



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, April 23, 1997**

**Speaker: The Honourable Gilbert Parent**

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# HOUSE OF COMMONS

Wednesday, April 23, 1997

The House met at 2 p.m.

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*Prayers*

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**The Speaker:** As it is Wednesday, we will now sing our national anthem. Today, rather than having the members of Parliament do the singing, I have asked all our pages to be with us.

[*Editor's Note: Whereupon the pages sang the national anthem.*]

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## STATEMENTS BY MEMBERS

[*English*]

### CANADIAN ENERGY PIPELINE ASSOCIATION

**Mr. John Finlay (Oxford, Lib.):** Mr. Speaker, since being elected to this House in October 1993, I have worked to ensure that Canadian landowners can have their concerns heard and considered by the National Energy Board in hearings involving Canadian pipelines.

I am happy to say that the Canadian Energy Pipeline Association, CEPA, has introduced changes to the way it communicates with landowners to allow landowner concerns to be heard. This enhanced process will include mediation, when necessary, to ensure that landowner concerns are not only being heard but investigated by independent experts.

This could not have been accomplished without the tireless efforts of the Ontario Pipeline Landowners Association, which is centred in southwestern Ontario.

I look forward to working with CEPA, the Minister of Natural Resources, the OPLA and other landowner groups across the country, and federal and provincial federations of agriculture to ensure that the enhanced process results in safer pipelines for all Canadians.

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[*Translation*]

### LE COURRIER OF SAINT-HYACINTHE

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, *Le Courrier*, the Saint-Hyacinthe newspaper, is celebrating its

145th anniversary. Founded in 1853, it is the oldest French newspaper in North America and a veritable institution.

Throughout its history, *Le Courrier* has covered political news and the men and women that make it. Honoré Mercier served as editor of *Le Courrier*, then member for Saint-Hyacinthe and then premier of Quebec. Henri Bourassa and T.-D. Bouchard were both residents of Saint-Hyacinthe famous at different times nationally for their political activities.

• (1405)

Despite its venerable age, *Le Courrier* remains a quality and dynamic weekly respected even today by the weekly press, which awarded it three years running—1994, 1995, and 1996—the prestigious title of weekly of the year.

I would therefore like to congratulate the current employees of *Le Courrier* of Saint-Hyacinthe and draw attention to the invaluable contribution made by this monument of the Quebec press.

[*English*]

LIBERAL PARTY

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, we are only days away from the expected election call. The Liberals claim they will run on their record so let us take a look at that record.

Bill C-33 provides the framework for further erosion of the definition of the family and yet more benefits for a special interest group.

Bill C-68 cracks down on millions of law-abiding citizens but does nothing to the criminals of this country. The preservation of section 745 of the Criminal Code allows monsters like Clifford Olson and Paul Bernardo to apply for early release.

Over \$250 million is being spent to cover up the Liberals' Pearson scandal without creating a single job, in spite of false Liberal claims. The CPP payroll tax has been hiked 73 per cent. Social programs have been cut \$7 billion. We have had the largest tax revenue increase in Canadian history. Parliament has had one free vote since 1993.

Convicted criminals have a record. Clearly they should not be proud of their record. Neither should the Liberals.

*S. O. 31*

## CHINESE CANADIAN COMMUNITY

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, the NDP welcomes the commemoration of the 50th anniversary of the repeal of the Chinese exclusion act, the discriminatory law that along with the Chinese head tax that preceded it, imposed great hardship on Chinese Canadians.

It is a reminder that Canadian governments have not always governed according to the highest standards of equality in democracy. One is reminded of the way Japanese and Italian Canadians were treated during the second world war, the way Ukrainian Canadians were treated during the first world war, the way the Jews fleeing Nazi Germany were not welcome in Canada or the way that so-called Orientals were denied the vote for years.

It is important to remember and to say never again, but may I add that many of my NDP political predecessors in the CCF were politically courageous enough to condemn such things when they were actually happening and when it was not popular to do so. Part of remembering is remembering who was there when the going was tough.

## FERRY SERVICE

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, Transport Canada recently privatized the ferry service between Saint John and Digby, Nova Scotia. I have spent the last few weeks trying to correct this deal gone bad for the former Marine Atlantic employees.

The winning bidder, Bay Ferries, let all 230 Marine Atlantic employees go on privatization. They were told to go home and wait for a phone call. Many of the employees were not hired back, even though they were fully qualified with 20-plus years of service.

I have tried unsuccessfully through the Department of Transport to get a copy of the final contract between Bay Ferries and the government. My access to information request was returned to me explaining that I needed to send an extra \$100 because it would take the department 15 hours to find a copy of its own contract.

This is a stalling tactic and tells me the Minister of Transport has something to hide. If the minister has nothing to hide, I ask that he live up to the government's promise of more open government and table a copy of the contract in this House immediately.

## NATURAL HEALTH PRODUCTS

**Mr. Tony Valeri (Lincoln, Lib.):** Mr. Speaker, many of my constituents in Lincoln rely on herbal remedies for their health and wellness needs. Lately they have been concerned that their access to herbal and botanical preparations is being denied by the health protection branch.

To their surprise, herbal remedies, many of which have been used for hundreds of years, are increasingly being classified as drugs, banned for regular use.

Perhaps the time has come to create a new legislative regime which would respect the special role that herbal remedies play in the health industry. The benefits would be clear, more protection for consumers, stronger recognition of the importance of preventive medicine and an enhancement of the health and wellness of many Canadians.

This new step can only be taken if the health protection branch and the natural medicine industry work closely together to define an approach to natural health products that will capture their unique uses and properties.

## BOOK DAY

**Mrs. Carolyn Parrish (Mississauga West, Lib.):** Mr. Speaker, I rise in the House today to recognize national book day and to acknowledge the importance of Canada's printing industry to our economy.

The advent of the printing press changed the face of the world. It advanced math, literacy and the spread of information, paving the way for modern democracy.

In 1751 the first printing company opened in Canada and today most of us can name a friend or relative employed in this industry. The printing industry is primarily Canadian owned and employs more than 75,000 Canadians working in 3,200 establishments across the country. Another 85,000 are employed in the fine paper industry that supplies their presses. The printing industry is the fourth largest manufacturing employer in the nation, producing \$8 billion in shipments this year. Exports to the United States alone increased by 13 per cent.

• (1410)

Canada's commercial printing industry is dominated by small firms, with 82 per cent employing fewer than 20 persons. They also use some of the most advanced technologies available.

We should be proud of this industry, one that continues to prosper, adding to a healthy Canadian economy.

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## CHINESE CANADIAN COMMUNITY

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** Mr. Speaker, this year Canada celebrates the 50th anniversary of its Citizenship Act. For the Chinese Canadian community, 1947 was also a year of importance for another reason.

It was on May 14, 1947 that the Chinese immigration act was repealed and immigrants from China were no longer treated separately from other immigrants. This act had been passed in

1923 and virtually prohibited all Chinese immigration to Canada until its repeal.

Attaining Canadian settlement and citizenship was a victory made possible by generations of Chinese Canadians who surmounted great hardship and fought for equal opportunity to participate in and contribute to Canadian society. The Chinese Canadian community across the country is planning a series of events this year to pay tribute to those pioneers who paved the way for those who have followed.

I know that all members will recognize the significant contributions made by all immigrants, particularly by Chinese Canadians, in all areas of Canadian society when this 50th anniversary is commemorated next month.

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[Translation]

#### AIR CADETS

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, for a number of years now squadron 630 of Beauport has been taking part in military march and music competitions.

The cadets in the squadron have been finalists in competitions for the past five years and winners of the SIMMS trophy for the past three.

As member for Beauport—Montmorency—Orléans, I had the opportunity to see them perform in my riding, where the squadron is based. This year again, they will demonstrate their worth and their prowess on June 1.

I invite everyone to come and hear the next generation at this competition in Quebec City. Military marching and music will be the order of the day, and the cadets will be as talented as in years past.

If we want people to have a sense of duty, we must encourage their efforts and applaud their performances.

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[English]

#### NATIONAL DEFENCE

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Mr. Speaker, the government ordered the Canadian forces to fight in the gulf war. The troops went there fit and healthy but some were exposed to chemical fallout and more than 200 returned with serious multiple chronic disabilities.

Specific medical diagnosis may be difficult but reports from the United States, Britain and other participants confirm that we can no longer deny the exposure to toxic chemical rain after air strikes and

*S. O. 31*

engineers destroyed Iraqi chemical weapon production and storage depots.

The government promised these troops would receive the benefit of the doubt but six years after the war, many claims are still locked in the regulatory maze and some are simply giving up. Those with less than 10 years' service with no recognition of disability do not qualify for pensions. Losing their health and career under these circumstances only to face a bureaucracy which refuses just treatment is devastating.

I join with the National Council of Veterans Associations in calling for government to start the recognition process by providing a basic pension for these deserving gulf war veterans.

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#### PORTUGAL

**Mrs. Eleni Bakopanos (Saint-Denis, Lib.):** Mr. Speaker, this week Canadians of Portuguese origin will be celebrating the 33rd anniversary of their liberation from the dictatorship that had gripped Portugal for 49 years.

[Translation]

This year, however, celebrations will be even more special because of the federal government's decision to no longer require a visa for visitors from Portugal. The decision reflects the desire of the government to respond to Canadians' expectations, especially those of the Portuguese community.

[English]

On behalf of the over 11,000 Canadians who signed a petition on this issue, which I had the honour of depositing last December, I wish to thank my government for its decision. I also wish to take this opportunity to bid farewell to the Ambassador of Portugal to Canada, His Excellency Fernando Manuel da Silva Marques and his wife Natalia who will be ending their term in Ottawa next month. I wish them the best of luck. Merci.

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#### NATIONAL DEFENCE

**Ms. Mary Clancy (Halifax, Lib.):** Mr. Speaker, Liberal members of the defence committee have completed hearings in Val Cartier and in Halifax. We heard from generals and admirals but equally important we heard from the enlisted ranks and NCOs. We heard from social workers, health professionals, chaplains. We heard from spouses, child care workers, crisis intervention workers. We saw a fascinating picture of the life of our military, their families and the people who provide support to them. We heard stories that amazed, that inspired and that angered us, but most of all we saw that our military is the vibrant, hardworking, diverse institution we knew it was.

*S. O. 31*

• (1415)

I am sorry the Bloc and Reform members did not see fit to join us. Our visits were worthwhile for us and for the military.

To all the men and women who spoke with us so frankly, we are grateful and proud and we salute you.

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**KEMPTVILLE '73S**

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, it is a great pleasure to make what may be my last statement in the House of Commons on a high note.

The town of Kemptville is in my riding of Leeds—Grenville not far from here. Its Junior “B” hockey team has gone through the 1996-97 regular season undefeated. The team’s record is 38 zero and four. In the seven game playoffs, which the team won four games to three, it won the final game four to three in double overtime.

I do not know whether any other team in Canadian hockey history can match that record but it is a record of which we are all very proud. Head coach Paul Sheard and assistant coach Derek Rintoul are proud.

Congratulations to the Kemptville '73s. All of eastern Ontario is very proud of them.

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[Translation]

**NATIONAL ORGAN DONOR WEEK**

**Mrs. Madeleine Dalphond-Guiral (Laval-Centre, BQ):** Mr. Speaker, on February 19, the Act Respecting a National Organ Donor Week in Canada received royal assent.

In this first national week, I would like to honour the families of donors, who, at a particularly distressing time in their lives, agree to give someone they do not know the life that remains after death has struck down someone they hold dear.

I would today like to honour the courage of H el ene Rouleau-Ver-ville of Laval. On the death of her son Alexis at 4 years, 2 months, she had the courage and generosity to rise above her sorrow and anger and give five children a new life.

H el ene, your gesture speaks eloquently and forcefully of your courage.

On behalf of all parents, I thank you.

[English]

**CANADIAN WHEAT BOARD**

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, it is early March and the phone rings at the Canadian Wheat Board office:

“And good morning to you, Mr. Minister. Did you consider our request for an increase in initial wheat prices for farmers?”

“No, no, of course not, Mr. Minister, we haven’t said anything publicly. We certainly know how you feel about that. But that is nearly two months from now, Mr. Minister. Do you not realize that we are over half the way through the crop year? With this horrible transportation mess you have allowed, our phones are ringing off the hook. Farmers need cash. You know it is their money and there is quite a bit of it considering how low you made the initial price last summer.”

“An election in the spring. Oh I see, I see. You certainly are a wily old politician.”

“Yes, yes, okay sure. You bet. We will definitely delay our request for another six or seven weeks. We will await your call in late April. You have a nice day too, Mr. Minister. And good luck in the election. You are going to need it.”

\* \* \*

**RICK HANSEN**

**Mr. Andy Scott (Fredericton—York-Sunbury, Lib.):** Mr. Speaker, I would like to acknowledge the efforts of an outstanding Canadian who will soon be celebrating the 10th anniversary of his Man in Motion World Tour.

