



CANADA

House of Commons Debates

VOLUME 134 • NUMBER 124 • 2nd SESSION • 35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Thursday, February 6, 1997

Speaker: The Honourable Gilbert Parent

CONTENTS

(Table of Contents appears at back of this issue.)

The House of Commons Debates are also available on the
Parliamentary Internet Parlementaire at the following address:

<http://www.parl.gc.ca>

HOUSE OF COMMONS

Thursday, February 6, 1997

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*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 15 petitions.

* * *

[*English*]

CANADIAN MULTICULTURALISM ACT

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, copies of the annual report on the operation of the Canadian Multiculturalism Act for 1995-1996.

I will be making a statement shortly outlining my vision and the government's new direction for multiculturalism.

* * *

MULTICULTURALISM

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, millions of Canadians are living proof of this nation's commitment to offer opportunity to all of our citizens. It is the role of multiculturalism to ensure that all Canadians can participate fully and actively in the economic, social and political life of this country.

It is therefore a pleasant responsibility to place before Parliament the annual report of the operation of the Canadian Multiculturalism Act.

1996 was a milestone for multiculturalism in three ways. First, we commemorated the 25th anniversary of Canada becoming the first country in the world to embrace the concept of multiculturalism as a national policy.

[*Translation*]

That policy is an affirmation of Canadian values and vision, and is a guide for pragmatic vision. It is a guide for reaping the social and economic benefits offered by our cultural diversity.

It is the ability for one people to be formed out of diversity.

[*English*]

It is the ability to live together, sharing common and fundamental values that are inherently Canadian, yet at the same time it is also the ability to respect individuals and communities which have chosen to maintain their uniqueness that is also Canadian.

Second, 1996 was the year in which Canada revamped and renewed its multiculturalism program to make it more contemporary, more focused, more accountable and more open to partnership with all Canadians. The renewed program is targeted squarely at the objectives of advancing social justice, fostering Canadian identity and enhancing civic participation.

Without leadership and direction over the past 25 years and into the future, we would not have been able to build and maintain this open and welcoming society that is a model to the world. We will secure these goals by working in partnership across the federal government and in harmony with other levels of government, the private sector, community groups and Canadians from all walks of life.

Third, during this year the Government of Canada followed through on the Prime Minister's pledge to establish the Canadian Race Relations Foundation. Under the leadership of the Hon. Lincoln Alexander and a board of distinguished Canadians, the foundation will be a linchpin for the sharing of information and know-how in promoting even better race relations in Canada.

[*Translation*]

These milestones are markers of a country dedicated to fairness. They are also markers of a country determined to use the full range of its cultural diversity to tap new markets, build new trade, create new jobs, promote new tourism and marshal our competitive advantage.

*Routine Proceedings**[English]*

Team Canada works in part because we have citizens with knowledge of the different languages, cultures and marketplace of trading partners. It works in part because we are widely viewed as a society that strives to tap the talents of all Canadians regardless of their origins. In the eyes of the world Canada has become a model. As we have strived to live together with respect for differences, we have honed the skills of accommodation that has made us learn how to find a peaceful resolution to conflict.

The success of the new direction set for multiculturalism in 1996 can and will be open for review by Parliament in the years ahead. I welcome, and in fact encourage, the ongoing advice of all members of Parliament as we continue the work of ensuring that a noble Canadian idea provides opportunity for all Canadians and tangible benefits for our nation.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I listened closely to the speech made by the Secretary of State for Multiculturalism as she tabled her annual report of the operation of the Canadian Multiculturalism Act.

I am pleased that this important position is held by a woman from a visible minority. Her multiculturalism policy, however, is a complete failure.

- (1010)

First of all, her government ignores the fact that there is a Quebec culture, that there are two founding peoples, two founding nations. She referred to tolerance as a basic value. But the fact is that, last May, a senior minister of this government suggested that I leave Canada and find another place to live because my views diverge from those of the government, because I dared criticize its immigration policy and because I am a sovereigntist member from an ethnic community.

The secretary of state also spoke of compassion. But in her own riding of Vancouver Centre, there is a Salvadoran refugee by the name of Maria Barahona who has had to seek refuge in a church basement in 1995 and has been living there with her four children for more than a year.

Neither the secretary of state nor the minister of immigration has done a thing to remedy the situation. Racism is on the rise in Canada. But there is no word of any specific action, any action plan to combat the social scourge of terrorism. There are cutbacks everywhere, particularly in the services for which the Secretary of State for Multiculturalism is responsible.

Ethnic groups are complaining about not getting any subsidies any more. This government has stopped advertising in the ethnic media, and several papers were forced to close down for lack of subsidization and government ads. This is especially true in the

case of Latin Americans. This newly established community needs the government's support to ensure its harmonious integration into the host society.

The unemployment rate among visible minorities is alarming. It is much higher than the Canadian average. This means there is an employment equity act that has not been enforced by the federal government. One of the target groups for positive action plans should be visible minorities.

There is also a need for providing intercultural education to this government's officials. Some newcomers to Canada complain about abusive or discriminatory behaviour on the part of federal officials, particularly citizenship and immigration officials.

In a nutshell, equality for all is far from having been achieved in Canada in the social, economic, cultural and political areas.

[English]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I ask members to put themselves in the position of a boatload of German Jewish refugees in June 1939. They were turned away from our shores and ended up going back to Europe where many died, ending up in the crematoria. At about the same time Chinese people were prevented from coming to Canada. We acknowledge that our country has not had a particularly welcoming attitude to people of other colours, races and backgrounds.

If we are ever to be sure to never repeat the errors of the past, it is particularly important when discussing and when considering multiculturalism to remember the Canada we have today is one of which the vast majority of people are very proud. We have a deserved reputation around the world for being inviting and accommodating.

As we use this as an opportunity to consider what multiculturalism actually means to our country and its future, based on the notion of a multicultural country, it behoves us to bear in mind that it is the values we share in common as Canadians that are the foundation of our country of the future. And as a rule, all of us should live our lives as if we were members of a minority or were refugees from some other part of the world.

- (1015)

Even today there are blemishes on our record. For instance, we now have a head tax on immigration, and while that may not be very much to some people, for some it is a great deal of money. The ability of a person to come to Canada based on their ability to buy their way in, even if it is only a bit, is something we should really look at and reconsider.

In Alberta we had, some time ago, a program of inclusion, to make the notion of multiculturalism one of inclusion of all people to celebrate it. The key that we had there was one heart, many colours. I have yet to hear any description of what multiculturalism

is about, better than that, that Canada is a country of people from all over the world with one heart of many colours.

* * *

PETITIONS

NUCLEAR WEAPONS

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, this petition is signed by many people from my constituency who are calling on the House of Commons to ask the government to support the immediate initiation and conclusion by the year 2000 of an international convention which will set out a binding timetable for the abolition of all nuclear weapons.

HIGHWAY SYSTEM

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, it is my duty, pursuant to Standing Order 36, to present in the House today some seven petitions from my constituents of London—Middlesex and the surrounding area calling on Parliament to work closely with the provinces of Canada, in this case particularly Ontario, to upgrade the highway system of this province and of this country.

They note very much the need for such upgrading. They speak to the job creation potential of these programs. I am very pleased to support these petitions, noting that our infrastructure programs should address their concerns.

YOUNG OFFENDERS ACT

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, it is my pleasure pursuant to Standing Order 36 to present four petitions today from my riding of Simcoe Centre.

The first group of petitioners request that Parliament pass legislation to strengthen the Young Offenders Act, including publishing the names of young offenders, lowering the age of application and transferring serious young offenders to adult court.

CONSENT

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the second petition concerns the age of consent laws. The petitioners ask that Parliament set the age of consent at 18 years to protect children from sexual exploitation and abuse.

JUSTICE

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the third petition concerns violent offenders. The petitioners ask that Parliament enact two strikes legislation so that repeat offenders will serve life in prison with no chance of parole.

NATIONAL UNITY

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the final petition concerns national unity. The petitioners ask that Parlia-

Routine Proceedings

ment declare immediately that Canada is indivisible, except if the majority of Canadians agree otherwise in a national referendum or unless due to process of an amending formula in our Constitution.

HIGHWAY SYSTEM

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, it is my pleasure today pursuant to Standing Order 36 to present a petition to the House of Commons.

The petition is signed by residents of my constituency, including residents of the town of Cut Knife, the city of North Battleford and towns of Wilkie, Unity, Speers, Cando, Chitek Lake, Meota, Jackfish Lake and other communities in my riding.

The petitioners draw to the attention of the House of Commons that 38 per cent of the national highway system is substandard, that Mexico and the United States are upgrading their national highway system and that the national highway policy study identify job creation, economic development, national unity, saving lives and avoiding injuries, lower congestion, lower vehicular operating costs and better international competitiveness as benefits of the proposed national highway program.

• (1020)

Therefore the petitioners call on Parliament to urge the federal government to join with provincial governments to make the national highway system upgrading possible.

HIGHWAY SYSTEM

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, today I have the privilege of presenting to the House petitions from concerned citizens of my riding of Cambridge and southern Ontario.

The petitioners wish to draw to the attention of the House that 38 per cent of the national highway system is substandard. Our NAFTA partners are currently upgrading their national highway systems. Investment in Canada's national highway system would create jobs, spur economic growth, contribute to national unity and save lives.

For these reasons the petitioners pray and request that the Parliament of Canada join with the provincial governments to make the upgrading of our national highway system a priority.

MARRIAGE

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I have four petitions to present today.

The first petition which is signed by 106 people requests that the House of Commons enact legislation to amend the existing legislation to define marriage as the voluntary union for life of one woman and one man to each other, to the exclusion of all others.

Routine Proceedings

GASOLINE TAX

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, the second petition is signed by 50 residents of my riding and requests that Parliament not increase the federal excise tax on gasoline in the next federal budget.

HIGHWAY SYSTEM

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, the last two petitions which contain 27 signatures each call upon Parliament to urge the federal government to join with provincial governments to make the national highway upgrading system position.

FISHERIES

Mr. Lawrence D. O'Brien (Labrador, Lib.): Mr. Speaker, I have two petitions to present. One is from Black Tickle, Labrador having to do with the emergency state of the economy.

Five years ago Black Tickle had nearly 100 per cent employment in the fisheries. Right now it is 6 per cent and the people of Labrador and the community of Black Tickle are calling on the Government of Canada and particularly the Department of Fisheries and Oceans to do something about the allocation of quotas so the fish plant may be reopened.

The second petition I wish to present is again to the department of fisheries having to do with the adjacency issue of fisheries, signed by hundreds of people of my riding from along the coast of Labrador.

The petitioners call on the Department of Fisheries and Oceans and the Government of Canada to consider the adjacency issue and give them a fair and decent allocation of fish.

JUSTICE

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present the following petition which comes from my riding of Comox—Alberni.

The petitioners ask that Parliament enact Bill C-205 which proposes to prohibit any criminal from profiting from the commission of a crime.

GENERIC DRUGS

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, I am pleased to pursuant to Standing Order 36 to present a petition to Parliament from a group of senior citizens who are very concerned about the labelling practice in the marketing of generic drugs. They call on Parliament to regulate the practice of keeping generic drugs in the size, shape and colour which is similar to that of the brand name equivalent. They are concerned about the safety of consumers on this issue, especially senior citizens.

[Translation]

TAX ON GASOLINE

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to table a petition signed by people from my riding and surrounding areas.

The petitioners are asking Parliament not to increase the federal excise tax on gasoline in the next federal budget.

[English]

NATIONAL UNITY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have a number of petitioners to present.

The first one concerns Canadian unity. The petitioners pray that the Prime Minister and Parliament will declare and confirm immediately that Canada is indivisible and that the boundaries of Canada, its provinces, territories and territorial waters, may be modified only by a free vote of all Canadian citizens as guaranteed in the charter of rights and freedoms. This petition comes from Montreal, Quebec.

HUMAN RIGHTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition is from Brantford, Ontario.

The petitioners would like to bring to the attention of the House that homosexuals already have the rights, excluding sexual orientation, from the human rights act. It is not a question of equality. All Canadians have the same legal protection and basic rights under existing laws.

Therefore the petitioners pray that the term sexual orientation not be included in the human rights act.

EMERGENCY PERSONNEL

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the next petition is from Chambly, Quebec.

● (1025)

The petitioners pray and call on Parliament to establish a fund known as a public safety officers compensation fund for the benefit of families of safety officers killed in the line of duty.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the next petition concerning the taxation of families comes from Burlington, Ontario.

The petitioners pray and call on Parliament to pursue initiatives to assist families that decide to provide care in the home for preschool children, the chronically ill, the aged and the disabled.

ALCOHOL CONSUMPTION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the final petition is from Dingwall, Nova Scotia. This petition has to do with health warning labels on containers of alcoholic beverages.

The petitioners humbly pray and call upon Parliament to mandate the labelling of alcoholic products to warn pregnant women and others of certain dangers associated with the consumption of alcoholic beverages.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

The Deputy Speaker: I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 11 minutes.

GOVERNMENT ORDERS

[Translation]

EXCISE TAX ACT

The House resumed from February 5, 1997, consideration of Bill C-70, an act to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related Acts, as reported (with amendments) from the committee, and of motions in Group No. 2.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 68

That Bill C-70 be amended by deleting Clause 209.

Motion No. 69

That Bill C-70 be amended by deleting Clause 210.

Motion No. 70

That Bill C-70 be amended by deleting Clause 211.

Motion No. 71

That Bill C-70 be amended by deleting Clause 212.

Motion No. 72

That Bill C-70 be amended by deleting Clause 213.

Motion No. 73

That Bill C-70 be amended by deleting Clause 214.

Government orders

Motion No. 74

That Bill C-70 be amended by deleting Clause 215.

Motion No. 75

That Bill C-70 be amended by deleting Clause 216.

Motion No. 76

That Bill C-70 be amended by deleting Clause 217.

Motion No. 77

That Bill C-70 be amended by deleting Clause 218.

Motion No. 78

That Bill C-70 be amended by deleting Clause 219.

Motion No. 79

That Bill C-70 be amended by deleting Clause 220.

Motion No. 80

That Bill C-70 be amended by deleting Clause 221.

Motion No. 81

That Bill C-70 be amended by deleting Clause 222.

Motion No. 82

That Bill C-70 be amended by deleting Clause 223.

Motion No. 83

That Bill C-70 be amended by deleting Clause 224.

Motion No. 84

That Bill C-70 be amended by deleting Clause 225.

Motion No. 85

That Bill C-70 be amended by deleting Clause 226.

Motion No. 86

That Bill C-70 be amended by deleting Clause 227.

● (1030)

He said: Mr. Speaker, could we ask the pages, as we did yesterday, to sit while the motions are being read? You, Mr. Speaker, are used to standing up.

The Deputy Speaker: This is an excellent idea. I thank the hon. member.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 87

That Bill C-70 be amended by deleting Clause 228.

Motion No. 88

That Bill C-70 be amended by deleting Clause 229.

Motion No. 89

That Bill C-70 be amended by deleting Clause 230.

Motion No. 90

That Bill C-70 be amended by deleting Clause 231.

Motion No. 91

That Bill C-70 be amended by deleting Clause 232.

Motion No. 92

That Bill C-70 be amended by deleting Clause 233.

Motion No. 93

That Bill C-70 be amended by deleting Clause 234.

Government orders

Motion No. 94

That Bill C-70 be amended by deleting Clause 235.

Motion No. 95

That Bill C-70 be amended by deleting Clause 236.

Motion No. 96

That Bill C-70 be amended by deleting Clause 237.

Motion No. 97

That Bill C-70 be amended by deleting Clause 238.

Motion No. 98

That Bill C-70 be amended by deleting Clause 239.

Motion No. 99

That Bill C-70 be amended by deleting Clause 240.

Motion No. 100

That Bill C-70 be amended by deleting Clause 241.

Hon. Lawrence MacAulay (for the Minister of Finance)
moved:

Motion No. 101

That Bill C-70, in Clause 241, be amended by

(a) replacing, in the English version, lines 12 to 14 on page 284 with the following:

“province means

(a) October 23, 1996 in the case of Nova Scotia, New Brunswick or Newfoundland; and

(b) February 10, 1997 in the case of the Nova Scotia offshore area or the Newfoundland offshore area.”

(b) replacing, in the French version, lines 14 and 15 on page 284 with the following:

“se, du Nouveau-Brunswick, Terre-Neuve, de la zone extracôtière de la Nouvelle-Écosse et de la zone extracôtière de Terre-Neuve.”

(c) replacing, in the French version, lines 16 to 19 on page 284 with the following:

“«date de mise en oeuvre anticipée»

a) Le 1er février 1997 dans le cas de la Nouvelle-Écosse, du Nouveau-Brunswick et de Terre-Neuve;

b) le 10 février 1997 dans le cas de la zone extracôtière de la Nouvelle-Écosse et de la zone extracôtière de Terre-Neuve.”

(d) replacing, in the English version, lines 17 and 18 on page 284 with the following:

“Nova Scotia, New Brunswick, Newfoundland, the Nova Scotia offshore area or the Newfoundland offshore area.”

(e) replacing, in the French version, lines 20 to 22 on page 284 with the following:

“«date de publication»

a) Le 23 octobre 1996 dans le cas de la Nouvelle-Écosse, du Nouveau-Brunswick et de Terre-Neuve;

b) le 10 février 1997 dans le cas de la zone extracôtière de la Nouvelle-Écosse et de la zone extracôtière de Terre-Neuve.”

(f) replacing, in the English version, lines 20 to 22 on page 284 with the following:

“participating province means

(a) February 1, 1997 in the case of Nova Scotia, New Brunswick or Newfoundland; and

(b) February 10, 1997 in the case of the Nova Scotia offshore area or the Newfoundland offshore area.”

● (1035)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 102

That Bill C-70 be amended by deleting Clause 242.

Motion No. 103

That Bill C-70 be amended by deleting Clause 243.

Motion No. 104

That Bill C-70 be amended by deleting Clause 244.

Motion No. 105

That Bill C-70 be amended by deleting Clause 245.

Motion No. 106

That Bill C-70 be amended by deleting Clause 246.

Motion No. 107

That Bill C-70 be amended by deleting Clause 247.

Motion No. 108

That Bill C-70 be amended by deleting Clause 248.

Motion No. 109

That Bill C-70 be amended by deleting Clause 249.

[English]

Mr. Solberg: Mr. Speaker, I rise on a point of order. Yesterday we indicated that we hoped to wring a concession out of the government that if it would not move time allocation we would agree to go along with the request not to read this entire set of amendments into the record. The government did not give us that assurance which is unfortunate because it has moved time allocation dozens of times in this House.

Having said that, we feel it is not fair to the Speaker or to the people of the country who are waiting to hear the debate on this bill. If members on the other side and in the Bloc would go along with it, we would be happy to give our concurrence to allow the Speaker to dispense with the reading of the amendments.

[Translation]

Mr. Loubier: Mr. Speaker, the Bloc Québécois supports the proposal made by the Reform Party member.

[English]

Mr. Campbell: Mr. Speaker, as much as we are enjoying the very fine job you are doing in reading these amendments, it is putting a strain on you. I regret that as a result of the wishes of the other parties opposite, that is what we had to do last night and this morning, riveting television though it may be. I am sure we would also be pleased to begin the debate on this group.

Government orders

May I ask my hon. colleagues opposite, does this mean we would proceed to debating the motions in this group at this time? To clarify, my understanding is that we would take all the motions in this group as having been read and proceed to the debate.

• (1040)

[*Translation*]

Mr. Loubier: Mr. Speaker, the proposal made by the Reform Party member is quite clear. The government was asked, as regards the GST, an issue which is not at all to its credit, not to invoke closure on Bill C-70 either today or later.

Mr. Speaker, we have nothing against you. We like you, but as long as the government does not guarantee that it will not gag us, each motion will have to be read.

Liberal members across the floor must stop displaying this holier-than-thou attitude. After all, they are the ones to blame for the many times closure was imposed on us over the last three and a half years. This is their way of doing things and it is totally undemocratic.

[*English*]

The Deputy Speaker: I might ask, colleagues, is it also implied in what has been said that we are going to have the questions deemed to be put or not deemed to be put on the motions in this particular group?

Mr. Campbell: Mr. Speaker, I would like to clarify it. I am afraid the hon. member opposite has now changed what I understood the member of the third party to have suggested. He suggested that in light of the inconvenience of your having to read through all of these amendments, we could take them as having been read. I am saying on behalf of the government that we would be agreeable with that and that is all I am saying.

[*Translation*]

The Deputy Speaker: Is there unanimous consent to deem all the motions in this group to have been read?

Some hon. members: No.

The Deputy Speaker: Then we must carry on.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 110

That Bill C-70 be amended by deleting Clause 250.

Motion No. 111

That Bill C-70 be amended by deleting Clause 251.

Motion No. 112

That Bill C-70 be amended by deleting Clause 252.

Motion No. 113

That Bill C-70 be amended by deleting Clause 253.

He said: Mr. Speaker, since we are keen to get on with the very important debate that we must and are permitted to have in this House regarding the GST scandal and this government, we will go along with the government's arguments. We agree that these motions are deemed to have been read so that we can debate the motions in Group No. 2 dealing with the malfunctioning of this government and the political agreement with the maritimes to harmonize the GST, which is costing us \$1 billion.

Canadians and Quebecers are entitled to have the full picture on this government's bad management and its unacceptable squandering of taxpayers' money.

The Speaker: Is there unanimous consent to deem the motions in this group to have been read and begin debate?

Some hon. members: Agreed.

[*English*]

Mr. Campbell: Mr. Speaker, on a point of order, I wonder if in this renewed spirit of co-operation I might also ask that all votes could be deemed to have been taken as recorded divisions and put over instead of done individually.

[*Translation*]

Mr. Loubier: Mr. Speaker, could my hon. colleague on the government side repeat his proposal? I did not quite catch it.

[*English*]

The Deputy Speaker: Perhaps the hon. Parliamentary Secretary to the Minister of Finance could repeat what he just said. His colleague did not catch everything he said.

• (1045)

Mr. Kilger: Mr. Speaker, let me see if I can be of assistance to my colleagues.

I believe the parliamentary secretary is asking the House to consider, over and above its co-operation as to the motions having been read, that if votes are requested that they would be deemed deferred as opposed to having to make the request each and every time with the yeas and the nays and so on. I would ask the Chair, can that be done?

[*Translation*]

Mr. Loubier: Mr. Speaker, it is much clearer when the government whip tells us. Yes, we agree to have the divisions on these motions deemed to have been deferred.

[*English*]

The Deputy Speaker: Colleagues, I think I get the sense of the House that all of the motions in this grouping will be deemed to have been moved, seconded and read. If a division is demanded it will be deemed deferred. Is that agreeable?

Government orders

Some hon. members: Agreed.

Mr. Campbell: Mr. Speaker, I would like to thank you and the hon. chief government whip for clarifying what I was trying to say. Given how sensitive everyone is in the House these days, I want to tell the hon. member opposite that I take no offence at what he said a few moments ago about my earlier attempt to explain what the government wanted to achieve.

[*Translation*]

Mr. Loubier: Mr. Speaker, I did not in any way wish to insult my Liberal colleague. If I did not understand what he said, it was because I had not put on my earphones to listen to the interpretation.

The Deputy Speaker: Okay.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 114

That Bill C-70 be amended by adding after line 45 on page 336 the following:

“253.1 (1) Schedule VI of the Act is amended by adding the following after Part VII:

Part VII.1
PRINTED BOOKS, AUDIO RECORDINGS OF PRINTED BOOKS AND
VERSIONS OF SCRIPTURES OF ANY RELIGION

1. In this Part, “printed book” does not include anything that is or the main component of which is

- (a) a newspaper;
- (b) a magazine or periodical acquired otherwise than by way of subscription;
- (c) a magazine or periodical in which the printed space devoted to advertising is more than 5 per cent of the total printed space;
- (d) a brochure or pamphlet;
- (e) a sales catalogue, a price list or advertising material;
- (f) a warranty booklet or an owner’s manual;
- (g) a book designed primarily for writing on;
- (h) a colouring book or a book designed primarily for drawing on or affixing thereto, or inserting therein, items such as clippings, pictures, coins, stamps or stickers;
- (i) a cut-out book or a press-out book;
- (j) a program relating to an event or performance;
- (k) an agenda, calendar, syllabus or timetable;
- (l) a directory, an assemblage of charts or an assemblage of street or road maps, but not including
 - (i) a guidebook, or
 - (ii) an atlas that consists in whole or in part of maps, other than street or road maps;
- (m) a rate book;
- (n) an assemblage of blueprints, patterns or stencils;
- (o) prescribed property; or

(p) an assemblage or collection of, or any item similar to, items included in any of paragraphs (a) to (o).

2. The supply of a printed book or an update of such a book.

3. The supply of an audio recording all or substantially all of which is a spoken recording of a printed book.

4. The supply of a bound or unbound printed version of scripture of any religion.

(2) Subsection (1) comes into force on April 1, 1997.”

Motion No. 115

That Bill C-70 be amended by deleting Clause 254.

Hon. Lawrence MacAulay (on behalf of the Minister of Finance) moved:

Motion No. 116

That Bill C-70, in Clause 254, be amended by adding after line 5 on page 337 the following:

“4. Nova Scotia offshore area 8 percent

5. Newfoundland offshore area 8 percent”

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 117

That Bill C-70 be amended by deleting Clause 255.

The Speaker: We now proceed to debate on the motions in Group No. 2.

Mr. Loubier: Mr. Speaker, this is a bill which, according to the motions tabled, deals with the GST harmonization process in three Maritime provinces.

Where is the harmonization? What do they mean by harmonization? There is no harmonization in this bill, in this agreement with the Maritimes. It is a local agreement.

When it comes to harmony, we heard from witnesses in the finance committee recently that they are far from having harmony in the three Maritime provinces. This is particularly true for the businessmen who are, at the present time, furious with the government because of one of the so-called harmonization clauses, which would include in the product price the 15 per cent tax rate decreed by the government, which replaces the GST in these three provinces and the numerous sales taxes that were in place until now.

Imagine the terrible headache this represents for businesses which distribute their products to other Canadian provinces, or have branches in those provinces. It is already difficult for a business to manage a price structure when a number of different products are involved, so imagine managing not one price structure but two, with all that this involves in the way of computer programs, stock management plans and so on.

Businessmen in these three provinces have asked the government to review this section of its bill in order not to include the new tax in the price, because they no longer know which side is up. This is the first point in any discussion of harmonization: that there is no harmonization.

Government orders

Second, when we speak of harmonization, we must speak of true harmonization. In 1991, Quebec harmonized its sales tax with the federal GST. Quebec even collects the GST on behalf of the federal government.

Quebec has never demanded, nor has it ever received, compensation for losses or costs incurred because of this harmonization. The three Maritime provinces have come to the aid of the Minister of Finance on the GST, accepting the so-called harmonization, which is supposed to serve as a model for all of Canada.

• (1050)

However, this gesture costs \$1 billion or thereabouts, \$961 million, if I remember correctly, in compensation. This is nearly \$1 billion our generous Minister of Finance paid, using our money, the money of taxpayers who are listening, to compensate the maritimes as part of a purely political agreement which does nothing to deal with the problem of the GST and especially not the problems Canadian Liberals have with the GST.

The Prime Minister, his Minister of Finance and the Deputy Prime Minister made a solemn commitment in 1993, in 1992 even before the election campaign and as far back as 1989, when the GST was coming on stream, to scrap this hated tax. That is how the Liberals referred to the GST. They ranted and raved. They said:

[*English*]

“We will strike the GST”.

[*Translation*]

Those are the words of the Prime Minister. The Deputy Prime Minister said: “We hate this tax and we will scrap it”. They have not scrapped it, and now they want to harmonize it. It will cost us \$1 billion for a harmonization that in fact does not exist and which is not what the Canadian public understood those guys opposite would do.

They served us up a pack of lies, and they have been doing that for three and a half years. A few days ago I was listening to the Premier of New Brunswick, Frank McKenna. I must admit I was shocked, upset and even insulted by the way he behaved on his trip to Asia with Team Canada. I think it is inconscionable that on his Asian trip, the Premier of New Brunswick, instead of recruiting local companies or attracting potential customers, governments and big corporations, was trying to recruit companies from Quebec and get them to move to New Brunswick.

Do you know what Mr. McKenna’s message is when he does this kind of recruiting, when he tries to steal from his neighbour on a trip intended as an opportunity to find new international markets and not to steal companies from Quebec? Do you know what he told those companies? He told them what he told companies from Ontario: “If you move to our province, for the next two or three

years, your corporate tax burden will be reduced by \$400 million”. So where will those \$400 million come from?

What a coincidence: it just happens to be New Brunswick’s share of the compensation paid by the federal government for harmonizing the provincial sales tax with the GST.

What this means, and this is absolutely crazy and unfair to boot, is that federal money, one quarter of which comes out of the pockets of Quebecers, is used to finance a corporate raider, Mr. McKenna, so he can attract Quebec companies and in the process transfer Quebec jobs to New Brunswick. That is the spirit of federalism. Amazing. I never saw anything like it.

New Brunswick is no longer the poor little province from the maritimes. New Brunswick is building itself an industrial force in the high tech sector with our money and, what is more, its premier had the gall in Asia to raid our firms in an effort to attract them to New Brunswick. This is unacceptable and it is an indirect effect of a supposed political harmonization of sales taxes in the maritimes that our show off Minister of Finance presented as a revelation he received from somewhere or other to get out of the mess the government was in with the GST.

This minister, who claims to be a strong federalist and who would thus normally treat all the provinces in Canada the same way and co-operate with them, ends up subsidizing one province to dip into another, its neighbour, and draw business away. It makes no sense. This kind of behaviour is unacceptable.

• (1055)

If the approach used in the case of the famous compensation of nearly \$1 billion, which comes out of our pockets to buy three maritime provinces in the GST-sales tax harmonization process, were applied to what Quebec did in 1991, the federal government ought to pay Quebec \$2 billion.

If it insists on paying this compensation of nearly \$1 billion, it should pay the Quebec government \$2 billion. “Out of the question”, say government representatives, “have you lost your marbles?” We have not lost our marbles. If we used the calculations and the logic the Minister of Finance put forward in signing the agreement with the maritime provinces, then, if the maritime provinces are entitled to nearly \$1 billion, Quebec is entitled to nearly \$2 billion for the harmonization it has done since 1991. This is in addition to the other bills we have often sent the government, but this one, I must admit, is particularly hard to take.

In Quebec in 1991, we were good boys and girls. We decided we were going to make things easy for our businesses and set an example as well by harmonizing and thus lead a movement in the other provinces of Canada toward a harmonized system to facilitate interprovincial trade. Billions are involved. Trade between Ontario and Quebec in particular represents \$36 billion. Our reward for this vision is nothing. We are being treated as if we are worth less than

Government orders

nothing. The maritimes get \$1 billion. We are entitled to \$2 billion, instead we are sent packing as if our request were unwarranted.

So, clearly, in the motions in Group No. 2 on harmonization, we totally disagree with the unreasonable, unfair and unacceptable scheme in the three maritime provinces.

[*English*]

The Deputy Speaker: Normally the members who are opposed to the motion explain why and then the parliamentary secretary sums up why the government agrees or disagrees. It is the minister who has moved the motions and accordingly I will go to the Parliamentary Secretary for the Minister of Finance.

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I am under your guidance. When we group motions like this, it is a little bit confusing for us. The problem arises because within the grouping are some motions put forward by the government and some by the opposition. I would propose to speak now in favour of the motions we have put forward and in that same 10 minute allotment in opposition to some of the others, followed by my colleague opposite.

There are three things I want to say. First is in response to what the hon. Bloc Quebecois member has said with respect to adjustment assistance. As he well knows, there is no basis for the claim that Quebec would qualify for adjustment assistance based on the formula that is being applied for that assistance to the maritimes. Quebec simply did not incur any loss of sales tax revenue as a result of harmonizing and that is just a fact of life. The formula requires adjustment assistance if a province loses approximately 5 per cent in sales tax revenue in moving to adjustment. In fact Quebec made money. That is the way it was; there is no justification for adjustment assistance.

Second is with respect to harmonization.

[*Translation*]

Members of the Bloc oppose harmonization. This is very strange, because there is harmonization in Quebec. Is it because Quebecers want to keep the benefits and advantages of harmonization for themselves, for their businesses and their consumers?

[*English*]

There is no question that harmonization provides a comparative advantage. Provinces that are harmonizing will have a more efficient business sector and cheaper prices for consumers than ones that are not. I detect underlying this intense opposition to harmonization, striking the word throughout the bill as the opposi-

tion proposes, is an attempt to deny the benefits of harmonization to provinces that live right next door to Quebec and to preserve those advantages for Quebec. I hope I am not right, but I suspect that may underlie some of the opposition.

• (1100)

The government motions to amend clauses 150, 160, 198, 203, 204, 241 and 254 are related. They would ensure that the provincial component of the HST would apply to Nova Scotia and Newfoundland offshore areas in relation to activities to which the Canada-Newfoundland-Atlantic accord implementation act and the Canada-Nova Scotia offshore petroleum resources accord implementation act apply.

This treatment would be consistent with the terms of the existing offshore petroleum resources accord, Canada-Nova Scotia and the Canada-Newfoundland-Atlantic accord and the related implementation act under which taxes equivalent to retail sales taxes in Nova Scotia and Newfoundland currently apply.

Further, among the motions, subclause 150(6) of Bill C-70 enacts a new definition of basic tax content for purposes of part IX of the Excise Tax Act.

The concept of basic tax content is principally used to determine the amount of additional input tax credits that a registrant may claim when the registrant increases the extent to which capital property is used in commercial activities and the amount of input tax credits that are recaptured when the use of the capital property and commercial activities are reduced.

Generally, the basic tax content of the property is the tax that was payable on the acquisition after deducting rebates on certain other amounts that the purchaser was entitled to recover and after taking into account depreciation of the property.

