ORAL QUESTIONS PERIOD***[Translation]***COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN**

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

The government's decision to close the military college in Saint-Jean is ill-advised. The government knows it yet obstinately refuses to reverse its position, despite the fact that it has now had to adjust downward the reported savings it would make as a result of this decision.

Furthermore, in an awkward attempt to save face, it is proposing to strike a fool's deal with Quebec whereby it would lease the college facilities to the province for \$1 a year. Since the college would be stripped of its very soul, this is indeed a poisoned gift.

Does the Prime Minister not recognize that there is something shameful about this proposal to lease the empty facilities in Saint-Jean for \$1 a year and that in so doing, the government would be shifting the burden of the college's operating costs onto Quebec's shoulders, without even giving the province the opportunity to buy the facilities?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have discussed this matter with the Premier of Quebec who told me that he could make use of the facilities at Saint-Jean. The federal government no longer needs them because the strength of our military work force is being reduced to 65,000. One can easily understand why the United States, with two million soldiers, has three military colleges. However, with a military work force of 65,000, Canada does not need three military colleges.

However, if these facilities can be of some use to the provincial government or to other agencies, we will be happy to make some arrangements with them because this would save some jobs in Saint-Jean-sur-Richelieu. We are proposing a reasonable solution to a specific problem. The government had no choice but to close some of Canada's military colleges because it had to reduce defence spending. Had we listened to the Leader of the Opposition, not only would we have closed Collège militaire royal de Saint-Jean, but we would also have shut down CFB Bagotville located in his region.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I am convinced that, despite telephone pressure from the leader of the government, the Quebec Premier will put Quebec's interests before those of the two Liberal parties.

Will the Prime Minister admit that, in case of a likely and quite advisable refusal by Quebec to become a mere tenant of the federal administration, his government will save much less than expected by closing the college in Saint-Jean, as it will

have to continue shelling out at least \$6 million a year in taxes and upkeep for the white elephant it created?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if that were the case, no military base should ever be closed. Sure, it creates problems. But to hear the Leader of the Opposition say that we should not try to maintain a certain level of employment at the military college with the provincial government's co-operation, when he went over there to take part in a demonstration with people who, only 22 years ago, were opposed to a Quebec university awarding a diploma to Saint-Jean graduates because it was a federal presence of the Canadian armed forces in Quebec, and to see that Quebec nationalists and the Saint-Jean-Baptiste Society would do such an about-face, that is too much for me!

(1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I will give more of it to the Prime Minister.

Some hon. members: Hear, hear.

Mr. Bouchard: I find it very strange to hear him say, in sugary tones, "Who will criticize us for creating a minimum of jobs in Saint-Jean?" It is like the fox saying, "We should still keep a few chickens in the henhouse" after it just finished eating a few of them.

An. hon. member: Right on.

Mr. Bouchard: Mr. Speaker, I would like to make a constructive proposal to the Prime Minister by guaranteeing the Bloc's full support for a decision to keep a French-language college in Saint-Jean and an English-language college in Kingston by reducing in an equitable fashion the number of officer cadets in both colleges, so as to maintain the opportunity for francophones to prepare for a military career in their community and in their language.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, as we said, only 16 per cent of French-speaking officers in the Canadian Forces graduated from the college in Saint-Jean. They are giving the impression that officers who attended Laval University, the University of Sherbrooke, the University of Montreal, the University of Quebec in Chicoutimi or the University of Quebec in Trois-Rivières instead of the college in Saint-Jean are not as good because they did not go to a military college.

With our smaller armed forces, the military college is no longer necessary. The Leader of the Opposition told us we should cut defence spending by 25 per cent. If we had followed his advice in Quebec, we would have closed not only the military college in Saint-Jean but also the military base in Bagotville and probably other bases in Quebec. But we found the Opposition Leader's proposals unacceptable under the current circumstances. We must maintain a certain level of employment and a higher level of military forces than he recommended.

Oral Questions

Mr. Michel Gauthier (Roberval): Mr. Speaker, it is rather strange to learn that French speaking officer cadets can obtain their training in civilian universities, whereas it is not the case for English speaking cadets. According to the Prime Minister's reasoning, Kingston should also be closed.

An hon. member: Absolutely.

Mr. Bouchard: This is a double standard.

Mr. Gauthier (Roberval): Mr. Speaker, on several occasions last week, we demanded that the government provide specific figures concerning the closure of the Collège militaire de Saint-Jean. We did not get a satisfactory answer from the minister who, yesterday in committee, only gave incomplete figures, with no breakdown whatsoever, which do not reflect.

Some hon. members: Hear, hear.

Mr. Bouchard: Keep going.

Mr. Gauthier (Roberval): Before making the regrettable decision—

I realize that it hurts to hear the truth—

Mr. Bouchard: They cannot take it. They find it so hard.

Mr. Chrétien (Saint-Maurice): It does not hurt.

Mr. Gauthier (Roberval): Mr. Speaker, before making the regrettable decision to close the only French speaking military college, did the Minister of National Defence ask for a complete review of the financial impact of maintaining two colleges with a reduced number of cadets, based on established objectives? Did the minister have a complete and accurate review done?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, first, the Collège de Saint-Jean and the Royal Military College in Kingston are both bilingual institutions. Yes they are.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice): Yes they are. As I said in this House, there are graduates from Kingston who took all their courses in French and also wrote their exams in French. The hon. member once again showed his ignorance earlier when he said that English-speaking cadets will have to go to Kingston to become officers. This is not the case.

(1425)

They will do just as well in Vancouver, Calgary, Winnipeg, Toronto or Halifax. They will attend local universities and obtain the required officers' training. In fact, only a small proportion, approximately 15 per cent, of English-speaking cadets currently receive their degree from Kingston, Saint-Jean or Royal Roads. In other words, the college only serves to train a very small fraction of officers.

Those are the facts. But we did not listen to the opposition. I do not think the hon. member is very committed to defending Saint-Jean. Yesterday, he made a big fuss at a press conference which lasted five minutes, and when the media people were finished taking pictures, he left.

Mr. Michel Gauthier (Roberval): Mr. Speaker, what the Prime Minister does not realize is that it did not take longer than five minutes to see through the government and its charade.

Since, by his own admission, the Prime Minister cannot provide us with a satisfactory answer—and neither can his Minister of Defence who has been “shut out” of this matter—since he admits not having commissioned a study on the costs of maintaining both colleges with a smaller student population, how can he seriously talk about saving \$23 million? On what basis can he make that statement?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have told this House several times—never mind how loudly the hon. member puts his question—that it does not take endless studies to see that in the United States, they have three military colleges for two million servicemen and women. We have reduced our military spending as suggested by the opposition and the Canadian Armed Forces now have a strength of only 65,000.

I do not need to spend more money to see or to have experts tell me that we do not need three military colleges for 65,000 members. We will have one good bilingual college in Kingston instead of two, one in Kingston and the other in Saint-Jean, as we had before.

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[English]

THE ECONOMY

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

I would like to move beyond this family feud between Quebec Liberals and Bloc members over the College Saint-Jean to something of national importance.

Yesterday the money markets drove the Canadian dollar to a seven year low and forced interest rates up. This is something that hurts us all. Analysts say the markets were reacting to two factors: first, foreign borrowers' concerns about the bombing of the Quebec hydro tower; and second, the failure of the federal budget to reverse the choking trend of public debts and deficits.

What is the Prime Minister prepared to say to investors and lenders to alleviate their fears concerning these two factors?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the Canadian economy continues to be very strong. Of course I am not going to make

any comment on the value of the Canadian dollar, which fluctuates.

The hon. member is a little late. I spent 27 years of my life commenting on the prospective value of the Canadian dollar. He missed it by four months. I am sorry but he is four months too late.

I have been told by the Prime Minister not to comment on the value of the Canadian dollar. However I will comment on the Canadian economy. It is strong. We have had manufacturers' shipments up 7 per cent year over year. We have had business confidence improving over the last little while and consumer confidence has been improving somewhat as well.

(1430)

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, there is nothing new and nothing substantive in what has been said. All of this was said before and yet investors and lenders are not reassured.

Will the Prime Minister say something more substantive? Does he or does he not have a contingency plan to deal with foreign perceptions of political and financial instability in Canada?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, Canada is a very good and very stable country. We have had a good budget presented and we have a plan that is very clear.

The market can speculate all it wants. However we are not changing the policies of the government on speculation in the market from one day to the other because investors from abroad know very well that there is not a better place in the world to invest than Canada.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the Prime Minister mentions the budget but the budget is part of the problem. The fall of the dollar and the rise in interest rates for whatever reasons call into question the most basic assumptions in the budget.

Will the Prime Minister as a bare minimum direct the finance minister to prepare a fiscal contingency plan including a moratorium on all new spending programs to increase international confidence in the Canadian dollar?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker the Minister of Finance presented a budget in this House. It will be voted on in a few days. We are not going to have a budget every time the leader of the Reform Party wants one.

We need political stability. We need a good plan. We said to the market that we will be reducing expenditures and we are doing that. Today some people are complaining because we are reducing expenditures, but we are keeping to our plan. We have

Oral Questions

a good plan and we will achieve our goal of 3 per cent of GDP for the deficit within three years.

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[Translation]

HEALTH CARE

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, the government is desperately trying to broaden the tax base and regularly puts out feelers on how this could be done. Its latest effort came yesterday when some Liberal members supported applying the GST to health care and medication, which I think is pretty outrageous.

Does the Prime Minister share the position taken by his members who, in the course of their work on the GST review, came out openly in favour of taxing health care and medication?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we appointed a committee to review the GST, as we said we would, and its members received submissions. All parties are represented on the committee. In the end we will have a report, and we will examine that report and then decide whether it will become government policy.

We do not want to act without consulting the members of this House. The hon. member complains that Liberal members are not afraid of having ideas; I am very proud of members who go to committees and are not afraid of exploring new avenues. I need their help, but in the end, the government makes the decision.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, these developments are very disturbing, and I would ask the Prime Minister to be a little less flippant in his answers, because this particular issue is fundamental. We are not talking about submissions by witnesses but about his own members who came out in favour of applying the GST to health care and medication.

I will direct my question again to the Prime Minister. Does he or does he not support applying a new GST to health care and medication? That is what people want to know.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the hon. member knows perfectly well that all taxes collected by the government go into the government's consolidated fund and that this money is used to pay for all the government's programs.

Perhaps some people will suggest that we should compartmentalize expenditures and revenues, but that is pure speculation. The government intends to go on collecting taxes and taking these taxes to maintain health care programs. Furthermore, our party has made a clear commitment to maintaining a free and universal health care system for all Canadians.

Oral Questions

(1435)

*[English]***THE ECONOMY**

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Prime Minister stated that the business community reacted positively to the recent budget. I believe he is overstating the case. The fact is that the business community gave qualified acceptance based on the finance minister's promise of a second round of spending cuts. The Prime Minister has publicly contradicted the finance minister, saying that all the cuts for the next three years are in this budget.

What assurances can the Prime Minister give business people that promises made by the finance minister will be kept by this government?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the budget was quite clear in its representations as to what budget cuts would be made. Those budget cuts will reach our goal of a deficit of 3 per cent of GDP in the third year of our mandate. That was a clear and unequivocal statement in the budget and that remains. It was well received by the business community despite what the member says.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, the government's failure to seriously address Canada's deficit and debt problem directly contributed and contributes to the increases in interest rates and a drop in the dollar.

On behalf of business people and Canadians who want real jobs, when will the Prime Minister recognize the real problem, the high cost of financing the national debt? When will the government begin to lower its spending so that we can lower taxes and really help the economy?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the last employment statistics indicated that jobs went up in this country in every region.

It is this government's budget that has contributed to that strength in employment. It is this government's budget that is going to contribute to the strength of this country's economy in the future.

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*[Translation]***SOCIAL PROGRAMS**

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Prime Minister. Last Saturday, along with more than 1,200 people representing labour, community and citizens groups as well as the assembly of bishops, I attended the forum

on social solidarity in Quebec. These people have joined forces to counter rising poverty in Quebec and cuts to social programs.

Will the government admit the obvious and will it recognize that cutting programs at a time when people are in dire straits is not the way to curb the deficit?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): To begin with Mr. Speaker, the opinions expressed by the demonstration last week express the concerns we all have about ending poverty in this country. We as a government are very committed to that goal.

It is for that reason we have undertaken a major review and reconstruction of most of our programs. In so doing we can enable those who are presently long term unemployed, who have been out of the workforce for a long time and who do not receive proper training, to have the resources dedicated to their ability to get back into the workplace.

The Prime Minister has said many times that the best solution to poverty is a job. We are very much dedicated to reorganizing and reallocating the resources of this government along with the co-operation of the provinces to tackle this very serious problem and to give some real hope to those people who were demonstrating last weekend.

[Translation]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, in spite of his magnanimous remarks, will the minister not concede that what unemployed workers need is a real employment strategy, not sermons, but jobs? Will he not admit that he needs to implement an employment strategy instead of a deficit reduction policy which calls for cuts to social programs?

(1440)

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I am fully aware of the responsibility to help create employment.

The budget presented by the Minister of Finance took a number of initiatives: Stimulating growth in the areas of high technology and small business by developing a whole new strategy for giving access to capital. Funding a major infrastructure program that will kick-start the economy. Funding a number of initiatives to deal with the unemployment problems of young people. Initiating reductions in payroll taxes so that we give further incentives to small business.

I attended the job summit held during the last two days where the seven most powerful industrial countries were looking at this problem of the 35 million people who are unemployed. The prescriptions that came out of that meeting were to stimulate

growth in our industries, to reduce payroll costs and to invest in people. Those are exactly the things this government has done.

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THE ECONOMY

Mr. Ray Speaker (Lethbridge): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister sits here today and tells us that he is not going to do anything with the budget. The minister of state sits here and says that everything is okay and everything is great in Canada.

It is time we recognized there are signals not only from this government that are harming the marketplace, but there are signals from the marketplace that the Prime Minister and the ministers of this government should take into consideration, and they should do it today.

I wonder if the Prime Minister recognizes, and this is one of the signals that he should recognize, that interest rate spreads on 10-year Canada-U.S. bonds have increased since the budget came down and continue to increase. This government must act.

The Speaker: Order. Would the hon. member please put his question.

Mr. Speaker (Lethbridge): Mr. Speaker, does the Prime Minister recognize those signals from the marketplace and if he does, what is he going to do about them in terms of rearranging, changing and adjusting the fiscal plan of this government?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I commend the hon. member for his reading of the marketplace and how interested he is in interest rate spreads. I have studied them quite considerably over the years and would tell him that interest rate spreads at the present time are not much different from what they have been. Indeed, the short term rates are very much lower than they have been in the recent past. Our budget is a dead-on plan.

We look forward to seeing that budget and the Canadian economy prosper considerably in the year to come.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, does the government recognize there are other signals out there?

Long term rates are on the increase, 1 per cent above what was projected in the budget. We have a drop in the dollar value. There are foreign investors that have lost confidence in investing and have taken their money out of this country.

What is the Prime Minister prepared to do under those conditions to adjust the budget to meet the needs of the signals in the marketplace?

Oral Questions

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I suggest that the hon. member look at the budget a little more carefully.

The interest rate assumptions in the budget for long term rates are, as he states, a little bit low but short term rates are where the changes take place. Long term bond rate changes affect maybe a seventh of the total over any year.

I would say that our budget is dead on in that. With the interest rate assumptions that we have made in the budget and if the interest rates continue where they are right now, we will come in at a lower cost of interest than we had in our budget.

* * *

[Translation]

NATIONAL DEFENCE

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, we heard this morning, in relation to the inquiry into the murder of a young Somali and the actions of certain Canadian peacekeepers in Somalia, that the military police is considering charging several other members of the Second Commando of the Airborne Regiment in Petawawa.

(1445)

My question is for the Minister of National Defence. Can the minister confirm that the military police is indeed about to lay charges against several other members, including senior officers?

[English]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am glad the hon. member has raised this question. We will be going through a difficult period in the next few months. It will be totally impossible for me, as minister of defence, to make any comment surrounding the courts martial that are now under way as a result of alleged actions by members of our forces a year or so ago in Somalia.

I know it will be difficult for the House, but I hope members will understand that I cannot, as the minister, do or say anything that may impede the cause of justice.

[Translation]

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, it would nonetheless be interesting to hear what the minister thinks of this. On a different note, how can the minister explain that senior officers tolerated that a squadron called the "Rebels Squadron" displayed for several months on the base, in Petawawa, the white supremacists' flag? How could they do that with complete impunity?

*Oral Questions**[English]*

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, again for the same reasons I will not be able to comment on the chain of command or anything to do with the Canadian Airborne Regiment, anything that could be construed as interference in the judicial proceedings.

* * *

NATIONAL REVENUE

Mrs. Rose-Marie Ur (Lambton—Middlesex): Mr. Speaker, the government's budget plan states that a single registration number for businesses dealing with the government will be available in May 1994, eliminating current government duplication and overlap and reducing costs for businesses in their dealings with government.

My question is directed to the Minister of National Revenue. How does the government plan to fulfil its promise to introduce the single business registration number by May 1994 and how will this number reduce costs?

Hon. David Anderson (Minister of National Revenue): I thank the hon. member for her question, Mr. Speaker. It will be possible to introduce this program in May of this year on a pilot basis in eight cities across the country. In January of next year we will introduce it Canada-wide. Over the succeeding two years businesses will have the opportunity right across the country of opting into the single business number.

It will make a substantial difference, although it is a relatively straightforward and simple change, to the cost of compliance with National Revenue's requirements with respect to a number of taxes. It will thus increase the efficiency of the system and reduce the paperwork for businesses across the country.

I thank the hon. member for her interest in the matter.

* * *

GOVERNMENT CONTRACTS

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I direct my question to the Minister of Health.

Would the minister tell us briefly what safeguards are in place to ensure that political patronage is not a factor in the awarding of advertising contracts within her department?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I thank the hon. member for his question. I want to reassure him that patronage is not something we wish to use, either within my department or anywhere within government, when it comes to awarding any kind of contract.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, perhaps the minister would table later in the House of Commons the actual guidelines within her department.

It has been reported that the minister's department awarded McKim Advertising from Winnipeg a contract with a potential value of \$184 million just two weeks after Drew Cringan, a former Liberal aide and long time campaign manager, purchased the company.

Was the minister aware of these facts when she approved that contract?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for raising the matter on the floor of the House of Commons, the details of which I am not overly familiar with.

However the broad based principle which the government has been following and will continue to follow in the weeks and months ahead as it relates to advertising for government programs is based on competency and on the track record of the various companies involved.

I am sure the hon. member would want me to say that there is a necessity for the Government of Canada to advertise government programs so that Canadians from coast to coast will become aware of the benefits of particular programs and can take advantage of particular programs.