Rick Hansen is a remarkable person who has used his determination and success to bring attention to issues affecting many people with disabilities.

In the two years, two months and two days that it took Rick Hansen to travel over 40,000 kilometres through 34 countries and across four continents and in the 10 years since, he has raised the world’s awareness of the potential of persons with disabilities.

We may never be able to measure the impact he has had on attitudes but we know that the \$20.8 million awarded in grants and the \$20.9 million that the Rick Hansen Institute has contributed to removing barriers to the participation in society of people with disabilities has changed their lives and promoted their equal citizenship in communities across our country.

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**PRESENCE IN GALLERY**

**The Speaker:** Before we proceed to question period today, I would like to draw to your attention the presence in the gallery of

*Oral Questions*

Baroness Caroline Anne Cox, Deputy Speaker, House of Lords, United Kingdom of Great Britain and Northern Ireland.

**Some hon. members:** Hear, hear.

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## ORAL QUESTION PERIOD

• (1420)

[*Translation*]

### CANADIAN ECONOMY

**Mr. Gilles Duceppe (Leader of the Opposition, BQ):** Mr. Speaker, my question is for the Prime Minister.

The Liberal government is going into an election without much to show in the way of jobs. According to the government's real record, it is still more than 900,000 jobs short of the prerecession job rate. Faced with the Liberal government's appalling inaction in this respect, thousands of discouraged workers have given up even looking for work.

When the Prime Minister meets unemployed Quebecers on the hustings, what will he tell them? Will he repeat that jobs are on their way? Will he advise them to move if they are in a hurry to find a job? Or will he again say good luck?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I will tell voters, when we have an election, within the next 17 months—

**Some hon. members:** Ha, ha.

**Mr. Chrétien (Saint-Maurice):**—that when we started, unemployment was at 11.4 per cent and it is now at 9.3 per cent; that the Canadian economy created 757,000 new jobs during the past three years; that this morning, the International Monetary Fund stated that it expects Canada will have the highest economic growth rate of any G7 country for the year 1997-98; that the IMF expects unemployment to drop in 1997 and 1998 and that if Canadians show the necessary discipline, inflation will not be more than 2 per cent.

I will also tell them that we have been able to reduce short term interest rates by more than 3 per cent, compared with the Americans. We offer better interest rates than the Americans, so that the Quebec government, for instance, can save \$600 million on its interest payments.

**Mr. Gilles Duceppe (Leader of the Opposition, BQ):** Mr. Speaker, the Prime Minister should tell voters during the election campaign that there are nearly 1.5 million people unemployed, five million living in poverty, fewer and fewer people eligible for unemployment insurance and an impressive number of discouraged workers. That is something the IMF did not mention. The IMF did not say that deficit reduction was achieved at the expense of the unemployed and the provinces.

Will the Prime Minister admit he did not keep his promise of “jobs, jobs, jobs”, any more than he kept his promise to scrap the GST?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Canadian economy has performed reasonably well, because 757,000 new jobs were created since we came to power. Of course we would have liked to have more. However, in the circumstances, it is a very good performance because, as I have said on several occasions, this is a problem facing countries throughout the world. In Canada we have created more jobs than Germany, Italy and France combined, although the population of each these countries is much larger than ours.

We are not satisfied, however, and we feel we should keep working on it. However, we have put the government's financial house in order. The country's finances are in better shape than they have been for a long time. Our objective was to reduce the deficit to 3 per cent of GDP, and we are more than a year ahead of schedule. That is why today, people throughout the world are saying that Canada's example is the one to follow.

**Mr. Gilles Duceppe (Leader of the Opposition, BQ):** Mr. Speaker, the Prime Minister should realize that economic growth should mean more tax equity, more jobs, more humane policies for the unemployed and more social justice.

Will the Prime Minister realize that economic growth should benefit the unemployed and not take place at their expense?

• (1425)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, that is exactly why in the last budget, for instance, we invested new money totalling \$850 million in tax exemptions to fight child poverty, because we on this side of the House have a social conscience and we want to ensure that everyone benefits from the progress we have made.

The first amounts that became available were applied to poverty. We then provided incentives for training people. We invested \$800 million in innovation, so Canada will be ready to compete in the 21st century.

Instead of being negative, we look positively to the future because we believe that Canada is the country that will be best equipped to enter the 21st century.

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### GOODS AND SERVICES TAX

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, what the Prime Minister neglects to mention is that, while a few million dollars will be forthcoming, but only in 1998, to combat poverty, he has cut \$4.5 billion from social programs.

**An hon. member:** True.

*Oral Questions*

**Mr. Loubier:** Let us talk GST, Mr. Speaker.

Since April 1996, the Minister of Finance has defended the \$1 billion in compensation paid to the maritime provinces, through a pseudo-program of adaptation assistance, one which, when applied to Quebec, entitled it to no compensation whatsoever. Such was the minister's position for eight or ten months, the time Ottawa took to provide Quebec with the figures and information on how they were reached. Since then, Quebec has proven that the federal government cheated in its calculations and that, in reality, Ottawa owes it two billion dollars.

My question is for the Minister of Finance. Can the Minister of Finance, who generally admits to his mistakes, tell us why he is not giving Quebec the compensation to which it is entitled?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Minister of Finance has been very clear. The compensation program offered to provinces having harmonized their tax with the federal tax applies to all of the provinces.

The provinces which lost money because of harmonization are entitled to compensation equivalent to half of the losses incurred. In the case of Quebec, it broadened their tax base since harmonization. For each of the past six years, it has collected more in sales tax than it did at the time of harmonization. Having lost nothing, therefore, it did not qualify for compensation.

This has been stated clearly, moreover, by the person who was Minister of Finance at the time of harmonization, and is now the opposition finance critic. He stated clearly and honestly that, in fact, Quebec had gained rather than lost in this arrangement with the federal government.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I would invite the Prime Minister to read the ten pages of Mr. Landry's budget, and he will gain some understanding of the matter; at the moment, he understands absolutely nothing.

I am now asking my question of the Minister of Finance. Will the Minister of Finance acknowledge this legitimate claim and reimburse Quebec?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the answer I have just given applies, because there was no loss for Quebec, there was a gain. That is clear, and easily verified.

When people have nothing else to say, they refuse to look at the truth. I know very well that many Quebecers will recall that, a few years ago, employees were given pay raises before the referendum, and then, for the second time in Quebec history, those who received something before the referendum had their pockets picked by the Parti Québécois after the elections.

[English]

**LIBERAL GOVERNMENT**

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the Prime Minister is preparing to go to the polls after only three and a half years in office, the earliest election call by a majority government in 50 years.

Why is it that the government is going to the polls so early? Not because it has anything new to say on generating jobs. Not because it has anything new to say on its high record of taxation and debt. Not because it has anything new to say on national unity. The government is calling an early election because it has run out of steam. "Running on Empty" is the name of this movie.

How can it be that this Liberal government is so utterly devoid of new ideas that it has to go to the polls after only three and a half years?

● (1430)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, after years of the leader of the third party's wanting us to go to the people, now he is chickening out.

We want to go to the people because of the work we have accomplished since the beginning of our term.

We will say to the Canadian people that his party does not have a program any more. That party was always talking about the deficit. We solved the problem.

We will go to the people of Canada and say that because of the good government we have provided we now have the lowest interest rates in 35 years. We will go to the people of Canada and tell them that because we had a good government their mortgage payments are about half of what they were six years ago. Now when people renew a \$100,000 mortgage they have \$6,000 or \$7,000 more in their pockets each year, after tax.

That is much better than the tax cuts which that party promised to give to the banks.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the Prime Minister must be joking if he thinks he can run on his record. He must be imagining things. He consulted JoJo the psychic who read his mind and went bankrupt shortly thereafter.

The Prime Minister cannot run on his record because during the election he will be running away from it. The Prime Minister is going to be hiding from the 1.4 million unemployed. He is going to be hiding from the two to three million underemployed. He is going to be hiding from those millions and millions of taxpayers to whom he promised tax relief and then broke his promise.

How does the Prime Minister think an early election call will help him to run away from his record, especially when he has nothing new, fresh or creative to say?



*Oral Questions*

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I always take into consideration the fear of the leader of the third party before making up my mind.

The leader of the third party says that we will run away from our record. No, we will not.

We were supposed to have a new type of opposition. It was supposed to give free votes to its members. It never did that. There were more free votes on this side of the House than on that side.

I will go. We will go. We are very confident because we have restored integrity in the public's eye. In the last four years there has not been a scandal on this side of the House. We have changed completely the mood of the country.

Last month a poll was taken. Five years ago the same poll was taken. It surveyed 18 countries. At that time the confidence which Canadians had in their national government was at the bottom of the list. Only 15 per cent of Canadians had confidence in their national government. In the poll taken last month we were ahead of every other nation. In four years confidence rose from 15 per cent to 55 per cent. That is the best level of confidence of any of the 18 countries surveyed.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the Prime Minister is a prophet. He said he will go, and he will go.

The Prime Minister brings back the memory of Liberal Premier David Peterson who called an early election, could not explain it to the public and then played to protect the lead and lost the game.

There are four things which the Prime Minister cannot escape through an early election call or through last minute deal making.

• (1435)

He cannot escape the worst record of unemployment numbers since the depression. He cannot escape the broken GST promise. None of them can escape the obscene MP pension plan. He cannot escape a pathetic national unity strategy that came within 50,000 votes of destroying the federation.

Since the government has a record like that and it has nothing new or creative to say to Canadians, why is the Prime Minister going to the polls after only three and a half years?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I want to go to the people of Canada. I will tell them that when we were fighting for unity in the referendum the leader of the third party said nothing, trying to make our life difficult.

I will tell them that if we want to keep the country united, we need a party that can get members elected in every province and territory of the land.

I will go to the people to tell them that Canada will survive with Liberal values and not with values that try to divide the country on different bases.

\* \* \*

[Translation]

**GOODS AND SERVICES TAX**

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, my question is for the Minister of Finance.

The Minister of Finance has nothing better than unconvincing sophistries to offer in response to the Quebec Minister of Finance, who reviewed his calculations and was able to provide evidence, in black and white, that Quebec is indeed entitled to \$2 billion, and not to zilch, as maintained by the minister.

Since it has been established that the minister's McKenna formula, when used properly, provides for \$2 billion in compensation for Quebec, why is the minister not paying this \$2 billion to Quebec? Why is he stubbornly defending the indefensible?

[English]

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, we talked to the Quebec government. The federal government held numerous discussions with the Quebec government on the calculation of the compensation for the GST and the QST.

We continue to arrive at the conclusion that Quebec simply does not qualify for adjustment assistance. Quebec has not suffered losses to the harmonization of the QST and the GST, the public accounts of Quebec.

I suggest the hon. member look at the public accounts. They show us that the annual revenues derived from the QST increased following the signature of the harmonization agreement. They went from \$5.1 billion in 1988-89-90 to \$5.4 billion. That is up. In 1991 they went to \$6.2 billion.

[Translation]

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, on March 19, the Minister of Finance himself compared the adjustment assistance paid to the maritimes for harmonizing their taxes to the financial support provided to the Saguenay flood victims and to equalization payments, as if this was just another federal assistance program for have-not regions. The minister finally admitted that his harmonization adjustment assistance formula was a front, a pretence to deny Quebec compensation.

With his share of the \$1 billion paid to the maritime provinces, Frank McKenna is wooing away our businesses with our own tax money. When will the minister put an end to this unfair competition? When will he pay Quebec the \$2 billion it is entitled to?

*Oral Questions*

[English]

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, when the federal government does the calculation, assuming a full harmonization of the GST and the QST in 1990, using data supplied by Quebec, it still arrives at the conclusion that Quebec simply does not qualify for the adjustment.

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**LIBERAL GOVERNMENT**

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, the pork has all been divvied up now. The tires are being checked. The beer is on ice right now and it looks like the Liberal campaign plane is all but ready to take off, except for one small problem. The fuel tank reads empty.

● (1440)

Canadians are still wondering what this government intends to run on. Maybe it is its job record: 1.4 million Canadians unemployed; 800,000 Canadians moonlighting; 78 months in a row of unemployment over 9 per cent; the worst jobs record since the Great Depression.

Since the Liberal jobs, jobs, jobs record is in the tank, can the Prime Minister tell Canadians if this is the record his government plans to run on?

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, I suggest the hon. member look at the labour market statistics which are published each month. I suggest he look at the labour market statistics for October 1993: 11.2 per cent unemployment. That was at the time of the last election. Presently it is down almost 2 per cent to 9.3 per cent. That is a record.

Today the IMF has come out with a new statement. The IMF says that this year and next year Canada will have the highest growth of the G7 countries, 3.4 per cent, which will bring the unemployment rate down even more.

Of course that is not enough. Of course our unemployment rate is too high. We are working on it and are bringing down. That is the Liberal system.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, apparently there is still a little gas in the tank over there.

If we add in all the people who have dropped out of the job force over the last couple of years, the real unemployment rate in Canada is over 12 per cent, more than double the American rate.