The motion proposes to include in the calculation of a basic tax content a tax that would have been payable but for the fact that the purchaser acquired the property for use exclusively in commercial activities. This change will ensure that the correct result is obtained in determining the amount to be remitted or recaptured if there is a subsequent change in the use of the property.

Government Motion No. 63 proposes to amend clause 204 of Bill C-70, which adds new section 220.06 to the Excise Tax Act. This section ensures that goods delivered to a purchaser in a participating province do not escape the 8 per cent component of the HST when they are supplied by an unregistered, non-resident person who has not paid the tax on bringing the goods into Canada or into the province.

Government orders

In this case, as a result of section 220.06, the recipient could be assessed a tax. The proposed amendments remove the references in the section to a "specified motor vehicle" that is required to be registered in a participating province. These references are inappropriate because a special regime is intended to apply to sales of registerable motor vehicles.

Where a registerable motor vehicle is sold by a non-registrant, in circumstances in which the 7 per cent GST does not apply, as in the case covered by section 220.06, neither should the 8 per cent component apply. Instead, a special 15 per cent provincial levy will apply to the vehicle which will be payable to provincial licensing authorities when the vehicle is registered in the province.

Therefore, section 220.06 should not apply at all to sales by non-registrants of motor vehicles that are required to be registered in a participating province. The amendments also clarify when the tax under section 220.06 becomes payable.

In conclusion, I apologize for that bit of reading into the record but it is required in order to adequately explain some technical amendments to the act.

I would only add that with respect to motor vehicles, yesterday we heard some suggestion of an unlevel playing field between people who sell vehicles privately and people who purchase used vehicles from dealers.

If members opposite understood the impact of the harmonization legislation, they would understand that in participating provinces there will be a level playing field because registrants' provinces, when purchasers register a vehicle, will be paying all sales taxes applicable. That will alleviate a situation that prevails and will continue to prevail in provinces that are declining to harmonize at this time.

It is a dramatic improvement in those provinces that are harmonizing.

• (1105)

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to speak once again to Bill C-70, in particular to this group of motions.

There seems to be a common theme not only in how the bill came into being, but in the whole process that surrounds Bill C-70. It really explains why people are so concerned about the harmonization legislation. The common theme is a general lack of accountability, a lack of being able to hold the government accountable, and a series of gaps that have made the GST a real tar baby in terms of governments being able to deal with it and not draw all kinds of flack.

Let me start by going back a bit in time. I want to follow up on comments that were made by members of the Bloc Quebecois. First, we need to remember how this legislation came about in the first place. In 1993 during the election campaign the Prime

Minister and the current Deputy Prime Minister said that under a Liberal government the GST would be gone, it would be eliminated. Of course, that is not the case.

Mr. Collins: I did not say that.

Mr. Solberg: The hon. member across the way says he did not say that. The Prime Minister in a town hall meeting denied that he said it too. "I did not say that. Show me where I said it". Unfortunately, for him the public record is very clear because minutes later the CBC showed clips of the Prime Minister saying on national television: "We will kill it. We will scrap it". A clip was shown of him in a radio station during the election campaign saying that the GST would be gone.

I remember very well how the Prime Minister tried to dress down the young woman from Montreal for having the audacity to try and hold him accountable. What a terrible thing to do. That has become a common theme. I will explain a little more about that in just a moment.

During the months that followed the election, members of the government tried to downplay their election promise. They tried to say that what they really said was they would replace the GST. However, they knew that statement was not resonating very well with the public. The opposition was making yards here in the House when we kept pointing out that the government made a promise and it was not being fulfilled.

Finally, the Deputy Prime Minister conducted a poll to see if she could resign and still get re-elected in Hamilton East. She did, indeed, conduct the poll at great expense to the taxpayers. Then a byelection was held that cost a lot of money and, of course, she was subsequently re-elected.

Canadians were expecting more. When members say they are going to resign, it does not mean they are going to resign and run again right away. Nevertheless, that points once again to a lack of accountability in the House of Commons. People want members of Parliament to be responsible for what they say.

A little further along we get to the point where we are having discussions about the harmonized sales tax because the government said: "To get us out of this, we are going to give Atlantic Canada \$1 billion". That is what it did. Atlantic Canada had no interest in a harmonized sales tax at all until the \$1 billion was slapped down on the table. To get the government out of this promise it slapped down the \$1 billion and Atlantic Liberal premiers said: "Maybe we are interested after all". Just show people the colour of money and it is amazing what they will do.

We had that incident. What followed? Ultimately legislation came down and hearings were held. Were hearings held in Atlantic Canada where this was going to affect people? Reform members moved an amendment during the hearings and Liberal MPs said: "We are not going to extend the hearings. We are not going to have hearings in Atlantic Canada," despite the hue and cry from people

Government orders

in Atlantic Canada who were saying there were all kinds of flaws with the bill.

We heard dozens of witnesses who said: "We have big problems with tax in pricing and big problems with many components of the bill". The fact that people had many problems with the HST and the fact that the government acknowledged there were problems with it and tried to make some changes along the way, points out that Atlantic Canadian MPs were not listening to the people of Atlantic Canada.

• (1110)

Why were the people of Atlantic Canada not allowed to have hearings in Atlantic Canada? This is one of the most fundamental tax changes in the history of Atlantic Canada. Certainly it is taxation without consultation. I would argue it is taxation without representation.

Business group after business group, all kinds of people representing provincial jurisdictions, came before the finance committee and said: "Here is a problem". If Liberal MPs in Atlantic Canada had been representing their constituents that would have never happened because the Liberal MPs would have gone to the finance minister and told him that people have raised these concerns and they should be dealt with.

Mr. Speaker, do you know what happened? They did not do that. They were mute. That is bad enough, but they allowed businesses to close in Atlantic Canada because of this legislation. They said nothing and people in Atlantic Canada lost their jobs. They lost their livelihood.

Debate is ongoing in this country about child poverty. The children in the homes of the people who have lost their jobs already or who probably will, according to business people who appeared before the committee, are going to be in a situation where their parents do not have an income. I would argue that is one of the biggest reasons why we have child poverty. In this case the government is actively encouraging unemployment by not being sensible about the tax in pricing component of this bill. The Liberal MPs in Atlantic Canada have done a horrible job of representing their constituents.

Where were they when all the negative aspects of this bill came forward? People from around the country were forced to come to Ottawa to make their case. That was the job of the Liberal MPs but they were silent. They were mute. Some Atlantic Canadian MPs are cabinet ministers. They sit around the cabinet table. They did nothing: the fisheries minister, the defence minister. Many of them sit around the cabinet table and they were absolutely silent.

Not only is that regrettable but in a modern democracy that is unforgivable. In a modern democracy when people are expected to make very difficult decisions every day in their lives, those same people certainly have the ability to be involved in the debate about the future of their tax system, something that is a fundamental part

of everybody's economic well-being. I want to make a strong argument that the Liberal government has completely failed the people of Atlantic Canada in giving them the type of representation that all Canadians deserve.

I have one final point because my time is running short. The government led physicians and the providers of private ambulance services to believe that it was truly interested in restoring tax fairness in the taxation system. It led them to believe that perhaps under this legislation it would amend the act so that physicians and providers of health care would be given equal treatment under the taxation system with many others.

The problem is that physicians and private ambulance services are not allowed to pass on GST costs like other small business people are. Therefore, they have to bear those costs themselves. For doctors it amounts to something like \$1,500 per year per physician.

I heard the finance minister yesterday say that he is very concerned about tax fairness and how the government has closed this loophole and that loophole. Is it not interesting that the government is only concerned about tax fairness when it means more money for the government, when it means taking more money out of people's pockets? But when it comes to treating people equally and perhaps having to give a little money back, it does not want to hear about it. Tax fairness? That is not tax fairness. Tax fairness is only when we take money away, and I think that is wrong.

• (1115)

I make the point that again that the government has an obligation to treat everybody equally under the tax code, including physicians and private ambulance services.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I am pleased to have the opportunity today to say a few words on the report stage motions in Group No. 2 regarding some aspects of Bill C-70.

Bill C-70 is essentially legislation that gives the government the opportunity to enter into agreements with Atlantic provinces to harmonize the hated goods and services tax with the provincial sales taxes in the provinces of Newfoundland, Nova Scotia and New Brunswick. It is interesting to note that the province of Prince Edward Island is absent from that list. Prince Edward Island has just completed a provincial election. Its government changed hands and a new government is now in place.

There have been a couple of elections in Atlantic Canada since this harmonization deal was proposed. The results are certainly interesting to look at. The federal Liberal government should pay some attention to the results of those elections. I speak of the Prince Edward Island election and the provincial byelection in the constituency of Halifax Fairview.

Government orders

Both election campaigns had tax fairness and harmonization as a key component. If the Liberals look at the results of those two elections they will see that they have a lot more responsibility yet to give to the people they have been elected to represent. With the government changing hands after the Prince Edward Island election, the former Liberal government was removed and a new Conservative government was put in place.

New Democrats are very proud that for the first time in the history of the province of Prince Edward Island, a New Democrat was elected to that provincial chamber; not only a New Democrat but the leader of the provincial New Democratic Party, Dr. Herb Dickieson, a medical physician, a practitioner who campaigned very strongly not only on taxation matters and representation but on health care as well. There is certainly a message this government should be taking from these results.

More important, in the province of Nova Scotia the new leader of the federal New Democratic Party, Alexa McDonough, served her constituents well in the provincial legislature for 14 years. She had to resign that seat in order to take the position as leader of the federal New Democratic Party, and we hope very soon to have her joining us here in the House of Commons so she can bring the views of Nova Scotian New Democrats and of all Canadians to this Chamber.

When we look at the election that replaced Alexa McDonough in Halifax Fairview, the Liberal government in the province of Nova Scotia said prior to that byelection that when the byelection was called it would put its all into it, that it would campaign on its record, that it would campaign on taxation, on how it was dealing with harmonizing the provincial tax with the federal GST. The people of Halifax responded very clearly to the challenge of the premier of Nova Scotia, a challenge that said "our record on taxation is on the line". Not only did the government get defeated in that byelection, but a New Democrat who campaigned on tax fairness was elected in that byelection with 65 per cent of the vote.

Everyone in Canada seems to think that New Democrats are western based, that the New Democratic Party is a party that defends western interests via small protest votes in the House of Commons. But 65 per cent of the people of Halifax Fairview said to the Government of Nova Scotia and to the Liberal members of Parliament in this House that this harmonization deal is wrong, they do not buy it, they do not accept it and they want a New Democrat representing their interests, giving their comments to government in this House of Commons. Those two elections in Atlantic Canada certainly indicate why it is necessary that more New Democrats are elected in the next federal election to this House of Commons, more New Democrats who speak clearly on behalf of Canadian interests, the middle class and working Canadians right across this country from coast to coast.

• (1120)

We are looking at a harmonization deal in Atlantic Canada and that is why I raise those two issues here in the Chamber today. There are other issues right across Canada that could come about as a result of the acceptance of this harmonization deal for the three Atlantic provinces that are signing on. All Canadians have a responsibility to examine this deal, check out this legislation and see what is happening in the Atlantic provinces so as to avoid similar things happening in the rest of Canada.

Although this is called harmonization there is very little harmony in the way in which this legislation is being implemented or the way in which the idea is being accepted by people in Atlantic Canada. The consumers, retailers, interest groups, the clergy and others have not found much harmony in the way in which they respond to this legislation.

I think this is recognized in the fact that the name has changed several times during this process as well. You were in this House, Mr. Speaker, when the hated goods and services tax was brought in by the previous government. The GST was considered by a lot of Canadians, there was great turmoil in this House of Commons and elsewhere, and as a result of that turmoil we have a country that is divided over sales tax and the implementation of sales tax regimes.

Prior to the introduction of the goods and services tax, retail taxes were primarily the prerogative of provincial governments. Yes, there was a manufacturers sales tax levelled for the federal government at the wholesale level, the manufacturers level. But the retail prerogative was primarily the responsibility of provincial governments.

Provincial governments used that prerogative to establish social policy within the provinces as well as using the taxes as a source of revenue. Many provinces did not tax books. Virtually no province in this country taxed labour costs. No province wanted to tax children's clothing or food items. With the introduction of the goods and services tax there was a tax applied to some of those matters that the provinces had chosen not to tax in the interests of the consumers and the residents of those provinces. I forgot to mention home heating fuel and even the costs of funerals which many of our provinces decided should not be taxed.

As we move into the harmonization of the GST we are seeing that the provinces lose that prerogative to use tax policy for social purposes and to exempt certain income levels of people from retail taxation and to exempt certain classes of items from retail taxation. The GST and now the harmonization system has removed that.

It was originally called the manufacturers sales tax, MST. With the Conservative government it became the GST, the goods and services tax. The government in changing the system and wanting to blend it with the provincial sales taxes began calling it the blended sales tax, BST. It did not like the sound of BST so now the harmonized tax is called the HST. For those who like to think about these things remember the words of Alexa McDonough in a speech

Government orders

recently. She said with regard to this new BS tax, now the HST tax “what have they got against horses?” I think this is a very interesting situation that we have happening in this country. While there are a lot of things to be said on these individual motions and on the bill itself, I am sure I will have other things to say on the next round of motions.

• (1125)

I hope to be able to put a few additional comments with respect to the motions and the harmonization deal on the record later in the day.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I am pleased to rise today to speak at report stage of Bill C-70, an act to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related Acts.

This bill is a collection of various amendments to the GST, which will become the HST, or the harmonized sales tax. Let me tell you right now that this tax is very unpopular in my riding of Bourassa, in Montreal North, especially among business people. I must add that I support the motions put forward by the member for Saint-Hyacinthe—Bagot, which are included in Group No. 2.

This Liberal government is highly embarrassed by the broken promise of the Prime Minister and the Minister of Canadian Heritage to abolish, scrap, and kill the GST. As we all know, the member for York South—Weston even left the Liberal Party over this broken promise among other things.

The Liberals are bent on reaching an agreement with the maritime provinces for harmonizing this tax, which will cost Quebecers and Canadians nearly one million dollars. Moreover, the government intends to ram this legislation through, which undermines the quality of democratic life in Canada.

By the way, the Liberals allowed only three days of public hearings on this crucial, essential, very important bill. The opposition asked that the consultations be extended, but their request was rejected by the Liberal majority on the Standing Committee on Finance. The government wants to put an end right now to this embarrassing issue of the GST, even though Bill C-70 is a very bad bill.

During the 1993 election campaign, the Prime Minister kept repeating: “We will scrap the GST. Nous allons éliminer la TPS”. Later, on May 2, 1994, he said: “We hate this tax and we are going

to eliminate it”. This broken promise will be very costly for the Liberal Party of Canada in the next election.

In a minority report dating back to November 1989, Liberals, when they were the opposition, stated: “The Liberal members of the finance committee maintain that the goods and services tax proposed by the Tory government is bad and that no “repair job” of any kind will make it fair for taxpayers”. What the Liberals are doing now with Bill C-70 is nothing but a repair job, a cosmetic make-over.

GST remains as it is, at the same rate, whereas the provincial tax is the one doing the harmonizing. There can be no sales tax reform without a reform of personal and corporate income taxes nor without the involvement of other levels of government. Canada has to undertake a tax reform encompassing every form of taxation at all levels of government.

Like the Bloc Québécois, I demand for Quebec a \$2 billion compensation for having harmonized the QST with the GST. It is unacceptable that the federal compensation formula should help Atlantic provinces compete fiercely with Quebec in the quest for new investments. When I see in Quebec newspapers ads by maritime provinces seeking to lure away Quebec businesses, to me that's provocation.

• (1130)

The \$400 million federal compensation paid to New Brunswick will be used to finance the income tax reductions announced in December by the finance minister of that province. I condemn the raiding campaign launched by Premier McKenna against Quebec.

The federal government is showing a lack of openness and fairness in that matter. It refuses to communicate detailed data on the maritimes. This refusal is unacceptable considering that a \$1 billion compensation will be paid to those provinces from the income tax and other taxes paid by all Canadian taxpayers.

If the federal government really wants to help boost Quebec's economy, it will have to give Quebecers the money coming to them in all fairness. On May 21, 1996, the Quebec government asked for a \$1.9 billion compensation under the adjustment assistance program. Quebec harmonized its tax with the federal tax and is in charge of its administration. It is easy to see that co-operating with the federal government is not very profitable.

I take this opportunity to mention that yesterday, my party, the Bloc Québécois, has made public an excellent report demanding an overhaul of our personal income tax. In 1996, it had a similar report on the corporate income tax, a report that drew compliments from the finance minister.

Government orders

I hope the federal government will implement recommendations and proposals from those two reports in its upcoming budget. It should be bringing some order back, and a higher degree of fairness, in our tax system. For example, we know that Canadian banks do not pay their fair share of taxes when they are hoarding staggering profits of over \$6 billion. We have the same problem with the chairmen of these banks. They are paid huge salaries but do not contribute a fair amount to government revenues.

The Bloc Quebecois report contains a number of suggestions to make our tax system more stable and fair. Rich taxpayers should pay more, and the poor should pay a little less. Taxpayers with big salaries could end up paying about \$1,500 more each year, and those in the middle class as much as \$800 less. Extra federal revenues would amount to \$2.5 billion. This is a remarkable proposal by the Bloc Quebecois.

We should also be closing loopholes available to the rich. I congratulate the hon. member for Saint-Hyacinthe—Bagot on the excellent job he has done in this matter, and more particularly concerning his RRSP-Employment proposal. The Bloc Quebecois report suggests something extremely innovative, that is, to create an Employment RRSP program, which would allow the unemployed to start their own businesses with funds from their RRSPs. According to this report, maximum withdrawals of \$25,000 would be repaid over 13 years. This tax initiative is very fair and should create many jobs.

I have seen the response of the labour movement, in particular the CLC, which is demanding more fairness in tax system. They say that the current tax system is not fair, that average income earners must bear a disproportionate tax burden. This view is shared by the whole labour movement.

• (1135)

However, the government in its last budget cut part of the tax credits for the workers' fund, in particular the Fonds de solidarité of the FTQ. As a former unionist, I cannot accept the government making cuts in this outstanding job creation tool.

[*English*]

Mr. Cliff Bretkreuz (Yellowhead, Ref.): Mr. Speaker, I am particularly pleased to participate in the debate with you in the Chair. I am sure you remember all too well how you were treated by the governing party when you stuck to your principles and was kicked out of the party. I commend you for taking that stand.

Here we are just four days back sitting in this House and we are debating some aspects of the GST. That should be good news to Canadians because by now every Canadian must know about all the promises government members made, from the Prime Minister to all the Liberal candidates who knocked on doors during the last

election promising voters that if elected they would abolish, kill or scrap the GST.

Having made all those promises to do away with the GST, the government finally got around to legislation to accomplish that. Is that what we are debating? Are we debating the government's promises? Are we debating a bill that would see the end of the GST? After all that is what the promises were. No, that is not the debate, not at all.

So much for the Liberals' broken promises. Instead of debating a bill to end the GST and reduce it to the rubble heap where it belongs, we are debating the harmonization of the tax, not reducing this most reviled tax to the rubble heap, but how to harmonize the tax with the provincial sales taxes in Atlantic Canada.

Let us look for a moment at the word harmonize and then briefly examine why the government targeted Atlantic Canada specifically. Harmonize is such a nice word. It rings like music to the ears and well it should because the word has a soothing, musical connotation. But that is not all. It also implies a sense of unity, which is not something this government knows too much about, a sense of togetherness and co-operation. When applied to the GST however, harmonization means the four C's. When applied to the GST, harmonization means coercion, confusion, cost and cover-up.

Why target Atlantic Canada? Probably because it was the most vulnerable. Atlantic Canada has been dealt several serious blows by the powers residing in Ottawa. The golden triangle interests became concerned about the economic muscle and the trade activity that characterized Atlantic Canada for decades, possibly even centuries. Ottawa effectively wiped out the shipbuilding industry, which at one time was a flourishing industry; the fishing industry, and we all know about that; the sealing industry, and God knows what else. Well, I guess we do know.

Eventually Atlantic Canada will have to bear the costs of harmonization of the GST, notwithstanding the billion dollar incentive to embrace it now. But more about costs a little later if time permits.

Let us turn to the first C, coercion. Part of the harmonization plan would force businesses to hide the new harmonized sales tax, the HST, in the price of the product or service being sold. And here is the clincher. Businesses in Atlantic Canada had better be aware of this and I am sure they are. They should be well aware of this, but perhaps there are people across the country who still may not know. Here it is: Shopkeepers, businesses, people who make a mistake and sell a product without including the tax in the price would face fines, jail and hence a criminal record. And that is it. It is off to the calaboose, to the gulag for those brave souls who would reveal how much tax Canadian consumers are paying. That is right, it is off to jail, which is absolutely despicable.

Government orders

• (1140)

Imagine this happening in a country that boasts about its freedoms, liberties and open society. While rapists and robbers can be granted absolute discharges by a judge under sections 763 and 737 of the Criminal Code, Gramps, Pops or Annie down at the cornerstore will be excluded under these sections and they will rot, will languish in jail for not including the HST in the price of a chocolate bar.

Will this government reduce our country and subject Canadians to this kind of lunacy? It is absolutely unbelievable. This reminds me of Bill C-68, the gun control bill. Criminals will possess and use their guns but farmer Jones who may forget to register his .22 or his 12 gauge will be hauled off to jail. If farmer Jones is a grain farmer and does the unthinkable, that is, he sells his wheat or barley to the Americans, then Mr. Jones faces a double whammy. Mr. Jones could be in the same fix as Mr. McMechan.

Andy McMechan did what any other owner of a product in Canada can rightfully do which is they can sell their product abroad. That is what Andy McMechan did. He also did the unthinkable. He sold his wheat to the Americans, just like a steel maker or any kind of fabricator or a cattleman or someone selling any kind of service. These people can sell their goods and services abroad, even to the Americans. But farmers cannot sell their wheat or barley abroad without first selling it to the Canadian Wheat Board and then buying it back at a greatly jacked up price. Then with a permit they can sell it abroad, even to the Americans.

Andy refused to buy back his own wheat and barley, but he did sell to the Americans. Then they came, probably at midnight or maybe just before dawn so the neighbours could not see. Government officials descended on McMechan's farm to seize his farm truck which he would not allow. Then the government officials hauled Andy off to jail without his being formally charged.

Get this. Andy McMechan languished in jail for about six months without being formally charged, but they allowed him to spend Christmas with his family. He risks losing his farm because of the coercion of the government.

Did Andy receive an apology from the government for what the government subjected him and his family to, like a former Prime Minister received? Not that I know of. Andy is an average, hard working taxpayer. The former Prime Minister even though he is out of office is still a member of this country's political elite. He received an apology, plus a cool million dollars or so. What might happen to Andy? He just might lose his farm. So much for coercion, the way it applies to the HST.

I will now speak a bit about the confusion it creates. I have to read this because it is confusing even to read about what the HST

will do to Atlantic Canadians. It is probably confusing enough to have a combined provincial and federal sales tax in three of Canada's provinces, two separate sales taxes in six provinces, and only one sales tax in one province. If we need it to be more confounded, how about this.

The new HST legislation will exempt some items from the hidden tax rule and allow businesses to show both a tax inclusive price and a tax exclusive price, as long as the former is displayed. Shoppers could conceivably be faced with four different prices for the same marked down item: the original price with the tax; the original price without the tax; the sale price with the tax; and the sale price without the tax. Confusing? I should say so. It seems to me that businesses in this country are increasingly being reduced mostly as tax collectors for governments.

• (1145)

There is more about examples of costs. A study by the accounting firm Ernst & Young estimated that a mid-sized national chain with 50 stores in the Atlantic provinces would put up to \$3 million in one time costs and up to \$1.1 million a year to comply with a regional tax in price sales system. The Halifax Chamber of Commerce predicts that the harmonized sales tax will push up new house prices by 5.5 per cent as well as force municipalities to raise property taxes.

I see my time is up, but I hope I get a chance to talk a little more about this particularly agonizing piece of legislation.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, it is a bit embarrassing and even humiliating to have to claim what is rightly ours.

Once again, the province of Quebec, through Mr. Landry, is talking about \$2 billion that we now have to claim, compared to the maritimes. The GST saga under this Liberal government will go down in the history of our Canadian Parliament, and what a tale it will be. It will be known as one and even several broken promises.

During the 1993 election campaign the prime minister and his ministers promised during their tour of Canada, especially in Quebec, that they would create jobs. "Jobs, jobs, jobs", they kept saying. The next election will be here soon and they will probably use the same slogan and again promise us "jobs, jobs, jobs". In my riding of Matapédia—Matane, we are still looking for the jobs the federal government has supposedly created.

There was another promise. First, let me remind the House of the promises made in the red book on page 22: "The GST has lengthened and deepened the recession. It is costly for small business to administer and very expensive for the government to collect. And the GST has fallen far short of its promised revenue

potential partly because it has stimulated the underground cash economy”.

Could it be that once in office federal Liberals realized that the commitments they made in the red book did not hold water? Could it be that, with the Liberals in office, the GST no longer deepens the recession? That it is no longer costly for small business to administer and that it is bringing in its promised revenue potential?

Moreover, if what is in the red book is true, the GST has now suddenly stopped stimulating the underground cash economy. I have a hard time believing that a miracle has happened since the Liberals, these princes of darkness, took office.

Further down on the same page of the red book, we can read: “A Liberal government will replace the GST with a system that generates equivalent revenues, is fairer to consumers and to small business, minimizes disruption to small business, and promotes federal-provincial fiscal co-operation and harmonization”.

• (1150)

If I understand correctly, the GST is unfair for consumers and small businesses. It is also a nightmare for small and medium size businesses, and it deters federal and provincial governments from co-operating and harmonizing their policies.

All those big defects would also have, as if by chance, disappeared a few months after the Liberals came to power. Federal Liberals, by some sort of magical trick, would have toned down the GST's worst effects, and the GST would no longer hurt anyone. On the contrary, it would almost be a godsend.

After the broken promises of the red book came the promise made by the Prime Minister who, like a new messiah, stated that he would abolish the tax. Some time later, he said that he had never promised such a thing. He only said that the GST would be replaced. This is hard to believe for me as well as for my constituents and the rest of the country.

Can we believe the Prime Minister? Can we have faith in him? The Deputy Prime Minister even resigned because she had really promised to abolish the GST. But the Prime Minister always affirmed the contrary. The Deputy Prime Minister resigned, and it cost us half a million dollars to get her re-elected. What a scandal. What utter nonsense. It is another episode in the GST saga.

As for the Minister of Finance, he admits that he cannot replace the GST nor abolish it. At least he admits having made a mistake by letting people believe it was possible. The Prime Minister, on the other hand, maintains he never said he would abolish the tax.

Government orders

The rest of the story is not really any rosier. Quebec, which is administered by a nasty sovereigntist government—according to the federalists—decided to harmonize that tax with its own taxation system. Aware of the extra red tape that tax represents for businesses, the government of Quebec decided to take action to help the economy.

However, it will not receive any compensation from the federal government. The only expression of thank Quebecers will get from the Minister of Finance for having saved him money will be the obligation to pay a quarter of the compensation of almost one billion dollars that was granted to the maritimes. Not only will we not receive anything but we will have to help the maritimes. This is clearly another example of the inequities of the federal system as managed by our friends across the floor.

To get out of the mess they put themselves in, the Liberals are ready to buy the concurrence by the maritimes. They will buy the tax harmonization by making taxpayers in Quebec and Canada cough up almost one billion dollars.

The Quebec government does not ask for different treatment, but only for the same treatment as the maritimes. However, the federal government does not want to give compensation because it is Quebec.

It must be said that we, Quebecers, are unfortunately used to that kind of attitude from the federal government. In research and development, you know that we never got our fair share. The history of the Canadian Confederation is full of examples of that. So, you will understand that we have had enough.

• (1155)

That is why Quebecers want to achieve sovereignty. We no longer want to pay federal taxes that will go directly to the maritimes. We do not want the government to play that dirty trick on us. Mind you it is not the first time.

We no longer want to pay for the errors made by the federal government, let alone for campaign promises that a party is unable to keep. We no longer want policies such as the national energy policy which, in the 70s, almost completely destroyed Quebec's petrochemical industry without any compensation for Quebec.

I am almost tempted to say thank you. Quebecers will remember that. They will not be fooled by this government in the next election. This time, we do not want to hear about jobs, jobs, jobs. Two billion dollars represent 35,000 jobs, which would lower the unemployment rate by 1 per cent in Quebec. We need these 35,000 jobs, especially in my riding of Matapédia—Matane. The government owes it to us.

We are not asking for a gift, we are simply asking to get back what we pay in taxes to the federal government.

Government orders

[English]

Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I was not planning to speak in this debate today and I will do so for only a few moments.

I think when we hear incorrect information we are responsible to correct it as soon as possible. The Reform member who spoke before the last member opposite, the member for Yellowhead, was talking about criminal penalties on pricing. He said that if we do not have tax in pricing there would be a criminal penalty. I think that is unfortunate because it is misinformation. I want to be very clear that this is not a criminal offence. At one point there was something in the legislation. However, we all know that in Parliament we have a process for bills, a process of working through this House and through the committees of Parliament legislation so it can be accurate and responsive.

There is a ticketing offence, if one wishes to call it an offence, under the Contraventions Act. This is similar to a driving fine. However, that is a far cry from a criminal offence. Basically that section the member was referring to, in the process that finished a couple of weeks ago when the finance committee met for a review of this bill, that section was taken out of the bill. It will actually end up in some regulation.

I think it is inappropriate to stand in this House and do some scaremongering and fearmongering. Criminal Code offences are a far different thing. We do not have Criminal Code situations here. This is misinformation. Those are the types of situations, when we see a bill and know the work that has gone into it, we know that not everybody does the same amount of homework before they stand up in this House, so I just wanted to correct the misinformation spread.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, it is amazing, the Liberals stand up here and talk about scaremongering and fearmongering but they are the experts at it. That is exactly what they are doing right now to the hardworking Canadian taxpayers out there who are scared to death of another tax coming down the tube from this Liberal government. That is scaremongering.

Canadians are afraid to plan their futures. They are afraid to plan their children's education because they may not be able to afford it. They are afraid of losing their job. They are afraid of not being able to afford the next tax levy that comes down from this Liberal government. They are afraid to make any long term financial commitments because of this Liberal government's tax policies. That is real fearmongering. That is scaremongering at the highest level.

There is a whole larger issue at stake here with Bill C-70. This is just one small symptom of the big issue. That big issue can be

addressed by asking when is a promise made a promise to be kept? When is a promise a promise? I would suggest that a promise is a promise only when it is not made verbally by a Liberal candidate in a federal election. That is the root of this issue.

● (1200)

Verbal promises have been tested in the highest courts of this land and have been found to be legally binding. But that does not matter to Liberal candidates who campaigned door to door in the 1993 election. They went door to door, meeting to meeting and verbally—they are very careful—said to the Canadian people “We hate the GST, we will scrap it, we will abolish it. We have always said that we hated the GST and when we get to be government, it will be gone. We will kill it”.

That is what they said as they went from door to door, house to house, meeting to meeting, coffee party to coffee party. They made that verbal promise to the Canadian people, a type of promise which they do not recognize as being legally binding as it has been legally binding for decades in the highest courts of this land.

By contrast, when Reformers went from door to door, coffee party to coffee party, house to house, meeting to meeting, we promised the Canadian people that we would do our utmost to protect them from the Liberal tax and spend policies, and that is exactly what we do in this House on a daily basis. That is a promise kept. We made it verbally, we put it in writing and we are keeping that promise. We have the guts to do that, unlike this Liberal Party, which will say one thing from the mouth and put another thing on paper. That is the big issue here, integrity and honesty in this government, of which there is none.

When the government members sat in the benches over here as opposition to the Tory Party, which brought in this hated tax in the first place, they railed against it: “How could you do this to the Canadian people?” They called the Mulroney government every name in the book for bringing in this regressive and devastating tax. They were very vocal against it.

When they campaigned in 1993, the Liberals said to the Canadian people “Trust us, we're not like the Tories. First, we are telling you the truth and you must trust us. We will kill, scrap, abolish this dreaded Tory GST”. That is what they said.

The Prime Minister said “we hate it and we will kill it”. He said it on a radio program which he conveniently forgot, just as he completely forgot his imaginary friend. He said that he would kill the GST and when he was questioned by a member of the audience he asked “what radio station, where did I say it, come on?”

Fortunately the CBC was mad at the government at that time about the cuts to the CBC, which is another promise that was talked about by the minister of heritage. So the CBC decided to run some

tape which would show the Prime Minister for what he is, a person who does not believe a verbal promise is legally binding.

The Minister of Finance said "I would abolish the GST", which does not sound anything like "I would harmonize the GST. I would bury it in with some other tax". The minister of defence said "the GST is a regressive tax; it has to be scrapped and when we get to be government we will scrap it". That is what he said.

The bottom line is that the Liberals misled Canadians on their GST promise. To them a promise is not a promise. They misled Atlantic Canadians. Taxpayers across the country are going to pay for that broken promise and they are going to pay over and over again. It will hurt every taxpayer because in order to get the Atlantic provinces to agree to this harmonization scam, the Liberals are going to give them a cash payment to make up for the shortfall. Talk about a buyout. Talk about a buyout to try to somehow justify this Liberal broken promise once again.

• (1205)

This payment is estimated to be as high as \$1 billion to Atlantic Canada and taxpayers in every other region of Canada are going to pay it. Tax relief is important but it has to be across the board if it is going to be tax relief. Canadians in certain regions of the country should not be asked to subsidize a tax cut for the maritimes. In all it is not a tax cut really.

The Liberals are using \$1 billion from taxpayer money to buy a buried GST in Atlantic Canada so they can say their election promise slate is not as dirty as it has proven to be. This is truly despicable and Canadians are not missing this one. Believe me, they are not missing this Liberal broken promise.

They did not miss it on the national town hall meeting where the Prime Minister was caught red handed in a Liberal broken promise, a promise that his candidates from the Liberal Party told hundreds of thousands of Canadians, millions of Canadians in the 1993 election. He was caught in his own broken promise on videotape. Tapes do not lie. Videotapes do not lie.