* * *

(1450)

*[Translation]***COURT OF QUEEN'S BENCH IN SASKATCHEWAN**

Mrs. Pierrette Venne (Saint-Hubert): On January 20, 1994, the only French-speaking judge on the Court of Queen's Bench in Saskatchewan was declared surplus. As a result, of 27 full-time judges, not one is French-speaking.

My question is this: Can the Minister of Justice tell us whether he has taken measures to appoint without delay at least one francophone judge to the Court of Queen's Bench in Saskatchewan?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, in response to the question I can assure the hon. member I am very much aware of the fact that the one member of that court who is able to hear proceedings in the French language is no longer sitting and that the need continues.

I have reviewed the situation in terms of the applicants who have been approved by the provincial advisory committees. I can tell the hon. member I have the matter under active advisement. I am very much aware of the need to serve the francophone

Oral Questions

population of Saskatchewan with judicial services in both official languages.

[Translation]

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, according to our information, only Judge Sirois, now declared surplus, could hear cases in French in the Court of Queen's Bench in Saskatchewan.

My question is this: Does the minister not consider the proportion of francophone federal judges in Saskatchewan to be clearly insufficient?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, without engaging in a numbers game let me simply make clear to the hon. member and to the House the commitment which the minister of agriculture from Saskatchewan and I have. We are committed to ensuring that not only in that province but across the country we have persons on the judiciary capable of providing services in languages as may be necessary to ensure that justice is done.

I will approach my responsibilities in Saskatchewan as I do in Ontario, in New Brunswick and in other provinces to ensure that is so.

* * *

MINISTERIAL REGIONAL OFFICES

Mr. Ted White (North Vancouver): Mr. Speaker, yesterday I attempted to ask the Deputy Prime Minister how she could justify 10 lavishly appointed ministers' regional offices across Canada.

On April 25, 1986 in the House, when she was in the opposition, she called these offices regional powder rooms from which ministers could expand their own political bases and their political propaganda machines.

What political propaganda is going to be coming out of these powder rooms now that they are under Liberal ministerial control?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I do not want to comment on the remarks of the hon. member when he refers to powder rooms. The ministerial regional office in Halifax has a wash-room; it does not have a powder room. Perhaps I could use one.

However I want to say to the hon. member that the purpose of ministerial regional offices is to cut costs so that ministers of the crown can carry out their responsibilities across the country. That is why in Quebec City, Montreal, Halifax and elsewhere across the country ministerial regional offices are put in place. It

is to service the people of Canada at a much lower cost, as opposed to going to private hotels to retain the services therein.

Mr. Ted White (North Vancouver): Mr. Speaker, expenditure figures which I could only obtain under access to information seemed to confirm that a propaganda based spending spree took place in one of these regional offices just prior to the 1993 election.

Will the government not admit that the real reason it supports these offices now is that they allow the government to hide propaganda spending out of sight of the public where it can only be accessed through the Access to Information Act?

(1455)

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, it would be inappropriate for me to comment on what the previous administration has done. However I am glad the hon. member has raised the issue. Perhaps his colleague and friend in the back row might be able to provide him with the necessary information.

Surely the hon. member is not suggesting to Canadians that ministers of the crown who have to travel across the country extensively to carry out their responsibilities are not to meet with Canadians, are not to meet with various groups, regardless of what their socioeconomic standings are. Those are the purposes of ministerial regional offices.

I hope the hon. member will take note that all he has to do to find out the costs associated with ministerial regional offices is to draft a letter to me or to the President of the Treasury Board. All the information will be provided and he will see clearly and unequivocally the costs we have saved.

* * *

PEDOPHILIA

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my question is for the Minister of Foreign Affairs.

On January 26, 1994 the Senate of the United States of America voted 99 to 0 to withhold funds for contributions to international organizations until the President certifies that no United Nations agency or affiliated agency grants recognition to an organization that condones pedophilia.

Will the minister declare such an unequivocal policy for Canada and instruct our diplomats to ensure that we never again vote to recognize an organization that condones pedophilia or admits as members those who condone the sexual exploitation of children?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, my answer is an unequivocal yes.

Oral Questions

[Translation]

(1500)

INDIAN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Minister of Indian Affairs. Yesterday, I put a question to the minister concerning the eviction notice issued to 143 families living on the Kahnawake reserve. The minister did not answer the question, arguing that the case was before the courts.

Can the minister confirm to us whether this case is still pending because of the stalling tactics of the federal government, as one of the parties involved, the purpose of which is to delay a decision in this case?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the case is before the courts. The number is T184389. Nothing much has happened on it since 1989.

I was concerned that nothing would occur until trial. I did check and there is an injunction in place that prevents anything from happening to the people living there until after the litigation is completed.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, that was not the question. Therefore, it is not surprising that I did not receive an answer.

There is, however, one question that the minister can surely answer, as it relates to a matter that is not before the courts. I will speak slowly so that the minister hears it clearly.

This question relates to the argument of genetic purity used to justify the eviction of the families from Kahnawake. Does the minister not recognize that this kind of argument reflects a discriminatory attitude which blatantly contravenes the Canadian Charter of Rights and Freedoms?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not really care if the hon. member speaks quickly or slowly; I understand the question.

The question that he asked is before the courts in the sense that the charter of rights will be addressed along with the Indian Act. If there is an adverse reaction it is the responsibility of the House and the government to come back with legislation that reflects these things. At that time the member may have to deal with it.

Hopefully it will be dealt with to the hon. member's satisfaction before the courts in which I have more faith than he does.

EMPLOYMENT

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, my question is for the President of the Treasury Board.

Why is the federal civil service offered the six months' pay in lieu provision of the workforce adjustment plan and in the case of the military up to two years' pay for adjustment for base closures when we already have a UI plan in place as a safety net for people who become unemployed?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, as the member knows, a significant number of people from the defence department are being asked to leave, to retire, and they are being given departure incentives to do so. This is normal when dealing with some 16,500 people in jobs that we need to remove in order to meet the budget commitments with respect to reducing the deficit.

That program has been put in place. They can choose not to accept it if they do not wish to, in which case the workforce adjustment policy would come into play and they would be offered an alternative job. I am talking about the civilians who are roughly 50 per cent of that group.

We have dealt with these people in a most fair and equitable fashion in an attempt to reduce the size, to reduce the budget. At the same time we are providing some protection for our employees which is a priority of the government. If they can be retrained and go into something else, we want to ensure they will have an opportunity to do so.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I point out it is a very rich program and I would argue it is a two-tier system of unemployment insurance.

Considering that the Auditor General has been very critical of the application of the workforce adjustment program, will the Treasury Board president commit to reconsider the need for this program and the new adjustment plan for the military, considering that we will soon have a reformed UI plan to deal with these types of problems.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, I can only repeat that in a very short period of time we have to reduce the size of the military in order to meet our deficit reduction plan.

Does the Reform Party not want us to meet our deficit reduction plan? Does it not want us to get spending down? That is what we are trying to do.

We cannot move that many people that quickly without some incentive program to help them and that is exactly what we are doing. The costs of the program will be met and we will still

meet our deficit reduction program of getting to 3 per cent of GDP in three years.

* * *

POINTS OF ORDER

QUESTION PERIOD

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I wonder if I could raise a point of order with you to get your guidance for the entire House during question period.

It has been the tradition of the House that questions arising from committees not be raised during question period. That is consistent with Beauchesne's section 411(3).

A pattern has been developing among all members of raising matters with ministers of the crown that are in fact before committees. I wonder if you could give us some guidance as to what your expectations are.

The Speaker: As a general rule the Chair would of course discourage any questions on matters which are before a committee at that time and the Chair will try to see to it that if there are questions on matters before a committee that they not be put in the House.

That would be the intention of the Chair.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I appreciate that you are trying to clarify this and I appreciate the parliamentary secretary for bringing it up.

Maybe you could also clarify something for him. In his answer to me yesterday during question period he raised the fact that the matter had been brought up in committee. I wish you would clarify that as well, both the question and the answer.

(1505)

The Speaker: I refer the hon. member to Beauchesne's section 411(3):

Some further limitations seem to be generally understood. A question may not:
(3) seek information about proceedings in a committee which has not yet made its report to the House.

We are dealing here with the proceedings themselves. If there are general questions the Chair would be more apt to permit them. That is why many times when questions are put I ask hon. members to rephrase them so they will be more general in nature. I hope this will be of guidance to all hon. members.

[Translation]

Mr. Michel Gauthier (Roberval): Mr. Speaker, I simply want to emphasize that of course we can refer to what is going on in a committee. It is customary to be able to refer to it in a question and not necessarily to deal with an issue under discussion. That is the nuance which the hon. member should respect.

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The Speaker: It is not only a nuance; it is understood that we can ask general questions about committees, but I would prefer that we not ask questions about committee procedures because that is now covered by our Standing Orders.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[Translation]

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to the Leader of the Government in the House of Commons): Mr. Speaker, there have been discussions between the parties, and I believe you will find unanimous consent in the House for the following motion:

That the deferred division on the motion on the Budget scheduled for Tuesday, March 22, 1994, be further deferred until Wednesday, March 23, 1994, at the end of the time provided for the consideration of Government Orders.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: No.

[English]

Mr. Milliken: Mr. Speaker, if I may continue. The reason for the motion is to accommodate the minister and the opposition critics, some of whom were unable to be here on the previous dates for deferral of this vote. I may say that while this is not the first time it has been deferred—members of the public may be wondering why this is happening so often—it is to accommodate these people and I am seeking the unanimous consent of the House on that basis. However, if it is refused it is refused.

The Deputy Speaker: Bearing in mind that we have just heard a reason, is there unanimous consent based on the explanation we have just heard?

An hon. member: No.

The Deputy Speaker: There is no unanimous consent.

* * *

INTERNATIONAL WATER DAY

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I am very pleased on the National Capital's Celebration of International Water Day to be

Routine Proceedings

able to rise to inform the House that another red book commitment of the government is being kept. It proves that as a government we mean what we say and we are serious about governing in a new and sustainable way. It is particularly significant on the National Capital's Celebration of International Water Day because water is the basic form of sustenance that each human being needs to live.

Earlier today I wrote to the able chair of the Standing Committee on Environment and Sustainable Development to ask that the committee study the ways in which the concept of an environmental auditor general might be instituted to ensure that our government's actions are carried out in a sustainable manner. In doing so the government keeps several of the Prime Minister's commitments. By seeking the advice of the standing committee we recognize in a non-partisan manner the importance of consulting members of Parliament before we introduce legislation. By asking the committee to hold hearings we recognize the importance of consulting Canadians.

(1510)

[Translation]

In *Creating Opportunity*, we stated clearly that the environmental agenda can no longer be ignored and that government needs to recognize the fundamental link between a healthy economy and a healthy environment. We said that all government departments need to adopt economic and environmental principles that converge, integrate, are accountable and show leadership.

[English]

On February 22 my colleague, the Minister of Finance, kept our first red book promise. He announced a task force of government, industry and non-governmental organizations to carry out a review of the barriers and disincentives that currently exist in the tax system to sound environmental government practices, and to find effective ways to use economic instruments to support sustainable development.

Canadians are justifiably proud to have a Minister of Finance who recognizes that economics and the environment are not competing agendas but complementary realities. I congratulate him and I know that the members of this House feel as I do.

"Creating Opportunity" laid out our plan for an environmental auditor general as the second task of the government's move toward sustainability. That is why I have asked the committee to look at what the focus of an environmental auditor general might be. Members of the committee will consider how an assessment of current government practices and policies and departmental policies and practices should be incorporated into the functions of an environmental auditor general.

[Translation]

I have asked the committee to consider means by which we can achieve our objective properly, keeping in mind the government's commitment to budgetary restraint. In particular, I want to avoid duplication and overlap.

The committee might consider whether we can learn from the experiences of provinces or other countries which have created similar offices.

[English]

It is the government's hope that the committee will be able to report to the House of Commons by the end of May.

The point is simple. The government under the leadership of the Prime Minister is determined to place environment at the top of Canada's agenda, determined on this National Capital's Celebration of International Water Day to make our country a leader in sustainable development.

If we are serious then our government must show leadership in getting our own house in order. We cannot expect high standards of others, whether they be business, labour or other countries, unless we impose and demand high standards from ourselves.

[Translation]

I am continually grateful for the serious and non-partisan manner in which all members of this House approach the important environmental issues facing our country.

[English]

I am sure it is in that non-partisan spirit that the standing committee will examine the role of an environmental auditor general. I look forward to the wisdom of all the members of the committee and indeed all the members of the House of Commons on this serious initiative which will start the government on the road to putting sustainable development into action, not only by our words but also by our deeds.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, I want to thank the Minister of the Environment for sending us a copy of her ministerial statement this morning, and I urge her to keep doing so.

As vice-chairman of the Standing Committee on Environment and Sustainable Development, I am pleased to be able to discuss in a non-partisan manner the role of a future environmental auditor general.

I believe that the announcement made this afternoon by the Minister of the Environment clearly demonstrates her desire to keep the commitments made in the red book. So, the government

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promises it will consult us, as well as Canadians and Quebecers through public hearings.

(1515)

It is a good thing to consult, but the recent budget tabled by the Minister of Finance was a very concrete opportunity where the government could have demonstrated its will to do something about the environment.

Of course, the Department of the Environment is one of the few whose budget was increased. We can only be thankful for this 4.1 per cent increase. However, some measures go against sustainable development, even if the minister alluded to a committee which will try to promote it. The best example of this short-term vision, which is the opposite of the objective of sustainable development, is the fact that the government increases—listen to this—the government increases by \$18.4 million the budget to clean up the St. Lawrence River, but reduces by \$5 million the budget to clean up the Great Lakes, when we know that 40 per cent of the pollution in the St. Lawrence River comes from the Great Lakes. So much for sustainable development. On the one hand, the government increases the budget to clean up the river, while on the other hand it reduces the one for the polluted waters which flow into that river. Whatever happened to cohesion and co-operation between departments?

The Minister of the Environment says that she wants to put an end to overlapping. Right now, the most obvious overlapping is the one blocking any action concerning the *Irving Whale*. Transport Canada commissions study after study that Environment Canada never sees and they keep sending the ball back and forth. In the end, nothing concrete comes of it. When you see two federal departments get in each other's way like that, thus delaying concrete action, it is easy to understand that the people of Quebec want to have in their own hands the power to make decisions.

In her speech, the hon. minister stated, and I quote: "The government is also determined to make our country a leader in sustainable development. The government will be able to show leadership in getting our own house in order". The Official Opposition is prepared to believe these fine words except that, when we hear from Statistics Canada that this country exported 200,000 tons of hazardous waste to Asia and Latin America from 1990 to 1993, we wonder if that is the kind of house cleaning involved in the ministers plans.

The minister told us that the government and the Prime Minister must recognize the fundamental link between economic health and a healthy environment. She also praised the Minister of Finance for recognizing that economy and environment are not competing, but complementary.

It is true that environmental considerations are prominent in the red book. It is also true that it conveys the importance of integrating the economy, and thus the industry, with the environment. This spirit of co-operation was made manifest by organizing consultations on the environmental industry last January.

Why is there nothing then to that effect in *Growing Small Businesses*, the information booklet on new programs and guidelines for small business?

(1520)

I was quite surprised, Mr. Speaker, to see there is no mention of environmental concerns anywhere in the document's 52 pages.

The government must give its support to this sector, either by implementing programs or by promoting initiatives to encourage the private sector to adopt a sustainable development approach.

It makes good sense, politically, to table a budget allocating more money to the Department of the Environment. Unfortunately, these inconsistencies show that it is only a smoke screen.

In closing, the Bloc Québécois draws a parallel between the Auditor General of Canada and the environmental auditor general. Before rejoicing and showing off, we should know what kind of follow-up the government will give to the recommendations made by the environmental auditor general. If they are treated the same way as those made by the Auditor General of Canada, the situation is not very encouraging.

[English]

Mr. Jim Abbott (Kootenay East): Mr. Speaker, I compliment the Minister of the Environment on the initiatives announced today.

The Reform Party looks forward to assisting the minister and Canadians in achieving her well intentioned objectives. I compliment the minister on asking advice from the standing committee because it is a non-partisan manner of consulting with members of Parliament and through them, Canadians.

She has spoken about her government's commitment to budgetary restraint. I applaud her efforts to avoid overlap and duplication of environmental standards and enforcement between jurisdictions. Completing the process by May 31 will minimize the costs and frustration of a long drawn-out process.

The Reform Party supports ensuring that all Canadians and their descendants dwell in a clean and healthy environment. The party supports sustainable development because without economic development and the income generated therefrom the environment will not be protected or enjoyed.

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The Reform Party supports the view that environmental considerations must carry equal weight with economic, social and technical considerations in the development of a project.

The Liberal Party's red book statement on the environment closely parallels ours. On page 64 of the red book it states: "It is past time for the federal government to act on this understanding by adopting economic and environmental agendas that converge". However in appointing an auditor general the red book also states: "Individuals could petition the environmental auditor general to conduct special investigations when they see environmental policies or laws being ignored or violated".

I acknowledge that in the minister's statement she said she wants the standing committee to look at the focus of an environmental auditor general. I believe this is exceptionally important because as a result of over eager activities of some extreme protectionists, some businesses are beginning to express concern about the potential of what I call green tape. Green tape is rules and regulations that could unnecessarily tie up reasonable, productive economic activity. They have expressed concern that the office of an environmental auditor general could easily become the captive of narrow interest groups.

Members of the Reform Party will be active participants in the process of examining the role of an environmental auditor general. As stated, we support sustainable development, recognizing that without economic development and the income generated therefrom the environment will not be protected or enjoyed.

I agree with the statement the minister made about two months ago in this House that we all want to guarantee a prosperous economy, a healthy environment and a bright future for Canada.

(1525)

Hon. Charles Caccia (Davenport): Mr. Speaker, on a point of order. With your permission I would like to seek consent of the House to make a brief statement as chair of the committee of the environment and sustainable development.

The Deputy Speaker: Colleagues, is there unanimous consent for the hon. member to speak briefly on this matter?

Some hon. members: Agreed.

The Deputy Speaker: Hearing no nays, the hon. member for Davenport.

Mr. Caccia: Mr. Speaker, I would like briefly to thank the minister for her kind words and for the statement that she made earlier. I would like to thank also the colleagues who have spoken before me.

On behalf of the members of the committee, namely the member for York—Simcoe, the member for Simcoe North, the member for Lincoln, the member for Lachine—Lac-Saint-

Louis, the member for Thunder Bay—Atikokan, the member for Oxford, the member for Frontenac, the member for Terrebonne, the member for Kootenay East and the member for Comox—Alberni, I would like to assure the House that we are looking forward very much to completing this assignment.

We will put our efforts into completing it in the spirit that has been expressed in this House in recent minutes. We will certainly endeavour to report to the House within the time limitation indicated by the minister. We look forward to implementing this promise contained in the red book of the last election campaign.