If it is not the Liberal's jobs record, maybe the minister wants to run on their tax record or on their bankruptcy record. How about the \$3,000 drop in disposable income Canadian families have suffered since this government came to power and the 37 tax

increases? What about the record levels of bankruptcy, a record in 1995, 1996 and 1997?

Which one of these is the minister planning to run on, or do the Liberals plan to run on empty just like they have done for the last 3.5 years?

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, talk about a party running on empty, I wonder how many times the record shows that same question being asked by the Reform Party.

Let us take a look at the Reform Party's taxpayer budget. What does it state in this taxpayer budget? It says it is going to do this and that but it will cause a little higher unemployment. If we want higher unemployment, we should go to the Reform Party.

We are going to run on our record, and our record in deficit reduction is second to no government in the country. The *Globe and Mail* quoted a major Japanese newspaper on Japan's adopting Canada's system: "Canada's method, consisting of the adoption of clear deficit targets and bold cuts that don't spare any of the so-called sacred cows, could very well serve as a model for Japan".

\* \* \*

[Translation]

**HEALTH**

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, my question is for the Minister of Health.

Yesterday, the minister told us about his intention to set up new programs for home care and pharmacare. The election campaign is already underway for the Liberals, who announced that they intend to promote a new intrusion in an area under provincial jurisdiction, so as to make political gains.

Will the minister guarantee to those provinces not interested in taking part in these programs an opting out privilege, with full financial compensation?

[English]

**Hon. David Dingwall (Minister of Health, Lib.):** Mr. Speaker, the hon. member opposite is only about four months late in assessing what this government has done and said with regard to health care.

The national forum indicated quite clearly to all Canadians that governments, both federal and provincial, examine the prospects of a national home care program and a national pharmacare program.

I do not understand why members of the Bloc Québécois do not want to support senior citizens across the country and senior citizens in the province of Quebec. I think it is very important that the Government of Canada work co-operatively with all provinces to establish those programs for senior citizens all across the country.

*Oral Questions*

• (1445)

*[Translation]*

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, after cutting some \$4.5 billion in social transfers to the provinces, including over \$2 billion for health, does the minister recognize it is outrageous that his government would now consider implementing new programs in an area that comes under the exclusive jurisdiction of the provinces? This is what is outrageous.

*[English]*

**Hon. David Dingwall (Minister of Health, Lib.):** Mr. Speaker, let it be understood by the hon. member opposite and those who support that political party there is no question provincial governments have jurisdiction in the field of health. It is also clear under the provisions of the Constitution that the Government of Canada has responsibility and jurisdiction when it comes to the field of health.

I cannot understand why the Bloc Québécois does not want to support senior citizens when it comes to pharma care or home care. I say to the Bloc and I say to the people of Quebec that we should work together for senior citizens in Quebec and across the country.

\* \* \*

**GOVERNMENT OF CANADA**

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, in just a few days the Prime Minister will call an election and run on his record. The record is broken, broken, broken.

Let us talk about his record on patronage. His former campaign manager becomes lieutenant-governor for Saskatchewan; failed Liberal candidates, immigration boards; Liberal Party officials, airport authorities; Liberal fund raisers, they just shoehorn them in wherever they can fit them. Even the girlfriend of a former Liberal prime minister cashes in on this shameless system of Liberal rewards, and it is all at taxpayers' expense.

Since pork and payoff are the true record of the government, could the Prime Minister tell us how many appointments and contracts are being handed out this month to Liberal Party faithful?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the same number as usual. We are just running the government.

**Some hon. members:** Oh, oh.

**Mr. Chrétien (Saint-Maurice):** When there are openings we fill them with competent people. It so happens there are some Liberals

who are competent, and others too. If we were to choose only from Reform supporters we would have very few to choose from.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I have heard of people talking about family values. This is the first time I have heard about Liberal values being the patronage trough.

Let us talk for a second about the Senate. There have been 20 appointments over three and a half years, which is better than with Brian Mulroney.

During the last campaign the Prime Minister talked about patronage when he said:

The people of Canada will see a big difference with the Liberals in power.

If they did, the only difference I can see is that the appointees are now Liberal instead of Tory and there is more of them. Maybe that is the difference.

In 1984 then Prime Minister Trudeau made 172 appointments in his final month in office and he went on to lose the election. How many appointments has the Prime Minister made in April? Is he trying to set a new record?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there was a big change in appointments to the Senate. For the first time ever there have been more women named senators than men since we have been the government.

We on this side of the House supported the possibility of having elected senators. But what happened? Reformers voted against that. They wanted to have elected senators and we were for that, but they campaigned against changing the Constitution in a way that would have permitted the election of senators. Now we appoint senators and for the first time in the history of Canada we have named two women senators for each man during this last period.

\* \* \*

*[Translation]***YOUNG CANADA WORKS**

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Mr. Speaker, yesterday my colleague, the member for Lac-Saint-Jean, pointed out how upset the Bloc Québécois was at Heritage Canada's ideological and propagandist slant in its treatment of young people seeking employment under the Young Canada Works program.

The Deputy Prime Minister even had the nerve to reply to the official opposition that "when you work for Heritage Canada, it is obvious that you must also belong to Canada".

• (1450)

My question is directed to the Prime Minister. Given the attitude of the Deputy Prime Minister, would the Prime Minister tell the

*Oral Questions*

House whether a Quebecer who has the required qualifications and who is a sovereigntist may work for Heritage Canada, yes or no?

**Mr. Guy H. Arseneault (Parliamentary Secretary to Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, I am very surprised again today that this question is being asked. I am an Acadian from New Brunswick, the only officially bilingual province in Canada, a fact of which I am very proud. I am proud to be a Canadian, and I am proud that Young Canada Works, a national program, is there to provide work for young people.

I personally think we should say yes, and not no, to Canada, and if it takes young people to help us recognize our country, we say yes to Canada.

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Mr. Speaker, I think the parliamentary secretary was looking at the wrong page when he answered.

I would remind this government and the Prime Minister that freedom of expression and association is specifically mentioned in the Canadian Charter of Rights and Freedoms. It is dangerous to see the Prime Minister and his government departing so easily from established rights.

I ask the Prime Minister whether we are to understand from the government's reply that it is confirming that a sovereigntist from Quebec could not work for the federal government because of his or her political opinions?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I would point out to the hon member in this very public forum that, when the Parti Québécois was elected to office in Quebec, it forced representatives of Quebec abroad to resign, unless they bowed down and practically swore an oath to the cause of independence. Nothing like this ever goes on in the federal government.

\* \* \*

[English]

**AUTO PACT**

**Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.):** Mr. Speaker, the late Right Hon. Paul Martin Sr. signed the auto pact 32 years ago. Since then it has generated hundreds of thousands of jobs in southwestern Ontario and contributed immeasurably to the national economy.

Constituents of mine are concerned that the auto pact is under attack from Japanese auto makers. Will the Minister for International Trade confirm to the House and to the constituents in Windsor that the government will protect the auto pact and the future jobs it will create?

**Hon. Arthur C. Eggleton (Minister for International Trade, Lib.):** Mr. Speaker, a year ago the tariff on auto parts used in manufacturing was lifted. That benefited all Canadian auto manufacturers.

Canadian manufacturers, the big three and the Japanese auto makers are all an important part of the economy. We have no plans to lift the tariff on vehicles. We are however undergoing a regular comprehensive review of the auto pact and are consulting all stakeholders.

I must say the auto pact has been an enormous success to Canada in terms of job creation. It is the biggest single component of the trade surplus of the country. Certainly the big three auto manufacturers are a very key part of that.

We want to maintain that industry's strength. We want to maintain those jobs.

\* \* \*

**JUSTICE**

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, yesterday I asked why the Liberal government allowed prisoners the right to vote in the upcoming election and the government responded: "We will look at it".

This brilliant response shows Canadians where the government has been coming from all along. "Conditional sentences, we will look at it; victims rights, we will look at it; early release for Clifford Olson, we will look at it; Young Offenders Act, we will look at it," and nothing gets done.

Four recent cases of rape or attempted murder were given conditional sentences, no time in prison. Is the Liberal government prepared to do more than just look at it and exclude serious offenders from conditional sentences now?

**Mr. Gordon Kirkby (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I thank the hon. member for the question. As a result of working together the federal and provincial governments have determined that the use of the conditional sentence, properly applied by the courts, will improve the safety of our citizens over time.

● (1455)

A problem that has been in place is that many violent and dangerous offenders are put in jail. The jails are often full of people who are not a danger to society. As a result of conditional sentences, those who are not a risk to society can be released to serve their sentence in the community, leaving more room in our correctional facilities for dangerous offenders who should be in jail.

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, I take it that the answer was no and dangerous offenders are actually rapists and attempted murderers.

A corrections investigator observed in prison:

Drug trafficking, loan sharking and brew making are on the rise.

The recommendation he made to the Liberals to fix the problem was:

—that immediate action be taken to ensure that offender pay scales reasonably reflect the cost of living within institutions.

A pay raise, they say, for brew making and drug trafficking.

My question is obvious. Why would the government consider a pay raise for prisoners after what it said about victims rights, that we could not afford them, that we could not afford the implementation of them? Why is that?

**Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, the member's allegations are totally unfounded. The government is not considering giving any pay raise to any prisoner.

They are paid the scale that has been established for a long time for work done in the prisons. I do not know where the member is coming from, as usual.

\* \* \*

[Translation]

#### FOOD INSPECTION

**Mr. Jean-Guy Chrétien (Frontenac, BQ):** Mr. Speaker, my question is for the Prime Minister.

Since the Liberal government took office, it has increasingly made the Quebec and Canadian agri-food industry pay for food inspection costs. The Liberal government is imposing all sorts of fees, but forgets that farmers are always the ones stuck with the bill, and that consumers ultimately have to pay for it.

How can farmers remain competitive if the 1996-97 estimates for the agriculture department provide for cost recovery measures in at least 42 areas for the next three years?

[English]

**Mr. Jerry Pickard (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I believe we have been very consistent in looking at agriculture and agricultural policies. We have put priorities within our spending in agriculture. We have made certain that research is the number one priority with agriculture. We are making sure that our producers are well treated and have markets.

The excursions by the Prime Minister and the minister of agriculture have increased our markets so that we are almost at \$20 billion in exports today. Our agricultural market is being defended and worked upon very readily by all policies we are bringing down.

There is no question that it has been a very high priority and that we will continue that priority.

#### Oral Questions

#### ELECTION

**Mr. Ted White (North Vancouver, Ref.):** Mr. Speaker, the member for Thunder Bay—Atikokan just issued a householder claiming that the Reform Party has been urging the government for three months to have an election. He should have been paying attention because the Reform has been asking why we are having an election.

Surely the Prime Minister does not think he can win based on the conditional sentences bill or his section 745 lack of action or his refusal to do anything with the Young Offenders Act. Is he calling an election because Aline Chrétien told him to do it now? If he is, could he please give me her phone number so I can call and ask her why we are doing this?

**The Speaker:** I do not know if that relates to the administrative responsibility of anyone.

\* \* \*

#### ITALIAN CANADIAN COMMUNITY

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, my question is for the Prime Minister. It has to do with a promise he made to the Italian Canadian community prior to the last election when the Liberals were in opposition. At that time a promise was made to the Italian Canadian community that an apology would be forthcoming in the House of Commons with respect to the treatment of Italian Canadians during the second world war, along with a variety of other things that would be part of an overall package.

• (1500)

I want to ask the Prime Minister why that promise was not kept. What is the position of the Liberal government in respect of that promise today?

**Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.):** Mr. Speaker, the Liberal Party's position on this issue is quite clear. My predecessor, the hon. member for Mount Royal, made a statement in the House in 1994 which said very clearly that while things had happened in the past history of the country, that if history could be repeated, they would never happen again.

It is time for us to move on to form a new future. In doing so, we have created a Canada where the charter of rights and freedoms guarantees that this can never happen in the future.

We have created the Canadian Race Relations Foundation. We have met with many communities to hear their history and their stories.

*Point of Order***SENIORS BENEFIT**

**Mr. Pat O'Brien (London—Middlesex, Lib.):** Mr. Speaker, my question is for the Minister of Finance. Some Canadians have expressed concern that the new seniors benefit will be based on family income. They believe that this provision will unfairly discriminate against married senior couples and favour single seniors who co-habit.

Can the minister assure Canadians that the new seniors benefit will in no way discriminate against married senior couples?

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, the hon. member is quite right. This is a concern. It is completely wrong, however, to describe senior couples as being disadvantaged under the seniors benefit as compared to single seniors. The base benefit for couples will be twice as great as for singles at the same income level.

Since the GIS has always been targeted to income levels, it is equally appropriate to combine the incomes of higher income couples to determine their levels of benefits. In addition, we use the family income in many instances for targeted benefits and that is what we will do in this case.