It is interesting that Atlantic Canadians will also suffer because while they pay a lower tax rate, they will pay taxes on a larger variety of goods and services. In fact, a seemingly lower tax rate really does not mean necessarily a lower tax rate because you will be paying a seemingly lower rate but on a huge variety of goods and services. The tax base has been expanded. A neat Liberal trick.

It is nice that the government talks about child poverty. The harmonized tax will apply to children's clothing. Does that figure somewhere in child poverty? I understand children who are living in poverty do need cloths. They probably do not need a tax on those clothes.

Government orders

It will apply to books. I understand that education helps to get children into a position where they will not have to live in poverty anymore. It will apply to haircuts. Even poor kids need a haircut.

It will apply to funeral services and heating oil. Heating oil is a major expenditure to families that live at the poverty level. Now the government is going to put a tax on heating oil. So much for its concern about the poorer Canadians of our society.

It will apply to gasoline. Poor Canadians in our society still have to go out and try to look for a job or ways to increase and improve their lot in life. Now the government is going to charge more gasoline taxes. And it will apply to new homes.

By the way, where have all the MPs from Atlantic Canada been in this debate? Where are all the MPs sent here from Atlantic Canada to protect the interests of the Atlantic Canadians, the maritimes? Where are they? They are sitting in their seats silent because they have been told to do so. "Don't you stand up and defend your constituents. This is a government bill and, by golly, if you dare speak against it you are going to be disciplined".

Where is the member from the Conservative Party? Where is she speaking on this? She is from Atlantic Canada, the maritimes.

This is a regressive tax. It is going to hurt Canadians. It is going to hurt the poorest of Canadians. How on earth could a Liberal government that promises to have the best interests of Canadians, the best interests of the poorest people in our society at heart, even conceive of putting such a regressive and hurtful tax on Canadians in this country?

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, it is a pleasure to rise on Bill C-70. I say this for the benefit of our viewers, this bill is a collection of amendments to the GST.

• (1210)

The group of motions we are dealing with contains among other things amendments aimed at harmonizing the GST with the sales tax in three maritime provinces. The amendments brought forward by the Bloc with regard to those motions are basically aimed at withdrawing any legislation on harmonization and compensation. There are several reasons for this.

This bill is flawed, based exclusively on political and electoral considerations, since everything suggests that we are about to have an election. It is poorly drafted and flawed.

What is more, in order to convince the three maritime provinces, which did not expect it, the federal government had to promise political compensation of close to one billion dollars, while it has

Government orders

systematically refused to pay Quebec the two billion dollars it lost by harmonizing its provincial sales tax with the GST in 1991.

Quebec is often pictured as the black sheep or the spoilsport of the system. We have here the best example of this. Quebec was the first province to support harmonization with the federal tax and now they are going to make the province pay for that.

My colleagues will further develop each and every point I have raised, to put them in their proper perspective. They have already begun. Several have already spoken and they will be followed by others. For my part, I would like to underscore the fact that this bill is first and foremost a symbol.

It is a symbol that makes three things very clear. First, it shows the present government's lack of transparency. Second, it points to the fact that, in the Canadian Confederation, Quebec constantly ends up on the losing side, economically speaking. I should use the term "federation", because Canada stopped being a confederation long ago. In fact, Quebec does not receive its fair share of spinoffs from its investments in Canada, amounting to 25 per cent of Canada's revenues. Third, this bill also shows that any member from Quebec elected in Ottawa as a Liberal or a Conservative always ends up taking Ottawa's side against Quebec.

The government's lack of transparency has been plain to see throughout its mandate, during this legislature, since 1993. This bill is in keeping with this lack of transparency. It is the last chapter before the election, it is the icing on the cake.

Some recent events are clear indications of the government's lack of transparency. I will try to go fast, but there are many of them. There is the tainted blood issue. While the Prime Minister claims to want the entire situation brought to light—that is what he says all the time—he refuses to initiate the process of giving Mr. Justice Krever access to the documents that would allow him to get at the truth. This morning, we learned that the RCMP was looking for related documents that are said to have disappeared. Where is the transparency?

There is also the Somalia inquiry. While promising once again to get at the truth, the Prime Minister has refused the extension requested by the inquiry and its chairman. We know for a fact that, if this commission needs an extension, it is only because the Canadian army hid documents. Months were lost tracking them down.

The Airbus affair was another example of lack of transparency. The previous Prime Minister, Mr. Mulroney, was pronounced guilty in advance, almost under criminal charges. We know full well that this is contrary to Canadian law and yet nobody is responsible.

Etymologically the word responsible refers to the person who is able to provide a response. When we ask questions in the House, we never get any response, which means that nobody is responsi-

ble. Somebody else is, the system is or some other thing. There is not one minister who is responsible.

Here are a few blatant examples of broken promises and lack of transparency on the part of the government: it promised to tear up the free trade agreement, and yet it signed it; it promised to deprivatize the Pearson airport, but the issue has not been settled yet and has been handled in such a way that it might cost taxpayers tens of millions of dollars.

• (1215)

Remember the commitment to Quebec during the referendum to recognize the concept of distinct society and give Quebec its veto back? Another broken promise. Every Quebecer remembers it. Remember the promise to create jobs, jobs, jobs?

In his last budget, not the forthcoming one, the one he tabled before, the finance minister told us: "The government's role is not to create jobs, we are going to create the right environment for corporations to create jobs". When we look at major corporations posting record breaking profits, starting with the banks, we see that they are all laying off people.

One has to wonder who in Canada is creating jobs these days, but not why 1.5 million Canadians are unemployed. "Jobs, jobs, jobs", another broken promise. And now the ultimate one, the one that tops them all, the one we are dealing with today. They were going to scrap the GST. Instead they are talking about changing the GST harmonization standards.

This promise was heard on every radio and TV station, and the Prime Minister told us on May 2, 1994: "We hate this tax, we will do away with it". The hated tax did not disappear, so they are trying to hide it. The finance minister apologized, saying that they should not have made such a promise. The Deputy Prime Minister resigned, and the Prime Minister still insists he never said anything of the kind.

I am sure you have read the Toronto newspapers; they were hard enough on the Prime Minister. I will not repeat in the House what the journalists wrote because it would be unparliamentary. It is easy to see there is no transparency there.

Secondly, as this bill shows clearly, Quebec is always the loser within the Canadian Confederation because it never receives its fair share. Since we have been here, we have held numerous debates in the House to explain how Quebec never gets its share of structuring expenditures, of job creating expenditures. We have often given the example of research and development as an area where Quebec gets nothing, where it never gets its share of expenditures.

This GST case is just one more example. The maritimes will receive a billion dollars for the harmonization whereas Quebec got absolutely nothing for harmonizing its QST with the GST. What does this mean? Since Quebecers make up one quarter of Canada's revenues, it means that the federal government is taking \$250

million away from Quebecers to send it to the maritimes while Quebec is receiving nothing at all.

We all know what the people over there will do with that money. Mr. McKenna for one is raiding Quebec to attract Quebec businesses. We are paying people for them to come here and compete with us. That is the kind of system we live in. The GST situation shows that clearly.

Finally, the third point this bill proves is that a liberal member from Quebec, when he is in Ottawa, will always take Ottawa's side against Quebec.

Mr. Speaker, you are telling me I have only one minute left, so I will try to conclude swiftly. Where are the Quebec members when the government refuses to pay Quebec and takes \$250 million from Quebecers to send it to the maritimes, with nothing in return? Liberal members from Quebec are saying nothing and are nowhere to be seen.

Where were the Liberal members from Quebec when the government seized from the unemployment insurance fund \$5 billion that collectively belonged to the workers? Mum was the word. They were nowhere to be seen. Where were the Liberal members from Quebec when family trusts moved to the United States without paying some \$500 million in taxes? They were nowhere to be seen and did not say a word.

To conclude, Quebecers now know, thanks to this bill, that is no use sending a René Lévesque to Quebec City and a Pierre Trudeau to Ottawa, a Lucien Bouchard to Quebec City and a little guy from Shawinigan to Ottawa. Quebecers now know that Canada is not, as the Deputy Prime Minister was saying, a tower of Babel that works. It is a tower of Pisa, a tower that leans to one side: Ottawa.

• (1220)

[English]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure to speak on Bill C-70 which harmonizes the sales taxes in the maritimes.

The object of the bill is an attempt to create jobs, to simplify the tax system and to stimulate the economy. This attempt by the government to harmonize the sales tax will do exactly the opposite. It is an example of an ill-advised taxation initiative which will put people out of work, increase the underground economy, drive companies into bankruptcy. Let me give some examples.

The business community has cried out against the present form of this tax. The Retail Council of Canada said that it will cost retailers at least \$100 million per year. It will not only cost the retailers, obviously it will cost those who pay for it in the end, the taxpayers. The Halifax Chamber of Commerce said that the sales

Government orders

tax will push up the cost of new houses by 5.5 per cent. This is in an area of the country where people are finding it increasingly difficult to purchase homes.

Consumers are going to pay more for children's clothing, books, gasoline, heating fuel: the essentials. In fact, it will hurt those who are least able to afford it. The government should be embarrassed about doing that to the people of Atlantic Canada.

The intent, though, is sensible. Having a harmonized sales tax is actually a good thing but it has to occur in a different number of ways. It has to be one tax for the entire country applied across the board. The rate has to be lower than what it is now. We need one auditing procedure and it has to be simpler and easier to understand. It has to have one single remittance and one set of rules.

The system that is proposed by the government does not do that at all. It just increases the complexity. Furthermore, it asks Canadians outside the provinces in the maritimes to fund this project by shunting money from the west to the maritimes. For the moment, the west does not mind providing for provinces that are less able to afford things. However, to ingrain this harmonized sales is doing a disservice to all Canadians. This tax will affect over 50 per cent of businesses in the maritimes in a massively negative way. This is information from the business community in the maritimes.

There are ways to get around this. There are ways to provide a sales tax that will be better and therefore stimulate the economy. There are ways to get people back to work but the government has just nibbled around the edges for the last three years that we have been here. It has done very little to help the 10 per cent of Canadians who are unemployed and the nearly 20 per cent of Canadians who are under employed.

Here are a few constructive suggestions that I challenge the government to take up. First, the debt and the deficit. Get the deficit down to zero and decrease the debt. Second, instead of having the HST that the government is proposing, let us have a sensible harmonized sales tax that has one tax, a lower rate applicable across the country, that is simpler, with one reporting procedure per year, one auditing procedure that is easier to understand.

Better, of course, would be to scrap the tax altogether. A few years ago when the government of the day decided to lower taxes, what happened? More money came into the government coffers, more money was in the pockets of Canadians and the economy was stimulated. What did that government do? The Conservative government of the day started to tax wildly. That did the exact opposite of stimulating the economy and revenues to the public purse went down.

Government orders

We need to flatten the tax system. My colleagues in the Reform Party have proposed some sensible solutions for flattening the tax procedure for all Canadians. It is a simple tax that does not defeat the intent of working harder to earn more for ourselves and our families. It provides for a greater minimum exclusion for those in the lower socioeconomic groups so those who are poor in our society pay little or no tax at all. It is a win-win situation.

• (1225)

Interprovincial trade barriers have to go. I do not know if the Canadian public realizes it but there are more barriers to trade east-west across our country than there are north-south. That is an embarrassment. The government has had opportunity after opportunity to deal with this but it has not.

We have serious problems in education in our country. There is a dislocation between the needs of the private sector and the initiatives of the education system. If we want to build a stronger Canada, if we want to build a nation where we can compete with countries from around the world, if we want to become one of the new tigers in the economy of the Asia-Pacific countries, then we have to invest in education.

We have to determine what will be the needs of the private sector in the 21st century. We have develop co-operative initiatives between the education system and the private sector to enable the students of today and tomorrow to develop the skills that will enable them to become employable in the future. That is not happening right now. I challenge the government to work with their provincial counterparts to do just that.

Number four is skills training. It is an embarrassment to us that we are one of the nations of the world with the lowest investment in skills and labour training in the developing world. How can we be competitive in the global economy if we do not invest in skills and labour training for our workers? That is absolutely essential if we are going to compete in the future.

We also need to reinvest in research and technology. The government is pulling money out of research and technology. It is doing the same thing with education. The government ripped some \$7 billion from transfer payments for education, health and welfare and claimed it was balancing the budget. All the government is doing is balancing its budget on the backs of taxpayers. At the end of the day it is the taxpayer who pays for everything.

We have to capitalize on foreign markets. We heard that we should be reinvesting in north-south trade. Thirty years ago trade in Asia represented 5 per cent of the world's gross national product. Today it is 30 per cent and growing. We are uniquely positioned to take advantage of this in my province of British Columbia. We have the geography, we have the people, we have the opportunity

for skills development, not only for points east in Asia-Pacific but also as a conduit and as a channel for points in Europe and points south. Very few nations, in fact no nation, can boast the ideal position that we have today.

I challenge the people of Canada to realize that our system of governance today is not a democracy at all. It operates more like a fiefdom. Democracy has very little to do with what takes place within our nation today. In fact, most of the important decisions made are made by a group of non-elected, unaccountable officials that the public never sees. That is where the legislative initiatives occur. They are made not to make this country a better place, but purely for the maintenance and acquisition of power.

If the Canadian public wants to see radical, fundamental, positive social and economic change, then they will have to get angry and put pressure on all of their elected officials to demand the changes in governance that we will require if we are going to be an aggressive player in the economy of the 21st century.

We also need strong leadership that demonstrates and expresses a vision of the country that is going to lead us into the 21st century where we will be able to demonstrate strength and compassion. Right now, that does not occur.

• (1230)

We need to build a nation where all able-bodied individuals can develop the skills training they require. And it is an obligation for all able-bodied individuals to capitalize on those opportunities. We also need to fulfil our obligation to those individuals who cannot take care of themselves and ensure that our social programs are placed on a sustainable footing.

If we can see that leadership in this nation, we will be able to lead our people into a stronger and brighter future in the 21st century. Failure to do that will mean terrible social and economic consequences in the future and we will only be a shadow of what we can be in Canada.

[Translation]

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I am also pleased to speak today to Bill C-70, which, among other things, makes some amendments on harmonization of the GST with the tax in the three maritimes provinces.

It will be remembered that, just before Christmas, the official opposition deplored the way in which the finance minister had tabled the documents relating to this bill. The opposition had less than 24 hours to examine a very technical bill, in which this whole reform was set out in 300 pages, without any explanatory notes.

However, in January of this year, we witnessed an even more revolting spectacle for anybody who believes in the quality of democratic life in Canada. First, the Liberals allowed only three

days of public hearings for such an important bill. And we know this bill is very important to the maritime provinces.

The opposition tabled a motion calling for an extension to consultations, and even for the committee to travel to the maritimes to listen to the people. The government wanted none of this. It is clear, therefore, that this government has no regard for democracy.

With three days of public hearings, under the pretext that complaints were made, the government moved 13 amendments. Imagine how many amendments could have been made if, for once, the government had been listening to what people had to say. The whole bill would then have ended up in the waste paper basket. It must also be said that this bill is a great source of embarrassment for the government. That is why it wants to have it rammed through.

In December, someone came to call in my region. The Prime Minister came to my riding to tell us that we had misunderstood what he had said about the GST. Millions of us were under the impression that the GST would be abolished. Do these words have a different meaning? I would like to hear the members opposite on this. What this bill does is show that promises were not kept, whether they were made in the red book, by the Prime Minister himself, by the Minister of Finance, by the Deputy Prime Minister and heritage minister or by any past or present Liberal candidate or member. Clearly, the Liberal government has lost sight of the people on behalf of whom it is supposed to govern.

• (1235)

During the 1993 campaign, countless statements were made about scrapping the GST entirely. The Prime Minister himself used the word "scrap". In 1994, he said the Liberals hated this tax and would kill it. A byelection was even run at taxpayers' expense on this issue. That was not so long ago. We all remember. Eliminating the GST was an election promise. But instead of being eliminated, it is being disguised, hidden. This leads us to say that, through this bill, the Liberals are doing exactly the opposite, what they had criticized.

The new GST is a hypocritical tax; from now on, it will be hidden in the cost of goods and services. However, in a report of the Standing Committee on Finance dating back to 1994, the Liberal majority said that it would be improper to hide from Canadians the amounts they paid in taxes to their governments and that making it a hidden tax undermined their ability to make the government accountable for the way these taxes were collected and, to a lesser extent, for the way moneys were spent.

The position of the Liberals on hiding the GST in the sales price used to be that, if the GST was hidden in the sales price, it would be much easier for the government to increase it later on. Yet, we

Government orders

know that 76 per cent of Canadian businesses are opposed to hiding the GST in the sale price of goods and services. Personally, when I pay my bills, I want to know where my money goes. I want to know how much I am paying for the goods or services, and how much I am paying to the government. And I am sure my constituents feel the same way. I sincerely believe that some members opposite should go back to their riding and talk to those who elected them.

I want to discuss another aspect of this most undemocratic bill, that is yet another infringement of the rights of Quebecers. During the referendum campaign, and even after, we were constantly told that all Canadians were equal. Why is it then that, under this bill, Quebecers are being refused the compensation awarded to the maritime provinces? Such is the kind of equality that prevails under our federal system.

Yes, Quebec did harmonize its tax with the federal one; Quebec administers that tax. Quebec acted very responsibly. So why should Quebecers not be entitled to the same compensation that the federal government is giving the maritime provinces?

The maritimes may be facing additional costs to harmonize their tax with the federal one, but so does Quebec.

• (1240)

If the maritimes are entitled to \$1 billion in compensation, Quebec should also be entitled to a compensation. The Minister of Finance must act in a fair manner. The term "harmonization" implies that the parties get together and are, for all intents and purposes, in agreement. However, it seems that this concept takes on a different meaning with this Liberal government.

I would have liked to discuss the tax on books, but I will conclude by simply saying this: in Quebec, the provincial sales tax does not apply to books. In Quebec, we realized a long time ago that taxing books means taxing knowledge.

[English]

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I am pleased to speak to this group of amendments to Bill C-70, the so-called harmonization bill.

Those who have been listening to the debate over the last couple of days will know that this bill will not lead to harmonization at all. It will mean that three provinces will live under a completely different set of rules than the rest of the country. Part of the reason for that is that the other provinces do not think it is the right thing to do and will not give the federal government their approval. We have anything but harmonization. What we have is more disunity and more divisiveness in the country as a result of this legislation.

Any amount of amendment to the bill will not fix it. The fact is that the bill will not make things better. It will not harmonize the tax across the country, it will lead to a split. It will not fulfil the

Government orders

Liberal promise to get rid of the GST. Those who have been listening to the debate over the last few days will know that.

Leading up to the last election campaign, during the election campaign and since the election, many Liberal MPs and the Prime Minister have very clearly promised to abolish, kill, scrap the GST. There is no doubt about that.

This harmonization bill is not a well thought out piece of legislation. It is a smoke screen so the Liberals can say on the campaign trail that they kept their promise to scrap the GST, but it will not sell. Those 10, 20, 30 or 40 Liberal MPs who were elected on the promise of getting rid of the GST are in danger of losing their seats on that one issue alone. No amount of amendment and certainly not the amendments in this group will solve the problem.

I want to speak to these amendments and to the so-called harmonization of the GST from another point of view. As the Reform Party critic for interprovincial trade, I want to deal with that issue and explain how this legislation clearly violates the government's agreement on internal trade. That agreement does not allow legislation such as this to apply to one part of the country and not another. This bill clearly violates the agreement. I will speak to the bill from that point of view.

• (1245)

Some people may not be surprised that this piece of legislation or one piece of legislation would clearly contradict legislation that was presented earlier by this government, but that does not mean it is right.

I suppose I should not be surprised that the government would break its own law, a law it has put in place, the agreement on internal trade, through the introduction of another piece of legislation. That is what it has done. I should not be surprised but I do not accept it. Many other Canadians do not accept it. Canadians expect government to honour the laws it puts in place just as they expect everyone to honour the laws that are put in place. This legislation clearly violates the government's own law.

The agreement on internal trade is falling apart. The agreement was put in place after the negotiations between the provinces and the federal government throughout 1994. After it was signed in 1995, I thought the government had made some progress on this issue. It had reached an agreement in some areas on removing barriers to interprovincial trade. In other areas it set a framework and a timeframe for removing further barriers to internal trade and the provinces had agreed in principle to removing the barriers to internal trade. I thought progress had been made.

Unfortunately very little progress has been proven over time. The set deadlines have been broken one after another to the point that British Columbia is saying that it will not even take part in the negotiations on the so-called MUSH sector, the sector that deals

with procurement for municipalities, universities, schools and hospitals. British Columbia announced earlier this week that it will not even take part in negotiations to try to finish this agreement.

Deadlines have passed. The agreement never had a mechanism to ensure that the provinces and the federal government would abide by the rules of the agreement. With the formula for approving changes to the agreement, being unanimous consent, it was clear from the start that it would be very difficult to complete the agreement. And that has proven to be the case.

There are several reasons this is such an important issue, why it is so important to Canadians that these barriers to interprovincial trade be removed. First, according to the Fraser Institute, it costs the average Canadian family \$3,500 a year just having these barriers to trade in place. We have a situation in Canada where it is actually more difficult for a company based in one province to do business the other provinces than it is for a company in the United States to do business with all Canadian provinces.

The barriers have created an incentive for Canadian companies to relocate into the United States so they can have open access to all Canadian provinces. This drives jobs out of the country. The Canadian Chamber of Commerce stated in a report before Christmas that just reducing internal trade barriers or increasing internal trade by 10 per cent will create 200,000 jobs in this country. That is a lot of jobs.

For a government that was elected on the promise to get rid of the GST and partly on the promise to create jobs, you would think it would be enticing to make relatively simple changes compared to some of the other changes that would have to be made to create jobs. Just increasing trade between provinces by 10 per cent would create 200,000 jobs, but the government does not seem committed to this idea.

Now with British Columbia saying that it will not even negotiate, we are left to ask whether this 1995 agreement, which I said at the time was real progress, is really going to accomplish a thing.

We have a problem that needs to be dealt with with urgency. This harmonization bill and these amendments we are debating in this House are not going to solve a problem. They are not good for business in Atlantic Canada. They are not good for the people of Atlantic Canada, as jobs will be lost because of this deal. Many businesses involved have stated this clearly.

• (1250)

There is a further aspect to this agreement on internal trade and the importance of the trade between provinces that has not been talked about very much. We have put the Canadian economy at risk, a risk we have put in place unnecessarily by coming to depend more and more on international trade before we have done the work

Government orders

to encourage trade between provinces and to make it easier for businesses to trade between provinces. There is an increased risk.

If we have a substantial increase in our dollar we are going to have a dramatic reduction in trade and this government and this country have come to depend on trade for jobs. Any new jobs that have been created have been pretty much due to international trade. We have an increase in the dollar, our trade surplus has decreased, which happened in the third quarter of last year. Our economy goes in the tank, unemployment increases. That is why it is so important to deal with this issue.

I will certainly continue on this topic relating it to the debate in future groups of amendments.

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, the House of Commons is dealing with a crucial bill for the province of Quebec, Bill C-70, an act to harmonize the infamous GST with the provincial sales tax in three Canadian provinces, namely New Brunswick, Nova Scotia and Newfoundland.

This harmonization is another example of discrimination against the province of Quebec, which is nothing new. As early as 1841—and this is making the members opposite smile—the union of Lower and Upper Canada brought about the harmonization of the debts of the two territories. Lower Canada, that is the province of Quebec, French Canada if you prefer, was not heavily in debt at the time, but did not have a lot of infrastructures in place. On the other hand, Upper Canada was 12 times deeper in debt, but had a lot of roads, harbours, railroads, et cetera. After the union, Quebecers had to pay for the debts of English Canada. That is how our marriage to English Canada started. The majority at the time decided to split the debts equally between the two founding nations.

In 1997 as in 1841, we have the same remedy, the same type of discrimination. Given how the GST is being harmonized in three maritime provinces, according to a simple rule of three, Quebec should get nothing less than \$2 billion in compensation.

What did the federal government offer Robert Bourassa, a Liberal from Quebec, when he agreed to harmonize with Brian Mulroney's Conservative government?

• (1255)

Quebec was the first province in Canada to harmonize its provincial sales tax with the GST, but it did not get anything in return, except, of course, the sharing on a fifty-fifty basis of the costs associated with collecting the GST and the QST. Quebec taxpayers were even proud of this harmonization. As a farmer, I was happy too because instead of filling two forms, one for Ottawa and one for Quebec, I would have to fill only one form. So,

personally, I was proud of the Quebec government at that time, even though it was headed by a Liberal, namely Robert Bourassa.

What I am driving at, Mr. Speaker, and your smile tells me you already know, is that Ottawa did not pay Quebec any compensation, and it is now ready to give these three small Atlantic provinces nothing less than a billion dollars. That is a flagrant case of injustice.

The same thing happened in 1996 when this government abolished the Western Grain Transportation Act. It released \$3 billion to compensate three western provinces. It gave them \$3 billion.

Last year, in 1996, as the member for Saint-Hyacinthe—Bagot knows, the same government decided to abolish subsidies to industrial milk producers. What did Quebec producers get as compensation? Nothing. That is the kind of equality that exists in our country. That is the kind of medicine Quebecers get from this Liberal government. It is not surprising, my friends, that the Liberal Party is so low in the polls in Quebec.

We cannot wait to see the result of the next election. The Prime Minister himself, in his own riding of Saint-Maurice, will—to use his own expression—take a beating. That is what he was telling us before the referendum. Well, he is the one who is going to take a beating.

It takes nothing more than the rule of three to demonstrate that this government is cheating Quebecers out of \$2 billion in this harmonization deal with the maritimes.

There is another example of discrimination, this time against Quebec and Ontario. You certainly know that, in recovering the costs associated with the RCMP, the federal government recovers only 70 per cent of the real costs. Quebec and Ontario each have their own provincial police force, namely the Sûreté du Québec and the OPP.

We pay 100 per cent of the costs associated with these police services. We pay whatever these services cost. But the other provinces pay only 70 per cent of the real cost of their police services. So Quebec and Ontario both are paying 30 per cent of the costs of the police forces in the maritimes and in most of the western provinces. Where is the equity? Where is the fairness in this country? As far back as 1841 it has been the same thing, year after year.

I would like to come back to the GST. Since October 1993, or let us say November 1993, the Liberal government has been turning in an amateur performance. It has improvised every last step of the way. First of all, think back to the 1993 election campaign, in September and October. The Deputy Prime Minister, the member for Hamilton East, made a solemn promise to step down if they had not abolished the GST in the first 12 months of their mandate.

Government orders

• (1300)

Obviously, she will say today that she kept her word. But I would remind you that, just like a mother bird pushes her chick out of the nest to teach it to fly, the opposition members had to give her a shove to get her to resign. The Deputy Prime Minister's blunder cost Canadian taxpayers no less than \$500,000.

When they are reminded of these mistakes and of the fact that this government improvised and behaved like a rookie, it hurts, of course. It hurts the Liberal members.

In 1993, all members heard the Prime Minister say in caucus that he was going to abolish the GST, to scrap it. One of their own dared to vote against the finance minister's budget last year. Like a good father, the Prime Minister kicked him out. As you know, I am talking about the member for York South—Weston. In December, during a question here, he reminded the Prime Minister that on at least three occasions he had promised to abolish the GST and had not kept his promise.

In closing, I would like to remind you of the credibility we politicians have with our electorate. Yesterday, in the House, we were once again treated to the sad display of two members removing their jackets and preparing to fight it out in the House of Commons, the people's Chamber. This makes us look ridiculous.

The Liberal member from British Columbia, the member for Okanagan—Shuswap, and the Liberal member for Scarborough Centre took off their jackets, undid their shirts and got ready to fight it out—

The Acting Speaker (Mr. Milliken): I am sorry, but the member's time is up. It is too bad, because as usual his remarks are very interesting.

[English]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to rise again to speak on Bill C-70, the harmonized sales tax, the HST or, as a friend of mine, Mr. Mike Jenkinson from the *Alberta Report* referred to it, the helter-skelter tax. I thought the name that he applied to it was quite appropriate in so far as we have rules that apply to eastern Canada we have different rules that apply to western Canada and we have the Minister of Finance trying to bring Ontario on side. We have, more or less, harmonization with the GST in the province of Quebec. Right across the country it appears that there are different rules in different places. Therefore the helter-skelter tax perhaps is not that inappropriate.

I want to again focus on the concept of the Liberal Party which is tax and spend at all costs. If there is an opportunity to raise taxes, it will leave no stone unturned in order to find that extra dollar which it is always looking for in order that it can develop a new program

to give to Canadians in order to buy their votes. When I say give to Canadians, it seems that the government always wants to break society into its different classifications.

I happened to see in the *Globe and Mail* today an article regarding youth jobs plan and some side steps training, how they are moving their focus away from training to a youth jobs plan and how they are perhaps going to focus several hundred million dollars into this program.

• (1305)

Youth training and youth jobs are vitally important. We have here the tax and spend philosophy of the Liberal government which taxes Canadians right across the board, the GST in this case, and harmonize sales tax in Atlantic Canada. Collect all these taxes and try to provide jobs for youth and job training for youth.

I cannot speak for my friends in the Bloc who introduced some tax increase concepts yesterday, but we in the Reform Party would like to point out clearly and definitively that if we can reduce taxation, especially for employers, it is surely better than the tax and spend philosophy of a government that takes it from employers and gives it back to a few.

We heard at the last election about the jobs, jobs strategy of the federal government where it was going to spend \$6 billion to renew our infrastructure. We all know how much actually went into infrastructure renewal, not an awful lot. But that is another issue.

The point we are trying to make is that while the Liberals made a great issue of spending \$6 billion to revitalize the economy and restart the economy to create jobs, we have heard nothing about the deliberate policy of the Minister of Finance of maintaining employment insurance premiums far higher than we need in order to cover the cost of payouts. He has therefore built up a surplus of \$5 billion, all paid for by employers and employees. It is a payroll tax that the Minister of Finance has siphoned out of the business community in the last two years and therefore has recovered every penny of his \$6 billion tax and spend program which did very little to create jobs in the first place.

The myth I want to point out is that tax and spend programs do not work and tax and spend programs allow the Minister of Finance to hide these payroll taxes that are inequitable and damaging to the economy. They destroy jobs but yet provide the federal government with the excuse to come up with a youth jobs plan to put this money back into the economy. Surely it makes imminent sense to leave the money in the hands of the employers in the first instance who can decide where best that money is to be spent.

I think of the state of the union address by the President of the United States the other day. He challenged every employer in the country to create one new position; through their own efforts to build a business and create another job. That I think is a wonderful

challenge. Too bad the Minister of Finance did not think about it. Too bad the Liberals did not think about it. They are totally focused on taxing more money out of employers in order for them to come up with what they consider to be vote buying programs as they spend it back in the economy. There is a fundamental difference.

Let us look at this helter-skelter tax and at some of the rules they are going to ask business to administer. Do not tell me that they are not going to have extra costs. What about travel agents? I live in Alberta and I travel across the country as part of my position as a member of Parliament. Let us say I buy a ticket from Edmonton to Halifax. The travel agent has to charge me only the GST because the province of Alberta has no provincial sales tax, the only fortunate province in the country that gets by without one. If I ask the same travel agent in Alberta to provide me with a ticket from Halifax to Ottawa, the travel agent in Alberta has to charge the harmonized sales tax.

• (1310)

How is a travel agent supposed to accommodate that complexity of rules? As far as tickets are concerned the GST or the HST will apply based on the point of departure, not on the point of purchase.

The same applies to trucking and shipping goods across the country. Therefore who is going to set up a warehouse distribution system in Atlantic Canada where every shipment out of a warehouse will have a harmonized sales tax of 15 per cent when they can locate that warehouse in a different province and pay a lower GST and provincial sales tax?

These are job killing programs and the government comes out with this vote buying program such as job plans which is in the *Globe and Mail* today. That is an inequity on the taxation side. It is an inequity on the government spending side. That is why we say surely it makes a lot more sense to leave the money in the hands of the employer and give him the challenge of creating another job.

We hear about discrimination at every turn. We hear about discrimination about older people who find it so dreadfully difficult to get back into the workforce. Right now it is more appealing for this government to focus on the youth and it ignores the older people who want to return to the workforce.

I can expect on February 18 we are going to see some kind of program focused at them as well when surely it would have been so much better had the government lived up to its first election promise to axe, scrap and abolish the entire thing.

The Acting Speaker (Mr. Chrétien (Frontenac)): Resuming debate, the hon. member for Calgary North.

Government orders

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, I must say you are much better looking than I expected to see in the chair.

I am really happy to speak on this bill. The bill we are debating is Bill C-70. Bill C-70 is a very clumsy attempt by this Liberal government to harmonize the goods and services tax with the provincial sales taxes in three Atlantic provinces.

Another little wrinkle now which the Liberals have thrown into this mess is to hide the new harmonized sales tax from consumers by requiring the sticker price to include tax. In addition to some of the objections that I mentioned to this bill when I spoke on it before, we now have a situation where it is even worse than it was when I last spoke. Perhaps if I point out some of the difficulties to this government it will pay close attention and it will be happy to change the parts of the bill that are inadequate and inappropriate.

This tax inclusive pricing should be changed, should be abandoned, should be scrapped, a good Liberal word. for four reasons. One is that tax inclusive pricing kills jobs, the jobs, jobs, jobs that the Liberals promised us faithfully in the last election that they were going to create. It kills jobs because it hits business right between the eyes and takes away profits and resources that could have been used to expand business and hire more people.

The second reason this tax inclusive pricing is bad is it makes us pay more for what we buy. Goodness knows, with this government's sucking \$24 billion more out of our pockets every year than it did when it took office, we can ill afford to have increased costs.

• (1315)

The third reason tax inclusive pricing should be scrapped is that it is clearly nothing more than a clumsy, shoddy attempt to hide the fact that the Liberals have broken another key election promise, which was to get rid of the GST.