We also look forward to the fact that in future Canada will have either an auditor general for the environment or a commissioner for the environment. We look forward very much to keeping other promises we made in the last campaign.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour to present the 11th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Transport.

If the House gives its consent, I intend to move concurrence in the 11th report later this day.

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BUSINESS OF THE HOUSE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, while I am on my feet, I would like to move:

[*Translation*]

That the deferred division on the motion on the budget scheduled for Tuesday, March 22, 1994, be further deferred until Wednesday, March 23, 1994, at the end of the time provided for the consideration of Government Orders.

Mr. Speaker, this motion had been moved by an hon. member earlier today.

[*English*]

The Deputy Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

(Motion agreed to.)

* * *

BUDGET IMPLEMENTATION ACT, 1994

Hon. Lloyd Axworthy (for the Minister of Finance) moved for leave to introduce Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

Routine Proceedings

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

* * *

LANGUAGE JURISDICTION ACT

Mr. Darrel Stinson (Okanagan—Shuswap) moved for leave to introduce Bill C-225, an act to amend the transfer of language rights to provincial jurisdiction.

(1530)

He said: Mr. Speaker, I rise to introduce my private member's bill, an act respecting the transfer of language rights to provincial jurisdiction.

Its purpose is to add the words "freedom of speech" to the Charter of Rights and Freedoms and to transfer all questions of language out of federal jurisdiction into the control of the provinces.

My bill recognizes that the courts will be obliged to provide services in the language of those bringing matters before them and that Parliament will still be free to choose bilingualism.

I hope my bill will spark debate on the socially divisive, multibillion dollar boondoggle of official languages so that residents of B.C., Quebec and all provinces of Canada come closer to being masters in their house on the vital question of language.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I move that the 11th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

[*Translation*]

PETITIONS

SOCIAL HOUSING

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition initiated by several Quebec organizations and signed by 628 people in the riding of Trois-Rivières.

These petitioners ask the Parliament of Canada to refrain from any rent increases for low-cost housing, housing co-operatives and non-profit housing and that it reverse the freeze on the budget of the Canada Mortgage and Housing Corporation, to

provide for the construction of new social and co-operative housing.

The situation is becoming increasingly difficult for tenants in social housing, and the answer to our problem is not to attack them but to review tax shelters that allow Canadians who are better off to get rich at the expense of people on low incomes.

[*English*]

THE SENATE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have about 1,300 more names on a petition to add to the several thousand that have already been presented from my riding.

These petitioners draw to the attention of the House of Commons that sections 41 and 42 of the Constitution Act, 1982 provide that an amendment to the Constitution of Canada in relation to certain matters may be initiated by a resolution of the House of Commons.

The petitioners therefore call upon the House to urge the government to abolish the Senate.

* * *

PRESCRIPTION DRUGS

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition which has been duly certified by the clerk of petitions of the House of Commons as to form and content.

The petition is signed by Canadians from my constituency of Regina—Lumsden and from other parts of Saskatchewan, including Estevan, Kamsack, Moose Jaw, Biggar, Saskatoon, North Battleford and Sturgis, to name a few.

These petitioners are extremely worried about the impact of Bill C-91 which was passed in the last Parliament. It extends the patent on some prescription drugs for up to 20 years and guarantees drug manufacturers monopoly prices and substantial profits at the expense of Canadians. Prescription drug prices in Canada are the highest in the world as a result of this bill.

These petitioners are calling for the repeal of Bill C-91 to reduce the financial burden on health care consumers in need of prescription drugs and on provincial government drug plans.

* * *

JUSTICE

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, today I rise to present a petition on behalf of 25 constituents of my riding of Okanagan—Shuswap.

The petition requests Parliament to enact legislation to change our criminal justice system to provide greater protection for children against sexual assault and also to provide greater assurance that offenders will be convicted.

This petition has been duly certified by the clerk of petitions.

Routine Proceedings

(1535)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the following question will be answered today: No. 11.

[Text]

Question No. 11—Mr. Easter:

How many new appointments were made between June 1992 and January 1994 to the personnel of the Department of Agriculture at the level of director and above? How many were internal transfers within Agriculture Canada? How many were transfers from other federal departments? How many were designated as exempt staff? How many new personnel were retained by the department on the basis of contracts? What were the names of the individuals involved, the positions they held previously, the positions to which they had been appointed and the dates of their appointments?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Between June 1992 and January 1994 there were 44 appointments to Agriculture Canada at the level of director or higher. Of these, 33 were appointments from within the department, 10 were from other federal government departments, and one was from the Quebec provincial government.

Details concerning the appointees, their current and former positions and the dates of appointment are listed below. None of the employees appointed at these levels were exempt staff. This list does not include any contract employees, since people retained under contract are not appointed to specific classified positions in which case it cannot be determined whether their assigned duties are at the director level or higher.

Name	Current Position	Former Position	Date of App.	Former Dept.
Richardson, G.	Dir., Int'l Mark. Serv.	Dir., Agricultural Office	01.03.93	AGR.
Larmond, E.	Director, Industry Service	Dept'l Dir., Gr. Res. Lab.	27.09.93	CGC
Miller, D.	D.G., Fin. & Res. Mgmt	Dir., Gov. Serv. Prog.	01.07.92	TB
Ray, R.	D.G., Communications Br.	Senior Policy Advisor	18.12.92	AGR.
Cleghorn, E.	Director, Racetrack	Assist. Dir., Ops. FP&I	17.11.92	AGR.
Ide, P. R.	Director, Anim. Dis. Res. Inst.	Dir., ADRI (Lethbridge)	22.02.93	AGR.
Yates, W.	Director, Anim. Dis. Res. Inst.	Dir., Health of Anim. Lab.	26.03.93	AGR.
Mackenzie, A.	D.G., Food Inspection	Reg. Dir., FP&I (Atl.)	16.08.93	AGR.
Panasuk, C.	Director, Mgt. Services	Sen. Adv. Consult. & Audit	22.06.92	DSS
Jarjour, V.	Director, Cereal Grains	Dept'l Dir., Food Aid Cen.	17.08.92	CIDA
Lachance, A.	Dir., Food and Animal Res.	Dir., Special Projects	17.08.92	LABOUR
Guttormson, R.	Dir., Tech. Serv. Div.	Dir., User Services	29.11.93	ISTC
Lavoie, J.Y.	ADM, Joint Market, Initiatives	ADM	04.01.93	P.Q. Gov't
Ballantyne, R.	D.G., Human Resources Br.	D.G., HRB, Health & Welfare	29.11.93	H&W
Charron, R.	Exec. Dir., Net Income Stable.	D.G., Ops. Western Divers.	22.11.93	WDO
Lavoie, G.	D.G., Commodities, Prod. & Mark.	D.G., Farm Fin. Prog.	08.11.93	AGR.
Bard, L.	Director, Informatics Serv.	Dir., Corporate Informatics	19.10.92	AGR.
Blewett, R.	Director, Client Services	Special Adv., Stratégic Plan.	01.11.93	AGR.
Stemshom, B.	Dir., Animal Health	Dir., ADRI	19.02.93	AGR.
Gravel, A.	D.G., FP&I Atlantic Reg.	Dir., Meat & Poultry, Ottawa	16.08.93	AGR.
Gifford, M.N.	D.G., Trade Policy	Sen. Pol. Adv., Trade Negoc.	19.07.93	AGR.
Bulmer, W.S.	Dir., Anim. Health Lab (Sask.)	Dir., Anim. Health NCR	26.03.93	AGR.
Comeau, M.	ADM, Market & Industry Serv.	D.G., Human Resources	07.09.93	AGR.
Name	Current Position	Former Position	Date of App.	Former Dept.

Routine Proceedings

Jensen, P.	Dir., Trade Access Mgt.	Consult., Can. Mission Euro. Comm.	21.06.93	AGR.
Wright, R.	Deputy Minister	Dept'l Secy to Cabinet (Plans)	07.10.92	PCO
Price, K.	Dir., Mgt. Serv., FP&I (Atl.)	Project Leader	10.08.92	DPW
Davidson, W.	Dir., Food Insp., FP&I (Atl.)	Dir., Meat Hyg., FP&I (Atl.)	10.08.92	AGR.
Piette, D.	Dir., Health of Anim. (Qué.)	Program Veterinarian	22.06.92	AGR.
Kiley, C.	Dir., Anim. & Plant Health (Alta)	Training & Sp. Project Officer	24.02.92	AGR.
Spencer, J.	Dir., Mgt. Services (B.C.)	Manager, Prog. Serv.	01.09.92	AGR.
Chong, K.	Dir., Anim. & Plant Health (B.C.)	Coastal District Mgr.	13.01.92	AGR.
Finnan, D.	Dir., Food Inspection (B.C.)	Manager, Meat Prod.	01.06.92	AGR.
Walzak, J.	Dir., Ops. Parimutual Agency	Research Officer	01.07.93	AGR.
Fraser, A.	Dir., Research	Research Scientist	01.04.93	AGR.
Desroches, M.	Dir., Exec. Group Services	Resourcing Officer, HRB	10.06.92	AGR.
Stolarik, K.	Director, Info. Mgt. Serv.	Co-ord., Access to Info.	01.04.93	AGR.
Bélangier, Y.	Program Director	Dir. for Program Mgt.	06.07.93	AGR.
Baltacioglu, Y.	Director, Policy Coordination	Sen. Policy & Prog. Analyst	16.11.92	AGR.
Kranendonk, C.	Dir., Food Inspection (Man.)	Dir., Meat Hygiene	02.10.93	AGR.
Strachan, A.	Dir., Mgt. Serv. (Midwest)	Manager, Program Services	01.07.93	AGR.
Bedwei, F.	Dir., Food Inspection (Ont.)	Dir., Meat Hygiene	13.04.92	AGR.
Clark, B.	Dir., Health of Animals Lab.	Res. Scientist-Bacteriology	30.04.93	AGR.
Stone, P.	Corporate Secretary	Dir., Trade Anal. and Negoc.	26.11.93	AGR.
Stone, P.	Dir., Trade Anal. and Negoc.	Dir., Bilateral Affairs	24.06.93	AGR.

[English]

* * *

The Deputy Speaker: The question as enumerated by the parliamentary secretary has been answered.

Mr. Gagnon: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

[Translation]

MOTIONS FOR PAPERS

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Mr. Speaker, I ask that the notice of motion for the production of papers be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

MESSAGE FROM THE SENATE

The Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-2, an Act to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other Acts, to which the concurrence of this House is desired.

[English]

I wish to inform the House that pursuant to Standing Order 33(2)(b), because of the ministerial statement Government Orders will be extended by 18 minutes.

Supply

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—CANADA'S PUBLISHING INDUSTRY

Hon. Lucien Bouchard (Leader of the Opposition) moved:

That this House urge the government to follow up on its election promise to protect and strengthen Canada's publishing industry by renewing the Baie Comeau policy adopted in 1985 and by declaring that a public investigation will be held into the circumstances surrounding the takeover of Ginn Publishing by Paramount.

He said: Mr. Speaker, there are many different reasons for submitting a question for debate. For instance, a decision was made and one feels it should be questioned because it was wrong, or it may be necessary to shed some light on the circumstances surrounding the decision-making process or on what was actually done. Or again, one would want to prevent a recurrence of something that just happened and which was unacceptable.

We have here a situation where all these reasons converge to require a public debate on a transaction that has just been authorized by the government. We are, of course, referring to the decision made by the government and the Minister of Canadian Heritage on February 18 to authorize the sale of Ginn Publishing Canada, a Canadian publishing company based in Toronto, to Paramount, the American communications and publishing giant.

The conclusion of this transaction is shrouded in mystery. I would say it is an enigma. Consider the following sequence of events: everything started in July 1985, when Cabinet met in Baie-Comeau and adopted, at the request of the Minister of Communications at the time, the so-called Baie Comeau policy which was aimed at further protecting the Canadian publishing industry.

The gist of the policy was, first of all, to authorize the creation of new Canadian publishing companies or the acquisition of Canadian publishing companies, provided, and I quote, "the proposed investment takes place within the framework of a joint enterprise controlled by Canadians".

Second, the policy provided that in the case of the direct acquisition of a company controlled by foreign interests but operating in Canada, the transaction could be authorized, provided that control over ownership was transferred to Canadians within two years, at a price reflecting market value. Third, the strongest component of the Baie Comeau policy, in my opinion, is the section pertaining to indirect transactions which ensures that in the case of foreign takeovers, Canadian publishing houses controlled by foreign interests are returned to Canadian owners. This means that 51 per cent of the shares of these Canadian subsidiaries must be transferred to a Canadian owner in the event the parent company operating abroad undergoes a change of ownership.

(1540)

What are the objectives of this policy? Many members of the cultural community have congratulated themselves for supporting it. The following assessment was made by the hon. member for Mount-Royal, the Liberal Party critic at the time, who had been following this issue very closely. On June 7, 1993, she delivered in this House a speech in which she assessed the implications of this Baie Comeau policy. She asked what the results of this policy were? She stated the following and I quote: "Initially it was very exciting. It was very positive".

And she goes on to give examples. "The major retail chain, W.H. Smith, became Canadian controlled. An important book wholesaler, John Coutts Ltd., returned to Canadian ownership. The Doubleday Book Clubs were brought under Canadian control with a resulting fivefold increase in sales of Canadian authored books. For the first time"—still according to the Liberal critic at the time last year—"Canadian controlled publishers handled an increasing share of the distribution of imported books".

Let me continue to describe the sequence of events. In 1986, one of the first effects of the policy was—and here we are getting to the heart of the matter—to require Paramount to return Ginn Publishing and G.L.C. Publishers to Canadian control. And events continued to unfold.

In 1989, after the expiration of the two-year period required by regulation following Paramount's decision to put Ginn Publishing and G.L.C. Publishers up for sale, since no private buyer had expressed an interest in these companies, the federal government, acting through the Canada Investment Corporation, intervened to acquire 51 per cent of the shares of these two companies at a cost of \$10 million. The government had no choice but to act to ensure that Paramount did not retain control over its shares following the expiration of the two-year waiting period.

A very important event occurred in January 1992, namely the amending of the Baie Comeau policy. This came about as a result of the enormous pressure exerted on the federal government and on the Conservatives, primarily by the Americans. The Conservative government caved in to these pressures and watered down its Baie Comeau policy which had achieved excellent results since 1985, even according to the Liberals in the House. So, the policy was amended. While the direct takeover of Canadian publishing houses by foreign interests was still prohibited, as far as indirect takeovers were concerned, however, foreign investors could now acquire ownership of a Canadian publishing house, provided that they made commitments likely to benefit the Canadian publishing industry. They were required to demonstrate that Canada was likely to derive a net benefit from this transaction. This change occurred in 1992.

We can ask ourselves what all of these provisions mean and why the fuss over the publishing sector? The answer is that we wanted to step in to protect the publishing industry, a cultural industry that is clearly very much at risk in Canada. In 1991-92, Canadian publishers controlled only 50 per cent of a \$1.2 billion market. During this same period, 80 per cent of Canadian

authors had their works published by Canadian book publishers. The imbalance between the two is clear. Canadian publishers are far more likely than foreign controlled publishing houses to publish the works of Canadian authors.

Therefore, since the publishing industry is important to Canada and to Quebec and indeed to all Canadians and since it plays a meaningful role in the protection of our cultural identity, it must be protected. And that was what the Baie Comeau policy purported to do.

Of course, when the policy was watered down, howls of protest arose from cultural circles. Everyone in cultural circles—I would say it was a rare case of unanimity in Canada and Quebec—protested, including the Liberal Party now in office.

(1545)

On February 14, 1992, we heard in this House the hon. member for Mount Royal, who is now a member of the Liberal Cabinet, complain about what happened and ask very tough questions to the then Minister of Communications, and I quote: “Is the government going to permit the foreign takeover of Canadian publishing subsidiaries like Harper–Collins, Collier–Macmillan and Grolier which are presently before Investment Canada? Is it going to sell off \$150 million of our book publishing industry to foreigners?” That amount was worth a lot more back then.

So here we are today with a new government whose members harshly criticized the watering–down by the Conservatives of the very welcome measures they had taken in July 1985.

We would have thought that this government would tighten the screws in line with the old Liberal tradition to defend Canada’s cultural identity. We thought that a Liberal government more sensitive to the important realities and symbols of cultural identity would come to the rescue of this threatened industry. The red book even contained a very explicit commitment in this regard, that the government does not like to quote very often but that I will quote today: “A Liberal government will help Canadian books, films, and sound recordings to increase their share of the domestic market through the establishment of policies and legislation with respect to marketing, distribution, and exhibition”. They talk about culture in very lyrical terms that must have won them many votes in the last election.

And I quote: “Culture is the very essence of national identity, the bedrock of national sovereignty and national pride. At a time when globalization and the information and communications revolution are erasing national borders, Canada needs more than ever to commit itself to cultural development”.

Nobody could have put it better. But as for honouring its commitment to protect cultural industries, the first time this government was put to the test, it failed miserably and disappointed a lot of people.

Supply

I am talking, of course, about Ginn Publishing that Paramount had to return to Canadian interests in 1989 under the Baie Comeau policy. We do not know exactly what happened, we may find out in this debate, but Paramount eventually managed to get Ginn back with the agreement, I would say the complicity or the complacency at least, of the heritage minister. How could a great victory for Canadian cultural identity be erased with a stroke of a pen by the minister who must defend Canada’s heritage, a member of a government that promised to do the opposite? How is it possible?

Because the current legislation and even the 1992 guidelines contained the policies considered by the Liberal Party to be diluted, feeble, insufficient. Even the Liberal Party had, through its heritage minister, violated the Tories’ already very diluted rules. In other words, they were more lax than the Conservatives themselves by allowing Paramount to regain Ginn Publishing. Under the rules in the 1992 policies, it should have been demonstrated that Ginn was in financial trouble, which is not the case. It should also have been demonstrated that Canadian buyers had the opportunity to make an offer. Nothing of the sort happened, no matter what the people opposite are saying. All Canadian publishers feel they have been pushed aside. All Canadian publishers are unanimous in their complaints. We would have found people to buy this publishing house but everything was done on the sly to allow the American company to reclaim Ginn quickly.

I would like to table a letter proving that at least one Canadian buyer expressed interest on May 7, 1993. This letter was addressed to the then owner of Ginn by Canada Development Investment Corporation.

(1550)

[English]

I would like to file this letter before the House because it is evidence that there was at least one Canadian interested.

[Translation]

The Deputy Speaker: Is there unanimous consent for the member to table the letter?

Some hon. members: Agreed.

[English]

Mr. Bouchard: This letter is very important because it gives irrefutable evidence that there was at least one Canadian owner who was very much interested in buying the interests in Ginn. The letter is dated May 7, 1993 and is signed by Mr. Ronald Besse, chairman and president of Canada Publishing Corporation. It is addressed to Mr. Patrick Keenan, then chairman of CDIC, and reads as follows:

Dear Mr. Keenan:

I would like to formally express my interest in purchasing the 51 per cent equity held in Ginn Publishing by the Canadian government. We are a successful educational publisher, 100 per cent Canadian owned, and we have identified Ginn as a company with excellent synergies with our future business plans.