\* \* \*

**PAGES**

**The Speaker:** I am going to ask the pages to come out and stand around me.

**Some hon. members:** Hear, hear.

**The Speaker:** I do not have any more information than members do, but I am just being precautionary. Should this be our last Wednesday together, I want to publicly in front of all members and all Canadians say thank you to our pages for this last year 1996-97. As you know, the pages were chosen from some 500 applicants and they are, in my view, and I know in the view of all of you, among the finest young people we have in our nation.

[*Translation*]

Dear Pages, on behalf of all my colleagues and all Canadians, I thank you for the fine work that you have done for us here in the House of Commons.

[*English*]

I want you to know as you go on in your careers in life that we hold you to our hearts and that you will always be part of our

parliamentary family. I do thank you in the name of all parliamentarians here today.

**Some hon. members:** Hear, hear.

\* \* \*

[*Translation*]

**POINT OF ORDER**

MINISTER OF CANADIAN HERITAGE

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, either we will no longer have pages here next week, or you just announced the date of the next election.

• (1505)

On March 20, in reply to a question from the leader of the official opposition concerning the \$4.8 million secretly paid by the federal government to Option Canada, the Minister of Canadian Heritage made comments which do not accurately reflect the reality. She said, and I quote:

Mr. Speaker, the member is certainly aware of the fact that the Government of Quebec—and I have in my hand a copy of the October 11 order in council—gave a total of \$4.8 million to the Conseil de la souveraineté du Québec headed by Yves Duhaime, the great friend of the new leader of the official opposition.

This statement aroused our interest, and I have here the October 11 order in council to which the minister referred. If I can get the unanimous consent of the House, I will very pleased to table this document. The order in council reads: “Whereas the government, through the August 16 order in council, has already authorized the payment of \$2 million to the Conseil de la souveraineté, and whereas it is in order to pay an additional amount of \$1.8 million”—and a bit, but I believe this is the right amount—“therefore it is ordered, on the recommendation of—, to pay \$1.8 million”.

What confused the minister is the “whereas” providing that, in order to grant a subsidy of more than \$1 million, the government’s prior approval is required. The minister added \$2 million, plus \$1.8 million, plus \$1 million, for a total of \$4.8 million, when in fact—

**The Speaker:** In my opinion, this is not a point of order, but I thank the hon. member for the information provided.

Is there unanimous consent to have the document tabled?

**Some hon. members:** Agreed.

**The Speaker:** The hon. member may therefore table the document.

## ROUTINE PROCEEDINGS

[Translation]

### CANADIAN SECURITY INTELLIGENCE SERVICE

**Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, I have the honour to table two copies, one in each official language, of the 1996 public report of the Canadian Security Intelligence Service.

[English]

I ask that it be referred to the Standing Committee on Justice and Legal Affairs.

\* \* \*

## COMMITTEES OF THE HOUSE

### JUSTICE AND LEGAL AFFAIRS

**Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the 12th report of the Standing Committee on Justice and Legal Affairs.

This is an interim report on the issue of a victims bill of rights. Pursuant to Standing Order 108(2), your committee has considered the subject matter of Motion No. 168, a victims bill of rights, and has agreed to report it with recommendations.

In doing so, we ask for a response as soon as possible from the Government of Canada with respect to this important matter.

\* \* \*

[Translation]

## GOVERNMENT RESPONSE TO PETITIONS

**Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 61 petitions.

\* \* \*

[English]

## CENTENNIAL FLAME RESEARCH REPORT

**Hon. Sheila Finestone (Mount Royal, Lib.):** Mr. Speaker, pursuant to section 7 of the Centennial Flame Research Award Act, I have the privilege of tabling the report of the Standing Committee on Human Rights and Status of Disabled Persons in both official languages for the 1994-1995 centennial flame research report.

I bring to members' attention the Crane story which will be tabled with the report, which is a report on the first of the Braille

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libraries set up in Canada. I commend the reading of this marvelous story.

\* \* \*

● (1510)

## COMMITTEES OF THE HOUSE

### PROCEDURE AND HOUSE AFFAIRS

**Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 65th report of the Standing Committee on Procedure and House Affairs regarding the committee's mandate under Standing Order 108(3)(a) in relation to the provision of services and facilities to members.

I would like to thank the members of the subcommittee, particularly the member for Bellechasse who, in my view and in the view of the committee, has done an exceptionally good job in preparing the report for the committee. I thank him for his good work.

[Translation]

### PUBLIC ACCOUNTS

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, as chairman of the Standing Committee on Public Accounts, I have the honour to present the ninth report of the committee.

This report deals with our review of Chapter XVII of the September 1996 report of the Auditor General of Canada, as it relates in particular to Human Resources Development Canada, the Canada Pension Plan and the CPP disability benefits program.

The report contains three recommendations, which are: first, that, as part of developing an official quality assurance program, the department establish performance indicators to help determine the extent to which program objectives were achieved. These indicators are to be included in the department's April 1998 progress report to the committee; second, that more information be shared with workers compensation boards, provincial social services and private insurance companies to increase the program's efficiency; and finally, that the department consider the possibility of intensifying its efforts with respect to rehabilitation to make the program more widely accessible.

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

[English]

### HUMAN RIGHTS AND THE STATUS OF PERSONS WITH DISABILITIES

**Hon. Sheila Finestone (Mount Royal, Lib.):** Mr. Speaker, I have the pleasure of presenting for the information of the House, in both official languages, the report on privacy entitled "Where do

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we draw the line?" It is the third report of the Standing Committee on Human Rights and the Status of Persons with Disabilities.

We all know that privacy is understood to be the right to be left alone in our society, but in the technical age in which we now live there have been many changes. This report brings to our attention issues about which we should all know.

In accordance with the committee's permanent mandate under Standing Order 108(3), your committee has agreed to conduct a study on privacy rights and new technologies, report its findings with recommendations and, in accordance with Standing Order 109, the committee requests a government response if and when this government returns to work.

## FINANCE

**Mr. Brent St. Denis (Algoma, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the 13th report of the Standing Committee on Finance.

This report is the first report of the subcommittee on international financial institutions relating to the development and effectiveness of World Bank lending programs.

I would like to express my appreciation to my colleagues on the subcommittee.

This interim report begins the study of what can be done to ensure that World Bank lending and its programs meet the needs of the world's poor and satisfy the concerns of taxpayers in Canada and elsewhere in the developed world.

## CITIZENSHIP AND IMMIGRATION

**Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Citizenship and Immigration relating to a study of Citizenship and Immigration Canada's foreign workers policy.

The committee requests that the government table a comprehensive response to this report within 150 days of its presentation to the House, in accordance with Standing Order 109.

• (1515)

I would like to thank Santosh Sirpaul, clerk of the committee, and Margaret Young, researcher from the Library of Parliament, for their devotion to the task and the fantastic job they have done. I send my best to all the members of the committee for their devotion to the task as well.

[Translation]

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, with regard to the Bloc's minority report on the admission to Canada of

temporary foreign workers, we agree with the main thrust of the majority report. However, we have some serious misgivings regarding this document. Unions were not invited to take part in the consultations. In addition, the report does not pay enough attention to the astronomical unemployment rates in Canada and Quebec, especially among young people.

We decry the fact that companies spend so little on manpower training. Moreover, companies should improve the work place environment, working conditions, and salaries to prevent highly skilled workers from leaving Canada for the United States. Finally, foreign workers should only be allowed in for a few years, not indefinitely. The regular immigration system should take care of the shortage of workers in the high tech industry.

\* \* \*

[English]

## CANADA EVIDENCE ACT

**Hon. Alfonso Gagliano (for Minister of Justice and Attorney General of Canada, Lib.)** moved for leave to introduce Bill C-98, an act to amend the Canada Evidence Act and the Criminal Code in respect of persons with disabilities, to amend the Canadian Human Rights Act in respect of persons with disabilities and other matters and to make consequential amendments to other acts.

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

\* \* \*

## CANADA TRANSPORTATION ACT

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.)** moved for leave to introduce Bill C-437, an act to amend the Canada Transportation Act.

He said: Mr. Speaker, I have the pleasure to rise in the House today to present a private member's bill entitled "An act to amend the Canada Transportation Act".

The bill calls upon Parliament to allow for the appointment of a grain transportation administrator whose duties would be to monitor grain transportation performance and to apply a scheme of sanctions against those who fail to meet established service obligations.

The primary purpose of this bill is to ensure that grain transportation participants fulfil their obligations for receiving, carrying and delivering wheat and barley from western Canada.

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



[Translation]

## COMMITTEE OF THE HOUSE

### PUBLIC ACCOUNTS

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ)** moved:

That the third report of the Standing Committee on Public Accounts presented on Monday, October 28, 1996, be concurred in.

He said: Mr. Speaker, I would first like to inform you that I will be sharing my time with a colleague and that my motion is supported by the hon. member for Laurentides.

I am pleased to speak today to a theme that will play a major part in the next election campaign, that is, the integrity of this government.

Speaking of which, the report we are discussing under this motion deals with the famous family trust scandal, as you may recall.

What exactly was done in this matter? As chairman of the Standing Committee on Public Accounts, I must say that, unfortunately, our committee was not able to get to the bottom of what really happened.

• (1520)

Let us put the facts in their context. On December 23, 1991, a date that sets off an alarm as to how a taxpayer can get an advanced decision on December 23, 1991. It quickly raises a certain question. So, two taxpayers were able, with Revenue Canada's permission and blessing, after asking the advice of the finance department, to transfer \$2 billion in family trusts to the United States.

I said that this government would have to account for its morality or its integrity. We in the Standing Committee on Public Accounts wanted to shed some light on that issue. Since the very beginning, the Bloc members on this committee have asked that an independent inquiry be conducted so that Canadian taxpayers can find out what really happened on December 23, 1991.

Even though, as representative of the official opposition, I chair the committee, it has to be explained to people watching our proceedings that the official opposition does not have a majority on the committee. The Liberal majority on the committee literally gagged the Bloc members.

Mr. Speaker, could you ask the chihuahua from Vaudreuil to go yap outside the House?

The tabling of this new report by the Liberal majority on the public accounts committee about the family trust scandal is in keeping with the government's cover-up of a financial and tax scandal unprecedented in Canada.

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The Standing Committee on Public Accounts had to shed light on the nebulous events surrounding the advanced ruling delivered on December 23, 1991, leaving the finance committee to deal with the technical aspect, that is to say, the tax changes needed.

Soon after that scandal was uncovered by the Bloc Québécois, which followed up on the report of the Auditor General, which party raised that issue in the House of Commons? It was the Bloc Québécois. This is a very good illustration of what we are going to tell Quebecers during the next election campaign: "It was a good thing the Bloc Québécois was there to uncover this scandal because if, instead of 54 members of the Bloc Québécois, we had had 74 Liberal members out of 75, as we did in the 1980s during the Trudeau era, this issue would never have been raised".

This is yet another good reason for Quebecers to elect a strong contingent of Bloc members to defend Quebec's interests and to point out inequalities and injustices in the Canadian federal system.

The day after this scandal came to light, several Liberal members of the committee were outraged by the actions of Revenue Canada and the Department of Finance. These recalcitrant Liberals soon went back to the party line of doing everything possible to protect the interests of those in very, very high places.

I ask those listening from the comfort of their homes to try to imagine, the day before they file their tax returns next May 1, that they have a way of hiding \$2 billion. Are these ordinary taxpayers? Are these single mothers who are able to hide \$2 billion tax free? No, these are not ordinary people.

**An hon. member:** Not even \$100.

**Mr. Guimond:** Exactly, they would not even hide \$100. For every hard won cent the average citizen earns, the government is right there grabbing half of it. The public will remember this during the next election, and the public knows that the Bloc Québécois also defends the interests of the middle class and of disadvantaged members of our society.

• (1525)

To justify its ineptitude and its lack of courage, the Liberal majority maintains that the committee found no element for which to cast doubt on the integrity of bureaucrats involved in the making of this premature decision. This is incredible. This is extraordinary.

Liberal MPs are being hypocritical and even naive in pretending to be able to pass judgement on the integrity of the bureaucrats involved. All of the Liberal MPs' actions during the committee meetings were a shameless attempt to bury the affair by trying to conceal the facts.

Numerous other examples make the list of inconsistencies, inexactitudes, lapses and differing versions even longer. From the outset of the committee's work, the Liberal majority, blatantly

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manipulated by the government, prevented the public accounts committee from shedding light on the entire family trusts scandal.

The majority report is the crowning achievement in this blatant effort by the government to bury this scandal and to silence the truth in order to protect themselves. What we said during the 1993 election campaign, and will repeat during the next one, is that the Liberals and the Conservatives are like Tweedledum and Tweedledee. Put them into a hat and pull one out, there is no way to tell them apart.

Let us not forget that this family trust scandal happened in 1991, when the Conservatives were in power. Let us not forget that. We said to the Liberal majority: "Why do you not let us bring this fully out into the light? You have nothing to gain, but do you have something to protect?" Let us ask the question. Let us remember the 1993 election campaign, with its \$1,000 parties at Senator Cogger's in Westmount, the fund raising parties attended by the present Prime Minister.