The fourth reason to get rid of tax inclusive pricing is that it is a big example of how we are losing democracy in this country, how we are losing the ability of the people to have a say in things that affect them. That is perhaps the most serious problem of all.

I want the Liberals to know that I am going to agree with the Liberal finance minister, Paul Martin. The Liberal finance minister, Paul Martin, said on November 28, 1989: "The goods and services tax is a stupid, inept and incompetent tax". I agree with that statement. I agree that it is a tax which has caused nothing but headaches and grief to Canadians. I am sure all members of the House have had constituents in their offices who were absolutely beside themselves because the way the tax is administered, it is nearly impossible for them to know what the expectations are, what kind of rules and regulations they have to meet and what the true impact on their businesses will be.

Government orders

The Liberal finance minister, Paul Martin, said—

The Acting Speaker (Mr. Milliken): Order. I know that the Minister of Finance would appreciate the hon. member's agreement, but she must know that under the rules of the House she may not refer to him by name but only by his title. I would invite her to restrain herself in that regard.

Mrs. Ablonczy: Thank you, Mr. Speaker. I will certainly respect that direction from the Chair.

In April 1990 the Liberal finance minister, whose name is well known to all Canadians, said this: "I would abolish the GST. The manufacturers sales tax is a bad tax and there is no excuse to repeal one bad thing by bringing in another one". I consider those words to be words of wisdom. One has to question why a bad tax like the GST is now being replaced by another even worse tax, the HST, in three of our provinces.

Those two statements by the Liberal finance minister were made while he was in opposition. Here is a statement which he made while he was the finance minister on June 21, 1994. Again this is a statement which I would agree with very strongly: "It is almost impossible to design a tax that is more costly and more inefficient than the GST".

The finance minister has certainly outdone himself. He has now brought in the HST with TIP, which is more costly and more inefficient, if that is possible, than the GST.

This is not just something for political rhetoric and political points. These taxes affect things which are very important to Canadians. In particular they affect jobs.

Bill C-70 as now constituted will increase costs to retail business and result in a net loss of jobs, particularly in Atlantic Canada. Perhaps I should repeat that for the benefit of members who represent Canadians in the three Atlantic provinces. They are supposed to be their voice but we have heard precious little from the members of Parliament from the Atlantic region. They should be sticking up and standing up for the interests of their constituents. For their benefit, perhaps they need to be reminded that Bill C-70 in its present form will increase the cost of doing business in the three Atlantic provinces. It will create confusion among consumers when shopping. It will decrease retail sales and will cost many, many Atlantic Canadians their jobs.

• (1320)

I know that many others who have spoken on this bill have been very clear about the concerns that have been raised by retailers who do business in the Atlantic provinces. The bottom line is that these business people, these job creators, these people who pay the wages of real Canadians in those three Atlantic provinces estimate that they will lose at least \$100 million because of this foolish proposal by the Liberal government to hide its tax in the sticker price in those three Atlantic provinces only.

When these things happen, the bottom line is that Canadians themselves have to pay the costs which costs Canadians more money. In addition to the fact that our taxes have been increased by this government by at least \$24 billion every single year since it took over our affairs, it is now increasing costs by attempting to pretend it has kept a key election promise.

It is important to emphasize that democracy itself is at stake when we talk about the way our taxes are structured. There are two elements in the way the provisions of this bill have been brought forward which I think Canadians, particularly Canadians in the affected Atlantic provinces, should be concerned about.

One is that I did not see one single member from those provinces who represent thousands of Canadians whose jobs, incomes and spending discretion is going to be affected. I would also say that with closure being brought in, the concerns that they have are being stifled and cut off in this House.

I see I am also being cut off because my time is finished. Thank you, Mr. Speaker, for giving me the opportunity to make these remarks on this bill. I urge this House to reject it.

Mr. Campbell: Mr. Speaker, on a point of order. I believe I heard the hon. member opposite say that this government has imposed closure. That is untrue. Nothing of the sort has been done. I would like the record to be corrected.

The Acting Speaker (Mr. Milliken): I think that is a matter for debate. I do not think it is a point of order. The hon. member in her remarks did not say that it had been applied on this bill. She was careful to avoid suggesting any such thing. She said that the government has used closure. Clearly members disagree but I think the record is clear.

Is the House ready for the question?

Some hon. members: Question.

[Translation]

The Acting Speaker (Mr. Milliken): The question is on Motion No. 3. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Milliken): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Milliken): All those opposed will please say nay.

Some hon. members: Nay.

Government orders

The Acting Speaker (Mr. Milliken): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Milliken): The recorded division on the motion stands deferred.

[*English*]

The recorded division will also apply to Motions Nos. 6 to 14 inclusive, Motions Nos. 16 to 53 inclusive, Motions Nos. 55 to 59 inclusive, Motion No. 61, Motions Nos. 64 to 100 inclusive, Motions Nos. 102 to 113 inclusive, Motions Nos. 115 and 117.

• (1325)

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 118

That Bill C-70 be amended by deleting Clause 261.

Motion No. 119

That Bill C-70 be amended by deleting Clause 262.

Hon. Raymond Chan (for the Minister of Finance) moved:

Motion No. 120

That Bill C-70, in Clause 262, be amended by

(a) replacing lines 11 and 12 on page 359 with the following:

“province out of amounts received in a fiscal year under Part IX of the Excise Tax Act”

(b) replacing line 30 on page 359 with the following:

“of amounts received in a fiscal year under Part IX of the Excise Tax Act to a person”

(c) replacing line 41 on page 359 with the following:

“advance out of amounts received in a fiscal year under Part IX of the Excise Tax Act”

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

Motion No. 121

That Bill C-70 be amended by deleting Clause 263.

Motion No. 122

That Bill C-70 be amended by deleting Clause 264.

Motion No. 123

That Bill C-70 be amended by deleting Clause 265.

Motion No. 124

That Bill C-70 be amended by deleting Clause 266.

He said: Mr. Speaker, it is a pleasure to speak to the third group of motions regarding Bill C-70 and the so-called harmonization agreement between the federal government and three Maritime provinces, and I am referring to the harmonization of federal and provincial sales tax.

When we talk about harmonization, the subject of this third group of motions, we think about harmony, which means everything is all right and unfolding as it should. It “flies through the air with the greatest of ease”, but that is certainly not the case with this bill.

In January, when many of my Liberal colleagues were still on the slopes, the finance committee was sitting, and for three days, only three days, it invited representatives from the Maritimes to appear before Liberal, Bloc and Reform members. The government wanted to rush this bill through. It wanted to silence the opposition. I must say that in three days we got a very interesting sample of opposition, even from the Maritimes, to the proposed harmonization of the GST.

One major witness, the Retail Council of Canada, whose members are responsible for 65 per cent of the retail trade, told us that this policy, this Bill C-70, should be scrapped.

They were not against harmonization, far from it. In Quebec, we saw the advantages as far back as 1991, when we harmonized the sales tax with the federal GST, and since Quebec administers the GST on behalf of the federal government, we can hardly be against harmonization. We are in favour. However, the bill before the House today creates almost insurmountable problems for business.

One of those problems is including the tax in the price of the product. The provisions of the bill allow merchants some latitude on whether they want to include the tax or indicate it separately, include it directly or only on certain products, and there are any number of exceptions.

According to the Retail Council of Canada, we could have a situation where we would have four different ways of labelling the same product. How is the consumer supposed to find his way through this maze?

Furthermore, people may be completely confused as to the actual price of a product while the new system is being phased in by the three Maritime provinces, where merchants will have four months to comply with the new sales tax legislation.

• (1330)

I think that anyone would be foolish to include the tax in his prices, because these prices will not look very competitive. There are quite a few problems here.

According to the Retail Council of Canada, phasing in the new system will cost about \$100 million. That is not exactly peanuts for merchants in the three Maritime provinces. It will cost merchants \$100 million for additional adjustments and \$90 million annually to administer the new price structure, the new system that will be applied in these three provinces.

During those three days, we heard some highly interesting testimony from representatives of companies, not small ones, but

Government orders

very big Canadian companies which do business in all of the provinces. Sears Canada, for example, made the following comment on this bill: "The use of prices which incorporate the tax in a partially harmonized system will mean higher costs and more complex systems for Canadian retailers".

Sears has a catalogue shopping system, as you probably know. It will produce 52 million catalogues in 1997. The production of "harmonized" catalogues, to fit in with the so-called harmonized system in the Maritimes, will cost Sears a fortune.

We heard from other witnesses such as Canadian Tire, and I shall take the liberty of quoting their opposition to the government's plan and to the terrible complications imposed on them when it comes to pricing and stock management. To quote Canadian Tire:

[*English*]

"We are opposed to the piecemeal approach to the application of tax included pricing as part of the introduction of the new HST. This would create very significant ongoing costs as well as extreme confusion to our customers. There are no savings. In fact, there are increased costs".

[*Translation*]

This is a quote from Canadian Tire's brief. There are companies like Canadian Tire and Sears Canada, and other major companies, which do business everywhere in Canada and have to prepare shipments of products to branch stores from a centralized product source. They will have terrible problems in managing various products that will then need to be shipped out to branches.

Canadian Tire, for example, will be forced to divide its huge central warehouse into two parts: one for the products destined for the three Maritime provinces where harmonization is planned and one for those destined for the rest of Canada, as the price labels will be different. Products will have to be stocked specifically for the three Maritime provinces, where an agreement has been signed which makes no sense.

Imagine, companies already find it complicated and expensive enough to handle their stocks, and now they are going to have a dual stock system imposed upon them, for goods to be shipped to the Maritimes and goods shipped to other provinces, a dual pricing and labelling system and, what is more, the three Maritime provinces will have complete leeway in the way they do their price labelling. Let me tell you, we are not out of the woods yet.

That is why these major companies have made representations to the finance committee. Others could have as well, but could not afford to come to Ottawa. There are other small businesses opposed to this bill. They have asked that application of the bill be deferred, because it is not manageable, is more costly to businesses, and is a

complex system such as has never been seen anywhere else in the world. What is more, instead of making consumers' lives easier, it makes the system more confusing. We are no longer in the good old days at the beginning of this century.

• (1335)

Why do the members of the government not recognize that to err is human and that they may have made a mistake in this agreement with the maritimes? When they realize they made a mistake—this is what we teach young children when they start to understand common sense—we are prepared to forgive them. But they have to take the agreement, tear it up and stop muddling things up with their total incompetence. It makes no sense.

Even in the maritimes, even with a gift of \$1 billion, they oppose it. They totally disagree with this way of handling the GST where \$1 billion of their tax money is spent to compensate the governments of the three maritime provinces in order to make the Minister of Finance look good and to get the government out of a mess. When we get to the point where, even with a gift like this, the people in the maritimes are saying that the bill is stupid, we have to listen to them.

It is not only the nasty separatists, as the slugs opposite keep saying daily, it is a matter of common sense and good economic management, of giving business every opportunity to perform in an increasingly competitive world and, above all, of making consumers' lives easier. Although this bill is supposed to simplify their lives, it shamelessly complicates them.

[*English*]

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to rise once again and speak to Bill C-70. We continue to have grave concerns about Bill C-70, and I, once again, will run through some of those major concerns.

The reason it is important that the Reform Party take time to run through some of the great concerns Canadians have about Bill C-70 is because the Liberal Party representatives from Atlantic Canada have failed to rise to their feet to defend the people of Atlantic Canada. As I pointed out before, this whole thing came about with the understanding that the GST would be eliminated, that we would not have a GST once the Liberals came to power.

Although the Prime Minister and the Deputy Prime Minister denied it after they made the promises, unfortunately for them, television cameras do not lie, videotape does not lie and they were found out. They were revealed to have made promises to get rid of the GST. They had to concoct a wild scheme to try to convince Canadians that the GST was going to disappear. All they did, as members well know, is come up with a billion dollars to bribe Liberal Atlantic Canadian premiers to come on board.

Government orders

From that sorry beginning, we are once again in a situation where the people of Atlantic Canada are being denied the chance to hold Liberal members of Parliament accountable for a promise. I want to touch on that in a little more detail.

During the finance committee hearings, witnesses came from across the country but in particular from Atlantic Canada. Those witnesses asked why the hearings could not be held in Atlantic Canada. As this legislation has such a profound effect on Atlantic Canada, why did the finance committee not take the time to go to Atlantic Canada to hear from real live Atlantic Canadians?

A handful of people did come from Atlantic Canada, but not everybody can give up a day to come to Ottawa to tell the government their story. These people made the point rather well that in a democracy, people should have the right to representation before taxation, at least the right to consultation before the government bulldozes ahead and implements a taxation system that nobody asked for and nobody wanted. That is a basic right.

• (1340)

It was not very long ago that all kinds of GST rallies were held across the country, where people were protesting the imposition of the GST. Maybe Mr. Speaker was involved in them at one time. I have no idea. People across the country were very upset and protested what the Tories were doing. Indeed, the Liberals made tremendous gains by saying that they would never, ever bring in a tax of that kind that nobody wants. And the people said with one voice: "Don't you dare do that".

Part of the reason that the Tories disappeared off the political landscape was because they brought in a tax that nobody wanted, that people did not ask for. The people felt they were not being represented. Consequently, the Tories were reduced to a mere two seats in the House of Commons.

As Yogi Berra would say: "It is *deja vu* all over again". The Liberals are bringing in a tax they said they hated, that they would scrap and kill. They have thrown \$1 billion at the problem to try and fix it. That did not work. Now we are in a situation where they are denying the people of Atlantic Canada the right to have a say on a tax that will fundamentally affect them.

During the hearings a number of provincial politicians appeared before us. Members would acknowledge that it is really quite unusual to have a number of provincial politicians appear before a committee to protest something that is going to take place in their regions. They had to come to Ottawa was because the Liberals would not allow hearings in Atlantic Canada on a tax that is going to affect those people. The fact that these prominent citizens took the time and effort to come to Atlantic Canada speaks volumes. It says something about the lack of representation that the people of Atlantic Canada are getting from their Liberal MPs. They would not be forced to send provincial representatives to Ottawa if the

MPs in Ottawa would stand up for them. But they are completely silent.

In Atlantic Canada where unemployment is a curse that has plagued that region for a generation, we heard witness after witness say that the new harmonization legislation was going force businesses to close.

One gentleman came before us and said that he had already closed eight or nine stores in New Brunswick at a cost of approximately 72 jobs. A witness representing Carleton Cards said 19 stores would be closed. He did not put any caveat on it. If this legislation came in, 19 stores would be closed, again affecting a number of jobs.

We heard from a gentleman from Woolworths Canada that has 125 stores in Atlantic Canada who told us Woolworths could possibly close as many as 30 stores in Atlantic Canada if the legislation came in.

Unbelievably, these people had to come to Ottawa. They could not talk to their local representatives. They could not talk to the Liberal MPs because the MPs could not talk to the finance minister. They could not get their message across. In other words, they were not doing their jobs. To date I have yet to hear one Liberal MP from Atlantic Canada stand and list the concerns of Atlantic Canadians with respect to the harmonization legislation.

If anyone had sat in on the meetings of the finance committee two weeks ago they would know that there are tremendous concerns with this legislation. People are concerned it will kill jobs, close down businesses, create higher prices, less selection for the people of Atlantic Canada. This legislation will have a profound impact on people with low or fixed incomes.

A great debate is raging in the country about child poverty and the government is proposing to put through legislation that will drive up costs on items like gasoline, home heating fuel and utilities. The poorest people in Atlantic Canada simply cannot afford to bear the disproportionate burden that the HST will mean to them when the legislation is implemented.

• (1345)

The point again is that there has been a profound lack of representation from Liberal MPs for people in Atlantic Canada. It has been a dereliction of duty. There have been a number of editorials written in Atlantic Canadian newspapers about the fact that there were not hearings there and that Atlantic Canadian MPs have not been standing up for their constituents.

I just hope that over the course of this debate Liberal MPs across the way have gotten the point, that when they come to Ottawa they are not given their \$63,000 so they can sit across the way and shout names, but that they have a job to do. They have a job to do in terms of representing their constituents, to go out and hear what they have to say in the first place and to encourage the finance committee and other committees to visit there when there are bills which

Government orders

concern that area, and finally to deliver the message to their own government.

We do not come to this place just to collect our salaries, or in the case of the Liberals their MP pensions. We come to the House of Commons to represent our constituents, something the Liberal MPs have completely failed to do with respect to the harmonization legislation.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, I am very pleased to take part in this debate, which has not surprisingly attracted a great deal of interest. I would first like to address a very important aspect of wanting to bring in the sort of reform being proposed in Bill C-70, the bill dealing with the GST. I want to talk about the confidence the public must have in our institutions if the decisions the government takes are to become reality.

As I have said, this element of trust is a basic principle in many of our institutions, particularly in the area of taxation. We know that it is a basic principle of tax law that a citizen must file his tax return, and it is presumed that this return is accurate until proven otherwise.

The same is true in the justice system. A person is considered innocent until proven guilty. This principle also applies here in the House, where our rules of procedure prevent us from calling a colleague a liar, and require us to presume, particularly during oral question period, that when a minister gives a reply, he is telling the truth.

Clearly, this element of trust is a fundamental part of our institutions. Unfortunately, when it comes to this extremely important bill, the element of trust is missing. It is missing, and this will have enormous consequences, because members of the public, who are watching us and who must suffer the terrible effects of this bill, will quite rightly rebel, because they do not have confidence in our institutions or in the elected officials who must make decisions.

They have many reasons for expressing this lack of trust. I will give a few well known examples still in the public eye right now. There is the Airbus affair, which has shown us the Minister of Justice tangled up in something that looks more like a settling of political accounts than a real case that supposedly needed clarification.

• (1350)

The reputation of former Prime Minister Mulroney was attacked. The current Prime Minister and Minister of Justice got so deep into trouble that, on the advice of their own solicitors, they eventually made amends and apologized. After dickering for months and wasting millions of taxpayers' dollars in legal fees, they ended up apologizing, saying that a mistake had been made in the Airbus

affair and that former Prime Minister Mulroney not only had done nothing wrong but that his conduct should never have been called into question.

The same thing is happening in the tainted blood scandal, with the Krever commission. Documents were destroyed. Obviously, the commission can no longer have access to these documents and use them to make recommendations in its upcoming report.

The same thing is also happening with the Somalia inquiry. The defence minister has just put an end to the mandate of the Létourneau commission, in a highhanded way, in my opinion. He has just decided that the hearings would have to be completed by the end of March and that the commission would have to submit its report by the end of June. However, several witnesses have yet to be heard, and the public is convinced that more remains unknown than known.

These examples show the impact of trust in our institutions, or the lack of it. This is why Canadians no longer believe in their representatives and, more often than not, are cynical about the electoral and political processes. This threatens the future of our institutions.

Bill C-70 is a case in point. During the last election campaign, the Prime Minister himself, the Deputy Prime Minister and all the Liberal candidates kept repeating that they would scrap the GST. Not only was the GST not scrapped, but it was maintained and, through Bill C-70, it will be made even worse. The bill establishes two tax systems: one for the maritime provinces and one for the rest of Canada. This is unbelievable.

This will destroy the confidence that is so necessary for our institutions. Mr. Speaker, you are impartial, but I am convinced that your Liberal colleagues think this is all a figment of my imagination. They think I am making these comments just because I belong to the Bloc Québécois, the official opposition, and must therefore criticize the government. They say we are trying to destroy the Liberal government's good image every chance we get.

Be that as it may, yesterday, a Gallup poll showed that 29 per cent of Quebecers believe the Prime Minister of Canada and member for Saint-Maurice is doing a good job. Merely 29 per cent of the people in Quebec believe he is doing a good job. This means that 71 per cent believe he is not doing a good job. Therefore, the people do not have confidence in the Prime Minister and his government. In Quebec, in the upcoming election, once again, the people will express this lack of confidence in the Liberal government by re-electing members of the Bloc Québécois.

• (1355)

Hopefully the Bloc Québécois' performance will reflect the people's lack of confidence in the government expressed in this poll. I have no doubt that the people of Quebec are fully aware of the bad, unfortunate decisions made by this government, which will adversely affect our fellow citizens in their daily lives. Just

think of the unemployed, whose benefits have been cut every year since the Liberals came to office, just to reduce the deficit.

I will close by saying that, these past few years, not only did the Bloc Quebecois denounce bad decisions—and we will keep doing so for the rest of this government's mandate—but we also proposed major changes which, if implemented, would improve our tax system.

Lastly, I would like to acknowledge the outstanding work done by our colleague, the hon. member for Saint-Hyacinthe—Bagot, with the help of the hon. member for Anjou—Rivière-des-Prairies and the hon. member for La Prairie, so they could table a second report this week. This is unprecedented in Canadian history. I see that Liberal members agree. This is a precedent; the official opposition tabled a realistic, practical tax reform proposal.

[English]

The Speaker: Colleagues, I am going to recognize the member for Prince George—Bulkley Valley. You, sir, will have the floor when we return after question period. Rather than interrupt your no doubt formidable speech, with your permission I will go to statements by members.

STATEMENTS BY MEMBERS

[English]

THE LATE CHARLES MUNRO

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I want to offer my condolences to the family and friends of Mr. Charles Munro of Embro who passed away on January 17.

Charlie Munro was one of Oxford county's outstanding dairy farmers. He represented and fought for the farmers of Oxford and Canada as a member of local, national and international farm groups.

Charlie served as president of both the Ontario and Canadian Federations of Agriculture. From 1972 to 1974 he served as president of the International Federation of Agriculture in Paris, France. Charlie was also a recipient of the Canada Centennial Medal and was inducted into the Ontario Agricultural Hall of Fame in 1994.

No matter where Charlie's service took him, he always had the people of Oxford in his thoughts and in his heart. Oxford and Canada have lost one of their best.

Au revoir mon ami. We will remember you.

[Translation]

S. O. 31

AMATEUR SPORT

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, I would like to pay tribute to the excellence of two young athletes from the riding of Argenteuil—Papineau.

Émilie Cousineau and Philip Devey, both from Lachute, have distinguished themselves in sports. The hope of the Quebec women's downhill ski team, Émilie finished first in the slalom at the Québec—Kandahar competition recently held at Mont-Tremblant.

In baseball, Philip Devey was named Quebec's pitcher of the year at the 1996 Meritas gala. He has landed the spot of fifth starter in the lineup on Southwestern Louisiana University's baseball team next season.

All young athletes in Quebec and in Canada deserve our praise. We must encourage and support them so that they can attain their goals and realize their dreams. It is with this in mind that I wish the best of success to the two young athletes from Argenteuil—Papineau, Émilie Cousineau and Philip Devey.

* * *

[English]

HEALTH CARE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, hurt number one on Liberal health care. Let us look at one British Columbia hospital's experience with the Liberals' version of publicly funded health care.

It is February 4 and as usual there are no beds available in the hospital. Eight out of 13 emergency room bays are occupied by seriously injured people. The hospital's response: cut 10 more beds because there is no funding.

There are 12 male and female patients in one room separated just by sheets with one bathroom. There is no funding for staff. A quadriplegic has to be turned, cannot be, develops bed sores, becomes septic and dies.

• (1400)

A sixty-year old patient has a heart attack and needs urgent transfer to Vancouver. There are no beds because there is no money and the patient dies.

A young woman needs urgent dialysis. There is no funding for any staff, the patient has a cardiac arrest and almost dies.

This is the Liberal government's version of publicly funded, accessible health care. Shame on this government for deceiving the Canadian public and playing political football with the health care of Canadians.

S. O. 31

CENTRES OF EXCELLENCE

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, the Centres of Excellence program allows university, government and private researchers to join forces on cutting edge technology projects.

Networks of Centres of Excellence have won an international reputation for doing high quality research which is relevant to private and public sector activities in Canada and around the world. The networks have been praised in Europe and the United States as areas in which Canada has excelled by getting university researchers to collaborate with each other and with industry.

The Centres of Excellence have contributed to the economic growth of the country by the rapid transfer of technology, the establishment of many new companies and the training of a highly skilled workforce.

By working together to provide the transfer of knowledge, the universities, governments and the private sector have made a greater impact than individual researchers would have done alone.

The continuation of the Networks of Centres of Excellence program is essential for Canada to compete on the global scene.

* * *

JOB CREATION

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, one of Canada's major banks recently announced a great new way to encourage job creation.

CIBC has agreed to lend money to small businesses at reduced interest rates if they promise to create jobs. A business that borrows the maximum of \$100,000 will save \$3,000 in the first year.

The bank will advance loans at one percentage point below prime to small firms that promise to use the money to expand and create at least one full time job or three part time jobs in the first year of the loan.

Since the major concern of all Canadians is job creation, I want the federal government to do everything it can to ensure all banks make their loans more accessible and affordable to the small business sector.

* * *

TOYOTA MOTOR MANUFACTURING CANADA

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I am pleased to advise the House that today Toyota Motor Manufacturing Canada announced plans to produce a new two door coupe at its facility located in my riding of Cambridge.

Production of a new Toyota coupe is expected to create 1,000 new jobs and represents an additional investment of \$400 million in operations at the Cambridge plant.

Toyota's decision to produce 50,000 new cars a year reveals the high level of confidence in the workers of Cambridge and the community as a whole.

I would also like to mention that the federal government is playing a role in this good news announcement from Toyota with its contribution of \$1 million for job training.

* * *

FISHERIES

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, government intervened to enable Canadian Airline employees to vote on issues affecting their future but now denies Pacific fishermen the same right on licence stacking.

In January, when the minister lifted the moratorium on licence stacking, he stacked the deck to favour large fishery operations with deep pockets. They can afford to buy the additional licences, assuring themselves the lion's share of the catch.

At the same time, the minister denied small fishermen and communities their right to stay in business and keep their jobs.

By delaying the vote on stacking until November, the minister assures himself an affirmative response because only those who buy into this expensive plan will be eligible to vote.

Reducing the size of the fleet does not address the survival of the salmon because the smaller fleet still has more catch capacity than the resource can withstand.

There are avenues readily available and easily instituted to limit the efficiency of the fleet, spread the wealth and protect the resource but the minister ignores this option.

So much for the Liberal promise of jobs, jobs, jobs.

* * *

BRISTOL AEROSPACE

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, workers at Bristol Aerospace in Winnipeg have called on all three levels of government to form a working group to monitor the sale of Bristol Aerospace and to make sure that the sale is conducted in the best interest of the city of Winnipeg and of the workers at Bristol Aerospace.

They have approached all three levels of government and have some measure of agreement from all three levels of government to at least participate in a preliminary process. But they are at a point now where they have not heard back from the people on the federal

side as to when a meeting might be held, and they are very anxious that this meeting be held.

• (1405)

Therefore I am on my feet today to urge the Liberals, whoever is responsible for making sure this happens, to convene a meeting of that working group as soon as possible so we can make sure this sale transpires in the interests of the city of Winnipeg and of the workers. I want to make sure we do not have another instance of people losing their jobs in Winnipeg as we have had over the last few weeks where plant after plant seems to be shutting down as a result of the combined policies of the Liberal federal government and the Conservative provincial government.

Here is an opportunity to do something and I hope the Liberals will soon act to make this working group a reality.

* * *

[Translation]

TRIBUTE TO NAÏM KATTAN

Mrs. Madeleine Dalphond-Guiral (Laval-Centre, BQ): Mr. Speaker, Naïm Kattan, a Quebec essayist and novelist, recently won the Prix de la culture séfarade. Born in Baghdad in 1928, he emigrated to Quebec in 1954, after studying literature at the Sorbonne. Since then, he has played a role in the cultural life of Quebec as a critic for *Le Devoir* and *La Presse*, and for the periodicals *Liberté* and *Voix et Images*.

In 1971, he won the Prix France-Canada with his first essay, *Le réel et le théâtral*. He has published three novels, *Adieu Babylone*, *Les fruits arrachés* and *La fiancée promise*.

He was a researcher for the Royal Commission on Bilingualism and Biculturalism and has a number of publications to his credit: *Juifs et Canadiens*, *Écrivain des Amériques*, and *Les Juifs et la communauté française*.

Quebec's culture has been enriched by Naïm Kattan's very special voice, a wonderful blend of the Jewish, Arab and Christian civilizations. It is with pride that the Bloc Québécois pays tribute to him today.

* * *

[English]

THE MACAULEY BOYS

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, it gives me great pleasure today to recognize the accomplishments of four of my young constituents in London West. Last Wednesday the rhythm and blues group The MacAuley Boys were nominated for a 1997 Juno Award.

S. O. 31

Through hard work and their great amount of talent the four brothers, Gary, George, Mark and Randy, have released two albums since 1995 and they have been featured recently on the Much Music dance show "Electric Circus". Their latest album, "In Another Lifetime", is receiving national play and distribution and airplay in the United States. The group has been invited to perform at the half-time show in the final home game of the Toronto Raptors.

A special nod should go to The MacAuley Boys' parents, Rita and Winston, who have supported and encouraged their sons' very special talent. Whatever the results of the Juno awards, London and all Canadians will be very proud of The MacAuley boys. We wish them well with their future. Bravo.

* * *

CANADIAN BROADCASTING COMPANY

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, as we approach budget day, I take this opportunity to express my support for strengthening the role of the CBC. Many of Prince Edward Island's citizens have expressed their concerns to me about the future of public broadcasting, both radio and television.

I recognize that the CBC has to share in meeting deficit targets. I believe it has done that and that no further cuts are necessary. In P.E.I. CBC is our mainstay for local news, including coverage of high profile events such as political conventions.

Ratings show that Islanders per capita watch local CBC news at a higher percentage than any other station in Canada. Morning radio programs focus the debate and provide critical analysis relevant to Islanders. On the cultural side, CBC has given aspiring local artists their start in the achievement of artistic careers.

The future of the CBC must be ensured.

* * *

[Translation]

JOB CREATION

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, yesterday the Minister of Human Resources Development announced a major grant to a company in Sorel. The firm, Hebco International, a specialist in the environmental sector, has just received close to \$1.3 million to help it set up a research centre and an assembly plant.

Thus, one hundred and twenty-nine direct jobs, plus numerous indirect ones, will be created in the Sorel region because of this Government of Canada funding, which comes from the transitional job fund created by our government.

S. O. 31

• (1410)

Ninety-four million dollars from this fund have already gone to help fund Quebec projects.

The Canadian government is pleased to be associated with this project, which contributes to the creation of lasting employment in the greater Montreal region, a region which merits the attention of all governments.

* * *

TEAM CANADA

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, since the Prime Minister's return from Asia, the Liberals cannot stop congratulating themselves on the success of this mission and attempting to link it with Canadian unity.

Yet the success of this economic mission cannot be attributed solely to federal action. The Quebec mission, headed by Premier Bouchard, made it possible to bolster the Quebec presence in South Korea, the Philippines and Thailand.

If our governments were successful in showcasing our know how in Asia, this was because of the genius of the entrepreneurs of Quebec and of Canada, and the quality of their goods and services. When the Canadian and Quebec governments pool their efforts in the economic area, success is assured. That is what partnership is all about.

For Mike Harris, the sovereignist project of the Quebec government does not mean the end of foreign investment. He stated, and I quote: "As far as Ontario is concerned, this is not an obstacle". Partnership is definitely an idea that is taking hold.

* * *

[English]

THE SENATE

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, on March 1 British Columbia Senator Len Marchand will step down, leaving a vacant seat in the Senate.

To fill that seat, British Columbians want to choose a senator who will represent provincial concerns and will serve British Columbians as opposed to just another Liberal hack appointed by the Prime Minister whose only loyalty is to the Liberal Party.

B.C. already has a law on the books which allows for British Columbians to elect their next senator. Before the last election, the current Prime Minister promised that the Liberal Party would establish an elected Senate within two years of its forming government.

Yet in the last three years, the Prime Minister has appointed more political hacks to the Upper House than Mulroney did in nine years in Parliament. So much for Liberal integrity.

Now is the time for the Prime Minister to put the democratic rights of the people ahead of the political interests of their party and allow British Columbians to elect their next senator.

* * *

INTERNATIONAL DEVELOPMENT WEEK

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, this is international development week. It brings together a wide range of partners, co-operatives and corporations, non-governmental organizations, universities and colleges and Canadian international development agencies.

Participants come from all walks of life and ethnic backgrounds. I want to acknowledge three constituents from the Nepean riding who have recently volunteered overseas with CESO: Roy Walker in Russia; Jivan Shah in Lima, Peru; and Tadeusz Cienski in Lubin, Poland.

By sharing their expertise with disadvantaged economies, they epitomize the values and ideals we celebrate during international development week.

This week is a week when Canadians come together and renew commitment to a common future, one that is shared with the rest of the world.

The need for international co-operation has never been greater. Messrs. Walker, Shah and Cienski have proven that all races and cultures, joined by common cause, can work together in peace.

* * *

GOODS AND SERVICES TAX

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I rise today to bring to the attention of the House the unfair and discriminatory manner in which the GST is applied to physicians and private ambulance services in this country.

Unlike small business people and self-employed Canadians, doctors and ambulance service providers are not allowed to claim GST input credits for necessary medical supplies they purchase to provide urgent and quality health care.

This discriminatory and unjust practice came into being with the GST itself and both the previous Tory and the present Liberal governments have refused to address this legitimate concern.

In fact, Liberal members of the finance committee defeated a Reform amendment proposed to correct this wrong during examination of the GST harmonization bill.

Oral Questions

In defeating this motion, the Parliamentary Secretary to the Minister of Finance suggested to his colleagues who were sympathetic to the longstanding grievance that their concerns should be addressed in the provincial fee schedule for their services. This is a shameful abdication of federal responsibility.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

TAXATION

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, this is pre-budget time, of course, and I imagine the Minister of Finance is working very hard on his budget. When he read the documents the Bloc contributed to the process, he must have realized that the Canadian tax system needed reform. Unfortunately, the minister has never been very forthcoming about tax reform. He does not seem interested.

Today, as budget day draws nearer, I want to ask him and I have not yet given up on convincing him, if he agrees that the Canadian personal and corporate tax system needs a thorough review, and whether he intends to proceed accordingly in his next budget?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the whole tax system must be modernized, because the economy evolves, because the ability of taxpayers to consider their financial situation evolves, because of the way corporations are able to find tax havens, or simply because of the globalization of our economy.