Would you please have someone contact me if you are interested in selling this equity position.

Supply

We have this evidence. The government felt obligated to say no to the transaction. Why did it not say yes? The only answer is that—

Mr. Mills (Broadview—Greenwood): The previous government.

Mr. Bouchard: This government had the decision to make. We all know we have a new government and the decision was in the hands of this government.

Why did the government say no? The excuse was a previous verbal commitment by someone existed that might go back as far as 1989. We do not know exactly. There are many questions to ask.

The first question would be: Where is the legal advice that the government is invoking? The government is basing its decision on the fact it has been provided with a legal opinion from the justice department supporting the decision to let the transaction go, the sellout. We never saw this legal opinion. I think we should have it. It should be tabled.

Second, where is the contract confirming the deal between CDIC and Paramount dated 1989? We have never seen it. If it exists we feel it would be very important for us to see it.

Third, who has made this commitment? This is quite a mystery. Is it possible for a national government policy decision to have been taken because someone we do not know said something to someone else in a meeting on a date we do not know? Is it possible that everything has swerved because of that? The question has been asked and I think the government should answer it.

We must ask ourselves whether there effectively was a sale of Ginn to Paramount in 1989. Where is the contract to establish that?

There was an interesting sequel to the letter sent to CDIC by Canada Publishing Corporation. It is very interesting because the letter was sent on May 7, 1993 and on August 13 of the same year the corporate counsel of Canada Publishing, Mr. John Evans, met with Mrs. Benita Warmbold of CDIC to express Canada Publishing's interest in acquiring the 51 per cent equity in Ginn in accordance with what the letter said before. There was a meeting, a letter, and another meeting.

Then what happened? On August 19 the chairman of Canada Publishing Corporation who signed the letter, Mr. Ronald Besse, received an answer from Paramount. The answer came from Paramount through a phone call inquiring: "Why are you doing that? What are you trying to do? We are not interested in selling our equity in this company. We would like to control the whole company". That was the answer from the American company.

(1555)

Those are the facts. The government used its ministerial discretion to get out of the obligations under the guidelines. The only motive was that he had a verbal agreement, a verbal commitment. We should know the name of the person. Is it a minister? Is it a public servant? Who is it? We should know it.

I do not think the minister is right when he says in answer to a question in the House that we should protect the name of the person. I do not think this man, this person, has a right to anonymity. Surely the public has the right to know who killed the Baie Comeau policy and who was instrumental in depriving Canada of one of its publishing companies.

I see that my time is coming to an end. We are asking the government to table the legal opinion. We are asking the government to table the contract between CDIC and Paramount. The government should not be afraid to confront anyone in court with the facts, with the public policy and the fact that only one man or one woman would have reached an anonymous, hidden, secret verbal agreement on behalf of Canadians, throwing aside the policy of government discussed in Parliament.

As far as legal opinions are concerned, I am a lawyer and I have seen many legal opinions in my life. There is always one legal opinion against another legal opinion. I respect the people in Department of Justice but we would like to see the legal opinion. I know lawyers; there must have been some nuances in the legal opinion. They should describe the full circumstances wherein such a commitment would have been made.

We have the right to ask for it. We have the right to ask the government to change its policy and go back to the Baie Comeau policy. We would like the House of Commons to vote on the question of knowing if there should be, as we think there should be, a public inquiry into those obscure circumstances.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I thank the leader of the Bloc Quebecois for his speech.

There is no question the Ginn Publishing scandal leaves many unanswered questions. It is proper to pursue it to find out exactly what transpired in the sale of Ginn Publishing.

To me that is not the largest issue. The largest issue is whether or not we should be erecting barriers to protect Canadian culture. I personally believe the Canadian publishing industry can stand on its own two feet. All aspects of Canadian culture and the people behind it—the creators, the singers, the writers and the performers—are more than capable of standing up and competing with culture from around the world.

I have a question for the Leader of the Opposition, a person who would have his own country if he could and presumably would be part of a free trade agreement. Why would he want to return to a Baie Comeau type policy if he believes strongly that his own people can compete in the world?

Supply

Mr. Bouchard: Mr. Speaker, I thank my colleague for asking a very relevant and important question.

We are free traders. We think there should not be any economic barriers between our partners, that we should have completely free exchanges in every aspect of our economic life. When it comes to cultural identity, when it comes to the soul of a country, whatever country it is, we have a duty to protect it.

(1600)

That is why one of the main victories won by Canada during the negotiations with the Americans on the free trade agreement was the cultural exception. It was a great victory. It was the first time that Americans had to accept from any country in the world, from any of their partners, that they should respect the cultural identity and the cultural sector of a country. It was taken out of the scope of the free trade agreement.

We should not forget also that this question has been very much at the heart of the political landscape and preoccupations of Canada. For example if you look at the Investment Canada Act you will see two provisions where it is really strongly affirmed that the cultural sector is a special case. For example section 20 of the Investment Canada Act states that one of the criteria to approve transactions is the "compatibility of the investment with national, industrial, economic and cultural policies".

If you look more precisely at section 15, which is a very strong provision, it states very clearly that cultural activities are very special and that we should assess quite differently any transaction that would bear on this sector when it comes to be reviewed by Investment Canada. Subsection (a) of section 15 reads: "It falls within the prescribed specific type of business activity that in the opinion of the governor in council is related to Canada's cultural heritage or national identity".

To resume my answer, there is a wide consensus from every part of Canada, from every walk of life, that we should protect our identity from a very strong and invading neighbour. The Americans have a universal civilization and culture. It is quite dynamic. We admire them. But in a way we have a duty to protect what we are. If we do not protect what we are we will never be in a position to do anything right. There would never be any dialogue if we have nothing to say. We have a contribution to bring to the universal realities, to the universal values, and it stems from what we are so we have to protect what we are.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I am sure other members besides myself and indeed Canadians are somewhat amused at what the Leader of the Official Opposition is doing.

He just said a few moments ago that he wants to protect our identity. We have to protect what we are. I find it passing

strange that someone who is dedicated to separating from the rest of Canada would want to protect what we are.

I was wondering if the Leader of the Opposition, a dedicated separatist, can explain exactly why he is standing up today defending Canadian culture. Can it be interpreted as a change in his basic philosophy? Can he explain to Canadians and indeed to Canadians in the province of Quebec what he is doing fighting for Canadian sovereignty, Canadian identity?

Mr. Bouchard: Mr. Speaker, I would like to say that the main reason, maybe the sole reason for which I am a separatist, as my colleague just said, is exactly because I want to protect what I am. I want to protect Quebec sovereignty.

I fully expect the rest of Canada to protect its own identity. It happens there are two identities in this country. That is my feeling. That is my vision of the future for us and of the present reality.

The rest of Canada is perfectly legitimate in fighting for its sovereignty against the Americans for example. It is perfectly legitimate to fight for your own identity. No one is better placed to understand that than a Quebecer. We think that Quebecers have won a great victory for the last 350 years in protecting their identity.

(1605)

In this case, both our identities are threatened. If any government allows the invasion of the American publishing industry into Toronto it should be possible also in Montreal. As long as we are in the federation in Quebec, we are exposed to the same threat. I do not accept that.

This is a case where we have a common cause. This is a case where the interests of the rest of Canada and of Quebec are the same. Therefore we should act together. I would expect the national government which made such strong commitments to respect that.

This is a case where the government can fight the good fight for Quebec and the rest of Canada, for our own respective identities.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to begin by picking up on my colleague's remarks.

For a moment it sounded hopeful when we heard the Leader of the Opposition speak about Canada's interests. I know that this member who has fought for Canada and has a deep feeling for Canada must have moments of doubt, especially when we are dealing with an issue like this one today. Maybe eventually he will convert back to his Canada-first policy, which he once had. I say that sincerely and hopefully. I hope it is a temporary difference we are having.

My question has to do with the actual transaction. The original transaction on this Ginn Publishing deal stemmed from when Gulf and Western had to offload it. When there was no

Supply

Canadian purchaser, the CDIC purchased it for \$10.2 million. However there was a condition attached to that transaction and it was that if the policy of the government changed, if the Baie Comeau policy changed, then Paramount had the option to buy back Ginn Publishing.

Can the leader not see that there was a sale and agreement that was consummated in 1986? This was really a conclusion to that deal because of the policy shift. As a government, in effect, we were boxed in.

Mr. Bouchard: Mr. Speaker, I would very much like to assure my hon. colleague and friend that there is nothing personal in our differences. It is really a question of collective perception of what the future should be, what should be best for our two collectivities, what kind of political structures would achieve in the best way the welfare and development of Quebec and the rest of Canada. Therefore, it is nothing personal but just personal consideration.

If it were possible to bridge our differences through personal appreciation, through friendship, I am sure it would already have been done. However even though we have all those good feelings and respective consideration for each other, it was not possible when it came time to table collective and concrete proposals to satisfy Quebec's aspirations. It is collective and it is the political dynamics of the country that has conducted us where we are.

Coming back to the specific deal, the hon. member said there were conditions attached to the 1989 transaction. There might be but we do not know. How come there was a very extensive contract? I suppose it exists. That is why we asked for it. There was a very extensive and comprehensive written contract as there always is when there is a transaction where all the conditions were stated and clearly expressed. How can we explain that one of the main conditions of the contract, one of the main considerations of the contract was taken out of the document? How can we explain that? It never happens.

(1610)

I practised law for 22 years. I was involved in these kinds of deals. It never happened in my life that someone took the liberty of contracting a verbal agreement which was not couched in the contract. It is very dangerous too because chances are that the court would not sanction the commitment. That is why I do not believe for one moment that the legal advice is binding on the government. It is quite possible if the government hired good lawyers, and they have lots of good Liberal lawyers, it could go to court and fight for Canada and fight for the cultural interests of Canada.

Why does the government not do that? It did it for a \$6 billion contract when it cancelled the helicopter deal in Quebec. It did it for the Pearson International Airport with a \$1.6 billion contract which will be brought to court now. We read in the papers that

the government will be sued for close to \$200 million, but it did it anyway because it thought it was in the interest of the people.

Why does the government not do that with something which amounts to about \$10 million, which is not a very big amount of money for a government, but so huge, so symbolic and with cultural interest?

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, the motion before us today calls for the reinstatement of the Baie Comeau policy which was adopted by the previous government in July 1985.

The late Conservative government introduced a foreign investment policy for the book trade in July 1985 which came to be known as the Baie Comeau policy. The objective of the policy was to Canadianize the book publishing and the book distribution industry by flowing distribution revenues from imported books through Canadian controlled firms. More specifically when a foreign investor acquired a book publisher or distributor in Canada it was obliged to divest control of the business to Canadians.

While I am sure all members of the House, including I might add rather ironically the leader of the Bloc, would agree that Canadianizing the book trade is a laudable objective, the chosen instrument of the previous government, the Baie Comeau policy, simply did not work. It is patently absurd to demand a reinstatement of that policy.

To begin with the policy was implemented through the Investment Canada Act, a statute also instituted by the Conservatives. This legislation was designed to attract foreign investment into Canada, not to discourage it. This led to a situation in the publishing industry in which foreign investors created sham Canadian corporations; that is firms which met the technical definition of Canadian control under the act but which effective control continued to rest with the foreign investor.

Under the free trade agreement the guarantee of fair, open market value to investors obliged to divest control exposed the government to significant financial risks without any benefit to Canadian publishers. Furthermore the policy was not linked to any incentives for Canadian ownership. To put it another way the Canadian control sector of the industry was too weak to profit from any opportunities provided by forced divestiture.

There was nothing to prevent foreign publishers who acquired these Canadian subsidiaries from withdrawing to the U.S. and serving Canadians directly from there. This completely undermined the objective of supporting a strong Canadian based industry and a strong east-west distribution system. For example Grolier Canada and Doubleday Canada were both implicated in indirect acquisitions between 1985 and 1992. A significant portion of their warehousing and fulfilment operations were transferred to the United States. A government cannot simply rely on indirect acquisitions, that is transactions in which

Supply

Canadian businesses are incidentally involved in international mergers and acquisitions to achieve domestic policy goals.

(1615)

The track record of the Baie Comeau policy was an extremely disappointing one. The one instance in which Canadians gained a 51 per cent interest in a foreign book publisher occurred because the taxpayers themselves stepped in and made the purchase.

I refer, of course, to the CDIC's purchase of the 51 per cent interest in Ginn Canada for which the taxpayers paid \$10.3 million to a hostile foreign partner. As a result of the government's recent decision to resell its interest in Ginn back to Paramount, the taxpayers will recover this investment.

The publishing community has criticized the government's decision to resell Ginn and company to Paramount. Let me underline the fact that the government weighed all the facts before it made its decision.

In January 1992 the previous government announced a new package of measures for the book publishing industry. I use the term new advisedly. What the government did in fact was claim for itself a longstanding Liberal approach to book publishing policy. That approach was based on a mix of program and policy instruments which together formed the basis of a comprehensive and coherent industrial and cultural strategy for the book publishing and the book distribution sector.

The two key elements of the 1992 announcements were, first, a revised foreign investment policy and second, increased funding for the book publishing industry development program. The revised foreign investment policy marked a return to the regime which prevailed under the Foreign Investment Review Act and which had been introduced by a Liberal government in the 1960s. The book publishing industry development program was initially introduced by a Liberal government in the late 1970s.

Increasing Canadianization of the book trade in Canada has always been an objective of the Liberal government and it continues to be so today. Foreign investment policy is one instrument for achieving that objective but it must be applied in a way which will achieve tangible results.

[*Translation*]

The guidelines of the amended foreign investment policy are as follows: new investments in the book publishing industry will be limited to joint ventures under Canadian control; takeovers of Canadian-controlled companies will not be allowed.

Under extraordinary circumstances, the government might consider an exception to this guideline. In such a case, the government must have credible evidence from the vendor that

the company is in obvious financial distress and that Canadians really had an opportunity to buy it.

If a non-Canadian is chosen as a potential buyer, his proposed investment will be subject to a net benefit review.

If a foreign investor wishes to sell a Canadian company regardless of any other transaction, Canadians will have an opportunity to bid; indirect acquisitions by foreign companies will be allowed provided that they are of net cultural and industrial benefit to Canada and to the Canadian-controlled publishing industry.

More specifically, Investment Canada will normally seek to obtain one or more commitments from the foreign investor, such as the commitment to support Canadian authors, in particular by establishing joint ventures with Canadian-controlled publishers so that the Canadian authors whom they publish have access to new national and international markets; the commitment to support the book distribution infrastructure, for example by distributing imported titles through an exclusive Canadian-controlled publisher/distributor; by maintaining in Canada fully integrated warehousing and fulfilment operations for recent publications and back-list items; by participating actively in co-operative projects with the industry on marketing, distribution and order fulfilment operations.

(1620)

Contractual access to the company's marketing and distribution infrastructure in Canada or its international network by Canadian-controlled publishers whose interests are compatible;

Financial and professional assistance to institutions that offer teaching and research programs in the publishing field.

Mr. Speaker, I would like to draw your attention to the results obtained by this government for the Canadian-controlled publishing sector by applying this policy on indirect acquisitions.

In the case of Maxwell Macmillan, this government was able to obtain a commitment from Paramount to entrust the distribution of high-volume imported books, a Canadian market estimated at some \$4 million in 1993, to Canadian-controlled publishers and agents. This is a very important precedent because the previous government was unable to obtain similar commitments for indirect investments, as in the Harper-Collins case.

[*English*]

In announcing the Baie Comeau policy the previous government was effectively putting all its eggs in one basket. The megaproject approach to automatic forced divestiture has proven to be illusory. The focus on automatic forced divestitures as a cure for the ills of the publishing industry has been proven to be counterproductive. The only time it ever worked was when the taxpayer was forced to send money to a large U.S. multinational

Supply

corporation whose need for Canadians' hard-earned cash was at best questionable.

Surely Canadian taxpayers' money, increasingly limited as it is, ought to be spent in Canada on the Canadian-owned publishing industry. The Liberal approach to book publishing policy has been seen to strike a balance between financial and foreign investment policy, providing publishers with the financial resources to grow and seeking undertakings from foreign investors which will benefit the Canadian-owned and controlled sector of the industry. It is a longer term strategy but ultimately a more effective one.

No policy is ever perfect. There is always room for improvement. This government does not question the objectives underlying the instruments now in place to support the book trade. As far as the foreign investment policy is concerned we are more than willing to sit down with the publishers and discuss what improvements could be made to the guidelines.

I would like to make this as clear as possible: This government strongly believes in the economic growth of the Canadian-owned publishing industry and in the industry's progressive Canadianization. Any improvements to the policy guidelines would be made in the spirit of these policy objectives.

[*Translation*]

I would like to talk to you briefly about the publishing industry development assistance program.

The main purpose of this program is to strengthen the ability of the Canadian-held and controlled sector of the industry to publish and market Canadian literary works, nationally and internationally.

(1625)

This program was implemented especially to encourage Canadian-held and controlled publishing houses to increase their efficiency and to reward those that are able to improve their long-term economic viability; to give Canadian-held and controlled companies the tools they need to become more competitive so that they can build up capital and finance their growth and development; to facilitate the development of the market, in particular through new publishing technologies; to promote Canadian ownership; to ensure the continued diversity of types of books by Canadian authors that are published.

The beneficiaries of the program are publishing houses that are at least 75 per cent Canadian-held and controlled, as well as industry groups and associations. The annual budget for the program is about \$24 million.

[*English*]

The government also provides significant financial support to Canadian-owned and controlled publishers, distributors and booksellers for the physical distribution of books across the country as well as for the marketing in Canada of Canadian titles. This is of crucial importance in a domestic market which is small, linguistically fragmented and spread across a vast geographical area.

Indeed, national and international marketing support is also crucial to enable companies to recoup their production costs in our small domestic markets.

[*Translation*]

Now I would like to say a few words about the copyright policy.

At present, exclusive publishers and agents have no official legal protection for enforcing contractual book publishing or distribution agreements in Canada. This very regrettable situation makes us almost unique among our main trading partners. It results in a loss of income for Canadian publishers and makes it more difficult for them to maintain a solid financial footing.

In an effort to consolidate the financial base of Canadian publishers and distributors, we intend to make two amendments to the Copyright Act as part of Phase II of the review.

The Copyright Act should be amended to strengthen the protection of copyright holders from pirate works, to provide better protection to exclusive licence holders for their publishing rights on the Canadian market, and to give better protection to exclusive distributors for their distribution rights on the Canadian market.

These changes will not create new rights under the Copyright Act; however, they will give exclusive licence holders and exclusive distributors the possibility to sue for enforcement of their territorial rights.

[*English*]

If I may, I would like to draw a parallel with magazine publishing. The government's objectives in this sector are the same as they are for the book trade: to strengthen the Canadian industry and ensure that Canadians have access to a wide range of Canadian writing.