That is why, when campaign contributions are being examined, we say "Look at who is contributing to your campaign fund, and then you will know whom you are beholden to". We in the Bloc will be collecting funds for the next election campaign from ordinary people, \$2 here, \$5, \$10 or \$20 there. Our election campaign will not be funded by big business. Whom will we be answerable to after the next election? To the ordinary people who contributed to our campaign fund. We owe nothing to big business. Look at who is behind the funding of the Liberals, of the Conservatives. They are no different one from the other.

That is why with this dissenting opinion we, the Members of the Bloc Québécois, make the following recommendation, and I quote: "That a special commission of inquiry be set up, independent of the government, with the mandate to shed light on all of the events surrounding the December 23, 1991 decision and the subsequent use of this tax loophole by other rich Canadian families". That is what the Bloc Québécois thinks.

To conclude, without a neutral investigation, free from all partisanship in the Liberal government, this scandal will never be brought out into the open. If the government has nothing to hide, no one to protect, nothing to feel guilty about, as it says, what is stopping it from putting such a commission of inquiry into place, one which will certainly absolve it of all blame? Or so the government has been telling us over and over for the past six months.

Once again, I must conclude that, unfortunately, the Liberal majority has gagged us in the public accounts committee, and again here today we are unable to tell Quebecers and Canadians what actually happened in this family trust scandal, where two rich

families were able to transfer \$2 billion to the United States without paying any income tax.

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, first of all, I wish to pay a glowing tribute to my colleague because he worked so very hard. He is the fiscal conscience of this party. Unlike the hon. member for Vaudreuil, he will be able to rest easy tonight because he did his job.

• (1530)

The question I wish to put to my colleague is this: Could he explain, with his usual clarity and expertise, why the Liberals refused to shed more light on an appalling situation? Everyone in this House knows we are talking about the flight of capital, tax evasion and protection. Do members of parliamentary committees not have an obligation to report on these matters?

I want to ask the hon. member how our Liberal colleagues could be so lacking in integrity, transparency and a sense of values?

**Mr. Guimond:** Mr. Speaker, I want to thank the hon. member for Hochelaga—Maisonneuve for his very pertinent question.

When answering this question, we should consider that the names of the two contributors to the campaign fund were never released. The *Globe and Mail* reported the story. I am not going to repeat what it said, because we have no evidence.

However, we need only look at the main contributors to the Liberal and Tory campaign funds. When we see companies giving \$500,000 and more, the reason is simple: you scratch my back and I will scratch yours. We always see the same donors, I agree, but these are people who are close to the Liberals.

My second point is that senior officials who were there at the time, including Pierre Gravel, the Deputy Minister of National Revenue, who was there in 1991, continued to work under the Liberal government as well. This means that to repudiate the decision made by Mr. Gravel in 1991 would have been tantamount to admitting it was a sign of incompetence to have kept someone like Pierre Gravel since 1993, when the Liberals came to power.

**Mr. Jean-Guy Chrétien (Frontenac, BQ):** Mr. Speaker, 18 months ago the member for Richelieu introduced a votable private member's bill providing a limit for contributions to campaign funds, knowing that certain individuals, groups or companies pour hundreds of thousands of dollars into a party's coffers or, not uncommonly, into two parties' coffers, to hedge their investment.

I was listening very carefully earlier to my colleague for Beauport—Montmorency—Orléans talk of the two prominent families, obviously well known, that sent over \$2 billion to the United States without paying a cent in income tax. I would ask the member for Beauport—Montmorency—Orléans to take a few

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minutes to tell us in the Bloc about this transfer of \$2 billion to the United States tax free.

**Mr. Guimond:** Mr. Speaker, the question by my colleague from Frontenac is particularly relevant, but very complex. I will not be able in the next 45 seconds to provide an intelligent and comprehensible answer to this question. I make no claim to any expertise in taxation. So I think my answer would require a lot of details.

What we can say is that the folks who manage to transfer \$2 billion worth of assets without paying taxes are not the folks who do their income tax at the kitchen table while they watch hockey. We are talking about billionaires who can afford the best tax lawyers in the country at \$500 an hour. They are not ordinary folks who have a hard time and are fed up with paying income tax. Ordinary folks cannot afford a tax lawyer.

So, to answer the question, what is involved is tricks, tax loopholes, always above board. However, we might well ask whether something like this, which is legal, is also moral. Let us have a look at the government's morality.

• (1535)

**The Deputy Speaker:** Resuming debate. With whom will you be sharing your time?

**Mr. Guimond:** Mr. Speaker, I only mentioned that I would share my time with one of my colleagues.

**The Deputy Speaker:** Would you please choose who it will be, my dear colleague.

**Mrs. Venne:** I believe you should choose, Mr. Speaker.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, I move, seconded by my colleague, the hon. member for Quebec:

That you recognize the member for Berthier—Montcalm so that he may now be heard.

**The Deputy Speaker:** As I was saying that the next speaker had to be designated, I noticed that the Bloc House Leader had risen. I thought she might indicate who had been chosen. She mentioned the member for Berthier—Montcalm, but I gave the floor to no one.

Under such circumstances I believe it is right to give the floor to the member for Berthier—Montcalm.

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, thank you for recognizing me. I am certain the member for Saint-Hubert would have delivered an excellent speech. I will try to be just as good.

A moment ago I heard some Liberal members tell the member for Beauport—Montmorency—Orléans that it was all the Conservatives' doing. I believe we should set the record straight. Family

trusts are the creation, a great big Liberal baby, of the Liberals under Pierre Elliott Trudeau, in 1970.

In 1970, Pierre Elliott Trudeau in his great wisdom created family trusts for 21 years to reward friends of the government, friends of the Liberal Party and other federal parties, since the main goal of family trusts is to avoid taxes and allow families to get richer.

Therefore, in 1970, the Liberal government of Pierre Elliott Trudeau, of which the present Prime Minister was a member, since the member for Saint-Maurice was in Pierre Elliott Trudeau's cabinet in 1970, created family trusts for 21 years.

What happened in 1991, 21 years later? The Tories, who were against family trusts in 1970, came into office with Mr. Mulroney as Prime Minister, and they decided to maintain the family trusts.

Really, 1991 was an exceptional year. I think that our viewers should pay attention to what is going to be said next, if they ever had doubts about the efficacy of the public service. I will tell them what happened on December 23, 1991, Christmas Eve, at about 11.30 p.m. Some public officials went in to work, to allow the Bronfman family, two wealthy families in fact, to transfer some \$2 billion to the United States.

• (1540)

The day before Christmas, some government employees came to Ottawa, went in to their offices at 11.30 p.m. and authorized multibillionaire families to transfer \$2 billion to the United States without paying a single penny in taxes.

Do you know what kind of Christmas gift that represented for those families in 1991? It meant approximately \$500 million, an amount which the Canadian taxpayers paid, donated to those multibillionaire families. What did the Tory government and the Liberals do meanwhile? They turned a blind eye. Because, as we all know, these families give to Liberals and Tories alike.

Fundamentally, these families are federalists. Whether the Liberal or Conservatives are in power is of no consequence to them. In any case, they manipulate them through their campaign fund. This is how they manipulate the big parties opposite, the parties that are funded by these big families. This is why the Liberal or Conservative government is so generous.

Here we have the biggest scandal of the century breaking out. We learned about this scandal, \$2 billion transferred from Canada to the United States without any tax being paid. What did the government do? What did the Bloc Québécois do? The Bloc Québécois immediately condemned this action, especially when we know that the Liberal government is attacking the poorest. It makes cuts to unemployment insurance, to transfer payments. What must the provinces do, then, if they are stuck with cuts of \$4.5 billion, like this year? They have to cut welfare, health care. It

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is the federalists opposite, the Liberals opposite, who are primarily responsible for that.

We know that two families got \$2 billion out of Canada. We know that the government seems to have trouble finding money for social programs. What did the Bloc do? It asked a parliamentary committee to examine the issue and to see whether or not the officials who met one Christmas eve to give a nice \$500 million gift to two multimillionaire families in Canada, had not shown a lack of integrity.

It is obvious that, at the time, Liberals sitting on the committee agreed with the Bloc Quebecois. They were really astounded by that announcement, by that scandal, and they seemed to want to get to the bottom of the issue. They seemed to want to co-operate with the Bloc Quebecois, the official opposition, to examine the issue, so this would not happen again.

However, the members who had shown some resistance, who had dared voice their opinion before checking with the Prime Minister, fell back into line, saying there was no problem, everything was all right. But it is not all right to let this go on.

The committee had to determine if there was any interference by officials. Did they or did they not show any lack of integrity? These are the big questions the committee had to ask and answer. Instead, all the Liberal members of the committee spent the whole time trying to sidestep the issue, to avoid shedding light on this extremely important matter.

Did the committee have the power, the authority to shed light on this matter? Yes, it did. Had it made use of all its powers and all the parliamentary mechanisms available, it could indeed have shed light on the matter. Yes, it could definitely have pointed a finger at those responsible and provided a permanent solution to the problem.

What did the Liberal majority in the committee do? What were they instructed to do by the Prime Minister of Canada? They started by preventing the committee from fulfilling its mandate. That is what they did. They refused to use the investigative powers available to them. They would not let the committee hear the testimony of all the officials involved. They did not want the committee to hold more than two meetings to consider this scandal.

• (1545)

It is the scandal of the century. Never before in Canadian history have such huge amounts been taken out of the country without the proper taxes being paid. The Liberal government across the way and its Prime Minister persist in wanting to protect the friends of the Liberal Party, those who put money into the party's campaign fund. I am sure that, on the eve of calling an election, the Prime Minister got on the phone to remind a few friends they had been spared in the family trust scandal, adding: "I hope you will

remember how good the Liberal Party was to you, because there is an election coming".

That is how it works. They had all the facts, but chose not to act. They would rather let things be. They ran interference when Bloc members asked questions. Yet, \$2 billion was taken out of the country. I would say that was pretty serious. What did the Bloc members on the committee do? They drafted a dissenting opinion to make it clear to the government they disagreed with the government's attitude on this issue.

Quite frankly, with respect to this issue, given how much money is involved, I think it is fair to say, seriously and honestly, that the Bloc Quebecois took a very effective approach on the issue and acted with professionalism in immediately blowing the whistle on this scandal and seeking to correct the situation.

There is no way that all aspects of an issue as important as this one can be considered in just two days. No way. This was not the first time that the Liberal government used such a tactic. The government did the same thing in the case of the Somalia inquiry. It did not give enough time to the commissioners and judges to get the real answers to the legitimate questions of Quebecers and Canadians.

The same is true in the case of family trusts, this outrageous scandal. Some Canadians and Quebecers had legitimate questions, but the solutions and answers to these questions could not be found in two days.

In a dissenting report, the Bloc Quebecois referred to some evidence and testimony before the committee. You cannot hear many witnesses in two days, but you can still take note of certain things.

Mr. Speaker, since my time is almost up, I would like to conclude by moving a motion.

I move:

That the House do now adjourn.

[English]

**The Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion 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 yeas have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

• (1635)

[*Translation*]

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

(*Division No. 333*)

### YEAS

#### Members

Althouse	Asselin
Bélisle	Bellehumeur
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Blaikie	Bridgman
Canuel	Chrétien (Frontenac)
Dalphondu-Guiral	Debien
Dumas	Duncan
Fillion	Gagnon (Québec)
Gauthier	Godin
Guay	Guimond
Harper (Simcoe Centre)	Hermanson
Johnston	Lalonde
Langlois	Laurin
Leroux (Shefford)	Ménard
Mills (Red Deer)	Nunez
Picard (Drummond)	Plamondon
Pomerleau	Ringma
Rocheleau	Speaker
Tremblay (Rimouski—Témiscouata)—37	

### NAYS

#### Members

Abbott	Ablonczy
Assadourian	Augustine
Axworthy (Winnipeg South Centre/Sud-Centre)	Baker
Bakopanos	Barnes
Beaumier	Bélaire
Bélangier	Bellemare
Benoit	Bernier (Beauce)
Bertrand	Bethel
Bevilacqua	Bodnar
Boudria	Brown (Oakville—Milton)
Bryden	Calder
Campbell	Catterall
Chan	Collenette
Collins	Cowling
Crawford	DeVillers
Dingwall	Discepola
Dromisky	Easter
English	Epp
Fewchuk	Finestone
Finlay	Fontana
Frazier	Gaffney
Godfrey	Graham
Harvard	Hayes
Hopkins	Jackson
Jordan	Keyes
Kilger (Stormont—Dundas)	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Lincoln	Loney
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
Mills (Broadview—Greenwood)	Morrison
Murray	Nault
O'Brien (London—Middlesex)	O'Reilly
Pagtakhan	Parrish
Patry	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Ramsay
Reed	Regan
Rideout	Ringuette-Maltais
Robichaud	Scott (Fredericton—York—Sunbury)
Simmons	Speller
Stewart (Brant)	Stewart (Northumberland)

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Strahl	Szabo
Telegdi	Terrana
Torsney	Ur
Vanclief	Verran
Volpe	Walker
Wappel	Wayne
Whelan	Young
Zed—101	

### PAIRED MEMBERS

Bergeron	Brushett
Cauchon	Crête
Culbert	de Savoye
Dubé	Duceppe
Duhamel	Dupuy
Flis	Ifody
Jacob	Landry
Lefebvre	Loubier
Maloney	Mercier
Murphy	Paré
Richardson	Wood

**The Deputy Speaker:** I declare the motion lost.

[*English*]

**Mr. Comuzzi:** Mr. Speaker, I apologize to the Chair for being late but had I been here in time for the vote, I would have voted with my colleagues.