That is why, since we came to power, we proceeded with thorough reforms as each budget was brought down, and we certainly intend to keep modernizing our tax system.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, all socio-economic partners agree it is important for the government not only to modernize the tax system but also to bring about thorough changes that will make it fairer, more equitable, more productive and will help stimulate the economy.

In November we tabled proposals suggesting that the minister eliminate tax spending on companies that are not productive. In the process, the government would recover \$3 billion and use the money to stimulate job creation by introducing appropriate fiscal measures that are attractive and provide an incentive for business.

Does the minister intend to include this suggestion in his next budget?

Hon. Paul Martin (Minister of Finance, Lib.): Absolutely, Mr. Speaker. I have already said that I read the Bloc Quebecois report on corporations with great interest.

I think the federal government's situation was accurately described by Quebec's Minister of Finance, Bernard Landry. In referring to his own situation, he was actually answering the Bloc's question, and I quote what he said: "Regarding the tax burdens on corporations", because that is what the Leader of the Opposition referred to, "these tend to diminish the yield on their investments. Companies lose the incentive to invest, which means fewer jobs. Furthermore, as the tax burden in Quebec increases, foreign companies are less likely to invest here and create jobs. It is clear that higher tax levels kill jobs".

That is what Bernard Landry had to say, and I think the Quebec Minister of Finance is right.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, this is rather frustrating. The Minister of Finance did not understand the question at all.

We are not asking the Minister of Finance to increase the tax burden on corporations. This is about eliminating unproductive fiscal spending deductions that do not stimulate job creation and instead make these deductions contingent on the number of jobs created.

The Bloc Quebecois never asked the government to increase the taxes of these corporations. We simply asked the government to redirect its tax spending. The minister does not understand tax reform. That is the problem. And he is the Minister of Finance. I do not have much of a problem with the federal tax system, because pretty soon we will no longer be affected by it.

• (1420)

I wish the Minister of Finance would realize that by refusing to make thorough changes in the federal tax system, he is also preventing such changes from taking place in the provinces, because the two are closely related. He takes the lead, so he should know.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first of all, we are always prepared to co-operate with the provinces. In fact, we have taken the lead in many areas, and Quebec has followed suit.

The Leader of the Opposition is asking us what we have done. I will tell you what we have done. We put in place new rules for declaring foreign assets if the value of these assets exceeds a certain amount. We added a temporary surtax on banks. We scrapped a tax return for businesses that are not incorporated. I could go on. As I said, we have done a great deal and we intend to continue.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the Minister of Finance was to table his three pages. We are still

Oral Questions

waiting for him to table them in the House. For his three pages, we could give him three hundred pages of analyses of corporate and individual taxes.

The government often says that job creation is its primary goal. The Minister of Finance has said that “every effort of government, including the tax system, must be directed toward that end”.

My question is for the Minister of Finance. If the Minister of Finance thinks that taxes can play a determining role in creating jobs, would it not make sense to immediately implement the Bloc Québécois’ suggestion of creating an employment RRSP program?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first, the member asked me if I am prepared to table the document. The three pages I have are a summary. If all the measures were to be included, the document would be longer.

Do you want me to table the document? No? When you are ready, Mr. Speaker, I am prepared to do so.

As regards the employment RRSP program suggested by the member, this is not the first time such a suggestion has been made. I am prepared to examine the program. However, as the member must know, there is another angle, that is, RRSPs exist to protect the retirement system, that is, seniors’ pensions. We have to ask ourselves the following question: Should we change the function of RRSPs, that is, put the retirement system at risk? We should debate this.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I have the Minister of Finance’s answer to this question, because it was a question.

At the moment, we have the home buyers’ plan. It enables people to draw on their RRSP in order to purchase their first home. Four years later, they have to start repaying what they borrowed at the rate of one thirteenth of the total amount a year over the next thirteen years.

In other words, taxpayers borrow from themselves. We are proposing exactly the same thing. Under an employment RRSP program, an unemployed taxpayer could create his own job with a start-up fund where he could take—

The Speaker: This is novel: I have the question here and the answer there. Please continue with your question.

Mr. Loubier: Since this would have no effect on the preparations for the taxpayer’s retirement, is he prepared to implement an employment RRSP program, which could give a boost to over two thirds of the jobs created annually, which qualify as self-employment.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, two or three years ago, at the very start of our mandate, we looked at exactly seven options.

The vast majority of experts in the field, including most representatives of small and medium sized businesses in Canada, told us that it was more important to protect rather than risk the retirement system of these people. That would be the end result of the member’s suggestion, in that it would put their retirement at risk by asking them to invest in businesses which could very well go bankrupt.

* * *

• (1425)

[English]

PUBLIC DOCUMENTS

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, Dr. Jo Hauser of the health department shredded some documents in 1989. They included documents going back to 1982 when the Liberals were in power. Those documents could have explained why the blood system became tainted.

In 1993 Bob Fowler and John Anderson shredded memos that might have pointed to a high level cover-up at the defence department. In 1994 more key documents that could have shed light on the Somalia scandal were shredded, altered or hidden.

My question is for the Deputy Prime Minister. It is a very simple one. Is the shredding, hiding, altering or destruction of public documents such as these right or wrong?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, the government certainly does not support the shredding of any such documents.

Mr. Preston Manning (Calgary Southwest, Ref.): Therefore I assume the Deputy Prime Minister is saying that such activity is wrong, Mr. Speaker. If that is the case, then surely the Deputy Prime Minister also agrees that people who are guilty of such wrongdoing should be held accountable. The information commissioner thinks so, but he says that he has not been given the power to hold public servants accountable for improperly destroying public documents or records.

My question is for the Deputy Prime Minister. Is the government willing to give the information commissioner the power to hold people who destroy evidence required by public inquiries, people like Jo Hauser, Bob Fowler and John Anderson, accountable for their actions?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, any illegal shredding of documents should most properly be handled by the organization responsible for those kinds of criminal activities, the RCMP.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the government’s handling of evidence shredders and the

Oral Questions

Deputy Prime Minister's answer is another indication of the government's double standard when it comes to ethics.

The RCMP have been called in to investigate Jo Hauser's destruction of the Canadian blood committee files, but it is unlikely that the RCMP will be able to get anywhere near the Prime Minister's friend Bob Fowler. What is more, the RCMP said yesterday that destroying such documents may not even be a clearly established offence under the Canadian Criminal Code.

My question is for the Deputy Prime Minister. What concrete action will the government take to ensure that people who destroy evidence required by public inquiries are held accountable for their actions?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I most strongly object to the claim of the hon. member that somehow the RCMP would be precluded from doing its work because of the "friendship" between the Prime Minister and anyone. It is a very serious allegation to make against the RCMP.

I would hope that the member, along with all members of the House, will respect the fact that the RCMP is impartial and completely capable of carrying out its responsibilities.

* * *

[*Translation*]

TOBACCO LEGISLATION

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

We know that the Liberal caucus is divided regarding certain aspects of the tobacco legislation.

Given that the Minister of Health does not share the view of his colleague, the minister responsible for regional development in Quebec, does he still intend to maintain in his bill the tough restrictions on sponsoring by tobacco companies?

[*English*]

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, unfortunately the hon. member was not available to attend our national caucus meeting yesterday. The endorsement that I and the government have received for its tobacco package was overwhelming from all regions of the country.

With regard to the specifics, the hon. member knows that her colleague has participated on the committee and various recommendations have been made. Those recommendations are under review.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, still, can the minister tell us whether his colleague's opposition to the bill changed the timetable?

[*English*]

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, my colleagues from across the country make a variety of representations, most of which are positive, to improve both the quality of the health of Canadians as well as the economic situation of the country.

• (1430)

I want to assure the hon. member that I take all viewpoints into consideration. I want to assure the hon. member we will adhere to the principles of Bill C-71.

* * *

PUBLIC DOCUMENTS

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the RCMP is investigating the destruction of the Canadian blood committee documents, files and tapes from 1982 to 1989. They would have explained why thousands of Canadians were infected with tainted blood. The shredding of public documents is extremely serious and all evidence shredders should be held accountable for their actions.

The Deputy Prime Minister just said she thinks it is a serious matter. She also said, let the RCMP do their work. That is exactly what we want.

My question is for the Deputy Prime Minister. Will the RCMP be called in to investigate the alleged evidence shredding of Bob Fowler and John Anderson?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, it is very interesting to hear the hon. member discuss alleged shredding.

For all of us to understand what has gone on in a number of offices and a number of departments, perhaps what the hon. member is proposing is that RCMP operate the shredders right across the country, including perhaps the one in her office.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I am not sure what to thank the hon. member for.

Senior aides to former defence minister Kim Campbell have sworn affidavits that Bob Fowler and John Anderson shredded important memos that pointed to a high level cover-up in the department of defence. If these serious allegations are true, then Fowler and Anderson must be held accountable.

I will ask the Deputy Prime Minister again, and I hope that she gets on her feet and does not look like she is dazed by the headlights. The entire military in this country is under a cloud because of the behaviour—

Some hon. members: Oh, oh.

The Speaker: The hon. member is going to give her question now.

Oral Questions

Miss Grey: Mr. Speaker, we know about being dazed in the headlights in Beaver River and we saw an example of it right there. If this is unparliamentary I do not know where we are going in this place.

The entire military is under a complete cloud in this country because of the behaviour of a very select few people. When is the Deputy Prime Minister going to get to the bottom of this and set our Canadian Armed Forces free once and for all?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am amazed that the hon. member, who represents a party that has people sitting around her who have served honourably in the Canadian forces, would stand in her place and say that there is a cloud over everybody in the Canadian forces. You have no respect for the Canadian forces. You do not care—

Some hon. members: Oh, oh.

Miss Grey: Shame on you.

The Speaker: I would ask hon. members to please address their remarks to the Chair.

* * *

[Translation]

CULTURE

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, unless I am mistaken, the minister is upset.

Yesterday, the Prime Minister remained silent on the issue of culture. Yet, his cabinet is divided on this most important issue for Canadian and Quebec cultures.

Last week, the Minister for International Trade said that NAFTA's cultural exemption was a myth, while the heritage minister claimed it was an essential tool for Canada's cultural development.

• (1435)

My question is this: Can the Deputy Prime Minister tell us who is the real spokesperson on this issue? Who is stating the government's position: Is it the Deputy Prime Minister when she says she is trying to get culture excluded from WTO agreements, or is it her colleague who has no intention of defending this cause at the international level?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, it is absolutely vital that the Government of Canada take a unanimous stand on an issue that concerns us all. I am just as concerned that, when the Prime Minister put me in charge of the heritage department, he asked me to fight hard for Canadian culture because it must be done.

I can assure you that as far as Canada's policy to work very hard for our culture is concerned, I am in complete agreement with all of my cabinet colleagues, including the Minister for International Trade.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, I am asking the Deputy Prime Minister to confirm that she is the government's official spokesperson.

I am asking her why, yesterday, she said she would wait for the WTO decision concerning *Sports Illustrated* before deciding whether to appeal. I would remind her of the very clear conclusions stated in the 1994 Tassé report regarding this magazine, and I would also remind her that 80 per cent of magazines bought at newsstands in Canada come from abroad.

In making her statement yesterday, the minister contradicted the comments she made last week when she said she would definitely appeal the decision. What made the minister back down?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, last week I said the same thing I am saying today. The decision has not yet been made. It is impossible to confirm that we will appeal, given that the decision has not even been made.

The ruling that was made is a provisional decision. We will wait for the final decision, which should come at the end of this month. I can assure the hon. member that once a final decision is made, we will use every available means, including our right to appeal this unacceptable demand by the Americans.

* * *

[English]

CANADIAN ARMED FORCES

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, I wonder if the Minister of National Defence realizes the impact this Somalia issue is having on the military. Why does he think the people in Edmonton are ashamed to wear their hats to work when they are driving because they do not want to be perceived to be in uniform? Does he not understand that all the military feels tarnished by what has happened and they are concerned by their perception that the leadership is not being held accountable for what happened?

Will the minister accept that this whole episode is troubling the people in the military forces?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Yes, Mr. Speaker, I agree with my hon. friend that the incident in Somalia and much that has gone on since is indeed troubling for members of the Canadian forces, both present and past. I know that my hon. friend is very much aware of that.

I have been to the base in Edmonton and that I do not share his view that the men and women of the Canadian forces are ashamed of their uniforms. As a matter of fact, I hold quite the contrary view, that the men and women of the Canadian forces in Edmonton, or in Bosnia where I was last week with our troops over there, are very proud not only of what they are doing today but what men like

Oral Questions

my hon. friend and other men and women of the Canadian forces have done for the last 100 or 125 years.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, there is no question about the job the Canadian forces are doing. They are doing super work. But I have letters in my office from people in Edmonton who say: "I won't wear my hat to work because I don't want to be seen as a person in military uniform".

Deputy Minister Fowler visited Somalia between February 5 and 9, 1993 and Chief of the Defence Staff Admiral Anderson was in Somalia on March 6, just two days after two Somalis were shot. Yet the muzzling of the inquiry precludes either Fowler or Anderson appearing. The commission says they simply do not have enough time.

• (1440)

If the minister really cares about the welfare of the Canadian forces, how can he leave this aberrant episode in Canadian military history unresolved?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I want to say to my hon. friend that under no circumstances at any time have we ever attempted to influence the choice of witnesses who should be heard before the inquiry.

The Somalia inquiry was extended now on three occasions. Upon the last request made by the commissioners, the government determined that we would extend the period of the inquiry until the end of June allowing for hearings to be held until the end of March.

There is absolutely no reason why the commissioners cannot ask the people to whom my hon. friend has just referred to appear before the commission. There was also no reason why they were not able to hear them over the last nearly two years now that this commission has been conducting its business.

However, I have never commented on either the roster of witnesses nor their testimony, nor do I intend to. That is entirely within the purview and prerogative of the commissioners of the Somalia inquiry.

* * *

[Translation]

ROYAL MILITARY COLLEGE IN KINGSTON

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, my question is for the Minister of National Defence.

In an attempt to divert attention from the unforgivable mistake of shutting down the only French language military college in the country, the government is promising phenomenal savings. Just recently, we learned that the operating costs of the college in

Kingston were higher than ever and that the training costs, per student, were in excess of \$76,000, much higher than in St-Jean.

Could the Minister of National Defence explain why no one can tell us with any accuracy how much the college in Kingston is costing us every year? Figures like \$30 million, \$50 million and \$90 million have been tossed around. What is the budget of the college in Kingston?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, my hon. colleague will understand that I do not have at the tip of my fingers every available detail pertaining to every aspect of the Canadian Forces activities, whether at the military college in Kingston or elsewhere.

I undertake to provide this information to my hon. colleague. Just so I am clear, I would appreciate it if he could let me know exactly what details he is looking for concerning the funding of the military college in Kingston. We could also provide him with figures to enable him to make a comparison with the military college in Saint-Jean.

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, according to our sources, the astronomical costs at Kingston prove only one thing: it was a mistake to close down the military college in Saint-Jean, where military training was provided to officer cadets at a much lower cost.

Are we to understand that, once again, the government is unable to admit it made a mistake, to the point where it would rather just keep spending and spending, while French-speaking members of the armed forces suffer?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as far as the French-speaking military or young people looking to train and carve out a career in the Canadian Forces are concerned, we will do everything we can to make sure they get the best possible training.

Regarding the other part of the question, where the hon. member implied that we tend to spend recklessly, I must say I gave that up long ago.

* * *

[English]

KREVER COMMISSION

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, the shredding of blood committee documents by Dr. Jo Hauser is condemned by the information commissioner as an effort "in thwarting the public's right of access". These documents by the way were from 1982 to 1989 implicating a Liberal cabinet.

Did the health minister know both the identity and the motives of this shredder when he gave him the golden handshake one day before the bombshell hit the press?

Oral Questions

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, once again the hon. member is being somewhat careless and reckless with the facts.

The evidence that has been provided to me as minister is that I have a fiduciary obligation as well as a legal obligation to comply with the provisions of the Access to Information Act.

I want to say to my colleague opposite that information was provided to me in a preliminary report on December 3, as I believe he made reference to yesterday, which is a standard procedure under the access to information provisions. Thereafter the department responds. It is concluded by the information commissioner making a final report, which I believe he did on January 21. Thereafter that report was made public immediately, forwarded to Justice Krever and thereafter forwarded to the solicitor general for the purposes of an RCMP investigation if they deem it appropriate.

• (1445)

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, I think most Canadians will recognize that I did not even get close to an answer to my question. The question was, did the minister know the identity and the motives of this shredder prior to when he gave him a golden handshake? I will try again: Were the identity and the motives known by this minister?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, I am just a lawyer from rural Canada. I am not a spin doctor. In terms of the motives of various individuals, whether they be members of the public service or whether they be members of the third party, I am not aware of their motives. However, one can speculate as to what their motives are about.

* * *

RURAL DEVELOPMENT

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, the minister of agriculture has a significant role to ensure that the throne speech commitment to rural development is fulfilled. It is a very important issue for those of us living in rural Canada.

Would the minister tell the House specifically what actions he is taking to ensure rural economic development is pursued?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member for Parry Sound—Muskoka has been consistent and very aggressive in pursuing and promoting the interests of rural Canada as have a great many members of the caucus on the government side.

The throne speech last year indicated the general nature of the government's commitment. Since then we have been working on a variety of initiatives including improving access to capital, im-

proving access to information technology and improving the quality of information available to rural Canadians about the programs and services of the Government of Canada.

In particular I mention the Canadian adaptation and rural development fund which among other things will pump in excess of \$100 million over the next four years into the hands of local adaptation councils across Canada. This will help with rural growth and diversification and will bring decision making and priority setting into the hands of people locally in their own communities.

* * *

[Translation]

DEPARTMENT OF NATIONAL DEFENCE

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

The Department of National Defence is the subject of an unprecedented application to the Federal Court by the commissioner of official languages, who is accusing it of systemic discrimination against members of francophone soldiers' families. This is especially the case in Moose Jaw, Saskatchewan, where several francophone families have been the victims of this disgraceful and generalized discrimination.

How can the defence minister tolerate the systemic discrimination practised by his department for over 26 years against members of francophone soldiers' families on Canadian army bases?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I have already had an opportunity to meet with the official languages commissioner for the very purpose of discussing the problem in Moose Jaw that the hon. member is referring to. There were also other situations that I thought were unacceptable in other regions of the country.

Following these meetings, I asked my department to report to me as quickly as possible on what can be done to correct circumstances which, I am in agreement with my hon. colleague, were unacceptable.

We will try to move ahead as quickly as possible, and I hope to be able to get back to her in the near future about concrete action taken in this regard.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, to a degree I find the minister's reply reassuring or encouraging. But according to our information, and the minister is well placed to tell us if it is incorrect, the department is getting ready to try and have the court disallow the official language commissioner's application.

Why has the minister decided to take the same approach as his predecessors who, for 26 years, have refused to allow francophones on military bases access to services in French, although it

knows the disastrous consequences this will have for these families?

• (1450)

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, my hon. colleague is well aware that I should not discuss a situation that could come before the courts or be litigious. I am, however, very aware of the need of men and women in the Canadian Forces to have services available to them in the language of their choice.

In the cases referred to by the hon. member, it is clear to us that the situation was unacceptable, and we are going to look into it.

As for the commissioner's application, we should let the court make up its own mind.

* * *

[English]

CANADIAN ARMED FORCES

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, we saw on the CBC town hall that the Prime Minister believes that one of the best job strategies is to rely on blind luck. If that fails, the second best job strategy is apparently to try to steal jobs from somebody else if you cannot get your own.

In a crass political move, apparently the Minister of Foreign Affairs has decided to steal the 900 jobs that are currently in place at NORAD in North Bay and move them to Winnipeg. That will cost about \$15 million. Even the Liberal MP from Nipissing has publicly voiced his opposition to this job stealing by the minister.

Will the minister reverse his decision and keep the NORAD jobs in North Bay?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I know that the hon. member probably is very familiar with what is described as the hole at North Bay. But in fact, if he was aware of what is going on in the restructuring of the command control and other aspects of the air force activity in the Canadian forces he would know, because I said yesterday in response to a question outside the House of Commons, by people who are familiar with this subject, that absolutely no decision has been made with respect to the location of these centres and no decision is imminent.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, according to the newspaper reports, the premier of Ontario is not buying that and neither is the member from Nipissing. Both have publicly voiced their opposition and both say that apparently this decision has already been made.

Oral Questions

Will the minister reassure these people that the decision has not been made and in fact that air command will stay in North Bay and will not be moved to Winnipeg?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, air command is in Winnipeg. General de Quetteville is in Winnipeg. That was a thing that was decided some time ago.

What the hon. member was given was information that somebody else wrote down for him which has to do completely with another aspect of what we are trying to do in the restructuring of the Canadian forces. If he has a moment sometime, I will explain it to him.

* * *

ATLANTIC ECONOMY

Mr. Derek Wells (South Shore, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

The fishing, fish processing and agriculture industries in Atlantic Canada have been hit hard by new or increased fees for licences and fishing related services. Will the minister review the cumulative impacts of these user fees? Will he consider setting a ceiling on total payments to ensure that cost recovery will not adversely affect the immediate and long term viability of Atlantic coastal communities?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, this is a very important question. I am quite aware of the impact which these fees have created. Therefore, we have put together a multi-sectoral committee of stakeholders which will be meeting next week to examine solutions. We will be developing a new policy in Treasury Board based on the results of these consultations which will be aimed at reducing the inconvenience caused by the imposition of these fees.

* * *

AGRICULTURE

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the Canadian Wheat Board has asked the federal government to intervene in the disastrous grain movement situation in Canada, which is estimated to cost Canadian farmers at least \$65 million in lost revenues and demurrage costs. We agree with the Canadian Wheat Board and would add that government policies such as privatizing CN Rail, deregulating the rail industry, changing the car allocation policy, allowing the abandonment of rail lines and condoning inappropriate downsizing within the railways have all contributed to this problem that keeps grain from moving to the ports.

• (1455)

My question is for the Minister of Agriculture and Agri-Food. Does he not agree that the federal government has a responsibility

Oral Questions

and the authority that is required to get the railways to make grain a priority, and that he should use the full extent of his authority to get that grain moving again?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the legislative authority to which the hon. gentleman refers is, he will agree, rather limited.

In terms of the nature of the problem, it would appear that the difficulty this season does not relate to rolling stock or to delivery of supplies in the country or to port operations. Rather, it is a combination of severe weather conditions coupled with a shortage of locomotive power.

I am advised by both railways that in the course of the last number of days, particular efforts have been made to augment the locomotive power to catch up on the existing backlog. It is also fair to observe that it is cold every January, it snows every January and the railways should do better.

* * *

[Translation]

FERRY SERVICE

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, my question is for the Minister of Transport.

The problem of the Magdalen Islands ferry continues. The *Lucy Maud Montgomery* has seen better days and the people of the Islands are no longer being taken in by Liberal promises. They want a permanent solution and they want it soon.

The Liberal government has already had a \$30 million budget available for more than two years. Is it going to let the people of the Magdalen Islands wait much longer, while it insists on dumping its old *Princess of Acadia* on them, instead of providing them with another ferry, the *Island of Inishmore*, which is 80 feet shorter, but safer?

[English]

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, the hon. member is probably unaware that at this time of the year every year there is no ferry service from P.E.I. to the islands.

I would point out to him this is a condition that is not the result of any decision of the Canadian government. I would suggest to him that we will have a ferry available just as it has been every year for the past 20 years. It will be available on schedule. The service will be protected between the Magdalen Islands and Prince Edward Island.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, my question is for the Minister of Transport.

The government lawyers are now in court arguing that they did the Pearson developers a favour in cancelling the contract because they would have lost their shirts. Talk about a flip-flop.

Now that they have the government experts arguing that this was a good deal for the taxpayers, will those experts who argued in favour of the Nixon report be held accountable to the taxpayers?

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, when I rise to answer a question from the Reform Party, I am perhaps a little more nervous than I am with the Bloc because I do not know whether I will be met with fisticuffs or with lawyers outside the House.

Some hon. members: Oh, oh.

Mr. Anderson: Mr. Speaker, the government cancelled the Pearson contract after it was found that it was not in the best interests of the Canadian taxpayers.

We prefer the airport to be in the hands of a not for profit corporation which is similar to that in Vancouver, in Edmonton, in Calgary and indeed in Montreal as well.

Obviously, we are open to any reasonable settlement offers that come forward. However I have to say that I cannot understand why the hon. member and his party consistently sidle up to the Mulroney appointed senators to try to guarantee for the developers, including the former president of the Conservative Party, \$600 million in unearned profits which could so well be put toward other programs. Why they want to do this—

The Speaker: The hon. member for Ottawa—Vanier.

* * *

[Translation]

INFRASTRUCTURE PROGRAM

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, some time ago, the Minister responsible for the infrastructure program announced the federal government's offer to continue the program for one more year.

Could the minister inform the House of the status of negotiations with the provincial governments, the Ontario government in particular?

• (1500)

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the first phase of the infrastructure program with Ontario was an amazing success, with 5,000 projects and 39,000 new jobs, mainly in the construction industry, where the unemployment rate was very low.

To date, all provinces and territories have given me a response on the new offer we made them to extend the infrastructure program for the period 1997-98. In principle, all have been favourable. We are going to sign a new agreement with Alberta

tomorrow, and I trust that the one with Ontario will soon follow suit.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I draw to the attention of the House the presence in the gallery of the Hon. Patrick George Binns, Premier, President of the Executive Council and Minister Responsible for Intergovernmental Affairs of the Legislative Assembly of Prince Edward Island.

Some hon. members: Hear, hear.

* * *

[Translation]

BUSINESS OF THE HOUSE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I would like to ask the Deputy Leader of the Government in the House the usual Thursday question. Can he give us an idea of what is in store for next week?

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this afternoon we shall continue with report stage and third reading of Bill C-70, which harmonizes the goods and services tax.

Tomorrow will be an opposition day.

[English]

Monday we shall resume consideration of Bill C-70. When that bill has had third reading we will return to the third reading of Bill C-60, the food inspection legislation, Bill C-23, the nuclear safety measure and Bill C-17, the Criminal Code amendments. We shall then resume second reading debate on Bill C-46.

Next Thursday shall be an allotted day.

Mr. Zed: Mr. Speaker, on a point of order, I believe you would find unanimous consent for reverting to the daily routine of business, presenting reports from committees. If so, I would have a presentation of a committee report.

The Speaker: Does the parliamentary secretary have unanimous consent to revert?

Some hon. members: Agreed.

Government Orders

ROUTINE PROCEEDINGS

[English]

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 thank the House for its indulgence.

I have the honour to present the 51st report of the Standing Committee on Procedure and House Affairs regarding the selection of votable items in accordance with Standing Order 92.

This report is deemed adopted on presentation.

* * *

BILL C-79

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, in accordance with Standing Order 73(1), I wish to advise the House that it is the government's intention to refer Bill C-79, an act to permit certain modifications in the application of the Indian Act to bands that desire them, to committee before second reading.

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

The House resumed consideration of Bill C-70, an act to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related acts, as reported (with amendments) from the committee; and of motions in Group No. 3.

The Speaker: We are on Group No. 3 and the member for Prince George—Bulkley Valley had the floor when we interrupted for question period.

• (1505)

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I was pleased to be able to speak to Group No. 2 and also now to Group No. 3.

In introducing my presentation to Group No. 2, I wanted to point out that these particular amendments to this bill are about a whole larger picture than simply the GST. I wanted to bring it to the attention of Liberal members opposite so that they might be able to recognize some of their past deeds that they committed during the 1993 election.

Government Orders

I talked about when is a promise not really a promise. It was clear that in that case it would not really be a promise if it was a verbal promise made by the Liberal Party even though, as I pointed out, the highest courts in the land have recognized that a verbal promise is and can be and has been deemed to be legally binding. But not to the Liberal government.

I would like to use another phrase now to introduce my comments on Group No. 3 of the amendments. I am drawing a line from an old movie called "Love Story" many years ago. The line is "being in love means never having to say you're sorry". I would like to revamp that line and say this to the Liberal members, that telling the truth first means never having to say you're sorry. They might consider that in the next election campaign as they go door to door, coffee shop to coffee shop, meeting to meeting, verbally making election promises to the people of Canada that they know they are not able to keep and will not keep.

This is the very thing that has created the cynicism, the mistrust, the attitude that politicians rank lower on the acceptability scale than the lowest form of occupation we can find in this country because politicians like these people across the House here have partaken in a deception of the Canadian people in the 1993 election. They have verbally promised the Canadian people that they would kill, scrap and abolish the GST. Yes, they did. Evidence shows it over and over again that is exactly what they did and they have the gall to sit here and deny that they did not say it when they have been caught in their own lies.

The Speaker: My colleague, the word "deception" was borderline. The word "lies" is not acceptable in this House. I would ask the hon. member to withdraw that immediately.

Mr. Harris: Yes, Mr. Speaker, of course I withdraw the word "lies".

This party, these members have been caught in their own misrepresentation when they went door to door all across this country and told the people of Canada, rank and file hardworking Canadian taxpayers that they were going to give them some tax relief by killing the GST.

I said earlier telling the truth first means never having to say you are sorry. The minister of heritage had to say she was sorry about her promises on the GST. She had to resign and seek election again in her riding. The Minister of Finance on record has said: "I'm sorry. We promised to kill the GST. It was a mistake and we apologize for it".

It is absolutely unbelievable that two ministers in this Liberal government have come forth and said they were sorry, not having to do so, not willingly. They were dragged kicking and screaming to that apology, kicking and screaming by the mounting pressure from the Canadian people and the Reform Party, which led the

charge. While these two ministers have come forward and made public apologies about their GST misrepresentations, the Prime Minister of this country, the person who has been elected to the highest office in this country, who is supposed to display the highest form of integrity and honesty, has not come forward even though the Prime Minister has been shown several times on video tapes from the 1993 election to be saying: "We will scrap, kill and abolish the GST. I promise you that".

• (1510)

He has said that many times and he does not have the integrity to come forward and say "I am sorry, we made a mistake. I got caught up in the election furore of 1993 and I said some things that perhaps we could not keep, some promises we could not keep". He does not have the integrity to do that.

This is the Prime Minister of Canada we are talking about. What kind of an example does that send to the Canadian people when the Prime Minister of Canada cannot stand up and say "I was wrong, we were wrong, we should not have done it, we should not have said it"? What kind of an example does that send to Canadians? What kind of an example does that send to the Canadian youth who look to their parliamentarians for direction? They are told that the parliamentarians in this House of Commons are people of integrity and honesty. What kind of an example does that send?

Be sure about this fact. The Reform Party will stand here day after day and we will hold the feet of the Prime Minister of Canada to the fire on the GST misrepresentation, as we have done to all the members here; as we did to force the minister of heritage to say she was sorry and resign from her seat; as we did to force the Minister of Finance to say "I'm sorry it was a mistake"; and as we will continue to do into this next election. Hopefully the Prime Minister will show some integrity and take his position at the apology table and tell the Canadian people "I'm sorry, we should not have said that".

The provinces across Canada recognize exactly what kind of a scam is going on in this House, what kind of a scam is going on in this GST harmonization. Ontario has said that the plan would cost its consumers between \$2 billion and \$3 billion extra per year in their purchases. Ontario's premier has gone so far as to say that the subsidization package given to the maritimes was in fact a bribe. Alberta's premier has said the compensation component was a bribe put forward to get Liberal premiers in Atlantic Canada to sign on to the deal, and sign on they did. Why? Because their Liberal premiers—

Mr. Lee: Mr. Speaker, on a point of order. It is clear that the member who is speaking now is carrying with him a degree of frustration for whatever reason. He has alleged in this House within the last 60 seconds that what is happening in this House is a scam.

Government Orders

Mr. Speaker, I suggest to you to consider whether that may be unparliamentary. He has also used the word "bribe" and I ask you to consider whether that may be unparliamentary. He has also alleged that I as a member of my party did or said things in the last election campaign which I know not to be accurate. I know this is a point of debate but I would ask you, Mr. Speaker, to call on the member to use parliamentary terms.

The Speaker: My colleagues, there is no need for me to recall to your memory that we have had a pretty rough couple of days here. Yes, our emotions are right here on our sleeve. I would prefer that words like "bribe" not be used. We have used words like "scam" before, possibly in the context of the last few days.

It might be advisable if all members would lower the tone a bit of their rhetoric. I do not mean in their voices but I mean in their choice of words.

• (1515)

I would appeal not only to the hon. member speaking now but to all hon. members to keep this in mind. We are all a little bit caught up in the whole thing. I do not judge the words that were used to be unparliamentary under normal circumstances. The hon. member used the word "misrepresentation". We have used that word and I find it to be in its context acceptable. I believe he was quoting someone else when he used the word "bribe". I would remind the hon. member that he cannot quote someone from outside the House and use words we are not allowed to use in the House.

The point has been brought up and I am sure all hon. members will want to adhere to this request. The hon. member still has about two minutes left.

Mr. Harris: Thank you, Mr. Speaker. Saskatchewan's minister of finance has said the plan would need a massive shift on to the province's consumers. Manitoba has also said that the cost to consumers would be too high and they declined to sign on to this harmonization deal.

It is not surprising, but there has not been one call of outrage from the Liberal premiers of the maritime provinces that have signed on to this deal. They are part of the Liberal Party, I suppose, and this is probably status quo, I would assume.

However, the most amazing thing is that the people who contribute most to the economy of the maritimes, the retailers, the manufacturers, the farmers and the consumers, have all said that this is going to be a hurtful tax. Where is the representation from the maritime members of Parliament? Not one word has been heard from the people who were sent to Ottawa to represent the best interests of maritime Canada, because they are not permitted to utter one word in opposition to this harmonized sales tax.

We are talking about the extra costs associated with the closures of five Greenberg stores in the maritimes. This is a loss of 79 jobs. Seventy-nine jobs in the maritimes is big stuff. Greenberg's management says that there is a chance that all their other stores may be closing in other areas of Atlantic Canada as a result of harmonization.