The report of the task force on the Canadian magazine industry is expected very shortly. I can assure the House that the government intends to respond quickly to the task force report in a way which will strengthen the Canadian magazine industry's economic foundation.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I thank the hon. Parliamentary Secretary to the Minister of Canadian Heritage for her comments.

She mentioned in her speech several measures that the government is taking to protect Canadian publishing and Canadian

culture. I would point out that the effects of protective-type measures like that are very punitive, particularly for the consumer of culture. They lead to higher taxes, higher costs and less choice. They uphold inefficient businesses and they really do imply that somehow our culture is inferior to the culture that comes from other countries.

(1630)

I also point out that culture is very dynamic and it is always moving and really is subject to change. The borders cannot stop that influence any more. We see a lot of that coming in anyway. I would argue that it is also necessary to have that type of influence to keep a culture fresh. Without that we get an inbred culture and a very nationalistic, very petty and very mean culture. That is a problem that a sovereign Quebec would have to deal with.

I also believe that when governments interfere and make arbitrary decisions on what constitutes culture it is extremely inappropriate. Culture is a very personal matter and we must let the consumer be sovereign.

Why does the government not want to let the consumer drive the cultural industry in Canada? Why is it afraid to let consumers make those types of decisions? Why is it afraid to let consumers decide what constitutes art, what constitutes a good novel and what constitutes the type of culture they want to be a part of and enjoy?

Ms. Guarnieri: Mr. Speaker, I heard the hon. member earlier applauding the initiative of the Leader of the Opposition when he mentioned that this government should not have proceeded with the sale of Ginn.

In purely financial terms which the Reform Party is always harping on, the Reform Party should be applauding the initiative taken by this government. In its own very narrow terms, the sale of Ginn gives the Canadian government \$10 million for its coffers.

This is an interesting twist because the Reform Party is always preaching that the government should get out of the business world except when it becomes an issue in the media.

Let me reassure the hon. member that if any responsible government wants to tailor a sound cultural policy, and I hope the hon. member wants a sound Canadian cultural policy, if it chooses not to lose its shirt on one deal, it is sound judgment and sound cultural policy. This government will not be throwing Canadian taxpayers' money away.

Mr. Solberg: Mr. Speaker, I appreciate the chance to respond and to suggest some other possible approach for the government.

We are not advocating that we return to the Baie Comeau policy at all. We do not believe in that. What we are saying is that if there were a policy in place and there were some rules to

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be followed, then those rules should be followed. If we are going to set some guidelines, then let us make sure that everybody knows what they are and follow them.

Having said that, we support moving away from cultural protectionism and we would hope the government will realize that is no longer appropriate in the world. The type of protectionism we have in this country today simply is not working. It leads to some division in the country in that the government makes arbitrary decisions about what constitutes something as personal as culture.

I would argue that is an inappropriate role for the government. That is why we have an uproar when the National Art Gallery buys paintings with taxpayers' money that most people cannot see the value of.

My comments are to encourage the government to move away from that type of protectionism and to let the consumer decide what constitutes culture.

Ms. Guarnieri: Mr. Speaker, Canadians had the good judgment to elect a Liberal government.

It is the intent of this government to present Canadians with sound cultural policy initiatives which I hope even the hon. member will come to appreciate.

I am still confused about the apparent contradiction in his statements. Is it the member's intent that we should buy back Ginn? Is that what he is suggesting by his earlier statements?

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I will refrain from entering into the debate between the government and the Reform member about Canadian culture, consumer choice, other than to say that we can only have consumer choice if there is something to choose from.

(1635)

If multinationals occupy all of our theatres, all of the bookstores, all of the magazine racks and Canadians do not have a choice, how in the hell can one have choice? That is my question, pardon the language, to the member of the Reform Party.

In the same vein, I would like to ask the member of the government about enhancing Canadian choice and at the same time allowing the sale of both Macmillan and Ginn to Paramount which will reduce choice.

Would the government be in agreement to have a full and open investigation on this since obviously it was the former Conservative government that entered into this bad deal? Obviously there were not written agreements but verbal agreements, some say by a cabinet minister making a phone call.

There are indications that when a publisher visits Ottawa enquiring about Ginn and gets a response from Paramount there is something very odious and very fishy going on here.

Supply

Would the parliamentary secretary agree that a full and open inquiry is needed to bring the body on the table to properly look into what happened so that we and the rest of Canadians would know what exactly the former government undertook to sell out Canadian cultural interests?

Ms. Guarnieri: Mr. Speaker, the publishing world must be looking at this debate to rank the abilities of the aspiring mystery writers in this Chamber.

There is no mystery surrounding Ginn. The Minister of Canadian Heritage and the Minister of Industry have both been rich in their explanation on the sale of Ginn. They have provided us with the richest details on the sale. The deal is transparent.

I must be suffering from a lapse of memory because I do not recall the hon. member's speaking up in defence of Canadian cultural industries when his party went to the U.S. to produce a campaign video. Perhaps he is gripped with the culture of convenience or the convenience of the cultural issue.

The Deputy Speaker: The hon. member for Regina—Qu'Appelle will have the floor in a few moments, as I think he is aware.

[*Translation*]

Since time allotted for questions and comments has expired, I now give the floor to the hon. member for Rimouski—Témiscouata.

[*English*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, the motion we are debating today is probably one of the most important that we have had to deal with in this House since the beginning of the session. It concerns Canadian identity and cultural sovereignty and its consequences, and the identity and cultural sovereignty of Quebec.

In effect, the motion refers directly to that important form of cultural expression represented by the book publishing industry.

[*Translation*]

Let us look at a few facts, Mr. Speaker. In 1985, Mr. Masse, who was communications minister at the time, announced a new policy regarding investments in publishing companies in Canada and Quebec. This policy became known as the Baie Comeau policy and its goal was to ensure that the Canadian publishing industry can play its role fully in all regions of Canada.

To this end, Mr. Masse declared his department would view favourably transactions to create new companies as well as corporate acquisition initiatives, so long as the proposed investment were mostly Canadian. Direct or indirect acquisition of companies by foreign concerns would be authorized provided that the control of these companies was returned to Canadians or Quebecers within two years.

In 1986, the federal government authorized Paramount to take over Prentice-Hall on condition that Paramount divest itself of its shares in Ginn Publishing for the company to become Canadian-controlled.

In 1988, the government bought 51 per cent of Ginn's shares through Canada Development Investment Corporation to make sure Paramount would not hold the stock indefinitely, in accordance with the Baie Comeau policy. Observers did point out the high cost of the transaction at the time, CIDC having negotiated the acquisition price directly with Paramount instead of through an adjudicator as required in the Baie Comeau policy. Furthermore, at the time of purchase, CDIC stressed that it intended to sell the company back to Canadian interests.

(1640)

In 1992, the Baie Comeau policy was reviewed by Perrin Beatty. The imperative was maintained, in that a non-Canadian was not authorized to acquire an existing company under Canadian control. However, foreign investors were allowed to acquire Canadian and Quebec publishing companies if they were able to prove that these companies were in dire financial straits and that Canadians and Quebecers had had a fair chance to bid on the companies.

In the U.S., on February 14, Viacom purchased Paramount. Investment Canada will soon be looking at the repercussions of this transaction in Canada.

Four days later, hardly five months after they came to power, the Liberals agreed to sell two publishing companies to Paramount: Ginn Publishing, whose shares were sold back to Paramount at the price paid in 1989, that is, \$10.3 million, and Maxwell Macmillan, purchased by Prentice-Hall Canada, a Canadian subsidiary of Paramount.

Here are some of the issues raised by these transactions.

Let us start with Ginn Publishing. Since February 18, the government has said repeatedly that it had to sell back to Paramount the shares it had purchased in this company in 1989, at the price paid in 1989, on the basis of a verbal agreement made by someone in the previous government.

The question we have been asking since the beginning of this affair has remained unanswered so far. I will ask it again today: Who made a commitment, when, and where, to sell the Ginn Publishing shares back to Paramount? A ghost who haunts the office of the Minister of Canadian Heritage and leaves verbal traces? I am inclined to believe this when I read in *Hansard* what the minister said last Thursday in reply to one of my questions, and I quote: "I said that I did not see the contract, since it was an oral one and naturally could not be seen".

Supply

Why does the government continue to abide by verbal agreements supposedly made by the previous government? Why, in this case, is it making a decision that goes against the interests of the publishing industry and violates Canada's policy on foreign investment in this industry?

Why does the government not rescind that decision? After being sworn in, it courageously fulfilled one of its promises and cancelled the helicopter contract, even though it knew that there would be costs involved. And the government did not hesitate to cancel the privatization of Pearson Airport, even though it ran the risk of being prosecuted.

Why does the Liberal government so directly and openly violate Canadian policy on foreign investment in the field of publishing? This policy clearly states that the takeover of an existing company under Canadian control by a non-Canadian will not be authorized. This is as clear as can be.

Why does the Liberal government violate so wilfully this policy by rejecting all the offers and requests for information it has received regarding this issue? Why did it not follow up on the representations made by Reidmore Books in Edmonton, and by Canada Publishing Corporation, McClelland & Stewart and Fitzhenry & Whiteside, in Toronto, to name but a few?

These Canadian companies have publicly stated their interest in buying Ginn Publishing. Why did the Liberal government not call for tenders, in compliance with the intentions stated in 1989 by the Canada Development Investment Corporation?

Unfortunately, the list of questions is incomplete. But the real lesson to be drawn from this episode is that as soon as the government has the possibility to choose between Canadian interests and those of some mysterious entity influencing what goes on behind the closed doors of the Cabinet meeting room, it forgets Canadian interests. Tell me then: What weight do those cultural exemptions included in agreements signed with the United States carry? This political decision is a national disgrace.

(1645)

In the end, one wonders if Ginn Publishing was ever really under Canadian control. The Parliamentary Secretary to the Minister of Finance said in this House that, technically speaking, CDIC had indeed bought Ginn Publishing in 1989, but that a number of legal issues still had to be settled with Paramount before shares could be offered to Canadians. The parliamentary secretary added that, in fact, CDIC was not in a position to actively look for someone to buy its shares in Ginn, as long as some issues remained unsettled.

The situation appears to have been such that, according to Jamie Portam, a journalist with the *Ottawa Citizen*, Paramount re-

tained veto power over the choice of the eventual buyer. And when Ron Besse sent his lobbyists to the Liberal Party, it was Paramount that phoned him to find out what he wanted.

Could it be that those legal issues still to be settled, mentioned by referred the Parliamentary Secretary to the Minister of Finance, are only excuses used by the government to have time to amend its nationalist policy on ownership of publishing companies?

Could it be that this delay between the coming and going of shares from Paramount to Paramount was only to allow CDIC to make an interest-free loan of \$10.3 million to Paramount, with money paid by Canadian and Quebec taxpayers? In this episode, Canada lost, while Paramount won.

How can the government claim that federalism is the best way to protect Canadian and Quebec cultures when it is prepared to so openly violate its own policy and sell our publishing industry to Americans? Are there two policies regarding investments in the publishing industry: The one which Canadians know but which is not implemented, and the one which non-Canadians know and which is dictates government action?

As regards the takeover of Ginn Publishing, I agree with Mr. Karl Siegler, the President of the Association des éditeurs canadiens, when he says that what is at stake here are Canadian cultural sovereignty and identity.

[English]

Every country in the world protects its cultural industry. At the first opportunity that presented itself in Canada to the ministers of Canadian heritage, industry, finance, and finally to the cabinet as a whole, they preferred to abandon the defence of Canadian cultural interests. That does not bode well for the future. We must continue, therefore, to watch this bunch of Don Quixotes very carefully as they cannot count on the presence of essentials to bring them down to earth again.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I want to begin by saying through you to the hon. member that in no way, shape or form are we defending the previous government's Baie Comeau book publishing policy. I believe the parliamentary secretary to the minister of heritage stated that quite clearly in her previous remarks.

The difficulty that we have in this particular transaction is the fact that in 1986 when Gulf and Western committed to sell 51 per cent of Ginn within two years, it could not find a Canadian buyer. At that time the government directed the CDIC to offer to buy the 51 per cent. We are talking now in 1986. This is not three weeks before an election date, like when you compare it to the helicopter transaction where we had taken a public policy

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position during the campaign. It is not like Pearson International Airport where the deal was done two weeks before the final vote and we declared our position. This was a transaction that emanated in 1986.

(1650)

We inherited this completed transaction. Does the member think that when a transaction went back that far that there is some responsibility on us or is the member suggesting that we just ignore all of these contracts, some of them going back three, four and five years?

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): The problem with my hon. colleague's question, Mr. Speaker, is that it makes reference to several questions we have asked in this House, to which contradictory answers were given. We have never been able to get a clear answer from this government. They duck questions, claiming that it was the previous government that had entered into an agreement with Paramount. We ask to see this agreement, but it cannot be produced. We are told it was a verbal agreement. What is a verbal agreement worth? Who made it? We have asked that question over and over. Who spoke to whom, when, why? Basic stuff. We never got an answer.

The Baie Comeau policy was changed by Mr. Beatty, a member of the Conservative government, in June 1992 I believe. The government, which may or may not carry out a given transaction, can still keep an eye on things. It did not hesitate to expose itself to a \$200 million lawsuit from Pearson International Airport. So do not try to delude me into believing that decisions in cultural matters are not as political as those regarding helicopters! I think that they are hiding behind something; I think that they are trying to protect someone. What is to gain? For whom? It is suspicious! That is why we are requesting a public inquiry into this matter.

[*English*]

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I am truly delighted that the Bloc is taking such an interest in Canada's identity and cultural situation. I find myself lacking considerable sympathy with the member for Medicine Hat who seems to think our cultural industries can survive entirely on their own. I wish I could ask him whether or not he has bought a Canadian book recently but I do not have that opportunity.

My question to the hon. member opposite is this. In the context of the powerful cultural invasion from the United States does she feel that we are better off, both anglophones and francophones, united against cultural aggression from the United States rather than separate?

[*Translation*]

Mrs. Tremblay (Rimouski—Témiscouata): Mr. Speaker, I would say that a degree of commonality will continue to exist between us as Canadians even if we become separate in Quebec.

Our goal in this debate is to protect Canadian culture. When we leave, we want Canada to be strong and have a strong cultural identity. We do not want it to be assimilated by the United States. We want it to be able to sell us and continue to trade with us elements of our cultures. Part of our heritage will not just disappear. We will not cut all trade relations with Canada just because we have gained sovereignty. On the contrary! We will want to continue to trade with Canada, but if we get a better price in the United States for books, Canada will starve culturally because we will buy directly from our neighbour to the south.

The Deputy Speaker: The time allocated to questions and comments has now expired. My apologies, hon. colleagues.

[*English*]

I was following the exchange between the member for Regina—Qu'Appelle and the parliamentary secretary too closely and I misread my list. Before the member for Rimouski—Témiscouata, it should have been the turn of the Reform Party, the member for Calgary Southeast. It seemed easier, rather than interrupt the member, to let her finish and then to go back to the Reform Party which should have had the floor. I will have the second round for the Bloc after the member for Calgary Southeast has spoken. With your permission I will call on the hon. member for Calgary Southeast.

(1655)

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I rise today to speak with deep concern on an issue that has been percolating in the news for weeks and has come to the floor of the House numerous times in question period. I am talking specifically about the sale of Ginn Publishing Inc., what I call the Ginngate affair.

The Bloc Québécois has put forward a motion that appears to protect the Canadian cultural identity. It is appearing to champion Canadian culture. However, the BQ represents no cultural, political or economic interests outside of Quebec. It is hoping that Canadians will believe that the Bloc Québécois, a separatist party, actually cares about the interests of the whole country.

The members of that party have stated unequivocally that they are in the House to look after the interests of Quebec and to set the stage for separation.

This motion is not about culture. This motion is about how business is conducted in this country. The motion of the Bloc calls for an investigation of the process that was followed in the sale of Ginn Publishing.

The Baie Comeau policy will not protect Canadian culture. What will protect Canadian culture is an open and competitive marketplace. However, I do agree with my Bloc colleagues that there is a need for a thorough investigation, a complete one, of the sale of Ginn Publishing, not to protect Canadian culture but to ensure that the marketplace is fair and open.

It is clear that the former Tory government violated its own policy. But this government has done worse. It has lacked the political will to halt the sale, claiming that some vague and tenuous legal obligation requires it to sell. This is in direct conflict with the stance these members took when they were in opposition.

Let us look at the history of the sale because this is where it becomes clear that there are many irregularities within the process of the sale as it unfolded. Let us look first at the players.

There is the past Tory government that began the cover-up. There is the current Liberal government that has continued the cover-up. There is the Canadian book publishing industry, the Canadian public and the members of this House, all of whom are the victims of this whole affair.

Here is a brief history of Ginn. In 1985 the Tories implemented the Baie Comeau policy. In 1985 Paramount bought Ginn. In 1988 the CDIC bought Ginn from Paramount. In 1992 the Tories abandoned the Baie Comeau policy. In 1994 the CDIC sold Ginn back to Paramount. This is an innocuous history. But let us dig a little deeper.

During the 34th Parliament when some members of the present government were in opposition, Gulf and Western, an American company, bought Ginn Publishing Incorporated. When this sale occurred the Baie Comeau policy of the former government was in effect.

The Baie Comeau policy required that a foreign owned business which had acquired a Canadian magazine or book publishing company must sell controlling interest back to a Canadian firm within two years. If the foreign company was unable to do this the Canadian government would buy the controlling interest of the Canadian firm. The government would direct the Canadian Development and Investment Corporation, CDIC, to buy controlling interests and then it in turn would attempt to sell that interest to a Canadian firm.

In 1988 the federal government ordered the CDIC to buy Ginn. This sale appears to be in keeping with the Baie Comeau policy. However, there are two problems here. First, Investment Canada never investigated Paramount to determine if it had made a real and earnest attempt to sell Ginn to a Canadian buyer.

(1700)

Second, the CDIC was supposed to pay only a fair market value for Ginn. However the government would not disclose how much was actually paid for Ginn. The amount of the original sale has never been officially reported to the House or to the Canadian taxpayer. It has been alleged that CDIC offered and paid a value much higher than what Ginn was worth, an

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estimated \$10.3 million, the same amount that it is now reported to be getting from Paramount for Ginn.

Experts in the industry and competitive bidders suggest that the company was worth only about \$3 million or \$4 million in 1985. Why then did CDIC pay up to three times the fair market value for this company? The Canadian taxpayers have the right to know.

The former government would not tell the House the amount that was paid, and this government seems quite content to follow in those footsteps despite its commitment to open and honest government. Small wonder, is it not, that a poll released today shows that only 2 per cent of Canadians believe what their parliamentarians say?

If the government continues to show this kind of disdain for all the members of the House and the people of Canada, it will suffer the same fate as that of the previous government.