**Mr. Pillitteri:** Mr. Speaker, had I been here, I would have voted with my colleagues in the government.

**Mr. Abbott:** Mr. Speaker, I move that the House now prorogue.

**The Deputy Speaker:** It was a good try but that cannot be done.

[*Translation*]

**The Deputy Speaker:** The hon. member for Berthier—Montcalm has five minutes left for questions and comments.

**Mr. Bellehumeur:** Mr. Speaker, I will be pleased to use the time left.

Earlier—I would appreciate it if hon. members would pay more attention—I was discussing the report of the public accounts committee and pointing out that my colleague did an excellent job. He looked at the inconsistency, the inaccuracy and the non-compliance of the committee in this—

**The Deputy Speaker:** I must tell the hon. member that there are five minutes left for questions and comments. It seems the hon. member is not the one who should have the floor. I now recognize the hon. member for Gaspé.

**Mr. Yvan Bernier (Gaspé, BQ):** Mr. Speaker, it is true that it is hard to concentrate when the House has just held a vote. I would like to see colleagues in the House exercise a little restraint.

For us in the Bloc Québécois, it is very important just before an election is called that all Canadians and all members opposite, on the government side, feel directly concerned. They will be

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accountable during the upcoming election campaign for having covered up the whole situation surrounding family trusts.

I think my colleague, the chairman of the standing committee, the hon. member for Beauport—Montmorency—Orléans, showed this very well. It is one of the loveliest ridings in the Quebec City area. I think the committee's hearings showed that the Liberals tried to cover this up.

I would like to ask a question of my colleague, who gave a brilliant speech. I would like him to explain again to the Liberals opposite the avarice behind what they were trying to hide.

**Mr. Bellehumeur:** Mr. Speaker, I am extremely pleased to reply to my colleague, the member for Gaspé, on this issue.

On a number of occasions, the Liberals were heard telling us in the House that the whole issue of family trusts, the scandal of the century, was not their fault. They were not the ones who did it, it was the Conservatives. To help the Liberal members opposite, because they are going to be asked about this during the upcoming election campaign, I would like them to recall that it was in 1970, when Pierre Elliott Trudeau was in office, that 21 year family trusts were introduced.

In 1991, the Conservatives took over. Having opposed the idea in 1970, they simply continued the family trust system.

What must be remembered is that, on December 23, 1991, the day before Christmas at approximately 11.30 in the evening, very industrious employees of the department headed up to Parliament Hill and went to their offices.

• (1640)

Why? So that two rich Canadian families could move \$2 billion out of Canada without paying a cent in taxes. Do you know what kind of a present this represents for these multibillionaire families? It represents a minimum of \$500 million that Canadian taxpayers, the unemployed, single parent families and fathers who have trouble making ends meet at the end of the week because of taxes and the way the Liberal government is spending public money, all had to make up through the taxes they paid.

That is the scandal. And what have the Liberals done since 1993? They have covered it up. They have done everything to prevent us from finding out what really happened on December 23 at 11.30 in the evening. The Liberals took part in this cover up.

We in the Bloc Québécois, as the official opposition and as watchdogs, asked questions here in the House. We wanted to get to the bottom of the matter once and for all in committee, and the member for Beauport—Montmorency—Orléans did an excellent job in this regard as chairman of this committee in really trying to get to the bottom of this cover-up by the Liberals, who did

everything they could to prevent us from getting answers to legitimate questions everyone had about this scandal.

[English]

**The Deputy Speaker:** It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Shefford—Hyundai plant in Bromont; the hon. member for Brandon—Souris—Flooding.

**Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.):** Mr. Speaker, I thank the members of the Bloc party opposite who called for an adjournment of this House. It gave us time to gather together to once again go over the same facts that we have already gone over in very public debates, not only here when debating a Bloc motion when we covered this ground, but also in a debate in the public accounts committee and a very public debate in the finance committee.

Instead of talking about innuendo and speculation and the Bloc's idea of what they are looking for, which is a problem, let us deal with the facts the committees had to deal with. The fact is Canadians can see through the transparency of the political process. We had not just one process which is normally accorded to an issue, but two processes with two separate House committees both of which have membership from all parties across this floor.

The primary spark of this debate was an issue and two rulings that came up when the Tory regime was in power, long before we were the government.

The auditor general has to be given credit for bringing this to the attention of the House and not the Bloc, which they would like to argue. The auditor general, not the Bloc, is the watchdog. The auditor general deserves the credit for doing his job. That credit was given to the auditor general in the third report of the public accounts committee.

The auditor general reviewed all the documents in the file. He witnessed this Liberal government's quick and decisive response to issues which originated out of a tax problem. Those were dealt with primarily by the expertise of the House finance committee and legislation was brought in to close any so-called loophole that could have existed.

There was another process in the public accounts committee to go over the Revenue Canada side. Recommendations were issued in the report of the Standing Committee on Public Accounts. The recommendations were acted upon by the revenue department, but not when the report of the Standing Committee on Public Accounts asked under recommendations; in fact the public accounts report congratulated Revenue Canada for having acted immediately on the issue being brought to the attention of the House by the auditor

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general. We have a response. We have today an objective that is more political than substantial by the Bloc members of the House.

• (1645)

I quote what the auditor general said at the Standing Committee on Public Accounts. "I take comfort in the fact that the problem we raised was debated openly by parliamentarians and other observers. And at the end of the day, the Minister of Finance chose to amend the act and to clarify certain points which had created problems for us. I therefore consider this matter closed".

Those are not the words of the government. Those are the words of the auditor general: "I therefore consider this matter closed".

**Mr. Campbell:** But not for the Bloc.

**Mrs. Barnes:** But not for Bloc members. They know what is the business before the House today. They get the Order Paper. We are going to spend time debating the motion and so be it. They are technically within the rules and so we will answer.

We acted quickly and thoroughly to ensure that events that occurred under the previous Tory government could not occur again. That is the basis. People in the country want good government. They do not want to hear about problems. They want to know what the solution is. Well, we have a solution.

We in the government are solution and future oriented, not going back into history to find more and more grievances to air just because we can get some coverage.

The official opposition heard the comments of the auditor general. Bloc members heard that he now considers the matter closed. They are now questioning the judgment of the auditor general, even though they went out of their way earlier in the debate and earlier in committee to praise the auditor general for raising the issue. They praise him when he raises the issue but question him when he says that the case is closed. That is the official opposition.

The official opposition said that the auditor general is the watch dog. We concur. The auditor general has the responsibility to oversee all events that take place here. That is why auditor general reports not only come before the public accounts committee but many other committees when he reports on specific activities within the domain of those parliamentary committees.

When we took power in 1993, the auditor general stated at that time there needed to be consistency of rules. We now have consistency of rules. We also agree that there has to be a transparency of process. What could be more transparent than two standing committee of the House holding public meetings with the press, witnesses, experts and people who have an interest in the problems

able to be there. We are talking about the taxation policy of the country and the rulings of departments.

As taxation policies evolve, certain rules have been tightened, clarified and more and more consistency has been imposed. We now have a broad publication of rulings. All this was done before the age of everything being computerized and out in the public. Of utmost importance is the privacy of individual taxpayers. That is at the heart of the system of taxation which we know is the best in the world.

Bloc members must understand that 96 per cent of Canadians report their income voluntarily and pay their taxes. We are in tax season now with a deadline of April 30. We have one of the best tax collection systems in the world. We have one of the best departments in the world. It seems the integrity of all the people who work in that department is always being raised as an issue. Integrity is definitely not the issue. After the issue was drawn to our attention, the assistant auditor general, the person who had primary control of this file, testified not only before public accounts committee but he also before the finance committee.

• (1650)

At the finance committee he said: "We have seen no evidence of bad faith and we have seen no evidence of wrongdoing". Before the public accounts committee the auditor general said on May 8, 1996: "I have never had the occasion or the need to ever question the integrity of the senior officials at Revenue Canada".

I go on to the Reform Party. Its members were on these committees. The Reform member for Capilano—Howe Sound said in the House: "In spite of serious efforts on my part, in no case could I discover any evidence of wrongdoing". The Reform Party, in the minority report that was tabled with part of the public accounts committee report, stated: "We are in no way imputing motive and questioning the integrity of the officials involved".

The only ones perpetrating the myth of a scandal is the Bloc opposition. It has no evidence of back up allegations but it persists because it is looking for some issue for the campaign trail. Instead of dealing with the orders of the day we will deal, for partisan purposes, with the Bloc. The government is not afraid to deal with that issue because it is already dealt with. We dealt with it with legislation. We dealt with it in committees and we have tabled reports.

What we have to do here is look at reality. Reality is that there was a taxable Canadian property definition. When people leave this country, what will they be taxed? It is a migrant taxation issue, which is a very technical area of the act. Decisions were made. Both reports stated that the decisions made were concurred in by

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experts in the tax community. I will let the people in the finance committee deal with the process.

Somebody is trying to use some nice catch phrases—maybe if we say family trust—we can scare up a few individuals. I used to practice law. Trusts were set up every time somebody died and had a will. That is a form of trust. Thousands and thousands of people have family trusts. They are not rich folk. They are ordinary Canadians. We can use the trigger words that Bloc members hope will catch on, or we can do something about what was a legal problem and clarify it.

I do not know why we are talking about that because it is already done. We have already done our job. We know the system is now tighter. We know that Revenue Canada now publishes the rulings widely because of privacy concerns.

I am not even sure if the Government of Quebec has done that. I am pretty sure that it has not, even though its members talked about it. They should be coming up to where we have the problem. That is another matter. I will let that jurisdiction take care of itself.

The privacy concerns of taxpayers are something that the Bloc opposition at one point in the debate were not even concerned with because they wanted release of taxpayers' names. I can remember sitting in the public accounts committee and asking how Bloc members could do it, how they could go to the heart of the tax system wanting to release to the public names.

It took quite a few meetings before they finally withdrew that Bloc motion, but finally they saw the damage they were doing. Maybe it finally clicked in their heads that it was their constituents too who could have had their taxpayer files open just because somebody told them that this information would be released. We know that is wrong. We know that is absolutely wrong. Not only that, but I cannot imagine it.

• (1655)

I read an article last week about tax cops in Russia who actually rap on people's doors. They do not have the good voluntary compliance within the tax system that we have. That could happen if we just throw out the rules. The Bloc's original motion asked us to release tax names, but the government stood very firmly and said that it would not do that, because it is not a permissible situation, nor is it in the Canadian public's interest.

We have very specific rules. Revenue Canada publishes the rulings for the guidance of tax professionals who need that clarification. This allows for consistency, which was not there when this original problem came up. It is even done when interpretations and decisions are published so those within the department and tax practitioners across Canada can know what the department rules. Revenue Canada takes the special step of releas-

ing that identifiable information. The amendment is necessary so the names cannot get out and so identifying information cannot get into the public domain.

The heart of the matter is that the Bloc members do not want to listen, they do not want to learn. They want scandal. They are not interested in good government. They are not interested in progressive legislation. They are not interested in the sanctity of the taxation system. They are interested in cheap partisan politics. This is not the first attempt but at least the third attempt. There will probably be more because they will compound this in whatever way it can be utilized.

Perhaps the most important thing I could do today to assist us in this matter that has been raised by the Bloc is to move an amendment. I move:

That, the motion moved by the Bloc today be amended by deleting all of the words after the word "be", and by substituting therefor the words "referred back to the said standing committee for reconsideration of the dissenting reports contained therein".

That is exactly what the Bloc members really want. They want an airing of their dissenting reports. We will comply.

I thank the hon. Bloc members for giving me the opportunity to go over this very old ground and to make sure the Canadian public understands there is a difference between people who complain and people who act, between people who stand for good government and a fair, equitable and transparent tax system and the people who just want to use partisan politics to go over an issue that auditor general has on more than one occasion complained. Case closed.

**The Acting Speaker (Mrs. Ringuette-Maltais):** The amendment is in order. We will be resuming—

[*Translation*]

**Mrs. Tremblay:** Madam Speaker, we would like a copy of the motion in French, please.

• (1700)

**The Acting Speaker (Mrs. Ringuette-Maltais):** All hon. members have the right to table, in one of the two official languages, an amendment or a document. I will read the motion as it was moved and the hon. members can use the interpretation services.

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Madam Speaker, I want to briefly point out four things to the Parliamentary Secretary to the Minister of National Revenue.