Bill C-70 is just a symptom of a whole bigger picture and that bigger picture is honesty and integrity. As I said at the beginning of my presentation, if politicians would tell the truth the first time, they would never have to say they are sorry. That is something that every Reformer in this House knows. That is something that every Reform candidate who goes out in the next election knows. Members can bet that in contrast to the other candidates from the other parties, every Reform candidate in the next election will know that if they tell the truth first they never have to say they are sorry.

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I am pleased to speak on behalf of the government on these Group No. 3 motions.

Unlike some of my colleagues, I am going to try to stick as much as I can to the actual motions before us and talk about what they are rather than talking about everything else.

First, government Motion. No. 120 deals with clause 262. Clause 262 of Bill C-70 adds new provisions to the Federal-Provincial Fiscal Arrangements Act that set out the statutory authority for the federal government to make payments to the participating provinces equal to their respective share of the provincial component of the HST determined in accordance with the harmonization agreements. This motion amends new section 8.4 and 8.5 of that act to provide that, for government accounting purposes, the revenues from the HST shall be recorded net of these amounts payable to the participating provinces. I point that out in support of the government's motion.

• (1520)

I will respond to some of the remarks that have been made in the debate on this group of motions. I oppose the opposition motions that are a part of this group. My first comment is with respect to some comments made earlier this morning by the Bloc Quebecois.

[*Translation*]

As I said this morning in English, Bloc members are opposed to harmonization and this is very odd. It is odd indeed, since there is already harmonization in Quebec. Could it be that opposition members want to keep the benefits of harmonization all to themselves, their businesses and consumers?

[*English*]

The reality is that members of the Bloc Quebecois know the value and merits of harmonization. They are not suggesting that

Government Orders

Quebec cease, unravel and turn back the clock on harmonization in Quebec. They are not saying that at all. However, they are saying to the maritimes: "Don't harmonize, this is a terrible thing".

I wonder whether they want to preserve the advantages of harmonization for the businesses of Quebec, particularly because they border on other provinces, while they would deny those advantages of lower prices to consumers and the simplicity to retailers that would come from harmonization in provinces contiguous with Quebec. It is a little surprising to see the Bloc stand up hour after hour and attack harmonization.

I will turn to members from the third party and the spectacle we have seen in the House. They are from one regions of the country and they are once again saying to another region: "You don't want this. We know better. Don't do this. This would be terrible for you," while consumers are telling us overwhelmingly, "this is what we want," and the provincial governments agree.

We hear a great deal from members of the third party about respecting local governments and regional decision making. When regional governments have made a decision it is only okay if that decision agrees with the views of the members of the third party, but if they take a decision in the interests of Atlantic Canada, in the interests of business and principally consumers, that is not good enough for the third party.

I really do not want to get into this debate. I want to speak precisely to the motions before us. It is really incredible that they keep speaking about retailers but I have not heard them speaking for the consumers. This harmonization measure will benefit consumers immeasurably and enormously. People in those provinces know that, which is why they are going down this route.

No doubt this is a complex bill. There are adjustments in any tax legislation. That is why we are debating these motions, why we had very good and effective amendments at the finance committee and why we are debating a number of government motions again, to make the bill work better.

I welcome this opportunity to speak to this. This is a big and complex country. It is possible that one region of the country might decide for the moment that one course of action is more in the interests of their people than another. It is unfortunate when members from one region presume to tell the people of another region what is good for them. They are perfectly capable of making up their minds, and they have done so in Newfoundland, New Brunswick and Nova Scotia.

[*Translation*]

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, I am pleased to speak on Bill C-70. Before addressing the subject matter

of the bill, I would like to respond, if I may, to something that was said by the hon. member who spoke before me.

He accused the Bloc Québécois of being against harmonizing the GST. Either he misunderstood what we said or he got it wrong. Quebec was the first province to harmonize its sales tax with the GST, and we did it at our own expense. What we disagree with is the fact that, months before an election, the government is considering spending \$1.3 billion to help eastern provinces harmonize their taxes, while we did it at our own expense. That is what we object to.

• (1525)

Allow me to say a few words today about Bill C-70. First of all, I wonder about the democratic values underlying this Liberal government's actions. The public is shocked by the way this government operates, which is hardly transparent.

I told you yesterday how difficult it was to obtain information from Heritage Canada on the cost of the *Take it to Heart* program, an initiative to promote Canadian citizenship. The Liberal government is taking a hard line on more serious and complex issues. There are countless examples. Just think of the Somalia inquiry, the Krever Commission, the Airbus affair, the Pearson Airport deal. The Liberals are camouflaging the facts and hindering the proper functioning of our democratic institutions.

If we had to find a three-letter word that best sums up the image, the weakness, the incompetence of this government, the one that would immediately come to mind is "GST", because it represents unkept promises, mismanagement, improvisation, arrogance, lack of accountability, deceit.

That same undemocratic attitude motivates the government in connection with the GST. They are rushing this bill through, systematically concealing the facts from Quebecers and Canadians, so as to clear the way for the next election campaign.

What they will not be able to conceal, however, is the embarrassment of the Prime Minister and the Heritage Minister over their failure to keep their promise to scrap the GST, to kill it. It is clear that the Prime Minister does not want to have to apologize again, as he had to after his appearance on the CBC on December 12, when Johanne Savoie, a Montreal waitress, backed him into a corner by asking him about his campaign promise on the abolition, pure and simple, of the unpopular goods and services tax. Let us recall the *Globe and Mail* editorial headed "The Prime Minister is lying", where it states, and I quote: "The Prime Minister told a lie. Not a fib, not a prevarication, not a disingenuous remark—"

The Speaker: Order. Dear colleague, we cannot use the words of someone else when these words cannot be used here in the House. I would, therefore, ask you to withdraw the word "lying" because it is neither parliamentary nor acceptable.

Government Orders

Mr. Godin: Mr. Speaker, I withdraw these words because I was quoting a text, not making an accusation.

That is what Quebecers and Canadians will remember—in any case, they heard it on television and they read about it in the media—when they mark their ballots in the next general election.

I deplore the attitude of a government that tries to prevent us from doing our job as parliamentarians. As a member of the official opposition, I may remind this House that we had less than 24 hours to examine a very technical bill more than 300 pages long, before proceeding with second reading.

This week, the opposition had not yet received the printed version of Bill C-70 as amended in committee, and this was 24 hours before resuming debate on third reading. How can we possibly do our job as parliamentarians under those conditions? Either the Liberal government is terribly inefficient or it is deliberately engaging in obstruction. Hon. members may draw their own conclusions.

● (1530)

This has been said before but it bears repeating: the Liberals do not keep their promises and have a very selective memory.

Not so long ago when they were in opposition, in November 1989, the Liberal members of the Standing Committee on Finance maintained that the goods and services tax proposed by the Conservative government was not a good proposal and that no amount of tinkering would make it fair to the taxpayer.

But what are that same party's representatives proposing today, if not tinkering? It makes no sense. Hiding the tax in the price does not change anything. The GST stays the same, at the same rate, and the provincial tax will harmonize accordingly. This tax will be just as bad and just as unfair to the taxpayer.

By hiding the GST in the sales price, the government is opening the door wide to a possible increase in the GST in the days to come. And do not tell us that consumers want this. Consumers want the Liberal government to keep its promises, including scrapping the GST.

The official opposition believes there can be no sales tax reform without a tax reform that covers all forms of taxation at all levels of government. For more than three years, the Bloc Québécois has been asking the Minister of Finance about this, but the minister and his government prefer to cut transfers to the provinces, and the Prime Minister prefers to choke the unemployed.

There was the survey by the Canadian Chamber of Commerce in 1994, in which 70 per cent of Canadian businesses said they were opposed to hiding the tax. In February 1996, the same survey reconfirmed this point, with not 70 per cent but 76 per cent of

Canadian businesses opposed to harmonizing the tax. That is revealing.

Another major problem is the political gift to the maritime provinces of some \$1 billion in tax money paid by Canadians. The official opposition thinks all provinces should also benefit from agreements relating to harmonization, including compensation. Why should there be a double standard on the issue of compensation?

As my time is up, I will conclude by saying that Quebecers will see once again it does not pay to work with the federal government. They will see that the approach of this government has not changed. It is plan B, and we will continue to oppose it.

[*English*]

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, it is a pleasure to speak to Bill C-70 today. We are talking about an act to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related acts. Among all that verbiage comes the GST and the blended sales tax.

While I am doing walking tours in my constituency, whether it is in Leduc, Ponoka, Wetaskiwin, Lacombe, Bentley or elsewhere, I ask the shop owners and the people in their employ what is their biggest problem or what it is they would like to discuss. I tell them they have their MP before them. It is an opportunity for them to tell me what it is they like about the way the country is run or more likely, what it is they do not like about the way the country is run.

The most often mentioned thing about how they do not like the way the country is run has to do with the GST. The GST makes reluctant tax collectors out of shop owners, business people, people who have concerns about paying their staff, about paying for their lights and their heating. People have concerns about keeping their shop open, keeping their staff on payroll and making a living for themselves and their families.

● (1535)

Not only do they become reluctant tax collectors, but if for some unknown reason they do not follow the collection of the tax or the filing of the papers to the exact degree the bureaucrats insist on, then they are subjected to all sorts of harassment, penalties, interest and audits. An army of people rain down around their necks and tell them that this voluntary job, this job they took on under great duress, is not being done properly and if they do not do it properly they can face all sorts of penalties and interest charges.

More specifically we should be talking about the blended sales tax or the harmonized sales tax, the BST or the HST. Those acronyms conjure up some great possibilities, but I guess I will not allow myself to go in that particular direction at the moment.

Government Orders

One of the things that is particularly grating to general members of society in the province of Alberta is that even though we do not have a provincial sales tax, we are now compelled to pay a sort of surreptitious provincial sales tax in order to help fund this \$1 billion fund. This \$1 billion fund has been called all kinds of things. I know that Mr. Speaker has advised us to be very judicious in our choice of words, so I have chosen the term persuasion fund, which I hope will pass the parliamentary committee.

Residents of Alberta are going to have to pay into this \$1 billion persuasion fund whether they like it or not. Residents of Alberta are quite proud of the fact that they do not have to pay a provincial sales tax. Now of course it looks as though they do.

When the GST came about, we all remember the events which led up to the imposition of the GST. It was first talked about as having to be a 9 per cent tax. I remember very well. I was on county council in those days and we all agreed that if we had to pay some kind of a consumption tax in order to ever see our way clear of this deficit and debt that we would wind up having to pay for, that yes we could see ourselves paying some kind of a tax, provided that all of the revenues from that tax went toward debt reduction and deficit reduction.

As a matter of fact we even went so far as to say—and this was just brainstorming, it was nothing official or in the minutes of the meetings—we were talking among ourselves. We decided that if the government of the day were to say there would be no exemptions, there would be no kickbacks, there would be no partial exemptions—well, kickbacks perhaps, partial exemptions shall I say.

I will use the municipalities in Alberta as an example. They were exempt for I believe it was 57 per cent of the GST. I believe that is the correct amount. That necessitated the employees of the county of Ponoka to fill out a GST form to apply for this rebate on goods that they bought. They paid the full 7 per cent up front and then they were allowed to recover I believe it was 57 per cent of that by remitting the form.

We said that it was too complicated. Immediately we could see that it was going to require extra bureaucracy and extra help in order to figure out who was eligible and who was going to get the rebate and who was going to pay the full shot and so on.

• (1540)

We said that if it was something that was going to go straight toward the debt to reduce the debt and improve our lot in the days and years to come, then we could probably live with it if it was around 3 per cent and was applied to everything: toothpaste, diapers, bread. We said that we could handle that because we could see ourselves working toward a goal.

I believe the thinking of the government of the day was that if it started off at 9 per cent and wound up with 7 per cent, then the people of Canada would say: “Whew, at least it is not 9 per cent”, and perhaps they would accept it.

The people of the constituency of Wetaskiwin told their sitting member, who was a government member at the time: “We will not support you. We do not want the GST. If you vote in favour of the GST we will not support you”. The member said he heard what they were saying but the government of the day voted in the GST.

During that time the Liberals sat in opposition. There was a great hue and cry against the inequities and the unfairness of the GST. We could see during the election campaign how the Liberals promised to scrap, kill, abolish and otherwise do away with the GST.

Mr. Szabo: And replace.

Mr. Johnston: The member opposite says “replace”. Yes of course it was written as replace in the red book, a very limited production paper that was only available to certain people in Canada. At the town hall meeting the Prime Minister admonished the lady who asked him about his GST promise. He said: “Obviously you did not read the red book”. She probably did not but I would suggest she is in good company. There are millions of other Canadians who never had an opportunity to read the infamous red book because as you know, Mr. Speaker, it was not made available to everybody in Canada.

The bottom line is that the GST was something about which the opposition parties said: “No, we will not accept that. This is a matter of fact if we are in power”. It is almost as though they thought there was not a ghost of a chance of their getting into power so they could promise the moon. As it turned out they did get into power. People put their trust in them that they would live up to their word and do away with the GST but they did not do that.

This is a little bit like the NAFTA agreement. In opposition the Liberals said over and over how unfair the agreement was, how they would abolish it, do away with it, scrap it and get rid of it. History has shown and will show that it was hardly amended and was accepted almost holus-bolus by the Liberal government once it came into power.

For the many merchants in my constituency who put up with this GST nightmare daily, and I hasten to say that of the problems that come to my constituency office, the GST and problems with the GST are number one.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in the debate of Bill C-70, particularly the Group No. 3 report stage motions. The parliamentary secretary has nicely laid out the rationale for those particular motions. As a result of where we have gone with this debate I would like to recap a

Government Orders

couple of the things we are talking about with regard to the so-called harmonized sales tax.

Members will know that before the goods and services tax, there was a federal sales tax which was included in the pricing of manufactured goods. It generated some \$18 billion in revenue for the government in its last year of operation.

The Mulroney government made some changes and introduced the goods and services tax. Interestingly enough, in the first year of operation the goods and services tax generated for the government some \$16 billion in revenue, which was actually \$2 billion less.

• (1545)

In essence, what happened is that Canadians got a \$2 billion tax break right off the bat because of the introduction of the GST, but they were angry about it. They were angry about the GST. It really is ironic that Canadians were given a \$2 billion tax break about which they were angry.

Canadians were justified in a sense because it was a change. It was visible. Not only that, it was visible on each and every purchase that Canadians made.

When I went to the shelf I saw an item and the price was there. I made a purchase decision and I went to the cash register, but at the cash register the price I had to pay was different. It was more. It was significantly more. That, I believe, is the reason Canadians do not like the goods and services tax. It was a change. It was visible to them at the cash register but not when they made their purchase decision. There is a bit of irony in that.

Then came the election. Before the election the Liberal Party was in opposition. The role of the opposition is to be the opposition and to deliver blows that would tenderize a turtle, as someone once said. Liberals in opposition said "we do not like this tax because Canadians said they did not like the tax". They did not like the optics of it. However, after a number of years there was not much to be done about it. All of a sudden it was generating \$18 billion in revenue to the government.

The question becomes is there anybody who supports a policy, as the Reform Party has been outlining, that would simply eliminate the tax. Is there someone who would say let us have no more GST ever again, it is over, gone and done? That is what the Reform Party has been suggesting that the government promised in the last election campaign. Just get rid of it. Add the \$18 billion to the deficit.

Nobody in this place would want to do that if they were the government of the day. We cannot afford to add \$18 billion to the deficit. That is clear to all Canadians. All Canadians know that it was not just to get rid of the GST, it was to replace it with a revenue

neutral system. That means that we will have to collect the same dollars, but we will look to see if there is a better way to do it. In fact, the red book said, as well as many of us in our speeches and literature, we will, through the finance committee, with all parties, have an opportunity to look and see what is the best way to deal with this.

As it turns out, the best replacement for the GST is the GST. That is what it really comes down to. It is unfortunate in a political sense, but in a fiscally responsible sense we have to do the right thing.

The finance committee studied the issue. During its 35 days of hearings I was there. I heard what business and industry were saying to the finance committee. They did not want two systems of consumption tax at both the federal and provincial levels. They did not want to have two sets of forms. They did not want to have two different bases. If the tax was going to be kept in its general form as a consumption tax, what they wanted was to have the federal and provincial taxes harmonized. They wanted to have it applied to the same base. They wanted one return. That would be more efficient and more cost effective for business.

In fact, if we bring the provincial component into the GST system, that means that provincial taxes will be eligible for an input tax credit the same as the GST. Members will know that provincial taxes which are charged on top of each other through the process of production, et cetera, account for about 30 per cent of provincial revenues. That means that Canadians have been paying tax on tax. In fact, harmonizing the taxes will save businesses 30 per cent of the provincial taxes which they would otherwise have to pay. That money will be available for businesses to pass on to consumers through lower pricing. That is extremely important.

• (1550)

The proof is in Quebec. Quebec has had the best of all worlds. It did not wait for the federal government to harmonize and to come forward with this bill. It made its own deal and harmonized itself.

There is a harmonized tax system in Quebec and it is taking advantage of a lower tax base, of lower pricing so that its exports have outperformed other competitors in Canada.

Its exports have performed much better. Even though Canadian exports are at record levels, Quebec exports have been much better. Quebec is a model to follow. It has proved it. The consumers have accepted it and the system has worked. That is what we really have to look at.

One final point I would like to make has to do with the underground economy. Everyone knows that whenever a tax is introduced into a purchase scheme, there will be people who say "Gee, 7 per cent GST. If I don't do this, if I do this economic activity under the table, I can reduce my price to the consumers by

Government Orders

7 per cent. I won't remit it to the government". We have underground economic activity.

Ontario, for example, where the tax is 8 per cent, has 15 per cent combined cost. Businesses looking at this will not forego the opportunity to recover 15 cents on the dollar by doing its business under the table. In fact, by streamlining the system, by harmonizing those taxes, there will be a major disincentive to operate underground. These are other benefits that will come.

I would simply like to raise that we have, with the three provinces in the maritimes which have combined rates of some 17, 18, and 19 per cent, will have real rate reductions, will have price reductions and will have a more efficient tax mechanism to operate with, which will be in the best interests of consumers in the maritimes.

I am sure when the other provinces come on side with the HST that Canadians will all benefit from the initiatives that this government has brought forth in Bill C-70.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I appreciate the opportunity to say a few words on Bill C-70, the Group No. 3 debate.

Earlier today I had the opportunity to speak on motions in Group No. 2. As members will recall, I had spoken a lot about the political side of imposing the GST and now the harmonized sales tax in the Atlantic provinces.

I mentioned at the time that the public has had an opportunity to speak at the polls in Atlantic Canada on two occasions and the public has had the opportunity to speak to the government through the standing committee and through members of Parliament.

As was indicated by other speakers today, the public in Nova Scotia, New Brunswick and Newfoundland in particular, because the committee did not travel to Atlantic Canada, did not have a direct opportunity to address the bill as it appears today.

I was impressed with the results of the two election polls that were taken with regard to this. To reiterate quickly my remark from this morning, in Prince Edward Island where the government had chosen not to harmonize but where the threat to harmonize remains, the public spoke loud and clear, defeated the Liberal government and elected a Conservative government in an election in which the harmonization was an issue on the doorstep.

In Nova Scotia in a riding known as Halifax Fairview where the people had a chance to put the harmonization effort to the supreme test, at the polls, not only did the government lose that but it lost it very soundly. New Democrats won that seat by 65 per cent of the vote.

• (1555)

As other members in the Chamber have indicated, Liberal members from Atlantic Canada have not been very vocal in this debate in the House on the harmonization matter. I think it is very clear that had New Democrats been sent to Ottawa from the Atlantic provinces the voices of those people would be heard in this Chamber. Never has there been a better example of how New Democrat representation is representation of the people. There is no question that the people of Halifax Fairview are being heard through the New Democrats in this House today because of the representation we are able to make.

On the matter presented here in the bill and through these amendments I have a number of additional remarks to make, including ones relating to some of the matters that were raised by the Liberal speaking prior to me. I think he is going to hear himself quoted back to him on many occasions. I was astounded to hear him say the best replacement for the GST is the GST itself.

Certainly the Prime Minister and other members of the Liberal Party have not used that kind of a representation of what it is that they are doing with harmonization, but certainly the GST and the HST in the public view are not the kind of promises that it thought it was getting in the last election when it chose the Liberals over the Conservatives at the national level. The public wanted to get rid of the GST, not to get it back renamed.

The member also talked about the benefit to business that the harmonization effort brings. There is no question about it. If we want to look at it from the banks' and the multinationals' point of view, the HST is a windfall for them. In fact, we have calculated that if the HST were applied across Canada, it would be a \$6 billion windfall for business in this country, a transfer of money from the consumer to the corporations. That means absolutely nothing to this government, it seems, that the transfer is just a natural state of affairs.

We in the New Democratic Party reject that notion very strongly and we reject the harmonized sales tax because it threatens to transfer more funds from the already overtaxed consumer to the much undertaxed multinational corporate sector.

I think that instead of harmonization, which is the key word in the debate today, we should be talking about national standards and we should be talking about national standards not just in taxation matters, fair taxation right across the board for all Canadians, but also national standards in all the matters that fall under federal jurisdiction and within federal responsibilities.

During question period today I raised the issue of grain cars not moving from the prairies to the ports because the railroads have failed to live up to their commitments under the grain car allocation policy. The federal minister of agriculture refuses to accept his responsibility, even his authority in this regard.

It is time the federal government accepted its full responsibility on matters within its jurisdiction and started to move and set national standards.

In this regard, fair taxation or grain movement, we have to find ways to ensure that not only in the design and funding of programs but in maintaining and enhancing our standards of living right across Canada we have to develop and follow these national standards within the federal authority.

What about in the environment? It is something I have been very active in and I have done a lot of work here in the House of Commons and outside the House of Commons and is something Mr. Speaker is very interested in I know. Environment is an area where we are devolving power to the provinces and neglecting a strong national standard across the country, in transportation and the grain car situation I mentioned earlier and also a national railway policy, a national highway policy, a national airline policy, which gets us away from the deregulation and devolution powers that have made our country now a patchwork of poor transportation systems. We need national standards across the country which will serve to help eliminate poverty in all provinces of Canada.

• (1600)

I could speak about literacy and education, training and tuition fees. Just yesterday the province of Ontario announced another increase in tuition fees. They increased 20 per cent last year and will increase 10 per cent this year. These are massive increases for young people who want to pursue post-secondary education in the province of Ontario.

British Columbia, which recognizes the value of education to young people, froze tuition fees two years ago to ensure that every student that passes grade 12 or meets other eligibility requirements to attend post-secondary education has an opportunity to achieve that higher education.

Affordability is very important in education. We need national standards in that regard.

We need national standards for health care, as opposed to harmonized standards across the country. The national health forum this week talked about a national prescription drug program. It is very important not to devolve that or harmonize it with the provinces. We must have national standards.

We need national standards for child care. We need youth dental programs. We need home care programs. These all require a very strong national presence to ensure that the services are delivered effectively. We must ensure that all Canadians, whether in Newfoundland, Quebec, Saskatchewan or British Columbia, have equal access to the same care, programs and services.

Government Orders

There is a lot which should be said about these types of things. I am sorry there is not enough time to deal with them. I hope I will have an opportunity to continue my remarks when the next group of motions comes up for debate.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, it is almost imperative that every member rise in this House to speak on this bill because, of all the bills and issues examined during the 35th Parliament, the GST will no doubt have been the most momentous.

This government got elected under false pretences and it is a shame that no court exists where ordinary citizens could sue the government for broken promises, failing to keep its word or getting elected under false pretences.

Any which way you read the red book and understand the words written in this magnificent book, one fact cannot be misinterpreted: in the minds of almost every citizen of this country, it was quite clear that this government, which ran under the Liberal banner, was going to rid us of the GST. There was absolutely no doubt about that. Witness how baffled everyone was to hear the Prime Minister say that everyone but him was mistaken and that he had never made such a promise.

Earlier, I heard our colleague from Mississauga South say nobody in this place could consider getting rid of the GST because it generates \$18 billion in revenues for the government. I think that, when it was in opposition, there were people with enough sense in the Liberal Party to realize that, once in power, they could not do without \$18 billion in revenues.

• (1605)

So, and this would appear to be a conscious process, given what we heard during the election campaign and what was written in the red book, once the Liberal Party took office, it did say: "We will do as always. We fooled Canadians. They were dumb enough to vote for us. Too bad. We will not abolish the GST, because we cannot afford to lose \$18 billion in revenues".

I think Canadians are fed up with traditional parties that promise the world but cannot honour their promises once they take office.

People are beginning to understand. This is a very dense bill—I do not want to insult those who wrote it because they are eminent jurists, but I will admit to not having read it through since it is rather dull. One quickly gets bored, unless one is paid to read it, or sits on a committee that will be taking an in-depth look at it. Because it is dense, perhaps even in more ways than one.

This bill was thrown together. One can tell there is an election in the offing, and the government does not want to be reminded, all

Government Orders

through the election campaign, from coast to coast to coast, that it did not fulfil its promise on the GST. So, the government is in a hurry and it has hastily thrown together a bill that has 272 clauses. Over 100 amendments were tabled at second reading. Even on the last day of consultations, that very evening, 13 new amendments were presented.

On February 3, even the French CBC news bulletin—but the Prime Minister does not listen to it, so he may not have been aware that his bill was so hastily thrown together—mentioned the need to make amendments, adding that the government might back down on one major issue, that of hiding the GST in the price.

I clearly remember the statements made by members of this government, when they formed the official opposition and the Mulroney government introduced the GST. They were adamantly opposed to the GST being included in the sales price. The main argument of the Liberal opposition back then was: “We will never let this tax be included in the price, because the government would then be able to increase it without anyone really knowing about it”.

However, once in office, the same Liberal Party decided that the tax would be hidden, that it would be included in the price. Today, that tax stands at 7 per cent, but it could go up to 8 or 9 per cent in the next budget and nobody would notice. It would then be reported in newscasts or in the newspapers, for about 24 hours, and the Minister of Finance would say that his document was misread. Indeed, government members often tell people and journalists that they misunderstood a statement or that they misread a document. Liberal members are the only ones who can read. But the fact is that, after about a day, people will forget that the GST actually went up.

One major difficulty with respect to this bill is the following: when the government was in opposition, one of the things it said was that the Conservative government’s plan to tax goods and services was a bad one and that no amount of fixing would make it fair to taxpayers.

Here we have their own first fix-up attempt, which has not been too successful because, as I was mentioning earlier, there have been several amendments. It will complicate people’s lives considerably. Imagine it is the morning of April 1, the agreement has been signed, the tax is coming into effect, some merchants have done all their work and will display their prices with the tax included, but the merchant next door has not included his tax. He has not harmonized as quickly as his neighbour, so his merchandise will show a lower price. In the opinion of those who are looking at the question of how this wonderful harmonized tax will be implemented, there will be chaos in the maritimes for several months.

The Retail Council of Canada has also condemned inclusion of this tax in the sales price as a policy that will drive up costs and add to confusion among consumers.

• (1610)

Several businesses have appeared before the committee and pointed out that—without wanting to give any of them publicity—companies like Canadian Tire, Sears, and many others with stores in every province in Canada, will have to have separate prices and labelling for the province of Quebec, for the maritimes and for the other provinces, because things are different, the regulations are different.

We were even informed that, in certain cases, there could be a product requiring four labels. One would include the sales tax in the price; another would display the price without the tax; another, the sale price including the tax; and the last, the sale price without the tax. It will be a real headache for consumers.

Our colleague, the member for Mississauga South, said that Quebec was an example to follow. I hope he realized that it is an example to follow across the board, and that, in his province, he will work for the sovereignty of Ontario. It is not enough to harmonize the tax. If we are a model to follow, then he should also work for the sovereignty of Ontario.

At the time of the “beau risque”, Quebec agreed to harmonize its tax. In good faith, it sat down with government representatives and organized the thing. This was a deal worked out between Robert Bourassa and Brian Mulroney. In the end, we realized that we had been taken to the cleaners. Two years later, the new government harmonized the tax along the lines of the Quebec model, but handed over one billion in compensation to the maritimes. The Premier of New Brunswick is using \$400 million of this compensation to come to Quebec and engage in what I would call an almost obscene recruitment of companies to his province, to the detriment of the Quebec economy.

I hope that we will one day follow Quebec’s example throughout Canada and reorganize this country, with its unharmonious tax.

[English]

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, it gives me pleasure to once again speak on Bill C-70, a bill which obviously is being pushed and driven by the Liberal government to become law, irrespective of a lot of things.

I was looking at a list of items that have been submitted regarding this bill from people who have some expertise and have studied this matter. The Retail Council of Canada said that by forcing stores to bury the new tax in prices, the harmonized tax regime will cost retailers at least \$100 million. If that is true, why would a government impose it on businesses that are there to provide jobs?

Government Orders

Another study by the accounting firm Ernst & Young said that a mid-sized national chain with 50 stores in the Atlantic provinces would pay up to \$3 million in one-time costs and up to \$1.1 million a year to comply with a regional tax in price sales system.

A tax is being imposed on a chain of 50 stores and it will take millions of dollars to implement the program. The Halifax Chamber of Commerce predicts that the harmonized sales tax will push up new house prices by 5.5 per cent and as well will force municipalities to raise property taxes. The Canadian Real Estate Association says harmonization will increase the cost of a new house by \$4,000 in Nova Scotia and Newfoundland and \$3,374 in New Brunswick.

• (1615)

There is the chain Greenberg Stores. Five of them are closing and jobs are being lost. The GST harmonization is responsible for the closure of those stores. One of the Liberal government members said earlier that those stores were in trouble anyway, that it was not the GST harmonization. Part of the reason so many retail stores are in trouble across this land is because of the tax laws we have and this was probably the icing on the cake. There have been so many bankruptcies throughout the country, even in my riding. A lot of them are because of tax laws and tax problems. The GST is certainly one of them. The management of this chain said there was a 50-50 chance that further stores will be closed and that there will be more job losses.

What I cannot understand is that sitting in this House are members of Parliament from the Liberal Party from the Atlantic provinces. They represent those provinces and they sit silently. There is no outcry from them whatsoever. Nothing is being said. I would like to know why. The provinces are speaking. The province of P.E.I. evidently is not very supportive of this idea. Nova Scotia and New Brunswick have spoken loud and clear.

I look at the number of names on petitions. I am talking about thousands of names of individuals, consumers from these provinces. And the government still insists that this is really an acceptable way of dealing with the GST, that harmonization is really acceptable. I have to wonder.

Looking further into this whole idea we see that consumers will pay more for certain things, like children's clothing, books, auto repairs, electricity, gasoline, home heating fuel, and haircuts among other things. Liberal Party members will get up and say that when averaged out over the whole spectrum, consumers will find that they are actually saving money. That is not so.

Most of the items, which were GST exempt at one time, are the types of items used by young families who are struggling and trying to make ends meet, trying to keep the heat on in their homes, trying to pay their rent. They are the ones who all of a sudden will be paying this additional money on different items that never were

taxed before. I do not see any benefit in taking more money from those who need it the most.

We must ask, what in the world are we doing? Businesses are closing and there is a good prospect that others will be closing. There are thousands of signatures on petitions by people who are absolutely opposed to this whole thing, and I am talking about petitions from the Atlantic provinces. Yet the government continues to push because this is the way it is going to do it. Why? Do we not believe in listening to the people in this place?

I only have to back up a few years. Mr. Speaker, you will well remember when the GST was brought in what would happen to those who dared to speak the voice of the people.

When someone does speak for the people, when someone goes against the party, they are out. They will be kicked out. They will be punished. They will wish they had not done it, et cetera.

Now we have Bill C-70 and I see the same thing happening on that side of the House. The finance minister, the Prime Minister and all the rest of the chief executive in the dictatorship that exists said to the members of the Liberal Party: "This will be passed. You will vote yes. If you do not, you will be booted out. You will be punished. You will be sorry".

• (1620)

It is a shame. We live in a democracy, but a person from Prince Edward Island or Nova Scotia or New Brunswick cannot stand in his place with a petition that has been signed by thousands of people and say: "I am going to represent my people in my riding in the Atlantic provinces and vote against this bill". They will not do it and it is an absolute shame.

However, we are carrying on. Is this thing going to be implemented simply to cover the backsides of members of the Liberal government when they reneged on killing or scrapping the GST which they campaigned on so vigorously in the last election? Is that what it is for? Is it simply to implement page 22 of the dead book which most of the members obviously were not aware of, not in the way they campaigned? It certainly was not harmonization they were campaigning on. It certainly was not a replacement they were campaigning on. It was scrapping it. That is what they were campaigning on and they were doing it vigorously. Looking at this whole bill, I suggest the real reason is it is another way to get more revenue to spend because spending is a favourite pastime of this government.

Spending for such things as all these patronage appointments. Commissioner of the National Film Board. Boy, what a salary. He must work twice as hard as any member of Parliament because he makes twice as much money. Then there is the Canadian Labour Relations Board, other commissioners, and the Immigration and Refugee Board. They have to keep top dollars up there. We have to really pay out on these patronage appointment positions, plus we have to give them a tax free allowance. Judging from what I see from the public accounts, with these kinds of salaries, members of

Government Orders

Parliament had better not stand in line at the bank with any of these fellows because we will look like we are on welfare.

We go through this list and here is Health Canada spending a whole bunch of money on age and opportunity. Oh yes, here is another thing we are spending it on: lunchtime radio planning committee by Health Canada. A network of older women. Positive straight men, we will spend \$47,000 for this. I have no idea what that is about. Listen to this one: seniors and sexuality, \$116,000. Boy, am I glad I turned 60. Now that I am 60 years old I bet I can really benefit from that \$116,000.

It is absolutely ridiculous when we go through this entire list of spending. If that is what it is all about, then this government needs to be doubly ashamed of itself for trying to bring this kind of legislation forward. It ought to be ashamed.