The facts raised thus far in and of themselves merit an investigation. However the fiasco continued. Once the CDIC controlled Ginn, it was required to find a Canadian buyer. Under the Tories the minister of regional industrial expansion guaranteed to the House that every effort would be made to respect the principle of Canadian ownership and primacy within our book publishing industry. However, between 1988 when CDIC bought Ginn and 1994 when Ginn was sold to Paramount, no Canadian buyer was able to acquire a controlling interest in the company.

I know of three Canadian companies that tried to buy Ginn Publishing. All of their attempts were thwarted. Gage Distribution Company, McClelland & Stewart and Edmonton's Reidmore Books all made efforts to buy Ginn. None of their efforts were taken seriously. In one instance when a bidder wished to discuss the sale he was directed to the board of Paramount, not to CDIC. Who was conducting the sale? CDIC or Paramount?

The Reform's position is clear. We do not oppose foreign ownership. We do oppose the former government violating its own policy. We oppose the process of a sale that treats Canadian firms unfairly and precludes them from bidding on a company. We oppose the government's willingness to weakly follow suit and to keep Canadian companies from competing fairly in the marketplace. Instead the government undertakes a weak decision and watches specific expertise in the book publishing industry become compromised and lost. Job redundancy in Ginn means job loss for Canadians.

The Liberal red ink book becomes gasping rhetoric. The government claims that it wishes to create jobs. We have heard it all before: "We have a plan: jobs, jobs, jobs". But the plan in this instance seems one that destroys job opportunities. We need to keep the jobs we have in Canada.

Supply

On another point, when the Liberal Party was in opposition it spoke vociferously against the sale of Ginn. Now that it is the government all that was said seems to have been forgotten. Let me take a few minutes to remind the House and members of the government when in opposition of the position they took on the sale of Ginn. I have some historical statements from the Minister of Human Resources Development, the Minister of Industry and the Secretary of State for the Status of Women. All these ministers when in opposition spoke at great length against the sale of Ginn.

(1705)

In 1985 the member for Winnipeg South Centre pleaded with the minister of regional industrial expansion, and I quote from *Hansard*, "to give a very clear signal to foreign investors that at least in this one area we are not going to accept foreign ownership; in this one area we are going to protect our Canadian culture". He went on to ask:

Will the government establish a very clear statement in the publishing industry that the dominant element must be Canadian? Will he reject the application for Ginn and Co.? If he believes in Canadian culture, why did he not make a decision today and turn down the application?

That same member made another plea in 1985. He stated:

Surely if the legislation denotes a consideration for cultural industries, then sufficient time should be allocated to ensure that all the questions pertaining to the acquisition are properly examined, and, most important, that the minister has sufficient time to make arrangements for alternative buyers in the Canadian marketplace.

This sentiment could not mirror any better the intent of what we would like to see accomplished. We are not calling for the government to reject outright the sale of Ginn. We simply want to ensure that from 1985 until today all reasonable means have been followed to allow Canadian companies a fair opportunity to bid on Ginn Publishing. This is about business.

The minister's comments clearly demonstrate his support once upon a time for our position. We anticipate his support and that of his colleagues on our motion.

Further, the member for Mount Royal expressed a concern that bears investigation. She asked:

Is the government prepared to admit that it is betraying its own policy, that it is backing off under pressure from the Americans in the interests of free trade?

The member thought the question deserved an answer in 1988. Now that she is a minister surely she is able to provide for the House the answer to the question she asked.

The member for Mount Royal stated that the government paid too much for Ginn when she said that the equity was purchased at an incredibly inflated price. If the sale bothered her in 1989, does it not bother her today? When the member was in opposition she appeared concerned about how taxpayer dollars were

spent. How can she now show such a lack of willingness to investigate the misuse of taxpayer dollars? The government is contemptuous in the extreme.

The next statements demonstrate perfectly why an investigation is needed. They demonstrate that the government does not know what has transpired regarding the sale of Ginn. The government should have access to all pertinent information needed to clarify the situation and to answer all the questions. Yet it still does not have its story straight, or so we are led to believe.

On February 22 of this year the Minister of Industry admitted to the House that Ginn was up for sale but that no acceptable offers were made. Just two days later the Parliamentary Secretary to the Minister of Finance stated that CDIC was at no time in a position to market its interest in Ginn.

The government first admitted that the company was up for sale but two days later it admitted that it had never been up for sale. This blatant contradiction staggers me. Which of these stories is true? These glaring inconsistencies cause great suspicion. The government claims there is a verbal commitment requiring the sale of Ginn to Paramount, but the government will not tell the public who made this alleged legal commitment and it will not tell the public what that legal commitment was.

What is this government hiding? If all these commitments are legitimately legal and binding as the government suggests, why will it not demonstrate this to the House and to the people of Canada?

Since it has come into office the government has broken at least two legal commitments. It is facing legal action for cancelling the Pearson International Airport contract. That has been mentioned before in the House today. The government also moved quickly to cancel the EH-101 deal. That decision cost millions of dollars in compensation and many Canadian jobs. This is precedent setting. Where is the consistency?

We need a public investigation of the government's contradictions and inconsistency to determine what has really happened with Ginnate.

(1710)

It is clear that many questions need to be answered by the government. I sent a letter to the Prime Minister asking five questions. It has not yet been acknowledged. I conclude from this that either no one knows the answers to my questions or, if known, there is no desire for full disclosure. Whatever the case, the only way to get clear answers is for a public investigation. Such an investigation would answer the preceding questions and the five following ones that I put to the Prime Minister.

First, how can the government explain the contradictions evident in this sale with the red book policy on the protection of Canadian arts and culture?

Second, how does the government explain away the offers to purchase Ginn by several members of the Canadian business community during the period from 1989 to 1994?

Third, what happens to our Canadian publishing industry after February 15, 1999 when Paramount's investment agreements cease?

Fourth, why was a specific job loss figure not included in the press release of February 18, 1994? I understand that job losses could reach as high as 60 per cent.

Fifth, how can the government ignore the provisions of the Investment Canada Act and undertake a private agreement which precludes the sale of a Canadian firm to a foreign company except in extraordinary circumstances?

Again Reform supports the notion of an investigation to allow for freer competition in the Canadian cultural marketplace. This motion is not about protecting Canadian culture from within or from being co-opted by foreign cultural influences from without. It is about allowing the market to run its due course without needless and harmful protection or undue government regulation.

The Reform Party believes that a strong Canadian cultural community has a positive influence on Canada's national identity. We will not help to develop this community by implementing protectionist measures. Canadian magazine and book publishers should be allowed to flourish in an open competitive marketplace.

Erecting barriers to protect this industry implies that Canadians produce a mediocre or inferior product and cannot compete. This is simply not the case. Canada has a magazine and book publishing industry that is capable of competing with any market. I propose that we let it do so.

I move:

That the motion be amended by deleting the words "by renewing the Baie Comeau policy adopted in 1985 and"

The Deputy Speaker: The table officer indicates the amendment that has been moved is in order. It is an acceptable amendment.

Before returning to debate, there is still the period of questions and comments to the hon. member for Calgary Southeast.

Mr. John Godfrey (Don Valley West): Mr. Speaker, the hon. member had five questions for the Prime Minister and now I have three for her.

Supply

First, the hon. member refers to the fact that three Canadian companies were willing to bid for Ginn. Does she have any idea whether each of them is willing to pay \$10.3 million or not?

Second, if they were not willing to pay that sum but something closer to \$3 million, where does she propose the \$7 million difference might come from? Does she propose adding it to our national debt?

(1715)

The third question is really a more philosophical one. I would like a little understanding of whether we or the previous government should have intervened or not intervened on the sale of Ginn.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I do appreciate the questions from the hon. member. I will take his questions in order.

The hon. member asked about the three Canadian companies that were prepared to purchase Ginn. In telephone conversations that we have had with those companies there was a willingness and a searching for an opportunity to become involved in the tendering process. There is some question about the inflated value at this point about Ginn and that answer will also suffice with respect to question number two.

I have a sense that when we look at that inflated price it comes back to the lack of revelation in terms of the actual purchase price of CDIC of Ginn Publishing in the first place. There is some real confusion with respect to how that was initiated and took place.

Because there are still so many questions surrounding the initial sale and the moneys that exchanged I have to say to the hon. member that he too is speculating on those numbers with respect to the many millions of dollars paid.

On the matter of philosophy, I do believe that entrepreneurship is a spirit in this country that needs to be generated and promoted. I am very much in favour of competition in the free marketplace. I do believe that governments should get out of business. That is my bottom line.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, first of all, allow me to congratulate the hon. member of the Reform Party on her speech which, in my opinion, was very sound. I want to thank her for recognizing the timeliness of the motion put forward by the Bloc and by my colleague from Rimouski. I would, however, like to make two brief comments.

First, I would just like to gently remind my hon. colleague that the official opposition is very concerned about Canadian culture. The proof of this is that we initiated and welcomed a debate on this subject.

Supply

As the official opposition, we are acting responsibly and with conviction. And if we are here in this House reaffirming our primary goal, which is to create a francophone country in the Americas to complement the Canadian, American or Spanish cultures and all countries of the Americas, it is only because we wish to put a new country on the map.

[English]

Mrs. Brown (Calgary Southeast): I am not sure, Mr. Speaker, if there was really a question to answer there. However, I have to say to the hon. member that it is a very difficult issue when we are looking at cultural identity. I feel great concern when we have a challenge put forward to us almost daily on the floor of this House from a party that is bent on separation. Those opening remarks in my presentation were placed there because of the very different ideologies through which we came to this discussion.

I do acknowledge that the Bloc Quebecois has been adamant and unceasing in its search for an answer to this question. However, I acknowledge it on the basis of process. Like we are trying to do, it is trying to uncover process. That has very little to do, in my view, with the differing cultural ideologies that we bring to the floor.

(1720)

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I would like to make a brief comment on the hon. member's answer to the last question.

It was clear that there were no offers made to purchase Ginn from these three Canadian companies. What she told us was that they may have expressed an interest in that which is very well and good but it is a long way from actually making an offer. CDIC has told us clearly that there was no offers ever received for the purchase of these companies from anybody. There were opportunities on several occasions for offers to be made but there was never an offer made.

The hon. member has said she might be interested, that might be nice. It is nice after the fact when one never has to cough up the \$10.3 million, but there was never really an offer made and the hon. member has just stated that.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I really question the tone and tenor of the hon. member's question.

I question whether CDIC is telling the truth. There were three companies that were contacted by telephone by my office and they indicated that they had wanted to purchase Ginn Publishing Incorporated.

An hon. member: Did they make an offer?

Mrs. Brown (Calgary Southeast): Mr. Speaker, I am trying to answer this question to the best of my ability and I would like to do that without interruption.

I do not recall saying that would be nice or this would be nice. I stated in my text that all of their attempts had been thwarted. The three companies again are Gage Distribution Company, McClelland & Stewart and Edmonton's Reidmore Books Inc. They all had made efforts to buy Ginn Incorporated. They are Canadian companies and should have had an opportunity to participate in the tendering process. They did not have that opportunity.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I find the question from the government side either naive or misleading. Even the minister and CDIC have admitted that they could not accept any offers because there were so many technicalities that still had not been resolved.

For the government member to now stand up and say they never received any concrete offers is ludicrous to me. That is my statement.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I would like to acknowledge the hon. member's comments and express my appreciation for his support on this last question.

The Deputy Speaker: Colleagues, this is quite complicated now. We are going back, with your permission, to the time allotted to the Official Opposition. The Official Opposition allotted part of its 20 minute slot to the hon. member for Regina—Qu'Appelle. Accordingly, I call on the member for Regina—Qu'Appelle.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I wish to sincerely thank the members of the Bloc for giving me an opportunity of participating in the debate.

It is an issue that I have been following. I had the privilege of raising it the first time in the House. I think it is an important issue that affects the cultural well-being and cultural future of this country and one that deserves a full debate.

I do not quite understand how government members are putting down the Bloc for showing its interest and concern about Canadian culture. I ask the government how can it argue that federalism is the preferred system under which to protect and enhance the unique cultural make-up of Canada and Quebec's distinct culture and society in Canada as a unique whole when it is willing to sell off the country's cultural markets to the Americans?

I am more concerned about what these people are doing across the way in terms of the viability and future of Canadian culture than I am right now about the Bloc.

(1725)

These are the folks who are selling them off to the United States. They are the ones who should be hanging their heads in shame. It is quite amazing that they are still in the House and willing to protect and defend a decision that the former Tories made.

Supply

We have asked about this over and over again in this House, particularly the Bloc members because they have had the opportunity of revealing some of the specific details, including who made this verbal agreement. The government keeps stonewalling. We have been pressing and asking for a full public inquiry. There are things that have occurred here that demand a full and public inquiry. Let us bring it all out in the open. Let us see what the former Tories entered into in this wicked, wicked affair.

Surely anybody who is interested in Canadian culture can smell a rat here. Why not bring it out in the open? Why not expose the rat for what it is? My basic question to the Liberals is who are they trying to protect in this? Why are they so adamant about not bringing this out into the open?

To tell the truth, I was deeply shocked—and I do not say this in a rhetorical manner but in full sincerity—when I heard what the government had approved. I really expected something much different. I had worked with the Liberals in opposition, particularly on the communications and culture committees, trying to defend Canadian culture against those Tory years of rape and plunder and total unconcern for Canadian cultural identity. We worked shoulder to shoulder when the sale of Prentice-Hall and the whole episode with Ginn occurred. We stood shoulder to shoulder in opposition to this.

Now I must say there is no difference. The same show goes on. What is going on here? Initially I was concerned that the bureaucrats had misinformed the ministers. I could understand that with a new government coming in. Although, I expected a little more of the Liberals, the natural ruling party, since they after all had some experience in government and knew how to take control over the public service to make sure that the political agenda and not the bureaucratic agenda was the one in control.

I had been assured by the parliamentary secretary and everybody not to blame the bureaucrats, the ministers knew what they were doing. Let the ministers, then, be responsible.

Again I ask why not bring it out in the open? Why not have a parliamentary inquiry? Why not get to the bottom of it? There are numerous questions that remain unanswered and that deserve answers.

As well, this may be a case study of how a large American multinational like Paramount is able to exercise its will over an area that is so important to us as a nation, our cultural identity.

We fought the free trade agreement and we fought NAFTA and we tried to ensure that there were provisions in there through which we would protect our Canadian cultural identity, unlike the Reform position of letting the market take care of everything. When the market takes care of everything it takes care of

Canadian culture all right because we do not have a chance at all of being heard. The mass marketing of music, film, video and books and magazines will swamp Canadian culture and Canadian musicians and writers and publishers' ability to get in and be heard by other Canadians will totally diminish.

I hope this will be an education for the Reform Party in the years it is in Parliament where this begins to sink in, where it begins to realize that there are limits as well to where the market can flourish. The national interest precedes the notion of the free market when it comes to cultural institutions. Because once a nation loses its sense of identity, when Canadians cannot hear and see other Canadians, we have lost ourselves as a nation. That is why book publishing policy, particularly textbooks, is so essential, so important. That is why I plead with the government to please allow this to go forward as a proper inquiry.

(1730)

Let us make certain if, and I underline the word if, the Ginn decision is not reversible that this will never, ever happen again. The only way of ensuring that is to put the body on the table and dissect it. Let us see who and what created the situation we find ourselves in where foreign owners of our book publishing industry now are producing most of our textbooks that we use in our schools in this country.

I understand that around a quarter per cent of all the textbooks in Canadian schools are published by Canadian publishers.

There is so much to get into. I am just filled with notes here on all the different questions to be asked. I could go on for several hours on this. We have been talking about Ginn. There are all sorts of questions about the other approval that the government made when it also approved the acquisition by Paramount of Maxwell Macmillan.

There are contradictions here. CDIC approved this. If CDIC approved this, that means it has to be treated as a direct acquisition and not as an indirect acquisition. If it is a direct acquisition, then we should be able to ask CDIC "Did you find or did you attempt to find a Canadian purchaser?" The law now states that if there is a direct acquisition, and I believe the parliamentary secretary read it: "If a non-Canadian wishes to sell an existing Canadian business independent of any other transaction, the vendor will be expected to ensure that potential Canadian investors have full and fair opportunity to purchase".

The good question is: Did the government go out and look for a potential Canadian to purchase Maxwell Macmillan before the government approved Paramount's takeover of Maxwell Macmillan?

That is one of the many questions that have to be asked and answered. Only in a full, open and public inquiry will we be able to ask these questions and try to get the answers that are needed.

Supply

Other questions have to be asked. For example, all of Paramount's operations in Canada, including its film distribution, will have to—

The Deputy Speaker: Excuse me. I am sorry to interrupt the member but it is now 5.33 o'clock. It is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply proceedings now before the House under the provisions of Standing Order 81(16).

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 Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 13)

YEAS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Brown (Calgary Southeast)
Chatters	Cummins
Epp	Forseth
Frazier	Gouk
Grey (Beaver River)	Grubel
Hangar	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hart	Hermanson
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Johnston
Manning	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest)
Meredith	Mills (Red Deer)
Morrison	Penson
Ramsay	Ringma
Scott (Skeena)	Silye
Solberg	Speaker
Stinson	Strahl
Thompson	White (Fraser Valley West)
White (North Vancouver)	Williams—44

NAYS

Members

Adams	Althouse
Anawak	Anderson
Arseneault	Assadourian
Asselin	Augustine
Axworthy (Winnipeg South Centre)	Bachand
Baker	Bakopanos
Barnes	Beaumier
Bellehumeur	Bellemare
Berger	Bergeron
Bertrand	Bethel
Bevilacqua	Bodnar
Bonin	Bouchard
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Bélisle	Calder
Campbell	Cannis
Canuel	Caron
Catterall	Chamberlain
Chan	Chrétien (Frontenac)
Chrétien (Saint-Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Crawford	Crête
Culbert	Dalphonde—Guiral
Daviault	Debien
de Jong	Deshais
DeVillers	Dingwall
Discepolo	Dromisky
Dubé	Duceppe
Duhamel	Dumas
Dupuy	Easter
Eggleton	English
Fewchuk	Fillion
Finlay	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Gauthier (Ottawa—Vanier)	Gauthier (Roberval)
Godfrey	Godin
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Guay
Guimond	Harb
Harper (Churchill)	Harvard
Hickey	Hopkins
Hubbard	Ianno
Iftody	Irwin
Jackson	Jacob
Jordan	Keyes
Kirkby	Knutson
Lalonde	Landry
Langlois	Lastewka
Laurin	Lavigne (Beauharnois—Salaberry)
Lavigne (Verdun—Saint-Paul)	Lebel
LeBlanc (Cape Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	Loney
Loubier	MacDonald
MacLaren (Etobicoke North/Nord)	MacLellan (Cape Breton—The Sydneys)
Maheu	Malhi
Maloney	Manley
Marchand	Marchi
Marleau	Massé
McCormick	McGuire
McKinnon	McLaughlin
McLellan (Edmonton Northwest)	McTeague
McWhinney	Mercier
Mifflin	Miliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Ménard
Nault	Nunziata
O'Brien	O'Reilly
Ouellet	Pagtakhan
Parrish	Paré
Patry	Payne
Peric	Peters
Peterson	Phinney
Picard (Drummond)	Pickard (Essex—Kent)

Pillitteri
Pomerleau
Péloquin
Regan
Rideout
Robichaud
Rocheleau
Rompkey
Scott (Fredericton—York Sudbury)
Shepherd
Solomon
St-Laurent
Steckle
Stewart (Northumberland)
Terrana
Torsney
Tremblay (Rosemont)
Valeri
Venne
Volpe
Whelan
Young

Plamondon
Proud
Reed
Richardson
Ringuette-Maltais
Robinson
Rock
Sauvageau
Serré
Skoke
Speller
St. Denis
Stewart (Brant)
Szabo
Thalheimer
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Verran
Wappel
Wood
Zed—204

Caron
Crête
Daviault
de Jong
Dubé
Dumas
Gagnon (Québec)
Godin
Guimond
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
McLaughlin
Ménard
Picard (Drummond)
Pomerleau
Robinson
Sauvageau
St-Laurent
Tremblay (Rosemont)

Supply

Chrétien (Frontenac)
Dalphond-Guiral
Debien
Deshaies
Duceppe
Fillion
Gauthier (Roberval)
Guay
Jacob
Landry
Laurin
Lebel
Lefebvre
Leroux (Shefford)
Marchand
Mercier
Paré
Plamondon
Péloquin
Rocheleau
Solomon
Tremblay (Rimouski—Témiscouata)
Venne—54

PAIRED MEMBERS

Members

Allmand
Bernier (Mégantic—Compton—Stanstead)
Cauchon
Gerrard
Sheridan

Bernier (Gaspé)
Brien
Finestone
Nunez
de Savoye

(1805)

The Speaker: I declare the amendment lost.