First of all, I would like to know if it is normal, or usual, for the employees of the revenue department to process in such a way the request of an ordinary taxpayer, an ordinary citizen, who wants to get some tax benefits. If a resident of mine, in the riding of Saint-Jean, Île d'Orléans, were to ask for an advance tax ruling,



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would an army of civil servants be asked to work on next December 22? Is that normal? Is that acceptable? Is it what the people who are listening to us can usually expect? This is what I want to find out. I would like the parliamentary secretary, who has some contacts in the revenue department, to tell me if it is possible, normal and usual.

Second, I would like to know why the parliamentary secretary thought it appropriate to give us a lecture on ethics and transparency. I almost took out my handkerchief. She nearly made me cry. We are given lectures on transparency. I would like to know why, at the public accounts committee, the parliamentary secretary herself voted against the Bloc Quebecois proposal calling for an independent inquiry into the family trust scandal. Why did she, and not her neighbour, her grandfather or her grandmother, vote against this?

I want to remind Quebecers that it is a good thing the Bloc Quebecois was there to ask for this independent inquiry. Had Quebec been represented by 75 Liberal members, as it used to be in the Trudeau years, instead of 54 Bloc members, there would never have been a request for an impartial, independent inquiry not controlled by the government. Thank goodness the Bloc Quebecois was there. That was my second point.

The third point I want to make is a little more technical. The auditor general tells us that it is unusual for Revenue Canada to issue advance rulings on past transactions. Once again, if it is unusual, why was it done in this case? Why?

• (1705)

Are there two kinds of justice or two sets of rules? If you want to transfer \$2 billion in family trusts, either you can do it as a private citizen and Revenue Canada will harass you afterwards or you cannot do it. Why did Revenue Canada make an exception and issue advance rulings on past transactions?

Finally, I would like the parliamentary secretary to comment on the attitude of the Deputy Minister of Finance, David Dodge, who, after that meeting, chewed out the auditor general. It is another form of psychological torture. It is a way of criticizing him for unearthing this, for rocking the boat. What kind of attitude is that coming from one of the highest ranked government officials, Deputy Minister of Finance David Dodge, who literally lashed out at the auditor general in public, in front of private citizens and journalists.

Unfortunately, good manners prevent me from repeating in this House the exact words that were used on that occasion. I would like the parliamentary secretary to tell us if she finds such behaviour normal and acceptable.

**Mrs. Barnes:** Madam Speaker, I would like to thank the hon. member for his question.

[English]

It gives me an opportunity to say what a wonderful job he did chairing the public accounts committee during these debates. This is the gentleman, not the government, that controlled the committee. The questioner himself was the person who chaired the public accounts committee during the debate.

I thank him because that is the only committee chaired by the official opposition. I agree with the fact the official opposition chairs the committee.

The questioner is now saying his committee is not good enough and that there should be a public inquiry. He wants us to spend some more money and to forget we have had two public and transparent committees, one in the control of the hon. member asking the question. Again I thank him for the job he did chairing the committee.

I want to answer him directly. He raised by innuendo some speculation that there is perhaps something funny about giving rulings in December or just before Christmas. The hon. member was in the room when the testimony was given at committee. He knows Revenue Canada statistics show that issuing a great number of rulings in December is the norm because it is the year end and the last date for cutoff.

In past years we had floating years for corporations, but most business people in Canada understand that a great many corporations have January 31 as their cutoff for the year. It is changing in some respects, but it was the norm at the time these rulings were issued.

I will deal specifically with the member's question. I will give an example. Nineteen rulings were issued in the last week of December 1991. In 1992, 33 rulings were issued in the same period. In 1993, 42 rulings. In each of 1994 and 1995, 28 rulings were issued in that week.

In actual fact the bulk of the rulings of Revenue Canada occur in the last quarter of the year. That is not unusual. To get to that point some work has to be done in advance.

The Canadian public needs to know that Revenue Canada is in a service business. We have clients who pay us taxes so we can do the work of good government as the Government of Canada. We require the funds but we also have committed to advance rulings which are not very useful if they are given after the fact.

When somebody comes to us with a problem and says "here is what we need to do by this date so please give us an advanced ruling", we work toward making sure we meet that deadline. That is common sense, that is good government and that is service.

**Mr. George S. Baker (Gander—Grand Falls, Lib.):** Madam Speaker, I congratulate the hon. member on the excellent speech she gave and want to ask her a question. Quel est le problème avec le Bloc?

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• (1710)

Why would the Bloc totally confuse the situation? Why would the Bloc talk about 1971? The Liberals brought in the 21-year rule which stated that at the end of 21 years the rich would pay. The Tories extended the 21-year rule indefinitely when they came to power. When the Liberals came back into power they closed it off completely. To add further to the confusion, could it be that Bloc members are just as interested as the Tories were in giving tax breaks to the rich?

Why would the Bloc on October 18, 1996 in the House of Commons refer to the tax agreement the Tories negotiated to change the estate tax and say that it supported a Senate bill? It supported entering into an agreement with the United States on estate taxes. It realized that some Americans were penalized by differences in legislation. It indicated that the bill did not specify how many millions or billions of dollars were at stake. It did not know which country, Canada or the U.S., would benefit the most from tax liberalization.

Why would the Bloc be supporting tax breaks that the Tories negotiated for the rich?

[Translation]

Why does the Bloc want to protect the rich? What is the problem with the Bloc?

[English]

**The Acting Speaker (Mrs. Ringuette-Maltais):** The hon. parliamentary secretary has 30 seconds to answer.

**Mrs. Barnes:** Madam Speaker, with 30 seconds to answer I can only say I have no idea what is in the minds of Bloc members. I know what the government does and I can make that choice.

**Mr. Jim Silye (Calgary Centre, Ref.):** Madam Speaker, I am hearing some interesting comments being thrown back and forth. The last Liberal questioner just does not understand the objective of the Bloc. The Bloc is not out to give tax breaks to the rich. The Bloc is out to tax the rich. It is exactly the opposite. It is complaining that billions of dollars are disappearing because they are hidden in family trusts. It wants to tax those people. It wants its share of the revenues.

How can a Liberal member who is listening to the debate say the Bloc wants to give tax breaks to the rich? This is what is wrong with the Liberal government. It is the spin it wants to give the thing. It is the perception it wants to create. Liberals are interested in perception, not reality. They are not listening to what the debate is all about.

It is a shame that a gentleman who is as good at communication and can express himself so eloquently would waste those God given talents on distorting the truth and the facts.

Nevertheless I am a member of the Standing Committee of Public Accounts. I was also present when the issue was debated there. As Reformers my colleague from the riding of St. Albert and I were very concerned about the issue. The Liberal spokesperson from public accounts who addressed the issue refuted what the Bloc members had to say. She did a reasonably good job of explaining the circumstances.

I find interesting now that it is relatively over, so to speak, her recollection of the facts: the events are now wonderful. She praises the auditor general when the chairman of the Standing Committee of Finance, who was present in the House today, openly criticized the auditor general for having the audacity to question the transfer of these trusts to the United States. That is the reality. He criticized the auditor general and now the Liberal spokesperson is praising the auditor general.

• (1715)

Another fact conveniently distorted or interpreted different from the way I saw things happen was when this hit the newspapers and it was out there, the Bloc Quebecois did make a big issue out of this and raised family trusts. It was on family trusts from the very first meeting we had on the GST the first year it came here. It is an issue that it is very concerned about and very much interested in.

This issue comes to the forefront and lo and behold, the finance minister tried to pre-empt the responsibilities of the public accounts committee and take away its right to review the situation. He shoved it off to the Standing Committee on Finance where it wanted to review all of this and not have it under public accounts.

We know the public accounts committee is the one that is supposed to be looking at the comments of the auditor general and from that ask for witnesses and testimony. We felt that the Standing Committee on Finance could do what it wanted and we also looked into it.

In pursuing the issue I have some other facts I would like to present. Looking into it, trying to get to the bottom of it, trying to find out whether there were some tax dollars that should have stayed in Canada that ended up not being collected, those are honourable and good questions.

Imagine a system once they form the government in the new country of Quebec. They are going to publish names of taxpayers they are investigating. That is not right. That is not the kind of tax system I would like to have or a country I would like to be in. That is a private matter and is very confidential. On that issue I definitely disagree.

The chairman of the Standing Committee on Public Accounts in one of his questions earlier today was concerned about what kind of system we have where somebody asks for an advance ruling. I think that is good system. An advance tax ruling on a complicated

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issue is a service that Revenue Canada should provide. It is a service that is very valuable and is used very often.

When some people are into very complicated financial transactions and the implications of moving funds around in trust to find out how the tax department would treat it, whether it would be taxed right away, deferred or not taxed at all, these are important elements to consider. Advance tax rulings are a process we in Canada, a lot of individuals and businesses, appreciate.

The actions of Revenue Canada on this issue are suspect for the reason, as I recollect the facts, that on the second ruling the department in all its documentation, in everything that was in the files prior to the last meeting, indicated it was not going to give a favourable ruling. It was to rule against this movement of assets, taxable properties, within a family trust

All of sudden it is reversed. Why? The purpose of the public accounts committee was to find out and ask witnesses. We still do not have a clear answer on that. We do not know why there was a reversal. Certainly it is its right to reverse it but when all the documentation, all the arguments and all the evidence as it builds a file and review a case are leading it in one direction, why all of a sudden is it changed?

The Bloc is asking good questions. Why is there special treatment here? Was there special treatment? Was there favouritism? Was this an order by a cabinet minister who said reverse it? Was it politically motivated? We tried to get to the bottom and we could not. The Standing Committee on Finance then made some recommendations and it theoretically closed the loopholes.

● (1720)

What was happening that was wrong while the committee was doing this? While the Standing Committee on Finance was reviewing the issue, the Minister of National Revenue froze all other transactions of this nature, denying for six to seven months the rights of other Canadians to obtain advance tax rulings and to make transactions within trusts. It was done at the expense of other taxpayers.

It was something the Minister of National Revenue should not have done. She should have allowed the process to continue because if the decision was a good decision and if the decision had the facts to support the action from a tax point of view, it should have been a precedent which would have been available for other Canadians. It seemed to us in committee that the government was trying to hide it, push it under the rug and not let us get to the bottom of it. It was frozen.

Then the loophole was closed and we were told it is finished. However, like I say, there was a price to pay in doing that.

I would like it to be known that this transaction had with it a tax liability. The trust went to the United States. It went to New York state. We found out that the way the deal was made, the way the ruling came down, this could be allowed to happen but only if during the next ten years, from 1991 to the year 2001, if any of those assets were cashed in, if any of it was liquidated, the tax liability would be owing to Canada and Canadians would receive that money. Theoretically, as we are debating this issue today, if those individuals were to do anything to liquidate certain assets within the trust, the moneys would be taxed and the tax would be owing to Canada.

After the ten years the tax would be owing and payable in the United States, in New York state. However, these individuals did not do this to avoid paying tax. The tax liability is there. It is a question of whether it is payable to Canada or to the United States. Ten years from the date of the agreement the tax is owing to Canada.

As well, the tax rate in New York state on this trust would have been higher than it is in Canada. Therefore to argue that these individuals were trying to avoid taxes or trying to pay lower taxes is not true. I would like to let it be known that these people were just looking for ways to get their trust moved around.

Did this happen in such a way that there should have been an immediate tax liability on the assets payable to Canada? I do not know. I do not know the technicalities. I cannot say whether there should or should not have been. However, other Canadians should not have been denied the same rights while this was being looked at.

The public accounts committee went as far as it could, with good intentions. We were not quite satisfied with all the answers. There were minority reports filed.

With respect to the matters of tax liability, tax avoidance and tax concurrence there is an honour system in Canada. I am starting to get the sense that the government is becoming tougher and is not willing to trust Canadians. The government amended the Income Tax Act in the last budget, which is to come into force this year. Now we are going to be requested on our income tax forms to not only report our income, tax liability, how much was deducted at source and how much is still owing, but a year from now the government is going to ask all individuals to list their foreign assets. We will not only have to report our income and the liability on that income, we will have to report our foreign assets. Why? The government does not trust Canadians. It feels that some Canadians are hiding assets offshore and not paying tax on them when they are sold, not declaring their gain on the assets.

● (1725)

Our system in Canada hires a lot of people. Revenue Canada has a budget of \$2.2 billion, 44,000 employees. There are some darned

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good auditors. Those auditors are the ones who should be looking at who is and who is not paying taxes on offshore assets. Why not do that?

If there is a problem with the business immigration plan and some immigrants are not following the system, audit more of them. We know that when a tax avoidance scheme or a tax shelter develops and the business community takes undue advantage of it, the auditors audit research and development grants until we find out what is legitimate and what is not and we find out that some people were cheating. That is how to solve it, not putting in the Income Tax that one must under penalty of imprisonment or under penalty of something else. That drawing and quartering is ridiculous. That is not the way we should be going.