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, I am pleased to speak to Group No. 3 of motions concerning the fiscal arrangements between the federal government and the maritimes, specifically Motions Nos. 118 to 124, which are of interest to us at this time.

There can be no sales tax reform without personal income tax reform, corporate tax reform, social security reform, nor without the participation of other levels of government.

Canada must undertake a tax reform which encompasses all forms of taxation and all the levels of government involved. Why, then, have the Liberals systematically refused, since they have formed the government, to carry out such a total reform of the Canadian taxation system, despite the numerous suggestions from the Bloc Québécois which has just tabled a second document on tax reform, via my Bloc Québécois colleague, the member for Saint-Hyacinthe—Bagot? That document was tabled this week and addresses personal income tax in particular.

Quebec harmonized its own sales tax alone and without financial assistance. The costs of this reform were assumed by Quebec businesses.

• (1625)

Quebec companies have yet to benefit from all the advantages of a fully harmonized sales tax. It is intolerable that the federal compensation formula should help the Atlantic provinces to compete fiercely with Quebec for new investment. The Maritime provinces are advertising in newspapers in Quebec and the other

provinces that are not harmonized in order to attract companies from those provinces.

Furthermore, the \$400 million in federal compensation paid to New Brunswick will be used to finance the tax cuts announced last December by the province's Minister of Finance.

If the federal government is really serious about wanting to boost Quebec's economy, it could put its money where its mouth is by giving Quebecers the amounts to which they are entitled. According to information provided by the federal government, Quebec would be entitled to compensation worth not \$1.9 billion but \$2 billion. And even if we apply the more restrictive federal formula to the data currently available, Quebec would be entitled to \$1 billion in compensation.

Harmonization is costly for businesses in Quebec. At this time, the QST is not refunded on certain inputs of large companies, and it was necessary to increase corporate taxes in order to finance this reform. Harmonization will not cost Maritime companies a penny. They are entitled to a full tax refund on inputs, without any increase in income tax, since the federal government compensates these provinces through the harmonization agreement.

This may be a political ploy to make unemployment insurance reform as it applies to seasonal workers in these provinces more palatable to the Maritimes. Otherwise, why would Ontario, Quebec and the other provinces not be entitled to compensation?

The Bloc Québécois is against the GST harmonization plan in the Maritimes. This bill was rushed through. It is based only on political and electoral considerations. It is poorly drafted, and is not the model of harmonization that citizens of the Maritimes deserve and asked for from the federal government.

If the federal government can come up with \$1 billion for the maritimes, let it also find the \$2 billion Quebec is entitled to. All the provinces must be treated fairly, and the federal government must stop funding New Brunswick's zealous raiding in Quebec with the tax money of Quebecers.

For all these reasons, the Bloc Québécois is asking the government to redo its homework and this time take the time it needs to introduce a responsible bill and especially to listen to what people have to say on harmonizing the GST with provincial sales tax.

We are talking about an agreement between the federal government and the three maritime provinces, which account for some 15 per cent of Canada's population. This is the model they say they want to apply to all provinces in Canada.

Right now in Canada, most people oppose the minister's proposal and the establishment of a single 15 per cent tax, which would be managed by the Canada revenue commission the government intends to set up and which would result in an increased tax burden for Ontario, Alberta and Quebec. Everyone agrees that the Minister

Government Orders

of Finance is mistaken in thinking that all the provinces will agree to his harmonization proposal.

Knowing the history of Quebec and of its struggle for independence in tax matters, especially since the 1960s with Jean Lesage, I know Quebec will never agree to be part of a federal plan of this sort.

• (1630)

[*English*]

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, it is a pleasure for me to speak to Bill C-70, the harmonized sales tax for Atlantic Canada.

I had the opportunity to speak at second reading prior to the Christmas break. It is a pleasure for me to speak again to the legislation because the real problem with the legislation is not so much what it is trying to accomplish, it is that it points out to Canadians what happens when a government does not keep a promise. That is the underlying message people are getting from this legislation.

A number of previous speakers have noted that it is certainly viewed with a lot of concern by Canadians. I have enjoyed listening to their interventions this afternoon, particularly those of my colleagues from Wild Rose and Prince George—Bulkley Valley who made some excellent points about the legislation.

I want to pick up the focus of the speech of the member for Wild Rose which was that there is an underlying issue here. Are MPs allowed to vote the wishes of their constituents or not? Are they allowed to get input from their constituents, especially on the government side of the House?

He remarked that we are only too well aware of what happens when someone dares to counter their party line under the old party system in this place. MPs who dare to stand with their constituents on important issues are turfed out of their party and have to sit as independents. Of course, the member for York South—Weston and his riding executive, I might add, are very well aware of the ramifications of being a Liberal member of Parliament who would dare to vote with their constituents against legislation when it is so obviously not supported by those constituents back home.

I would like to delve a little deeper into the whole issue of integrity and promises. When I had the opportunity to speak the last time on this legislation, I spoke about a promise made being a promise kept. As I travel across my riding of Prince George—Peace River, and I have spoken to a number of my colleagues who represent other ridings, they hear the same message I hear: Canadians have never been so cynical about politicians, political

parties and the political system as they are today. That is certainly a sad reflection on this institution and the whole system of government.

It is important when leaders of political parties and individual candidates are running that they are held accountable for the promises and the statements they make on the hustings trying to garner votes from the Canadian public. It is well known that there is an election on the way.

In the few minutes available to me, I want to reflect on the now infamous red book, or as my hon. colleague for Wild Rose just called it, the dead book, and look briefly through it because it is quite a voluminous document. I want to pick out a few of the promises that were made in that document. I will quote from the document.

On page 20 of the Liberal red book, their manifesto from the 1993 election, they make the following statement.

To achieve such economic growth and job creation, a Liberal government will introduce a series of measures described in this plan.

Then they go on to name some. One thing that is noted is reducing grants to businesses. I wonder how that relates to the recent announcement of an \$87 million grant to Bombardier, \$50 million in loans and grants to Pratt & Whitney. I am told that the total amount the government has either loaned in zero interest loans or forgivable grants to that company is somewhere in the neighbourhood of \$1.2 billion over the last several years. How do the Canadian people, the voting public, relate this to the promise made in the red book? I would certainly question that.

• (1635)

The red book states on page 22 concerning the GST:

But instead of introducing fairness and simplicity into the tax system, the Conservative government not only imposed the greatest tax increases in our history, but compounded unfairness and complexity by introducing the GST. In addition to the difficulties that it has caused to federal-provincial fiscal relations, the GST has undermined public confidence in the fairness of the tax system.

The GST has lengthened and deepened the recession. It is costly for small business to administer and very expensive for the government to collect. The GST has fallen far short of its promised revenue potential, partly because it has stimulated the underground cash economy where no tax can be collected.

Rather than scrap, abolish, get rid of or whatever other term was used by a number of Liberal MPs during the 1993 election campaign, today we are debating the harmonization or the blending of the sales tax in the Atlantic region.

On page 24 of the red book it states: “The Canada-United States Free Trade Agreement (FTA) and the North American Free Trade Agreement (NAFTA) are flawed. A Liberal government will renegotiate them”. On page 24 in the red book it states:

Government Orders

A Liberal government will review the side agreements to ensure that they are in Canada's best interests. A Liberal government will renegotiate both the FTA and NAFTA to obtain:

- a subsidies code;
- an anti-dumping code;
- a more effective dispute resolution mechanism;

These are promises that Reformers clearly remember debating the Liberal members opposite during the campaign in 1993. The free trade agreement was a hot topic back then.

On all three of those points the Liberal working groups failed. They failed to produce a subsidies code. They could not reach a consensus with the United States. Canada and the U.S. were not able to agree on an anti-dumping code and were not able to achieve a more effective dispute resolution mechanism. The side agreements they did obtain consensus on, the labour and environment concerns, were not binding on either side.

Let us look at the promise that was made in the context of what it accomplished. I would submit that it accomplished nothing. I would further suggest that in all likelihood the Liberals knew it was going to accomplish nothing when they made the promise. That is probably the most horrendous part of it all. They made the promise and included it in their now infamous red book.

On page 30 it states:

In our federal system, education is in provincial jurisdiction. The Liberal Party believes that Canadians in every province should actively support the efforts of their provincial governments to meet the difficult challenge of equipping our children for the future. The federal government, however, can and should support and facilitate the national effort to equip Canadians to compete in the world.

With regard to health care, on page 80 it states:

Without doubt, part of the immediate pressure on the program has arisen from the decision of the Conservative government to steadily withdraw from health care funding, thus passing costs on to the provinces. Economic conditions may change but the health care requirements of Canadians will continue. It is essential to provide financial certainty and predictability for our health care planning.

These are fine words and great rhetoric. What actually took place? There was about a 40 per cent cut downloading on to the provinces. This Liberal government has slashed \$7.2 billion out of the Canadian health and social transfer since it came to power. That is the reality, that is the promise and that is what was delivered.

A chapter I particularly enjoy reading was "Governing with Integrity". On page 91 it states:

If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.

● (1640)

Page 92: "Open government will be the watchword of the Liberal program". Yesterday when the leader of the Reform Party asked the Prime Minister to explain and table the documents outlining the ethics guidelines which he has said he has given to his ministers to hold them accountable, the Prime Minister turned around and made some ludicrous attacks on the Reform Party. He did not even try to address the question.

Have there been any open hearings on the HST in Atlantic Canada, which is what we are discussing today? People certainly wanted to be heard in Atlantic Canada. They have some grave concerns about this legislation.

What has the Liberal government done? How has it backed up its fine rhetoric from 1993 which is found on page 92? I submit that the government has not done it. Canadians are watching and listening and they are fed up with this nonsense. They are fed up with a government that promises one thing in its documents and fails to deliver time and time again.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I rise to speak to the motions in Group No. 3. Naturally, I support the amendments proposed by the Bloc Quebecois to Bill C-70, an act to amend the Excise Tax Act and the Federal-Provincial Fiscal Arrangements Act.

In my earlier speech, I have already criticized the agreement between the federal government and the Atlantic provinces, which cost Canadian and Quebec taxpayers close to \$1 billion. I also asked a bit earlier for the government to pay Quebec \$1.9 billion, since that province has already harmonized its tax with the federal tax.

Under this bill, the GST will become the HST, the harmonized sales tax. But, despite its name, it is the same GST that the Liberals fought so hard against when they were in opposition. The Liberals, and in particular the current Prime Minister, promised to abolish the GST. They made this promise on television, with great enthusiasm, although recently, he tried to say that he had never promised to eliminate the GST. What is certain, because we saw it on television, is that in 1993 the Prime Minister said that he would indeed scrap the GST, that they would eliminate it. His colleagues, when they were in opposition, said the same. I have here a few examples.

On November 7, 1990, on page 15245 of *Hansard*, the member for Windsor, now the Solicitor General of Canada, said, in response to a question: "Mr. Speaker, the Liberals are speaking for Canadians when they say the GST has to be stopped. If the Minister is interested in listening to Canadians, he will listen to the Liberals who are saying in this House, across the country and in the Senate that the GST must be stopped". He added: "Mr. Speaker, yesterday, the Liberal senators, in accordance with policies announced by

Government Orders

the Liberals, voted in favour of an amendment that would exempt books and periodicals from the goods and services tax. However, the Conservative senators rejected this amendment". Then he asked his question: "My question for the Prime Minister is this: why does he claim to be listening to the country when he refuses to withdraw his GST and has the nerve to tax books? Why does he want to impose his GST? Why does he want to impose ignorance on this country?"

• (1645)

Now we know that the Liberals do not want to lift the GST except from certain books, not all books and periodicals, as the Bloc Quebecois has always requested, even when it did not constitute a party, and as is done in Quebec. Books and culture cannot be taxed.

To continue, on March 25, 1991, on page 18931 of *Hansard*, the same member for Windsor, now the Solicitor General of Canada, asked a question, using the following words: "Will the Deputy Prime Minister admit that the government was wrong in applying the GST on books and on the economy, and set up this task force today?" What a difference between that and what the Liberals are saying today.

Another well-known member at the time, now Minister of Canadian Heritage, said on March 25, 1991, at page 18927 in *Hansard*: "Mr. Speaker, a tax on books is not going to do much for Canadian unity and Canadian identity".

On December 13, 1990, at page 16668 in *Hansard*, another well-known member, now Minister of Health, said: "They are signed by residents from the province of Nova Scotia, namely, the city of Halifax and surrounding areas. These residents petition the Government of Canada in their opposition to the goods and services tax, in particular as that tax applies to books, magazines and newspapers. All petitioners on these three petitions call upon the Government of Canada to withdraw the goods and services tax as it is an impediment to small business as well as to Canadian consumers".

On December 4, 1990, at page 16171 in *Hansard*, another member, the member for Glengarry—Prescott—Russell, now Minister for International Co-operation, said during tabling of petitions: "Mr. Speaker, I have a petition which I would like to present pursuant to Standing Order 36. It is against the taxing of books and urges the government to abandon the GST, at least with regard to books, but preferably to abandon the GST altogether. Why stop there? Let us go all the way."

Another well-known member, now Minister of Public Works, the hon. member for Sudbury, said that she wanted the government to carefully reconsider its position and at least change the goods and services tax if it was not prepared to scrap it.

The Liberals have always spoken out against the GST, especially to request that books, magazines and newspapers be exempt from this unfair tax. In the few minutes remaining, I would like to mention the concerns and disappointment of many Canadian citizens of various ethnocultural origins regarding changes in the tax treatment of Canadian pensions as they affect non-residents.

I was approached on the subject by representatives of various ethnocultural communities, and especially by the Portuguese and Greek communities. They wrote to the minister and met with officials of the Department of Finance to try and deal with the problem, so far without success. A 25 per cent tax on pensions is too much for elderly people on low incomes.

• (1650)

We all agree that we need a fair tax system. Major reforms are needed. However, compulsory and uniform taxation of the often very modest pensions paid to Canadians living their last years abroad is unacceptable. These elderly people are often subject to double taxation: by Canada and by their country of residence. This situation is becoming increasingly widespread, since a growing number of immigrants who are retired go back to their country of birth to live there.

From a strictly economic viewpoint, the return of an elderly person to the country of birth is a major benefit for Canada. In fact, after working and contributing to Canadian and Quebec society for many years, sometimes for most of their lives, these immigrants leave Canada and no longer depend on Canada but on their country of origin for medical care, social services, recreation, public services, etc.

On the other hand, it seems that more money comes into Canada in the form of pensions paid by other countries than leaves Canada in the form of Canadian pensions paid to non-residents. That is why we must deal with this problem as soon as possible. I urge the government to find a solution that is equitable.

[English]

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, today we are debating Bill C-70, the harmonized sales tax bill or, as many have called it, the blended sales tax bill. I gather that is what the Liberals were going to call it, but shortened down it became the BS tax as opposed to the harmonized sales tax. I believe the term BS tax came a little close to the truth, so the Liberals decided to call it the harmonized tax instead. However, the BS tax is how Atlantic Canadians and many other Canadians are beginning to view this tax.

I would like to examine where this tax came from. It came from the GST. The government lacked the ability to deal with and deliver on its GST promise. The GST is the most hated tax the country has ever seen.

Government Orders

The Mulroney government pushed through the GST. We can recall the days when the Conservatives dragged forward an obscure part of the Constitution in order to stack the Senate to get the GST through. What about all the Liberal senators? What did the Liberal senators do at that time? They screamed that the bill proposing the GST was horrible and had to be axed.

It will be most interesting to see what those same Liberal senators do when the HST goes to the Senate. It is a very similar tax in that it is hated. I hope the Liberal senators will examine the HST and deal with the terrible parts of the bill, parts which Atlantic Canadians are saying will not fly.

What happened to the Mulroney government over the GST? It went from being a majority government to a party which can hold a caucus in the front seat of an imported pick-up truck. That is what happens to a government which does not listen to the people.

The Liberals promised to kill, abolish, eliminate the GST, not blend it. They promised to get rid of it. The Prime Minister said it on television, as well as the Deputy Prime Minister and the finance minister. They are all on tape and on film saying that is what they would do. Where are we today? We are dealing with the HST, the BS tax, and trying to fulfil a Liberal promise and what is it going to do?

• (1655)

It establishes a 15 per cent tax in the Atlantic provinces. To some of the Atlantic provinces this is just fine because they take the 7 per cent general sales tax and the federal tax and add that to the provincial tax. In most cases in the Atlantic provinces it is over 15 per cent, so this is a deal. This is a deal because Atlantic Canadians can now say this is a lower tax than they would be paying originally. In some cases it was 17 or 18 per cent, so they dropped it to 15 per cent. This is just fine. The administration of it is a horrendous nightmare, but from a political point of view this was just fine and the Atlantic premiers bought into it.

However, there is a loss in revenue. Where is this revenue going to come from? Naturally it comes from the rest of Canada. Alberta will not buy into it. B.C. will not buy into it. Ontario will not buy into it. They have categorically said there was no way that these provinces were going to buy into a blended sales tax. If we look at Alberta, that is the classic example. It does not have a provincial sales tax but it has the 7 per cent GST. Why in the world would it possibly settle for a 15 per cent tax? It would be ludicrous. B.C. is the same and Ontario is the same, only to a lesser degree. It is absolutely a no sell for the rest of the country.

The Ontario finance minister has said "just blending in Ontario would cost the province of Ontario \$3 billion". That is the type of lunacy that we are talking about in this bill to try to sell it to the rest of the country.

What does this do? It is a transfer of wealth. It is a transfer of money from the rest of Canada into Atlantic Canada. If this were for a good reason nobody would complain. However, the ludicrous reason we have here is it is a political sell-off to Atlantic Canada. It is the way the Liberals are trying to say this is the way they will solve the problem. Again, here they go manipulating Canadians.

Besides transferring this wealth around, the administration is a nightmare. All the businesses and consumers are up in arms saying good lord, this will not work. Where are the Liberals? We have about 28 Liberals from the Atlantic provinces but they would not even allow open hearings with Atlantic Canadians. They are saying "you cannot do that, why would we want to have people in front of us telling us what might be wrong with this bill?"

This is the type of legislation that the Liberals are forcing through that is simply not going to fly.

However, there is a bigger picture. This bill deals with what this government has or has not dealt with and where it is not going. The bigger issue is integrity. Where is the integrity of a Prime Minister who, on national television, said one thing about a tax and then said "I didn't say that", when in fact he lied to Canadians? He is just saying that the integrity of the whole government is okay. It is not okay. What about trust? Canadians want to trust their politicians. They want to be able to trust their politicians. This is just another example of Liberal lunacy.

What about truth? What about representing constituents? What about those Liberal MPs who are out on the east coast? They do not represent their constituents. We are going into an election that is going to be very much about the integrity of politicians representing their constituents. When they go to their federal ridings representing the issues and the people who sent them there, obviously the members from Atlantic Canada who are in this place are not representing their people. What is more, they refuse to listen to those constituents to tell them what is wrong with this bill.

In summary, I would say that this bill will not fly. There are huge holes in it. It is a transfer of wealth. It is about the integrity or lack of integrity of this government and the leaders of this government. I believe that the very short part of the deal is that Canadians are going to go to polls and say that this is not what they want in the form of a government. They want integrity, truth and representation. That is what we are going to see when we go to the polls shortly.

• (1700)

Mr. Lincoln: Mr. Speaker, I rise on a point of order. I noticed that my hon. colleague just mentioned that the Prime Minister lied. I ask you to check the record and ask my colleague to withdraw.

Government Orders

The Deputy Speaker: I thank the hon. member. If necessary, the Chair will check the blues. Perhaps the member would be kind enough to indicate what he thinks he said and if he used unparliamentary language, whether he would withdraw.

Mr. Gilmour: Mr. Speaker, yes I did say that the Prime Minister lied and I will withdraw that comment.

The Deputy Speaker: I thank both my hon. colleagues.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my first reaction when I read the bill on the GST was to say: "What a fine gift the government has made to the Quebec sovereignists".

Here we have a demonstration, in a new instance, of how the federal system unfairly treats one or another part of Canada, especially Quebec, which is of concern to me, at a given point in time.

Let us think about it: the federal government signed an agreement with the maritime provinces giving them \$2 billion in compensation, that is, it will pay the maritime provinces \$2 billion in compensation. So, we can say that some \$500 million comes from Quebec taxes—that is, about one quarter of the taxes from one quarter of Canada's population.

This is \$500 million that Quebecers will give to the governments in the maritimes through the federal government. In the end, this will mean that New Brunswick, for example, will receive compensation of \$400 million, and the provincial government will be able to boast: "Taxes have been lowered here. Move here. We are the best spot in Canada".

Obviously, they are not going to boast that part of the reduction in taxes comes from compensation for the harmonization of the GST. Some of the money even comes from Quebecers. This is why I say it is a great argument for the sovereignists. As former Quebec premier Mr. Duplessis said: "Donnez-nous notre butin". There was also "Maîtres chez nous", because you can be sure that, if we had control over all of Quebec's taxes, no other province would get a gift of this sort. In today's world and with today's competition, this sort of situation is completely unacceptable.

To add insult to injury, Quebec's sales tax has been harmonized with the federal tax for several years now. Quebec was the first province in Canada to harmonize in good faith. It even repatriated federal officials. It got no financial compensation for doing so. It simply considered it a worthwhile administrative move that would produce interesting results and reduce paperwork and bureaucracy.

So there was no compensation. Why does the federal government now think it would be worth paying up to \$2 billion in compensation? That is the political price it must pay for its promise

on the GST. It is trying to hide as best it can the fact that it has failed to keep its promise.

In fact, this seems to be the norm with this government. Whenever they make a blunder, they fork out compensation. The fact that the money comes out of taxpayers' pockets does not seem to matter too much. It was the same thing in the Mulroney affair. They forked out millions of dollars to cover the mistake made by officials at the justice department. Same thing with the GST. A promise is a promise. Election promises must be kept at all cost. They just spend as much as they need to disguise the facts and avoid embarrassment.

But the voters will not be fooled. What is more, it is becoming obvious that there may be justice after all. The confusion created by the new legislation may well backfire on the government, and it will have to shoulder the responsibility for it.

• (1705)

At a time when disparities are to be eliminated and national standards imposed across the country, there will now be a place in Canada where the tax will be incorporated in the sales price, while that will not be the case in the rest of Canada.

Companies that do business nationwide will find themselves in a very complicated situation, having to live with two different systems for registering the tax. This is absurd.

This is not a bill we as parliamentarians should be proud of. We still have the chance to make it right. I do hope the federal government will find a way to deal with the inequities and other problems caused by their legislation. This bill is quite thick. The government is trying to ram it through. The goal is to make sure that, during the election campaign, the government can claim to have reached its stated objective regarding the sales tax. The GST did not disappear, but another solution was found: it was harmonized. But at what cost? Who cares?

Two billion dollars in compensation: Was this the price to keep Liberals from Atlantic Canada from speaking out on the employment insurance reform? I do not know. It maybe that the enormous amount of money involved has something to do with this. Maybe it was thought that this amount would make up for the shortfalls suffered by the seasonal economies of these provinces, following the implementation of the employment insurance reform.

There is nothing wrong with helping regional economies make adjustments. The problem is that the government chose specific regions but ignored other ones, such as Quebec, and particularly its eastern part, which I represent and which is in direct competition with the maritimes.

There are businesspeople in my region who wonder whether there is a balance, a fairness in how businesses are treated by the

Government Orders

two provincial governments. These people wonder if they are treated properly, if their business benefits from a favourable bias. When they assess the situation, they might think that the tax reductions in New Brunswick, as well as certain dynamic factors and the lack of environmental constraints make that province very appealing from a business standpoint.

Why is that? One explanation is the \$2 billion that will be given to the maritimes to compensate them for harmonizing their tax. New Brunswick will receive \$400 million. Therefore, for a region like Madawaska, on the border of the area I represent, the economic fallout from this compensation will give a competitive edge that is unacceptable, even a bit upsetting for Quebecers. This is money from the federal government, so one quarter of it is coming out of our own pockets to help our neighbours compete against us. This raises some serious questions.

In a region like Témiscouata, people wondered whether to vote yes or no in the fall of 1995. It is not hard to understand that they are now leaning toward yes. In a situation like the present one, we realize that, once again, we are being penalized by federal management and that this will have a direct and serious economic impact.

How could the present government correct this situation? It should go ahead and agree to sit down with Quebec and negotiate the compensation that Quebec should receive for the trouble-free harmonization in that province. Harmonization was implemented a few years ago. It is working very well. The civil servants have all been absorbed into one government, the Quebec government. The results are interesting. The experience was probably even used by the federal government to persuade the maritimes of the feasibility of harmonization.

There is a price to pay, and if this government has a sense of fairness, if it hopes to show Quebecers that they are part of the Canadian federation, this is an example of something concrete they can do.

• (1710)

It is rather frustrating to have to keep defending ourselves, as if we were being forced to beg. Similarly, we had to keep on asking questions in the House for a month or two, to ensure that the federal government would pay its share of the bill for the Charlottetown referendum. In the end, we won our point. The Bloc Québécois is a very tenacious party. We are able to sustain our points of view for a long time, and to support them with solid arguments, but in so doing it becomes obvious that the federal system will never offer Quebec a way to succeed in achieving equality. The solution lies in being fully responsible for our own decisions so we do not find ourselves in a situation where a majority, to which we do not belong, decides to take our money and to give it to another part of Canada, by creating undue competition.

This is a very clear example, a very obvious example, of something that is totally unacceptable.

Why has this bill been rushed through, without all of the proper consultations? Undoubtedly because the bill contains many problems, but mainly because it is inequitable. I hope that the government will listen to our arguments, because I am certain that all Quebecers will be attuned to them.

[English]

Mr. Williams: Mr. Speaker, a point of order. I have consulted with the other parties and I think if you seek it you will find that there is unanimous consent to have private members' motion M-259 in the name of the member for Calgary Southwest withdrawn from the order of precedence.

The Deputy Speaker: The member has indicated there is unanimous consent to have the private members' bill in the name of the member for Calgary Southwest withdrawn. Is there unanimous consent to do that?

Some hon. members: No.

The Deputy Speaker: No. In light of the denial of unanimous consent I will go to the hon. member for Edmonton Southwest.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, it is almost a necessity for a member of Parliament to wade into this GST harmonization debate. This is an issue that brought many people in the House to the political process in the first place.

It seems particularly ironic that the government that ran on a pledge to abolish the GST finds itself in a position of trying to squirm out from between a rock and a hard place, finding itself inexorably smashed by the fact it had made a commitment all over the country, in every single constituency saying: "Elect us and we will get rid of the GST". The Liberal lexicon of getting rid of the GST is to try to disguise it by harmonizing it.

Because the package would not sell across the country, it was necessary for the government to then try and involve as many provinces as possible in a nefarious scheme to slide out from under its responsibility for a campaign promise clearly made across the country.

The only provinces that the federal government was able to induce to going along with its nefarious scheme were the maritime provinces, all of whom in one degree or another have consistently been recipients of largesse from the federal treasury for many years.

In fairness, I would expect that many of the premiers thought this would not be a bad deal. It is not a bad deal for the four Atlantic premiers who signed on to this nefarious scheme because the rest of the country was going to have to finance it, top it up a little bit to the tune of almost a billion dollars. That billion dollars comes from the other provinces.

Because the government is in a majority position it has the power and the authority, although it does not have the moral authority, to do pretty much as it sees fit, provided it can get the provinces to go along.

• (1715)

As members know, I represent a riding in Alberta. In Alberta we do not have a provincial sales tax, so harmonization to Alberta would be a particularly bitter pill to swallow. It is interesting that as of March 1996 provincial retail sales taxes varied across the country. The federal government wanted to somehow harmonize everything across the country so that everybody would have the same sales tax, thereby removing the competitive advantage of a lower tax or no tax at all from any part of the country that was able to do so.

It is interesting to note that as we go from east to west in 1996 Newfoundland had the highest retail sales tax at 12 per cent, Prince Edward Island at 10 per cent, Nova Scotia at 11 per cent and New Brunswick at 11 per cent. So a harmonized tax at 15 per cent is really a significant reduction on their tax rates but it represents a significant tax increase based on the fact that it will be applied over a much broader range of products.

As we continue from east to west we find that the tax rates come down significantly. In March 1996 Quebec was at 6.5 per cent, Ontario was at 8 per cent, Manitoba was a 7 per cent, Saskatchewan was at 9 per cent, Alberta was at zero per cent and British Columbia was at 7 per cent. That means some of the provinces raised more money, perhaps through gasoline taxes or other excise taxes or had a higher rate of surcharge on personal income taxes.

However, the province and the people of Alberta have made the conscious decision that we do not want higher retail taxes. When the idea of applying a harmonized tax to Alberta was floated recently, the University of Alberta in the Western Centre for Economic Research led by senior research analyst Karen S. Davis put together a study on what would happen in Alberta if a harmonized sales tax were applied in Alberta. The study has revealed some interesting statistics and conclusions, some of which I will read into the record. In fairness to Karen Davis and her research I am reading very selectively into the record from this report.

She makes the case, as was made early on, that if given the choice between having two very different taxes at different rates that cover different bases, that is they apply to different products differently or some not at all, obviously for the ease of everyone concerned it would make sense not to have these differences. Then the decision would be on what products should the tax be applied to, should the tax be applied broadly or narrowly, and should the tax be high or low. It makes sense that the broader the application, the lower the rate; the more narrow and focused the application, the higher the rate would be. It is plain common sense.

Government Orders

But even in a situation like Alberta's where we have a zero rate of provincial tax and with the commitment from the federal government that any taxes raised by this harmonized tax in Alberta would come into the federal treasury and then be refunded to Alberta, even with that undertaking, if it could be believed, try to find 10 people who would say with any degree of confidence they will give the government the opportunity to get its hands on x amount of money and expect to get it all back. I have a bridge to sell you in Brooklyn.

• (1720)

I would like to give credit to the research done by the University of Alberta. I would like to read into the record the financial impact a harmonized tax of 12 per cent would have in Alberta. It reads: "We conclude that harmonization at a 12 per cent rate across Canada will cause real gross domestic product in Alberta to fall by up to one-half of a per cent in the short term, and as many as 10,000 jobs would be lost. The impact on GDP is lessened if wages also fall to mitigate the effects on employment. Real wages can be expected to decline by 1 per cent to 2 per cent depending upon their flexibility".

The authors of the report have clearly stated that there are two effects, the short term effect and the long term effect. Their conclusion is also that in the long term it is possible, but not necessarily probable, that the negative effects could be mitigated over the long term. However, in the short term it is most likely there would be serious economic damage done to Alberta.

The authors also point out that there are two aspects to harmonization. This is something that is often overlooked. During the debate in the House today it was mentioned very rarely, if at all. There are two aspects to harmonization, that of the tax base and that of the tax rate. A key issue is the need to weigh the incremental benefits to Canada of a harmonized rate against the adverse short term adjustments imposed on Alberta by a sudden increase in sales taxation. Based on the premise that if we are in the boat together, the better the boat is doing, we are going to do better incrementally. Unfortunately these are theories, they are not proven in fact. The one thing that we do know is that the short term damage would be significant.

From the Alberta perspective, the finance committee's 1994 recommendations are more attractive than the finance minister's plan to move to a uniform rate. Even with the abatement of the incremental revenues collected from Alberta in its June 1994 recommendations to government, the finance committee stressed the benefits of adoption of a consistent broad base and gave suggestions on how to do it, but it was not accepted.

Mr. Williams: Mr. Speaker, on a point of order, I have consulted again with the other parties and I believe that if you seek it you will find that there is unanimous consent to have the member for Calgary Southwest become sponsor for private member's Bill

Government Orders

C-341 in the place of the former member for Calgary West, and that Motion No. 259 be withdrawn from the order of precedence.

The Deputy Speaker: Is there unanimous consent for the motion?

Some hon. members: No.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I am pleased to rise again to speak to this grouping of amendments. Before I talk about the amendments in detail, I would like to comment on some things which happened earlier in this debate.

The hon. parliamentary secretary to the finance minister chastised both the Bloc members and the Reform members for not speaking directly to the amendments that were in the grouping. He went on to indicate that it was unfortunate the debate had not focused on those particular amendments.

I would say that no amount of amendment to this legislation would make it suitable. This legislation is being referred to as the harmonization of the GST, but harmonization is really not a good description of the legislation.

In the latest issue of "Let's Talk Taxes", put out by the Canadian Taxpayers Federation, the author of the article described harmonization in this way: "Harmonize is such a nice word. Aside from its soothing musical connotations, it implies a sense of unity, togetherness and co-operation. When applied to the GST, however, it means coercion, confusion, cost and cover-up". The author of this report went on to explain what he meant with regard to those issues.

• (1725)

Clearly this bill does not harmonize. What we have are three provinces in Atlantic Canada that have signed on to this legislation. We have other province that have said that they will not sign on. They will not do it. They think it is wrong.

Of course the price that taxpayers pay for this, and this issue is an issue that should be talked about by taxpayers and taxpayer advocates, is about \$1 billion. Taxpayers from the other provinces, other than those three that are taking part, will pay \$1 billion to put this so-called harmonized tax in place in Atlantic Canada.

It is a lot of money. It is a lot of money to cover for a broken election promise. We know of course that many Liberal members were elected on that promise to get rid of the GST, to abolish the GST. How many? Who knows, 10, 20, 30 members elected because of that promise? It is hard to know but it was a lot.

The Prime Minister before the election campaign, during the campaign and since the election has said "We are going to get rid of the GST. We are going to abolish. We are going to kill the GST". It has not happened and this legislation is an attempt to cover up. It

is an attempt that is costing taxpayers from the other provinces \$1 billion. That is an awful expensive cover-up.

I really take exception to the parliamentary secretary to the finance minister's chastising Reformers and Bloc members for talking about the broader issue, the fact that this harmonization is not harmonization at all and that it is going to cost taxpayers almost \$1 billion.

The member for Mississauga South has taken on in an admirable way many causes, especially on family issues. I commend him for that. However, I was absolutely saddened from what I heard from him today. This member stood up in the House and said to Canadians, through their televisions, that the Liberals never promised to get rid of the GST when the television tapes that have been shown across the country, especially since the town hall meeting, have show the Prime Minister promising on at least three occasions to get rid of the GST. I do not understand how the member can say that.