I know from time to time during votes that some of us have to absent ourselves for personal reasons. I would ask that if it is at all possible when hon. members come in to vote they stay in their seats until the votes are completed. That way there is no question whether someone is here or not.

The next 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 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 nays have it.

And more than five members having risen:

The Speaker: Call in the members.

(The House divided on the motion, which was negatived on the following division:)

(Division No. 14)

YEAS

Members

Allhouse
Bachand
Bergeron
Bélisle

Asselin
Bellehumeur
Bouchard
Canuel

NAYS

Members

Abbott
Adams
Anderson
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Benoit
Bertrand
Bevilacqua
Bonin
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
Brushett
Caccia
Campbell
Catterall
Chan
Chrétien (Saint-Maurice)
Cohen
Collins
Copps
Crawford
Cummins
Dingwall
Dromisky
Dupuy
Eggleton
Epp
Finlay
Forseth
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Godfrey
Gouk
Gray (Windsor West)
Grose
Guarnieri
Harb
Harper (Churchill)
Harris
Harvard
Hickey
Hill (Prince George—Peace River)
Hubbard
Iftody
Jackson
Jordan
Kirby
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Lincoln
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (Esquimalt—Juan de Fuca)
Mayfield
McCormick

Ablonczy
Anawak
Arseneault
Augustine
Baker
Barnes
Bellemare
Berger
Bethel
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Chamberlain
Chatters
Clancy
Collenette
Comuzzi
Cowling
Culbert
DeVillers
Discepola
Duhamel
Easter
English
Fewchuk
Fontana
Frazer
Gagliano
Gauthier (Ottawa—Vanier)
Goodale
Graham
Grey (Beaver River)
Grubel
Hanger
Harper (Calgary West)
Harper (Simcoe Centre)
Hart
Hermanson
Hill (Macleod)
Hoepfner
Ianno
Irwin
Johnston
Keys
Knutson
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacLaren (Etobicoke North/Nord)
Maheu
Maloney
Manning
Marleau
Massé
McClelland (Edmonton Southwest)
McGuire

Supply

McKinnon	McLellan (Edmonton Northwest)
McTeague	McWhinney
Meredith	Mifflin
Milliken	Mills (Broadview—Greenwood)
Mills (Red Deer)	Minna
Mitchell	Morrison
Murphy	Murray
Nault	Nunziata
O'Brien	O'Reilly
Ouellet	Pagtakhan
Parrish	Patry
Payne	Penson
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Ramsay
Reed	Regan
Richardson	Rideout
Ringma	Ringuette—Maltais
Robichaud	Rock
Scott (Fredericton—York Sudbury)	Scott (Skeena)
Serré	Shepherd
Silye	Skoke
Solberg	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Stinson	Strahl
Szabo	Terrana
Thalheimer	Torsney
Ur	Valeri
Vanclief	Verran
Volpe	Wappel
Whelan	White (Fraser Valley West)
White (North Vancouver)	Williams
Wood	Young
Zed—191	

PAIRED MEMBERS

Members

Allmand	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Brien
Cauchon	Finestone
Gerrard	Nunez
Sheridan	de Savoye

(1815)

The Speaker: I declare the motion lost.

* * *

CANADIAN FOREIGN POLICY

The House resumed from March 15 consideration of the motion and of the amendment.

The Speaker: The House will now proceed to the taking of the deferred division on government business No. 9 regarding the appointment of a special joint committee to consider Canada's foreign policy.

The question is on the amendment.

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 15)

YEAS

Members

Abbott	Ablonczy
Althouse	Asselin
Bachand	Bellehumeur
Benoit	Bergeron
Bouchard	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Brown (Calgary Southeast)
Bélisle	Canuel
Caron	Chatters
Chrétien (Frontenac)	Crête
Cummins	Dalphond—Guiral
Daviault	Debien
de Jong	Deshaies
Dubé	Duceppe
Dumas	Epp
Fillion	Forseth
Frazer	Gagnon (Québec)
Gauthier (Roberval)	Godin
Gouk	Grey (Beaver River)
Grubel	Guay
Guimond	Hanger
Harper (Calgary West)	Harper (Simcoe Centre)
Harris	Hart
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	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest)
McLaughlin	Mercier
Meredith	Mills (Red Deer)
Morrison	Ménard
Paré	Penson
Picard (Drummond)	Plamondon
Pomerleau	Péloquin
Ramsay	Ringma
Robinson	Rocheleau
Sauvageau	Scott (Skeena)
Silye	Solberg
Solomon	St-Laurent
Stinson	Strahl
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne	White (Fraser Valley West)
White (North Vancouver)	Williams—96

NAYS

Members

Adams	Anawak
Anderson	Arseneault
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Baker
Bakopanos	Barnes
Beaumier	Bellemare
Berger	Bertrand
Bethel	Bevilacqua
Bodnar	Bonin
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Calder	Campbell
Cannis	Catterall
Chamberlain	Chan
Chrétien (Saint-Maurice)	Clancy
Cohen	Collette
Collins	Comuzzi

Private Members' Business

- | | |
|---|---------------------------------------|
| Copps | Cowling |
| Crawford | Culbert |
| DeVillers | Dingwall |
| Discepolo | Dromisky |
| Duhamel | Dupuy |
| Easter | Eggleton |
| English | Fewchuk |
| Finlay | Fontana |
| Gaffney | Gagliano |
| Gagnon (Bonaventure—Îles-de-la-Madeleine) | Gauthier (Ottawa—Vanier) |
| Godfrey | Goodale |
| Graham | Gray (Windsor West) |
| Grose | Guarnieri |
| Harb | Harper (Churchill) |
| Harvard | Hickey |
| Hubbard | Ianno |
| Iftody | Irwin |
| Jackson | Jordan |
| Keys | Kirkby |
| Knutson | Lastewka |
| Lavigne (Verdun—Saint-Paul) | LeBlanc (Cape Breton Highlands—Canso) |
| Lee | Lincoln |
| Loney | MacDonald |
| MacLaren (Etobicoke North/Nord) | MacLellan (Cape Breton—The Sydneys) |
| Maheu | Malhi |
| Maloney | Manley |
| Marchi | Marleau |
| Massé | McCormick |
| McGuire | McKinnon |
| McLellan (Edmonton Northwest) | McTeague |
| McWhinney | Mifflin |
| Milliken | Mills (Broadview—Greenwood) |
| Minna | Mitchell |
| Murphy | Murray |
| Nault | Nunziata |
| O'Brien | O'Reilly |
| Ouellet | Pagtakhan |
| Parrish | Patry |
| Payne | Peric |
| Peters | Peterson |
| Phinney | Pickard (Essex—Kent) |
| Pillitteri | Proud |
| Reed | Regan |
| Richardson | Rideout |
| Ringuette-Maltais | Robichaud |
| Rock | Rompkey |
| Scott (Fredericton—York Sudbury) | Serré |
| Shepherd | Skoke |
| Speller | St. Denis |
| Steckle | Stewart (Brant) |
| Stewart (Northumberland) | Szabo |
| Terrana | Thalheimer |
| Torsney | Ur |
| Valeri | Vanclief |
| Verran | Volpe |
| Wappel | Whelan |
| Wood | Young |
| Zed—149 | |

[Translation]

Mr. Gagliano: Mr. Speaker, I believe you will find that there is unanimous consent to apply the result of the last vote to the main motion, but in reverse.

The Speaker: Is it agreed?

Some hon. members: Yes.

Some hon. members: No.

[English]

The Speaker: The next 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 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.

Some hon. members: On division.

(Motion agreed to.)

The Speaker: It being 6.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

(1830)

PRIVATE MEMBERS' BUSINESS

[Translation]

SAINT LAWRENCE SEAWAY

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies) moved

That, in the opinion of this House, the government should take the necessary measures to ensure that the St. Lawrence Seaway remains navigable on a year-round basis, namely through a more effective allocation of the ice breakers in operation in eastern Canada.

He said: Mr. Speaker, the St. Lawrence River and the Seaway are a major asset for Canada and Quebec. Historically, this huge river and its network of tributaries has been a major route of penetration into North America.

Not surprisingly, the first towns were founded on its shores and their prosperity came from their shipping activities. This is the case for Montreal which developed mainly because of its port facilities.

PAIRED MEMBERS

Members

- | | |
|--------------------------------------|-----------------|
| Allmand | Bernier (Gaspé) |
| Bernier (Mégantic—Compton—Stanstead) | Brien |
| Cauchon | Finestone |
| Gerrard | Nunez |
| Sheridan | de Savoye |

(1825)

The Speaker: I declare the amendment lost.

Private Members' Business

Today, the St. Lawrence Seaway, with an operating budget of \$78 million and almost 900 employees, has an annual volume of more than 30 million tonnes. More than 5,000 ships go through the system every year. It provides a major transport infrastructure, not only for Canada and Quebec, but also for the whole of North America.

Today as in the past, the river remains the main corridor for the transportation of goods into the interior of the continent.

The motion I introduced today asks the government to provide for measures that will ensure the St. Lawrence Seaway remains navigable on a year-round basis, namely through a more effective allocation of the ice breakers in operation in eastern Canada.

The Canadian Coast Guard is responsible for navigation on the St. Lawrence. It has enough ships, ice breakers, helicopters and communications equipment to carry out that mission.

However, last winter, ice jams paralysed traffic on the river. During 29 days in February and early March, some 40 ships were held up for various periods of time. A dozen ships had to be sent to St. John harbour, in New Brunswick because they could not moor in Montreal. The Coast Guard had simply not installed the booms that control freeze-up and ice flow, thus preventing ice jams.

Needless to say that the losses resulting from this incident were catastrophic and enormous. Of the 560 longshoremen who normally work in Montreal harbour during the winter, barely 200 were called in sporadically during that period and those who did not work were not paid because this was an act of God.

The port of Montreal alone incurred losses estimated to \$1.5 million during those few weeks.

Substantial losses were also incurred by road and rail carriers awaiting delivery of merchandise on board the immobilized cargo ships and consignees suffered inventory and production problems.

As for ship owners, water carriers and insurers, according to Frank Nicol, the president of the Shipping Federation of Canada, their losses totalled tens of millions of dollars. And that does not include the losses due to flooding incurred by individuals, particularly along the shore, where the ice jams occurred.

Aside from these immediate, short-term losses, the port of Montreal now finds itself under the obligation to defend its reputation as a port open on a year-round basis in front of potential users who may well decide to land their cargo elsewhere, and this at a time when transportation infrastructures and communications are playing a major strategic role in the positioning of regions. It was a terrible blow for the entire east side

of Montreal, which has already been hard hit by unemployment and job losses.

I will remind this House that, based on a document prepared by the greater Montreal mayors' convention, forty or so shipping lines connect the port of Montreal to over 200 ports around the world. It creates tens of thousands of direct jobs, and more than 20 million tonnes of goods, or 40 per cent of the total volume for Montreal, transit through the port".

(1835)

The Coast Guard blamed the ice jam phenomenon on climatic conditions, and Mr. Frank Nichol added: "We were hit hard by the weather and we were not ready".

Yet, it is not the first time that the Coast Guard is blamed. In 1980, the commission investigating the circumstances surrounding the collision of the *Athanasia Comminos* with the railway and roadway bridge in Quebec City said this: "If federal authorities want the St. Lawrence River to remain navigable in winter, it is unacceptable on their part to tolerate at any time that ship captains be faced with ice jams such as the one which the pilot of the *Comminos* had to deal with. The solution calls for the river to remain free of ice and, seemingly, this implies a greater use of the ice breakers in operation". Again, this report goes back to 1980.

In 1982, another commission, this time on the *Hudson Transport* tragedy in the St. Lawrence River, headed by Judge James K. Hugessen, was even more critical of the Coast Guard. It said: "Obviously, the Coast Guard attaches a low priority to its search and rescue responsibilities. The Coast Guard is certainly renowned, but not because of its role in this particular case". Following part of the testimony given by the then regional director of the Coast Guard, Judge Hugessen added this: "His admiration fills us with deep contempt. It is symptomatic of the need for a fundamental review of priorities and attitudes in the management of the Coast Guard".

The report concluded with those comments: "Winter navigation in the river and the gulf has now reached a level such that it can no longer be considered an exceptional occurrence. Hundreds of men and thousands of tons of goods use this waterway, which is dangerous in the best of circumstances, and particularly so in winter. We assume that Canada reaps an important economic advantage of winter navigation in the St. Lawrence. Otherwise, this waterway should be closed in the wintertime. If the seaway is to remain open, Canada must arrange for adequate search and rescue services". And this involves icebreakers.

The effectiveness of the Coast Guard in Quebec and in eastern Canada, notably as regards the allocation of vessels and land personnel, leaves something to be desired. Of the 19 icebreakers operated by the Canadian Coast Guard, 11, or roughly 60 per cent of the fleet, are based in the Maritimes. This figure includes the only three heavy icebreakers operated by the Coast Guard.

Private Members' Business

Yet, ice jams virtually never occur in this region and we fail to understand why the majority of our icebreakers—including all of our heavy icebreakers—are based hundreds of kilometres away from the locations where the ice jams occur, either because the seaway is too narrow or the water flows more slowly, as is the case in the Montreal area. Only two medium icebreakers and three light icebreakers are based on the St. Lawrence. They account for only 25 per cent of the Canadian Coast Guard's fleet of icebreaking vessels.

When an icebreaker moored in Dartmouth, Nova Scotia, is deployed to break up an ice jam on Lac St. Pierre, it should come as no surprise if the damage intensifies before the vessel manages to arrive on the scene.

(1840)

Mr. Speaker, the port of Montreal should have been better protected last winter. We really did not need to have these problems.

This glitch, which could have been avoided, only adds to the problems already encountered by the port of Montreal and the St. Lawrence Seaway.

Since 1977, the overall tonnage of goods shipped has steadily decreased. In fact, tonnage declined from 57.5 million tonnes to 31.4 million tonnes in 1992, an especially catastrophic year, primarily because of a marked decline in wheat shipments.

We know that, in the last two years, Ottawa has spent hundreds of millions of dollars on direct and indirect subsidies to Western rail carriers for the transportation of grain to West Coast ports under the Crow's Nest Pass agreements and that a direct effect of this has been a considerable reduction of activities in the port of Montreal.

We also know that the maritime industry as a whole is in decline and that, at a time when the MIL Davie shipyard in Lauzon is in its death throes, Canada is still wondering whether it will ask this shipyard to build the Magdalen Islands ferry or buy a ship from a foreign supplier.

The Japanese would never do such a thing. They would build the ship themselves and provide work for their own citizens rather than putting them on unemployment. In this day and age, Canada would be well advised to follow the Japanese example.

In 1945, Japan was a third world country. It is much smaller than Canada, with five times the population, few natural resources and no energy sources; it is very far from its markets and yet, in a 40-year span, it became one of the world's major economic powers.

In contrast, Canada, with its huge territory, abundant natural resources, nearly inexhaustible energy sources and the world's biggest market on its doorstep, managed to accumulate a \$500 billion debt and to kill the job market.

The only certainty in the government's recent budget is that the debt will reach \$600 billion in three years and that the unemployment rate will remain high. Under these circumstances, it is

important to go ahead and make the changes that can be made right away.

Under these circumstances, it is imperative to maintain maritime activity in the St. Lawrence on a year-round basis and to have the Coast Guard simply do its job. That is why we are recommending to the government to ensure a more effective allocation of the ice breakers in operation in the St. Lawrence, specially in February and March, to avoid these preventable events in the future.

[English]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thank the hon. member for Anjou—Rivière-des-Prairies for raising this motion.

Let me begin by informing the House, as the previous member has, that the St. Lawrence seaway is truly a national treasure. He pointed out that it is one of the transportation corridors and an important link in the economic well-being of all of Canada.

The hon. member indicated, and should understand, that the 2,000 miles of the waterway extend from the Atlantic Ocean all the way to Thunder Bay, which is located at the head of the Great Lakes. Aside from the lakes and rivers of the system, ships traverse 6 canals and 15 locks, of which 13 locks are Canadian and 2 locks are American, before they reach the end of the seaway.

[Translation]

Since the St. Lawrence seaway opened in 1959, Canada has not stood still in advancing navigation in the seaway.

[English]

Indeed, we have been able to take advantage of much new technology that has been developed to combat ice formation in locks and canals. This technology has allowed the St. Lawrence Seaway Authority to add a number of days to the shipping season. The navigation season on the waterway from Thunder Bay to Montreal now extends from late March to late December.

(1845)

Current technology, however, does not permit us to keep every lock and the canal system open to navigation throughout the entire year. In order to sail the seaway in winter we would need to keep the locks and canals ice free, have buoys in place year round, as well as have many additional icebreakers to escort vessels and keep the broken ice moving throughout the system.

It is quite simply impossible for an icebreaker, and the member should understand that his motion is faulty in this respect, or any other vessel to enter a lock filled with ice without causing extensive damage to the lock infrastructure.