Today something happened in public accounts that is all related to what we do as a committee. A very important issue was raised about generally accepted accounting principles and how government commitments are booked; the \$961 million transition payment to the three Atlantic provinces; the \$800 million commitment for the foundation for innovation.

Bloc members were ready to debate this. Reform was ready. The auditor general was at the committee along with the deputy minister. These people were kind enough to show up to discuss the issue so that I would either stop criticizing or continue to criticize the finance minister. There are seven Liberal members on that committee. Not one of them showed up and the chairman had to cancel the meeting. That is a shame and I do not think it is in order.

I feel I have contributed as much as I can to shed light on what happened on this issue.

[Translation]

**Mr. Jim Peterson (Willowdale, Lib.):** Madam Speaker, I would like to put a question to the hon. member. The Bloc Quebecois has decried throughout Canada what they call the family trust scandal.

**Mr. Nunez:** But it is true.

**Mr. Peterson:** It is not true. Both the Standing Committee on Public Accounts and the Standing Committee on Finance have held public hearings on this issue. Tax experts who had conducted an extensive review of this case told us that our public officials were fair and had the right to give what is called an advanced tax ruling. According to these experts, who hail from the private sector and work in this complicated and difficult area, our employees had the right to act as they did.

But despite all of this, I want to point out that, after being made aware of the situation, the government reacted very quickly. It agreed with the proposals made by the Standing Committee on Finance to create in Canada one of the toughest tax systems where immigration is concerned.

We have heard a lot of lies in this House and everywhere else about family trusts. Let me give you an example of a lie I heard today. Someone said that it was the Liberal government under Pierre Elliott Trudeau, in 1970, that came up with the idea of family trusts. That is not true. Family trusts have existed since the 17th century. They have always existed to help families, farmers, people—

[English]

**The Acting Speaker (Mrs. Ringuette-Maltais):** It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS

[English]

### QUEBEC CONTINGENCY ACT (REFERENDUM CONDITIONS)

On the Order: Private Members' Business:

October 30, 1996—Mr. Preston Manning (Calgary Southwest)—Second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-341, an act to establish the terms and conditions that must apply to a referendum relating to the separation of Quebec from Canada before it may be recognized as a proper expression of the will of the people of Quebec.

**The Acting Speaker (Mrs. Ringuette-Maltais):** The hon. member for Calgary Southwest is not present to move the order as announced in today's notice paper. Accordingly the motion will be dropped to the bottom of the orders of precedence on the Order Paper.

[Translation]

The sitting is suspended until 6.30 p.m., unless the hon. members agree to call it 6.30 p.m.

**Some hon. members:** Agreed.

[English]

**Mr. Campbell:** Madam Speaker, I rise on a point of order. May I call it 6.30 p.m.?

**The Acting Speaker (Mrs. Ringuette-Maltais):** Is that agreed?

**Some hon. members:** Agreed.

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## ADJOURNMENT PROCEEDINGS

[Translation]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

## HYUNDAI PLANT IN BROMONT

**Mr. Jean H. Leroux (Shefford, BQ):** Madam Speaker, Hyundai has been in the news a great deal in our area since this firm closed its plant in Bromont.

The former Bloc member for Brome—Missisquoi, Gaston Péroquin, had predicted during the last election campaign that the Hyundai plant in Bromont would close. Of course, everybody then believed that he was not telling the truth.

After getting a \$23 million loan from Ottawa and the same amount from Quebec, Hyundai set up its plant in Bromont with the objective of producing 100,000 cars a year. We know that this objective was never reached.

When the closing of the plant was announced, Mr. Péroquin and I got together to try to find out more about the future of the Hyundai plant and the 800 jobs that would be lost. We are talking about 800 direct jobs, 800 quality jobs, 800 well-paid jobs. These 800 direct jobs and the contracts that were awarded generated significant economic benefits throughout the Granby-Bromont region.

These jobs were held by people between 25 and 30 on average. We know how difficult it is today for young people to find quality jobs. Our young people were hit hard.

At that time, I urged the government, on behalf of the Bloc Québécois, to act as quickly as possible to save these jobs and, more importantly, to ensure that this situation does not reoccur.

The Prime Minister does not miss an opportunity to brag about job creation. In this case, the federal government failed miserably. I also attended a few meetings held by employees of the Federal Office of Regional Development for Quebec, in Montreal. Nothing could be done. The Liberal government across the way did nothing to save this plant other than take part in unsuccessful meetings.

What we know now is that all the equipment was taken out of the plant and that the executive is challenging the City of Bromont's assessment roll to have their municipal taxes reduced.

• (1735)

Yet, the solution for the future is obvious. We must find another destination for this plant. We should find buyers, a company willing to acquire this infrastructure, a modern plant. We have to recognize that Hyundai will not change its decision. A responsible government claiming that it is stimulating employment should do its utmost to revive the plant.

On April 16, I asked the Minister of Industry whether discussions had been initiated with his Quebec counterpart or any potential buyer who could take over this idle plant and get it

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running again. I was told that the question would be taken under advisement. Can you imagine that. Not a very impressive answer.

They claim they can run a country, and their stated objective was job creation. Remember: "Jobs, jobs, jobs"? What did they do? Just about nothing. Of course, my Ottawa office has not had an answer yet, even though the parliamentary secretary undertook to give me one. We did not get anything, but it is not the first time, we are used to it. Liberals talk a lot and make lots of promises but, unfortunately, they do not deliver much.

Therefore, I put my question again to the Minister of Industry or his department. Do they have solutions to propose to the people of my riding and the neighbouring riding of Brome—Missisquoi, which is not appear anywhere, on this issue. Are there talks between the government in Ottawa and the one in Quebec City to look for potential buyers who could get this idle plant running again?

People in my riding have the right to know what the federal government is doing for them and I expect an answer on their behalf.

[English]

**Mrs. Karen Kraft Sloan (Parliamentary Secretary to Minister of the Environment, Lib.):** Madam Speaker, I am pleased the hon. member for Shefford has given me the opportunity to speak to the development of the Hyundai plant in Bromont, Quebec.

As the Minister of Industry noted in the House previously, Hyundai informed the government of its intention to remove its equipment from the Bromont plant since its efforts to reopen the plant with partners or to attract investors had been fruitless.

Having reimbursed all sums owed to both governments, Hyundai has no other formal obligations. The arrangement agreed to by Industry Canada, the Quebec industry department and Hyundai was that Hyundai would pay back the entire amount of the contributions it received, \$46.4 million, under the Canada-Quebec industrial development agreement if it ceased production and was unable to introduce a new product or find an interested buyer for its Bromont plant.

As neither of these conditions could be met, Hyundai has now returned the entire amount which will be used jointly by the federal and provincial governments under the entente to fund other worthwhile projects that will contribute to economic development in Quebec.

The federal government continues to search for opportunities to create jobs and growth. Industry Canada now has a dedicated investment unit, which is a joint initiative with the Department of Foreign Affairs and International Trade, working on an international marketing campaign to increase international awareness of Canada's advantages as a location for investment.

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Investment Partnerships Canada builds new federal, provincial, municipal and government-private sector partnerships to attract investment.

I am confident of the work of Industry Canada. It will respond to any investor interest in the Bromont plant.

## FLOODING

**Mr. Glen McKinnon (Brandon—Souris, Lib.):** Madam Speaker, I am here tonight to address once again what continues to be a worsening condition in my home province. The flood waters of the Red River are still on the rise. Yesterday Premier Filmon declared a provincial state of emergency.

Our minister responsible for Emergency Planning Canada, the Minister of National Defence, was in southern Manitoba recently and attempted to meet with Mr. Filmon and to inspect the situation.

• (1740)

During yesterday's question period I had the opportunity to discuss the situation with the hon. minister. Given the time constraints, the minister was unable to address the specific measures the Government of Canada has taken and is willing to undertake in the future. Tonight I greatly appreciate the opportunity to further discuss the matter.

I will put the present situation into a historical context. This is certainly not the first national disaster although it may be the worst flood the province has seen in 100 years. The memories of past floods are etched into the minds of those who suffered through them. We refer specifically to 1950, 1966, 1979 and 1996. In each of those years neighbours and communities pulled together to help each other.

The province of Manitoba did its share to co-ordinate emergency efforts. Along with the Government of Canada it was there to provide strategic support and in the end financial assistance to help recover some costs associated with the disaster.

When the incident is over the financial aspect bears some scrutiny and discussion. Financial assistance has been given according to a disaster assistance formula put in place back in the seventies. Since 1970 the federal government has paid over \$53 billion to the province, a substantially higher amount in proportion to other provinces of similar size. This is due through no small part to the severe and devastating floods that have occurred on a fairly regular and repetitive basis.

Under the DFAA arrangements the federal government is permitted to assist provinces when the cost of responding to major emergencies such as the one we are facing now puts undue strain on the provincial economy. When this happens financial assistance is requested by the province of the federal government. The amount

of federal assistance is in accordance with a cost sharing formula based on the provincial population and eligible provincial expenses as spelled out under DFAA guidelines.

The province receives invoices from the municipality, catalogues them and forwards them to the federal government for its scrutiny. The province may however provide more generous assistance than what the guidelines designed between the province and the federal government actually state. As a senior minister from Manitoba stated earlier today in a media interview, it is up to the province to develop and deliver its own program of assistance to victims of a disaster according to the nature of the disaster and the needs of the people deeply affected.

Recently the Government of Canada committed to compensate the amount of \$1.25 million for funds for Manitoba in 1993 and 1995 regardless of what the disaster assistance guidelines clearly state. It is a one-time payment which does not set a precedent. It is a generous way of showing that the Government of Canada is committed to compensating equally and fairly all Canadians who have endured a natural disaster. It displays the level of generosity the federal government needs to express to those areas hit.

We would ask the minister's representative to kindly clarify what measures the Liberal government is taking to ensure that in the middle of such confusion Manitobans can be assured of equal and good treatment in the future.

**Mr. John Harvard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Madam Speaker, I thank the hon. member for Brandon—Souris for his question. I understand his concern for our fellow Manitobans.

By all measures the flood waters that now threaten Manitobans are cause for great concern. While we cannot fully overcome the full force of Mother Nature, the local municipalities, the Government of Manitoba and the Government of Canada will endeavour to do everything within their powers to minimize the personal, social and economic dislocation that so often follow natural disasters of this magnitude.

Already the federal government, working with Manitoba's emergency measures organization, has in place a number of initiatives aimed at helping Manitobans prepare for the impending floods. As of today more than 300 Canadian forces members are actively participating in sandbagging operations in southern Manitoba. An additional 1,400 CF members have been committed and are moving into the area. Many more CF members are on standby and ready to deploy at a moment's notice.

A number of reservists from the Manitoba area are among those on standby, a wonderful example of how local support for the militia is often returned in kind to the community.

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By Friday April 25, air command will have 10 helicopters in Winnipeg. Zodiac boats, heavy equipment and more personnel are being moved to the area as we speak. Resources such as these will prove to be vital in flood support operations such as evacuations and emergency situations.

At the request of the Minister of Foreign Affairs and Manitoba's Liberal MPs, yesterday afternoon the Minister of National Defence toured by helicopter the area south of Winnipeg affected by flooding. The minister wanted to review the situation personally and ensure that all that can be done is being done to assist the Manitoba government and those people affected by this natural disaster.

The Canadian forces however represent but one dimension of the federal government's response to this potential disaster.

Human Resources Development Canada is arranging for expedited movement of pension and other such cheques.

Indian and Northern Affairs Canada is in close communication with First Nations communities, including Dauphin River, that could be isolated by flood waters.

The Canada Mortgage and Housing Corporation has compiled an inventory of emergency housing if evacuees need to be relocated.

Revenue Canada Customs has arranged to provide 24-hour service at other entry sites to expedite commercial truck traffic detoured from its usual port of entry.

The Canadian Wheat Board has been moving grain out of threatened areas with the assistance of the railways.

The Department of Fisheries and Oceans-Canadian Coast Guard in Manitoba has its fleet of small boats and equipment ready for use by municipalities if required. The coast guard has mobilized several large barges ready to transport livestock and other property if evacuation is necessary. Some cattle already have been evacuated in the St. Pierre-Joly area.

The Prairie Farm Rehabilitation Administration has five fields ready for use as an emergency feedlot. Preparations are also being made to deal with an influx of animal carcasses in areas where evacuation of livestock may not have been completed.

No one can fully mitigate the devastating effects caused by flooding. If our worst fears are met, challenging times surely will come in the wake of rising flood waters.

While it is the human spirit which will ultimately ensure that the vitality of communities facing flood waters will remain intact, I can assure the citizens of Manitoba that the Government of Canada will do its part. Everyone from the Prime Minister on down is on alert and everything possible will be done to help my fellow Manitobans.

Finally, Manitoba is not facing its first nor likely its last natural disaster. The treatment of Manitobans by the Government of Canada however will be second to none.

*[Translation]*

**The Acting Speaker (Mrs. Ringuette-Maltais):** The motion to adjourn the House is deemed to have been adopted. The House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 5.48 p.m.)

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