Therefore escorting vessels above the first lock at St. Lambert would be next to impossible, even with extensive retrofitting of the lock and canal structures.

Private Members' Business

As my hon. friend may be aware, the federal government has a primary mandate to provide flood control services on the upper St. Lawrence River. The Canadian Coast Guard is responsible for providing these services and has done so since 1904.

Icebreakers operate in the river throughout the winter to keep a channel open as far as Montreal for the unobstructed movement of broken ice downstream. This activity prevents ice jams from forming and also permits the passage of ships except for the periods, and I am sure that the member would recognize this, when there have been abnormally severe weather and ice conditions.

The river has been kept open year-round since the late 1950s.

Flood control is not a by-product of keeping the port of Montreal open, as some would have us believe. The opposite is the case.

I think it is very important that people understand that icebreakers are in the St. Lawrence to prevent potentially devastating floods.

By ensuring that the St. Lawrence River remains navigable year-round as far as the port of Montreal, the Canadian Coast Guard does support the maritime commerce and consequent industry and port employment along the St. Lawrence and the Saguenay River.

There is also a need, then, to keep the maritime traffic moving through the Gulf of St. Lawrence to allow vessels access to the St. Lawrence River.

In the motion presented before this House my hon. friend refers to the effective allocation of the icebreakers in operation in eastern Canada.

I am happy to report to the House that a fleet resources review study was undertaken by the Canadian Coast Guard in 1990 to respond effectively to broad responsibilities in high priority areas of safety and environmental protection while improving efficiency and reducing costs.

Following this study, a fleet restructuring plan was enacted. The plan was phased over a three year period and involved increasing multi-tasking and double crewing which is known in the trade as lay-day system.

To improve our resource utilization the coast guard removed 10 ships from active service and reallocated fleet units between the regions. The reallocations were based on achieving the best match of operational requirements and equipment capability in each region to ensure multi-tasking capability nationwide.

The Canadian Coast Guard has retained the ability to redeploy icebreaking resources where and when needed as the situations dictate while it has trimmed excess capacity.

For example, last year from February 3 to March 5 two powerful icebreakers were redeployed in the maritime region to

assist three icebreakers and one air cushion vehicle from the Laurentian region to break up the ice jams in the Lac St. Pierre region which were causing extensive flooding along the river between Montreal and Trois Rivières.

The east coast icebreaking fleet consists of one heavy icebreaker, one heavy icebreaking supply tug, four medium icebreakers, 13 light icebreakers and one icebreaker hovercraft. Of these, eight are based in the maritime region of the coast guard, six are based in the Laurentian region, four are located in the Newfoundland region, and two are located in the Great Lakes region.

All of these icebreakers are in full operation at this time in eastern Canada, preventing flooding and escorting ships on the St. Lawrence River.

(1850)

Historically problematic ice conditions begin in the upper St. Lawrence River and progress through the season eastward to the Gulf of St. Lawrence, as the hon. member would know. Heavy ice conditions can simultaneously occur in different areas such as the east coast of Newfoundland and in the Gulf of St. Lawrence depending on the influence of weather systems.

As a result of the ice jams experienced during the winter of 1993, the Canadian Coast Guard developed an action plan to implement short and long term solutions to try to prevent a similar occurrence, Mother Nature's abilities to surprise notwithstanding.

Several studies of the St. Lawrence River and Lac St. Pierre were done to evaluate methods of increasing water currents and ice evaluation in problem areas, constructing and placing more efficient steel booms and repairing man-made islands to help maintain a solid ice coverage outside the main shipping channel and analyzing the links between snow and ice coverage, river currents, water levels, wind and tide in the developments of ice jams.

[Translation]

The Canadian Coast Guard is absolutely committed to the provision of icebreaking services on the St. Lawrence River up to Montreal in support of year-round accessibility for shipping and in order to provide the necessary flood control measures for the safety of the local population along the St. Lawrence River.

[English]

There are no plans at this time to change the number or capacity of Canadian Coast Guard icebreakers in eastern Canada. As my hon. friend can see, we are actively addressing the most important aspects of service delivery to Canadians.

Mr. Randy White (Fraser Valley West): Mr. Speaker, it is interesting that some of the things I have to say were already mentioned by the hon. member. He gave a very good speech indeed.

Private Members' Business

I rise to speak to the motion that the government take measures to ensure that St. Lawrence Seaway remains navigable on a year-round basis by reallocating icebreakers in operation in eastern Canada.

Before we get too excited about such an idea, it is necessary to determine the future of the Great Lakes–St. Lawrence Seaway system. We also have to look at the cost impact of such a move and whether once again we redirect much needed resources from the maritimes to Quebec and Ontario.

An essential part of the Great Lakes seaway system is the St. Lawrence Seaway proper. This was a joint venture of Canada and the United States which was opened in 1959. It extends from Montreal to Lake Erie and is composed of a system of 15 locks and canals divided into two sections, the Montreal–Lake Ontario section consisting of five Canadian and two U.S. locks, and the Welland Canal with eight Canadian locks.

Since the early eighties there has been growing concern and considerable debate over the future of the seaway. This has occurred for several reasons. One of the reasons is a significant decline in grain and iron ore traffic because of persistently weak and changing market conditions for grain and steel exports. Another reason is the fragile financial state of the lake carrier industry, and finally the continuing requirement on the part of the St. Lawrence Seaway Authority, the pilotage authorities and ports to be financially self-sufficient.

Many a study has been undertaken on the future of the seaway and the redirecting of our east coast icebreaker fleet has little to do with the issue of demand for the ports along the waterway.

The motion before us suggests that the way to stimulate more traffic in the seaway would be through a significant extension of the system's shipping season beyond the current eight and a half to nine month operating period.

Many reports have pointed out that it is technically possible to do this even in heavy ice and poor weather conditions. However, it is acknowledged that there would be an increased cost to keep the system open. This is a cost which will be borne by the Canadian taxpayer once again.

Do we need an already overburdened taxpayer paying more for a cause that is somewhat dubious at best? Should we not clarify the future of the waterway before making costly adjustments to the way it is being managed?

The federal government, the provincial governments and the municipal governments have entered into an infrastructure program which will cost us \$6 billion.

(1855)

They are committed to a child care program that will cost us \$1.5 billion. They are overspending their annual budget by \$40 billion. I ask again whether one needs to give this government a licence to spend more money.

Since the seaway opened there has been an extension to the shipping season of four weeks on the Montreal–Lake Ontario section and two weeks on the Welland. In addition, cost benefit studies have been done which indicate that an extension of the season cannot be justified on economic grounds alone.

It simply makes no economic sense for the seaway system to remain in operation during the period of cold weather and heavy ice. There is not sufficient icebreaking capacity to do the job and because of the narrow channels it is very difficult to keep them open as the ice closes in behind the icebreaker very quickly.

Furthermore, there are large questions regarding the required flow of water for hydroelectric plants during the winter season in periods of heavy ice. Broken ice is also a serious problem as it can damage hydroelectric generators. Ice booms are placed across the seaway under the control of the power authority to ensure that ice does not damage its generators.

Therefore the seaway is not opened until March 28 for that reason. What the authority is concentrating on doing is providing at least eight and a half months of safe, trouble free and efficient navigation while giving at the same time consideration to gradual incremental extensions of any season based upon the weather, facilities, costs and the amount of business.

This common sense approach to business is more practical and economical than launching a major effort to provide a longer winter navigational season. There would be considerable extra cost and it is by no means clear that a sufficient amount of extra traffic would be generated to justify the greater cost and effort.

Let us look for a moment at the two main responsibilities that the Canadian Coast Guard has. The first responsibility is to provide route assistance by escorting vessels through the ice on the St. Lawrence. The second responsibility is flood control on the upper St. Lawrence.

Flood control is necessary because when the ice gets thick it acts as a dam. It backs up the water and floods over the banks. Therefore it is necessary for the icebreakers to get through, open it up and release the pressure on the head of the ice.

Escorting costs \$7.9 million each year. Out of a total of about 3,000 hours dedicated to escorts, 566 hours were attributed to vessels running into Montreal. The flood control costs are about \$10 million a year.

There are various types of Canadian Coast Guard ships. Six types are classified as icebreakers providing year-round operations or heavy ice control. The others are used for small and medium vessel escort in light ice or shallow water conditions or

Private Members' Business

they are used for life boat class for all-weather operations in semi-sheltered waters.

Let us look at the actual number of ships and their locations. The hon. member from the opposite side mentioned similar numbers and I got mine from the coast guard this afternoon. The difference between the numbers from one speaker to the next is actually as fast as those ships are redeployed in different areas.

In the maritimes there are 26 vessels but many of those vessels are for shallow water or cannot really break ice. They are used for other operations. Six of those vessels are classified as icebreaking ships.

The maritime region is classified by the coast guard as the area around Nova Scotia, P.E.I. and some of New Brunswick. The Newfoundland region has 13 vessels, four of which are of icebreaking capability.

The west coast has 27 ships with only two icebreakers. In that climate icebreakers are not that necessary. The Laurentian region has 23 vessels and five icebreakers and the central region has 24 vessels and two icebreakers. That is a total of 83 vessels broken down into those various classes.

(1900)

I want to emphasize some critical points in this discussion. The icebreaking fleet on our eastern seaboard totals 17. Of that total, seven are in central Canada and the others are in Newfoundland and the Halifax area. The ice is so dynamic where it shows up, and because of weather patterns and so on, the fleet is based in four places for ease of getting to the problem. The economy of these four bases is affected by redeployment.

Why do we have a motion before us that will have a negative effect on the maritimes to the benefit of the area located around the St. Lawrence, which is Quebec and parts of Ontario? The economy is not good in the maritimes and I do not think we should be trying to present a proposal that would harm the maritime economy.

The coast guard must have the say on temporary redeployment as the need arises, not the government. We should stay out of that business. It knows best where to redeploy its fleet. Perhaps if we concentrated on paying our bills, reducing our debt and eliminating our deficit we could expand the coast guard to look after such a problem and allow our young people the opportunities to restore the maritimes to its proud heritage as guardian of our seas.

I think the coast guard knows best. That is about all I have to say, except that I would not be in favour of this motion.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I welcome the opportunity to discuss this very important motion

brought forward by my friend from Anjou—Rivière-des-Prairies that the government should take the necessary measures to ensure the St. Lawrence seaway remain navigable on a yearly basis and doing this through a more effective allocation of the icebreakers and their operation in eastern Canada.

I was interested in the comments just made by my friend from the Reform Party. He is interested in the costs of keeping the St. Lawrence open on a year round basis, the effect it would have on the coast guard and the impetus the coast guard could bring to this very important issue of icebreaking, not only along the St. Lawrence River but on the Great Lakes and their additional duties in the Arctic. If one considers the Great Lakes and the St. Lawrence system, Canada is really a country that is water bound on three sides and on the southern perimeter by half the length of Canada. Therefore, we are from sea to sea to sea to sea and therefore a maritime nation.

I was particularly interested in the remarks of my friend from Quebec who mentioned the unfair subsidies that create an artificial freight rate with respect to grain and oil seeds. This is generated because of sections in the Western Grain Transportation Act which create an artificiality in the movement of grains whether they are to the ports of Prince Rupert, the port of Vancouver or the port of Thunder Bay and eventually from the port of Thunder Bay to the downriver ports in which he has an extreme interest.

Our side has yet to make a decision about what we are going to do in the future, whether we continue to pay the shippers, in this case the Canadian Pacific Railways and the Canadian National Railway, or whether we pay the producer so that we can maximize the return to the farming community. More important, by withdrawing support of the subsidy paid directly to the railways in this country we can then create a level playing field for all transportation loads. We let the farmer, as we let the manufacturer of automobiles, furniture or any other commodities, make the ultimate decision on how to ship their product to market. If we take away that artificial subsidy that is creating distortion in our freight system now in Canada, we then allow the farmer to maximize his or her return and choose the most effective way to ship his or her product to market.

(1905)

As my friend knows, at certain points in Canada we will find that it is more effective—and I think that point goes beyond the western boundary of Manitoba, to go beyond that point—to ship and use the Great Lakes—St. Lawrence seaway in order to transport those products of grain, oil seeds, potash and coal than by using other ports.

Private Members' Business

I respect that comment. It is one of the issues that we will be addressing in the very near future.

The issue that we are really talking about when we discuss the opening of the St. Lawrence seaway for a full 12 months is whether the St. Lawrence seaway–Great Lakes system is still a viable transportation route in Canada. It is an infrastructure that we have built and paid for, to answer my friend's question. It is a transportation route that was approved in 1954 and 1956 and completed in 1959. It was paid for through the Government of Canada. There was some support from the United States for the two locks that it owns and still operates.

In the last seven years there has been a complete refurbishing of the Great Lakes locks especially around the Welland canal in the amount \$175,000. It has just been completed. The system in itself today is very viable and in good shape.

Your colleague in the front row who is going to speak after me is part of the subcommittee that we on this side of the House have formed to analyse whether the Great Lakes–St. Lawrence is a viable transportation route in this country. If it is not viable we want to know what we have to do as a government to make it a viable transportation route and what changes are needed that are presently obstructing the use of the St. Lawrence–Great Lakes system and the down river ports that create so much employment in Montreal, Quebec City, Baie Comeau, Sept–Îles and all of the other areas in the province of Quebec. There is an ability there to recreate those jobs that were lost because of the flow of grain going to other centres.

I look forward to your support on the subcommittee that has been formed on the viability of the Great Lakes–St. Lawrence seaway. Your colleague and our colleague from the Reform Party form part of committee that will be bringing all of these considerations together. We will be studying them. We will be visiting your area hopefully in the near future. We would very much like to discuss in depth all of the pros and cons to the motion you bring before this House today which is: Is it possible to maintain the St. Lawrence River on a 12-month basis.

We will be very interested to hear the proposals that will be forthcoming. I would like to continue this discussion at another time after we have had the opportunity to review all of the information and facts that are so necessary in order to make those vital decisions to ensure the stability of our maritime transportation system in Canada. Thank you, Mr. Speaker, for allowing me to make those comments.

The Deputy Speaker: I believe the member used the expression "you" a number of times. He was no doubt referring to the Speaker.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, my colleague, the hon. member for Anjou—Rivières-des-Prairies, submitted to the House a motion asking this Chamber to demand that the government take the necessary measures to ensure that the St. Lawrence Seaway remains navigable on a year-round basis, through a more effective allocation of the ice breakers in operation in Eastern Canada.

(1910)

As the member for Beauport—Montmorency—Orléans, I wish to inform the House that I support this motion and that my Party as well as my constituents of Beauport—Montmorency—Orléans also support it. I will not repeat my colleague's arguments, I will only say that I endorse them, because they are sound, they are based on a reality we have faced year after year and that we have been denouncing since March 1993.

My riding borders on the majestic St. Lawrence river. Our ancestors were navigators and boat builders. Many people still are. That means that anything relating to the Seaway is of great interest to my constituents and they are concerned when problems arise.

My Party made me the official opposition critic for Transport. The St. Lawrence Seaway and the ice breakers allocated to this waterway are essential to the Canadian transportation industry.

On March 10 of this year, the Minister of Transport took the floor to support the budget presented by his colleague, the Minister of Finance, on February 22, and he said: "it is the government's intention to spend \$619 million on the Canadian Coast Guard". It is precisely to the Coast Guard that I wish to draw the attention of the House, and not so much to the amount which will be spent on it, but on the way it will be spent.

The commissioner responsible for the Coast Guard mentioned several times that there were only two ways to go if we wanted to make the Coast Guard profitable: it must either become a government agency and receive grants or impose a user fee. The first option could be discussed if the government decides to present it to the House. It is not the status of the Coast Guard which is important, but its mandate and its budget. My party and myself do not wish to modify the Coast Guard's present status and we would very much like to be consulted if ever the government intends to change it.

As for the second solution, that is a user fee, it would be a national suicide. Canada is a northern country where winter is often rough and long. An important part of the country has no access to the Atlantic or the Pacific. Commercial and economic centres are inland and waterways leading to them are ice-bound in winter. The main role of the Coast Guard is to guard waterways that are open to traffic year-round so that ships can pass freely and respect delivery deadlines and shipowners can be competitive.

Year after year we have seen major problems and the number of ships assigned to those routes is quickly dropping. At the beginning of the eighties, 125 ships were assigned to transpor-

Private Members' Business

tation on the St. Lawrence; now, there are only 79 left. Just think for a minute about what the effect of a user fee would be. It would kill all activity in the ports of Quebec City, Trois-Rivières and Montreal and in those of the Great Lakes, including Thunder Bay.

It was mentioned that this fee could be based on the distance covered in Canadian waters. What do you think the shipowners would do? They would go to Halifax, Boston, New York maybe but certainly not to Quebec City, Montreal and Thunder Bay. The problem is a serious one. We must revive the St. Lawrence and assign to it all the ice-breakers that are required to keep it open. If we are to achieve that, the present government must take three main steps. First, it must distribute the ice-breakers equitably and reassure all employees of the Coast Guard about their future. Second, adopt a maritime policy for Canada; and third, examine the possibility of allowing shipowners to get a second registration.

The allocation will be fair if it allows free movement from the Gulf of Saint Lawrence to the Great Lakes. If ice-breakers have to be built, we are able to do it: we have shipyards, human resources and iron. When I have the time to do so, I will explain to my colleagues in this House the present allocation and composition of the Canadian Coast Guard fleet as well as its needs.

Montreal harbour should never again be closed, as happened between February 4 and March 2, 1993, which entailed astronomical losses. The Canadian Coast Guard is reputed to be the best in the world, so whose fault was it?

Canada does not have a real maritime policy like the United States which require that 60 per cent of the ships served by American ports be U.S. registered.

What are the conditions required to sail our waterways? What are the environmental protection requirements? All those an-

swers should be put together in framework legislation; that is what is lacking in Canada.

Several countries, like England and Norway, allow shipowners to get a second registration for their ships. Why would Canada not do the same thing in allowing Canadian shipowners to serve ports other than ours, without having to pay tax? Among the benefits of such a policy, more than 300 unemployed deck officers, representing more than 50 per cent of our trained and qualified officers, could be put back to work. These workers would be able to feed their families and would spend their money in Canada.

In conclusion, it is not the time to think about changing the status of the Coast Guard and the ice-breakers. It is not the time to impose user fees, but rather to provide the ships needed by the Coast Guard to maintain movement all year long in the navigable waters of the St. Lawrence River.

Until Quebec becomes sovereign and takes back what it gave under contract to the federal government at the time of Confederation in 1867, we demand that the present government adopt a consistent transportation policy that will allow Quebecers to see ships from all over the world move freely on the St. Lawrence River 365 days a year and that will ensure the economic development of our cities, which badly need it in these times of recession.

The Deputy Chairman: Since no other member wishes to speak, the hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 86(1), the order is dropped to the bottom of the order of precedence on the Order Paper.

It being 7.20 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 7.19 p.m.)

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