Then he went on to say, as unbelievable as this sounds, that what they did say is they would replace the GST. Then he said: "When we looked at replacing the GST, what we found is", and this is the member for Mississauga South speaking earlier in debate today, "the best replacement for the GST is the GST". By his own admission the member for Mississauga South admits they have not even replaced the GST with this new so-called harmonized GST.

Canadians are not going to be fooled by what is going on here. It is a cover-up and it is an unacceptable cover-up. I find it so sad that the member for Mississauga South would get involved in this kind of activity.

Just as I speak about this it leads me to reflect on the great need we have in this country for a recall of members of Parliament. It makes it so clear that we have to have tools to put in the hands of the voters and the taxpayers to keep their members of Parliament accountable. Those tools have to be given to the people so that politicians who run for office and who do not deliver on their promises can be held accountable.

If the people in Mississauga South could see and could hear what their member said regarding this harmonization legislation, absolutely outright denying that they ever said they would get rid of the GST, saying they promised to replace it but when they really looked at things they found the best replacement for the GST was in fact the GST, I suggest there could well have been a recall petition started against that member.

• (1730)

To explain for those who may not understand when I talk about recall, I am talking about putting in the hands of the people the ability to fire their member of Parliament, not only at election time when some of the main issues are being deflected from, but also between elections. Recall comes into play between elections.

Government Orders

When a basic promise which played such a great role in getting many of those members across the floor elected is broken, that is the time recall should be implemented. That is why the Reform member for Beaver River sponsored a recall bill. Had it passed, it would have put into the hands of the people a tool which would allow them to fire their member of Parliament between elections when they felt that their MP was not honouring a commitment made at election time.

The member for Beaver River sponsored legislation which came before the House. Had it passed, it would have been law. Why do we not have the right of recall, the right given to the people to fire their members of Parliament between elections? Why do we not have that legislation in place? The answer is that it was shot down. It was voted against by members of the Liberal Party and by members of the Bloc Quebecois. They refused to put this important tool which would hold members of Parliament accountable into the hands of the people.

I would suggest that those 10, 20, 30, 40 members of Parliament from the governing party who campaigned on getting rid of the GST will be held accountable at the next election. Many of them will not be re-elected. That is accountability. The voters will exercise their right in this case. It is unfortunate the voters do not have recall, the tool that would allow them to do it now rather than waiting for the next election.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it gives me somewhat of a pleasure to speak on this legislation.

All Canadians realize that a promise was made to them prior to the 1993 election. It was very clear from candidates going door to door, from candidates meetings and also from the Prime Minister's statements to the public via TV and radio that the promise to the electorate was that the Liberal government was going to scrap the GST.

I do not and I am sure most Canadians do not recall the word harmonization being used. It brings distress to most Canadians that we are now looking at a government which has decided it will harmonize the GST with the provincial sales tax. The government has started in the maritime provinces. It bribed those provinces. It did not follow the initiative of the provinces asking for it. It just bribed those provinces with \$1 billion of borrowed dollars to the Canadian taxpayer.

It should also be noted that three provinces have said they will not even contemplate this issue. They will not contemplate entering any negotiations or proposals with the federal government. The three provinces that have said they will not contemplate it are the three have provinces, those that seem always to be paying up front for federal government programs.

The Ontario Minister of Finance has even stated that a blended sales tax using the GST base would cost Ontarians over \$3 billion in extra taxes.

• (1735)

This government has managed to reduce its deficit not by substantially cutting government spending, but by raising fees and taxes to the Canadian people. This is one more example where the Liberal government thinks that if any Canadian has any money in his or her pocket, it is fair grab.

The finance minister also plans to force federally regulated industries, including airlines and banks, to bury the GST in their prices. Canadians need to know just how much money their federal government is taking out of their pockets above and beyond their income tax contributions. I do not think Canadians appreciate the underhanded methods this government has used to get more money out of their pockets.

One of the most frightening aspects of this harmonization plan is the cost in jobs. Three major retailers in Atlantic Canada have stated that the net annual retail deficit will total \$27 million once harmonization is implemented. The Retail Council of Canada has said that by forcing stores to bury the new tax in prices, the harmonized tax regime will cost retailers at least \$100 million a year.

The tax included pricing hits retailers in four areas. One is the duplication of the information systems and the rewriting of software. Another is in the re-pricing of pre-priced goods: books, greeting cards, magazines, et cetera. The third one is in the duplication of advertising costs in flyers and catalogues; one set for the Atlantic provinces and another set for those areas where there is no harmonization. The fourth is in the warehousing and distribution costs; sorting out which ones have the tax included for the maritimes and which ones do not.

The Halifax Chamber of Commerce predicts that the harmonized sales tax will push up new housing prices by 5.5 per cent, as well as force municipalities to raise their property taxes. The Canadian Real Estate Association says that the harmonization of the GST and PST will increase the cost of a new house by \$4,000 in Nova Scotia and Newfoundland, and by \$3,374 in New Brunswick.

What is happening here is that the taxpayer is having to pick up the extra tax burden.

GST harmonization is responsible for the closure of five Greenberg stores and the loss of 79 jobs. Woolworth Canada states that due to the tax inclusive pricing it is considering closing a quarter of the 126 stores in the Atlantic region meaning a loss of over 300 jobs. Carleton Cards predicts that it will close 19 of its 39 stores in the region, throwing 116 people out of work.

Private Members' Business

I find it an outrage that this government can talk about job creation and about using the infrastructure to create part time, temporary jobs yet it stands by and watches permanent, full time jobs disappearing, particularly in a region like Atlantic Canada which, Lord knows, has few enough jobs for its people. How can this government deliberately be putting together a proposal and putting legislation in place that is a detriment to jobs for the Atlantic people?

Consumers, the ones who will have jobs and might have some money in their pockets, will be paying more for funeral services, children's clothing and books. What happened to the promise of this government to remove the GST from books? Auto repairs, electricity, gasoline, home heating fuel and haircuts. Not only are we taking away their jobs, we are raising the cost of living. They are going to be hard pressed to provide their children with proper clothing and to heat their homes, and that is anticipating they can even afford to buy homes with the rising costs this implementation is going to create.

One of the more irresponsible results of this is that the Liberal government defeated a Reform motion to hold hearings in Atlantic Canada on GST harmonization which would have allowed the people of Atlantic Canada to participate in deciding on whether or not GST harmonization was something they wanted and they felt they could support. Refusing to allow the people in Atlantic Canada to exercise their right to participate in the discussion, in essence is the same as having taxation without consultation or without representation. That should not be allowed in this country.

If this government is under any misconception that the people of Canada support it in retaining the GST instead of scrapping it, removing it or abolishing it and if government members feel that Canadians support them in their efforts to hide the GST through harmonization, let me read a couple of comments made by constituents of mine on their householder returns.

One response says: "Get rid of all the governors general. It will save billions of dollars no doubt as we do not need the Queen". He goes on to say: "When will they abolish the GST? Prime Minister Chrétien promised. You can see it on the old tapes when he made this promise—

The Deputy Speaker: It being 5.41 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Mr. Campbell: On a point of order and I thank you, Mr. Speaker, in view of the hour.

On several occasions today you, Mr. Speaker, and others who have occupied the Chair have pointed out to members that the use of certain words in this House is unacceptable. If I heard correctly,

what I heard was an attempt to use the same word by spelling it out rather than saying it. It amounts to the same word with respect to the Prime Minister of this country.

The Deputy Speaker: The hon. member for Beaver River and I were talking. I did not hear the latter part of the hon. member's remarks. Perhaps she would indicate what was said and if something unparliamentary was said I know she will want to withdraw it.

Ms. Meredith: Mr. Speaker, I did not name any word. What I was doing to avoid the circumstances was I said that it was a four letter word starting with *l*. I did not say any word at all.

The Deputy Speaker: We always accept a member's word in this place and accordingly it must have been a misunderstanding.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CANADIAN CENSUS

The House resumed from November 26, 1996 consideration of the motion that, in the opinion of this House, the government should return the word "Canadian" among questions of ethnic origin on the Canadian Census; and of the amendment.

Ms. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I am pleased to speak to Motion M-277 concerning a proposed change to the next Canadian census.

The member for Beaver River moved: "That, in the opinion of this House, the government should return the word "Canadian" among questions of ethnic origin on the Canadian Census". And my colleague, the member for Bellechasse, moved an amendment to this motion asking that it "include "Canadian", "Quebecker", "English-Canadian", "French-Canadian" and "Acadian" among questions of ethnic origin on the Canadian Census".

This goes back to the last Canadian census. It is truly astonishing that an agency as reliable as Statistics Canada, whose competence is recognized worldwide, produced such erroneous questions.

One of them, question 17, asks to which ethnic or cultural group the respondent's ancestors belong. The choices are: French, English, German, Canadian, Scottish, Jewish, Haitian, Jamaican, Vietnamese, and so on.

● (1745)

Question 19 reads as follows: "Is this person—and here comes the problematical point— white, Chinese, South Asian (for example, Indian, Pakistani, Punjabi, Sri Lankan)—here nations and

Private Members' Business

regions are being confused, since the Punjab is a region and not a country—black (for example, African, Haitian, Jamaican and Somali)—as if a person could not be white and be born in Africa—Arab, West Asian (for example, Armenian, Egyptian, Iranian, Lebanese, Moroccan), Filipino, Southeast Asian, Latin American, Japanese, Korean or other?”.

It is, I imagine, in this list that the member for Beaver River would like to see the word “Canadian” added.

There is a very definite confusion between race, ethnic group, nationality, language, region and country. Yet these words do have definitions, and there is a capability at Statistics Canada, with all the scientific knowledge possessed by its employees and professionals, to define those concepts very well. There are ways to not confuse the concept of race, a concept that is becoming more and more obsolete anyway, we must admit.

As for ethnicity, this is an item of no scientific value, since the majority of people forget their ethnic group of origin. When I myself answered the questionnaire, I did not say I was French in origin, since my ancestors came to the country in 1657. I have more or less lost sight of that. I am Canadian in origin, born in Canada. For me, that presents no problem.

Except that if someone wants to ask me something more specific, to find out what group I really identify with in Canada, I cannot identify myself with a Canadian; there is no such thing as a Canadian. It is all very fine to spend a lot of money to try and make one exist, but a Canadian does not exist as such, in my opinion. At least not yet. I am of Canadian origin, of course, but I belong to the Quebec nation. My origin is the one I have in common with people who live in the same area and have the same common characteristics.

We are aware of a certain unity that exists among people who live in Quebec and increasingly, “Canadians” are defining themselves as Ontarians, Manitobans or Newfoundlanders. Many people from Newfoundland do not feel any more Canadian than Quebecers do. They are from Newfoundland first. Of course they will say they are from Canada, although they were the last to join Confederation.

So there are certain feelings, a certain commonality that unite us, through history, society, culture and above all through a desire to live together. I think that if they decide to keep this question in the next census questionnaire, it should be clarified to reflect the kind of answer that is desired.

It would be interesting to know with what kind of nationalism we can identify, because as we know each other better, we are more likely to accept each other as we are and understand each other, as long as we live in the same country or when we will live together as good neighbours. So we will know where we are from.

The important thing is that we can talk about our ethnic origin, without mixing up all these concepts as they were in question 19.

Now we can assume that all these people who work at Statistics Canada, with all their knowledge and skills, have a reason for asking the question the way they did. Strictly speaking, both Question No. 17 and question 19 are not a matter of census data or statistics but, in my opinion, purely political questions.

• (1750)

What is the point of these questions? The responses will be tallied, the number of people from France, Germany, Italy, China will be identified—as the questionnaire asks: Are you white, Chinese—you can be Chinese without ever setting foot in China. If you live in Hong Kong, Singapore or Taiwan, you are Chinese, but you can be Chinese without ever going to China.

A lot more precision is required. You can also be Canadian and not identify with English Canada at all. You can be a Canadian of francophone origin, but, because of your family history, be part of another segment of the population or the minority in Quebec. There are francophones, even Tremblays, whose name is given an English pronunciation and who do not speak a word of French anymore, because they belong to the anglophone minority in Quebec.

Perhaps these people do not see themselves as Quebecers anymore. They are more English Canadian, and we must respect their choice.

Why make the question unclear? No doubt in order to emphasize Canada's multiculturalism policy and convince us that Canada exists, that it is the most beautiful country in the world and that ours is a mosaic comprising every country. People are Ukrainian Canadians, Italian Canadians, Chinese Canadians—I could name all of the 200 countries in the world. We probably have people from all these places.

I have no objection to that, but it is the source of Canada's problem. And it is: a lack of Canadian identity. Maintaining multiculturalism within the country means that no one wants to become Canadian and so we end up not defining what it means to be Canadian. In my opinion, if Canada wants to progress and better understand itself—it will be doubtless very useful to us as neighbours some day—there is no reason to be afraid of identifying what one considers one's nationality.

The question must be clarified. There are Acadians in the country, there are French Canadians, there are Quebecers and there are Ontarians. It is vital to know what people consider to be their nationality.

We must open our eyes. We must look at the reality of our differences, learn to live together and respect one another, whether it be within a single country or as good neighbours.

[English]

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I would like to respond to Motion No. 277, which calls for the government to include the words “Canadian”,

Private Members' Business

“Quebecois”, “English Canadian”, “French Canadian” and “Acadian” on the question concerning ethnic origin in the census.

First I would point out that, for a number of censuses, respondents have been able to respond “Canadian” as well as “Quebecer”—

The Deputy Speaker: The clerk has indicated to me that the hon. member has already spoken on the amendment and, accordingly, he knows that he is not eligible to speak again.

I see him shaking his head. Perhaps he would stand down for a moment and we will check to see whether an error has been made on the record.

Mr. Bodnar: Mr. Speaker, I spoke for part of my time when the hour elapsed the last time and I had not completed my speech.

The Deputy Speaker: The member may not realize it, but if the member does not show up the next time and another member speaks, then the member who did not appear for the debate is taken to have abandoned his right to speak. Accordingly, in light of what the member has said, he is not entitled to speak on the amendment.

Mr. Bodnar: Mr. Speaker, may I rise on a point of order on this?

The Deputy Speaker: I will listen to the hon. member, but I hope it is something he has not already said.

Mr. Bodnar: Mr. Speaker, it is difficult for me to stand to speak first when you recognized the member for Rimouski—Témiscouata before the clerk even read the order of the day.

The Deputy Speaker: I will not get into a debate with the member on that. It was the Bloc Quebecois' turn to speak. If the member wishes to consult the Table he will see that.

• (1755)

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker it is a pleasure for me to speak on Motion No. 277 which has been introduced in the House by my colleague from Beaver River.

The motion reads:

That, in the opinion of this House, the government should return the word “Canadian” among questions of ethnic origin on the Canadian census.

There has been some interesting debate on this. I was very interested to listen to the previous speaker, my colleague from the Bloc, who said it was a shame there was no discernible Canadian culture, that our culture had been fractured into hyphenated Canadianism, recognizing all kinds of hyphenated Canadians but not working to make sure we affirm and encourage Canadian unity and identity. She makes a very excellent point. We need to stop

doing exactly what question 19 does, which is divide and fracture and hyphenate Canadians based on ethnicity.

The Liberals make a big thing of a pejorative word called racism. Yet here the Liberals, in a brand new question conceived and written by a Liberal government, does exactly that, differentiates Canadians on the basis of race. If that is not racism I would like to know what it is. Perhaps when the Liberals use the word “racist” and “racism” as loosely as they do, they would bear in mind that their actions do not always match their deeds.

As you know, Mr. Speaker, there has been some hot debate and some concern that Canadian is not one of the categories of ethnicity or race or background that is a choice on the census form in question 19 which is kind of interesting.

I have a very interesting and helpful letter from the chief statistician commenting on Motion No. 277. It very helpfully sets out this information. I am sure Canadians will be very interested in this information because it sheds a new light on concerns that Canadian is not one of the categories listed in question 19.

The chief statistician states: “I would like to emphasize that a person answering Canadian for question 19 would not be prosecuted”. That is good news. We can be Canadians. We can identify ourselves as Canadians even on census forms and not be prosecuted. We should stand up and cheer about that. That is very reassuring to me.

The letter goes on to state: “Individuals who felt that Canadian was the most appropriate response to the question and who wrote in this answer in the space provided are considered to have complied with the requirements of the Statistics Act”. This is once again affirming if you identify yourself as a Canadian in the census form you will not be prosecuted. It is very nice to have that freedom. I am sure most Canadians will feel very happy.

The letter goes on to say this. “Statistics are needed by both governments and employers to administer and assess the impact of the employment equity legislation passed by Parliament in 1986”. Two interesting points come out of this letter, in addition to the relief we all feel knowing that we can in fact identify ourselves as Canadians. One is that Canadian is not an obvious and clear choice. In fact, the only way that one can identify oneself as a Canadian in question 19 is if one writes it in the blank.

Canadian is kind of an afterthought in this question. It is a fill in the blank kind of thing and not a natural and normal designation for Canadians. A person may be designated as almost anything else, but only if they really feel strongly about it and decide to fill in the blank can they really be a Canadian in that question.

• (1800)

The second piece of information in this letter, which I believe is accurate, is that the purpose of question 19, which asks for the ethnicity of respondents, is for the purpose of administering the employment equity legislation passed by the government.

Mr. Speaker, did you indicate I have only one minute left? Oh, I am finished.

That is a little background to support this motion. I am pleased to put that forward. I suggest this motion be passed and that Canadians be free to designate themselves as Canadians on our census forms in any manner that they choose.

The Deputy Speaker: On a point of order, the hon. member for Calgary North.

Mrs. Ablonczy: Mr. Speaker, a point of order. I know time flies when you are having fun, but that did not seem to have been 10 minutes. Could you consult with the Table to make sure I got all my purple prose in?

The Deputy Speaker: The hon. member may well have an excellent point. We have a new technology in the House now which actually times everybody down to 10 minutes. There may have been an error in the technology but never by anyone at the Table or in the Chair. I will check that matter.

The fault is no doubt with the technology. The hon. member for Calgary North still has five minutes.

Mrs. Ablonczy: Mr. Speaker, thank you. I know other members may have wished that the technology was correct in this case but I did have a couple of more points that might throw some light on our consideration of this motion.

I refer back to the point that the purpose of question 19 was simply and solely for the administration of the employment equity legislation. I had some very interesting feedback in my office following the circulation of the census. I am sure almost every member in the House did and that other colleagues of mine, even from other parties, would be able to give examples of this.

From my own files, a woman named Krishna called and said: "Census question number 19: East Indian would cover Punjabis. The category of Punjabi should not be there. I refuse to answer and will not send my application back to Stats Canada. This creates division between India and Punjabi and should be removed".

Esther phoned in and said: "I am livid and upset and hurt about the census forms. When I received my Canadian citizenship, the adjudicator told me that I would never again be asked what my ethnicity was or what my background was. Stats Canada already has my records. Why does it need to ask me again? I thought I was a Canadian".

Private Members' Business

Since time is short I have provided just those two short examples of some of the difficulties, the divisions and the upset that Canadians feel when they are subjected to this kind of discrimination and differentiation.

Over the past two decades, Liberal and Conservative governments have tried to achieve equality, a very laudatory goal. But they have tried to achieve equality among Canadians by passing legislation that treats different groups of Canadians differently under the law based on race and other characteristics. Reform believes this special status approach is divisive and leads to intolerance and inequality. We believe in true equality which allows diversity and promotes tolerance.

A Reform government would ensure that Canadians are protected against discrimination on the basis of equality of individuals before the law rather than on the basis of special rights based on group characteristics. A Reform government would protect all individuals from rights infringements and discriminatory actions by the state, particularly in the area of employment which the Employment Equity Act is supposed to address.

• (1805)

We would discontinue federal affirmative action and employment equity programs because unlike the other parties, we believe that even discrimination practised for "affirmative reasons" is harmful because it is fundamentally unjust.

Question 19 on the census form gets us more to the point where we discriminate, differentiate Canadians, the people in this country on the basis of ethnicity. We think it is wrong. We think it is harmful to Canadian society. We think it is divisive and we think it should be stopped and reversed and that Canadians should be affirmed as Canadians, treated equally, given equal opportunity before the law and move on to build their lives as individual Canadians, not as members of a special, different group based on individual characteristics.

Once again, I urge my colleagues to support the motion which again affirms the fact that we should be proud to be Canadian, encouraged to be proud Canadians and should be proud to be identified as Canadians in every way.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, you should visit us sometime. I think you might enjoy it. Although we had some snow over the winter, we now have daffodils poking their noses up.

I am a Canadian and what is more I am proud to be a Canadian. As a matter of fact for over 41 years I wore the word Canada on my shoulder flash in the air force.

It has been my good fortune to have travelled most of the world, usually as a private citizen, but for three years as a Canadian

Private Members' Business

diplomat. It did not matter what my status was, my Canadian passport gained me a warm welcome no matter where I went. The people I met did not care about my ethnic origin. It was the fact that I was from Canada that mattered.

During the 1996 census one in every five Canadian households was asked: "Is this person white, Chinese, South Asian, black, Arab, West Asian, Filipino, Southeast Asian, Latin American, Japanese, Korean or other?"

For the first time in our history Canadians were required to define and identify themselves by race. Many Canadians view the omission of the term Canadian in question 19 of the census as a denial of their heritage. This omission has prompted my colleague from Beaver River to introduce Motion No. 277, and I welcome this opportunity to address the important issues prompted by the motion.

It reads:

That, in the opinion of this House, the government should return the word "Canadian" among questions of ethnic origin on the Canadian census.

Stats Canada readily acknowledges that they excluded the term Canadian from the list because including it would make it impossible for them to determine the numbers and characteristics of the visible minority population in Canada. This was the essential purpose of that question. Why must visible minorities be defined? Why do we have to segment, to separate Canadians into racial groups? Why simply, Mr. Speaker, to enable the employment equity act to be implemented.

Let us have a look at what is accomplished by employment equity. Thomas Sowell, a well respected African-American economist has written extensively on preferential hiring programs around the world and observes that preferential hiring policies invariably expand, often hurting the very people they are designed to help. They create tensions among winners and losers and are invariably associated with heavy costs because they invite large numbers of fraudulent claims from those who do not belong to a minority group but wish to obtain the advantages.

In *Democracy on Trial*, Jean Bethke Elshtain writes of the condescending paternalism experienced by scholarship recipient Richard Rodriguez, the son of Mexican immigrants to California. Although he had personally received an excellent parochial education he was treated as a victim of cultural deprivation. He noticed that many of his peers who were both poor and poorly educated received all sorts of allowances and were pushed "through the system under the assumption that standards of merit and achievement are themselves unfair impositions by an anglo majority on any and all minorities".

• (1810)

In Rodriguez's own words: "The conspiracy of kindness became a conspiracy of uncaring. Cruelly, callously, admissions committees agreed to overlook serious academic deficiency. I knew students in college then barely able to read, students unable to grasp the function of a sentence. I knew non-white graduate students who were bewildered by the requirement to compose a term paper and who each day were humiliated when they couldn't compete with other students in seminars.

Not surprisingly, among those students with very poor academic preparation, few complete their course of study. Many drop out blaming themselves for their failure. One fall, six non-white students I knew suffered severe mental collapse. None of the professors who had welcomed them to graduate school were around when it came time to take them to the infirmary or to the airport.

The university officials, who so diligently took note of those students in their self-serving totals of entering minority students, finally took no note of them when they left".

I can speak personally on this practice as it is applied in the Canadian Armed Forces where a conscious effort is made to achieve the correct ethnic ratio in the rank structure.

Francophone officers were often given priority on promotion lists, sometimes bypassing 10, 20, 30 or even 40 anglophone officers who had been more highly rated.

Unhappily, in the system's effort to achieve the correct ratio, some very good francophone officers' careers were curtailed. They had been advanced too quickly, spent too little time in each rank which in turn denied them the experience they would have acquired if they had followed a more normal pattern. Some wound up in positions of responsibility for which they were not adequately qualified and this caused them to fail to fulfil their duties as well as expected. The result: people who had the potential to progress much further wound up limited in their advancement because they had been pushed too fast and too hard.

Merit is the primary criterion on which selection or advancement should be based. Any interference with this principle is demeaning to the individuals to whom it is applied. It says to them: "You are not good enough to make it on your own so we will deny others to help you".

It is ironic that employment equity programs designed to create equality in fact divide and create disparities. Yet the word Canadian unites us, while recognizing and accepting our individual distinctions, heritage and ancestral roots.

As people from Quebec are proud to be Quebecois, I am proud to be a British Columbian. My roots are tied to this beautiful land: the sea, the mountains, the uniqueness of our Pacific culture and, most

of all, family. It is the place of my birth, my home as a youth, now again, by choice, my home and the place where my children and grandchildren have made their homes. It is a place of the heart.

I am a fourth generation Canadian. My ancestors were Scottish and, I suppose, if I go back far enough, French. However, I do not wish to be known or considered a Scottish-Canadian or an anglo-Canadian or any sort of a hyphenated Canadian. I reject this divisive principle and have received much input from constituents who also reject hyphenated Canadianism.

For this reason, I cannot accept the census question asking us to become hyphenated Canadians. Nor am I able to support the Bloc amendment by the member for Bellechasse, seconded by the member for Saint-Hubert, which reads:

That the motion be amended by replacing all the words after the word "should" with the following: "include Canadian, Quebecer, English-Canadian, French-Canadian and Acadian among questions of ethnic origin on the Canadian census.

Section 15(1) of the charter states:

Every individual is equal before and under the law and has the right to equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

Section 15(1), standing alone, affords protection of all civil rights.

Section 15(2) of the charter goes on to state:

Subsection 1 does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups, including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

• (1815)

Section 15(2) of the charter is equating equality with sameness. The very heart of section 15(1) has thus been stripped away. It now rings hollow.

This coming August my wife Jean and I are going to Aberdeen in Scotland to attend the 800th anniversary of the formation of the Frazer clan. At that gathering we expect to meet Frazers from many parts of the world, from Canada, United States, Australia, New Zealand, Norway, France, India, other countries and, of course, Scotland.

We will be joined together by our common name or connection to that name, but that will not take away the fact that we will still be Canadian, American, Scottish or whatever. Our nationality and pride in our individual countries is in no way diminished by our common name connection.

There is something drastically wrong if the Canadian census form does not allow Canadians to identify themselves as Canadian.

Private Members' Business

I hope members of this House will agree and support Motion No. 277 proposed by the member for Beaver River.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, imagine someone coming from another planet, sitting down right here in Canada and finding that they were being asked some questions on a census. People came around and the person who came from outer space to Canada was answering the questions in a census and thought "I better find out where I am".

He got an atlas that said Canada. He checked around and found a hockey team called the Montreal Canadiens. He was watching TV and saw an advertisement for a beer that was called "Canadian" and thought "Canada, hmm".

When it came time to answer the census, the person from outer space looked for the slot that said Canadian and much to that person's chagrin he could not find it.

Imagine the same person sitting down anywhere else in the world. I suppose in England, English would not be there. It would have to be something else; American would not be there.

From time to time we ordinary Canadians sometimes wonder if there is a lack of oxygen in the air in Ottawa. God knows there has to be something that causes this. What other explanation could there be for such a bone headed decision to say in Canada we will have a census form and the person cannot be a Canadian?

It does not matter whether the person has been here for a week, whether they have been a citizen of this great country for a week, a day or whether we go back 10 generations, we are Canadians. Is that not what it is all about? Is that not what being part of the mosaic, of this family from a host of different countries around the world is?

Do members suppose that people came here from Rwanda to be Rwandans forever? Do members think perhaps that our forefathers came from wherever they came from to be where they were? What do they suppose it was that brought them to this magic land Canada? It was the values we have of inclusiveness. It was that in Canada it is possible to be equal before the law, no matter their station in life, whether high born or low born.

There are situations where that is not always the case. We can speak to that tomorrow when we talk about Bob Fowler and Kyle Brown and the difference between those two people who should be equal before the law but who are not.

Generally speaking, one of the magic, marvellous things about Canada is that we are equal before the law. It does not matter what colour our skin is. We are a nation of values. What could possibly be the motivating factor? What could motivate these people at Census Canada who are known around the world for the fact that we really have a good census?

Private Members' Business

• (1820)

The census information that is compiled is good for the country. It gives us statistical factual information from which we can have a foundation for a whole host of different things, like how the economy is going, the number of children there are, what we should plan for, the number of schools we are going to need, the number of senior citizen retirement homes we are going to need and what happens demographically in a community in response to a particular initiative, financial or otherwise.

The census is good and the census takers are recognized around the world as being first rate. Therefore it does not seem logical for them to say "how can we screw up this census and enrage half the population?" Do we suppose they get up in the morning and say "It is just too easy. Why do we not do something to drive everybody crazy and knock our phones off the hook so that people think that we are the crazy ones, not the people in the House of Commons who represent us"?

If we scratch the surface we will find that there is a method to the madness. There is a reason. The employment equity affirmative action legislation passed by the Liberal government is not worth the powder to blow it to hell, which is where it should be blown to, unless we have the data base from which to explore and make comparisons.

I had the privilege to respond on behalf of our party to the multiculturalism report on the 25th anniversary of the new wave of multiculturalism in Canada. At that time I was proud to say that our country is one heart and many colours. That is what we are. However, when we set up a country based upon division, based upon our ancestry, then we are going directly counter to everything we have tried to do to make our nation inclusive.

We are Canadians because we share common values. Canadians understand that there are some of us who are less able to carry the load and we help them. We measure the quality of our community not by the highest but by the lowest among us; not by the most privileged but by the least privileged. These are the values that make a nation. They are fairness and equality. All people are measured equally, based on merit, and those who need help can depend on that help.

The minute we introduce into our culture the notion that people should have or be declined benefit because of their race, we are introducing sand into the foundation of our nation that we will come to regret.

It is interesting to note that the only country that has ever, to my knowledge and to the knowledge of my researchers, asked for the racial determination of persons in a census was Germany during the horror of the Nazi times. I am not suggesting for a moment that these two are equal. I am not suggesting that the motivation is the

same. That would be ludicrous. We all know it is not. However, the fact remains that the racial background of people in this country is nobody's business, period. We are Canadians because we are human beings and that is where our equality comes in.

Everything we do in our country should be based on merit and the values that we share as human beings, and not for any other reason; not because of the colour of our skin, our religion, our sex or our sexual orientation. It should be based strictly on merit.

Introducing this innocuous little change has the potential to take us down further on a path that many Canadians already see as being divisive and harmful to our nation in the long run.

• (1825)

I would ask all hon. members to consider the fact that by putting Canada back into the census we will be helping to build and to mould an inclusive country where we do not look at each other and see the colour of each other's skin, or our sex, but that we look at each other and see who we are as human beings, sharing a common value system, a common destiny, all of us as Canadians.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I am pleased to be speaking on Motion No. 277 which is sponsored by the hon. member for Beaver River. It is an important motion because it deals with an issue which was brought to my attention by many people in my constituency during the time of the last census.

The people who came to me were concerned that they were not given a choice on the long census form when they were asked about background. They were not given the chance to choose Canadian. Many of these people who contacted me, in fact all of them, were upset because Canadian is what they are and is what they consider themselves to be.

Why was Canadian not given as a choice? It has been talked about by some of the hon. members who have spoken on this issue before me. One of the reasons of course is that if that choice is given it is too difficult, you do not get accurate information for employment equity legislation. That is certainly one of the key reasons.

Employment equity legislation insists that in government agencies and agencies regulated by the federal government people be hired based on quotas. Many provinces of course have employment equity legislation as well.

Many of the people who support the idea of employment equity argue that we are not talking about quotas at all. All we are talking about is giving everybody a fair chance and a fair shot at things. Clearly some groups, in particular some visible minorities or gender or someone with a certain sexual orientation have not been given a fair chance. We only want to make that fair but we are not talking about quotas.

Private Members' Business

A young fellow, the son of a person I have come to know through Reform, came home when I was with his parents. I asked this young fellow what he was working on. He said he worked with computers. This was a job during the summer. I knew he was in university and would be going back. I asked him what kind of work he did. He said he was doing a project for the Ontario government with regard to employment equity. I said that is interesting and asked what the program is for.

He said it is to determine how many people should be hired by chartered banks. Actually the work he was doing was going to be sold to chartered banks so that the banks know how many people to hire from each group. I said: "Do you think that is right, that you would hire based on quota?" He said: "It is not about quota at all. It is just information for the banks so they can determine how many people they should hire".

After we pursued this a little the young man came to realize this is quota, and that is what we are talking about here, quota. He did acknowledge this after a bit of discussion. I found it really surprising that this young fellow had been so brainwashed by the people who were promoting this employment program he was working for never to refer to this as quota when clearly that is what it was.

What does this have to do with this motion sponsored by the hon. member for Beaver River? The connection is that the reason StatsCan is getting these numbers and is not including Canadian as one of the groups to choose is that the numbers are needed for employment equity. That is one of the reasons. It has everything to do with quotas.

• (1830)

When the statistics are collected and it is found out how many people there are in each of the visible minority groups, in the other categories, the different colour groups, once that information is obtained, that information is applied directly to government hiring and to hiring by agencies that are regulated by the federal government, such as banks. They will be used in the provincial employment equity programs where they are in place. That is without a doubt the most important reason these statistics are collected.

When these people came to me during the last census and after the last census that is why they were so upset. They knew the reason this information was being collected. They knew it had everything to do with employment equity, that it had everything to do with quotas. It upset these people.

Many of these people had immigrated to this country themselves from some other part of the world or their parents had emigrated from some other part of the world. They did not want to be referred

to by their ethnic background. They did not want to be categorized based on ethnic background or skin colour or any other visible characteristic. They wanted to be referred to as Canadians. That is why this motion has come forth. It would give Canadians a chance again, no matter what ethnic background, what skin colour to just be Canadians.

It certainly is one reason this information is being collected. There are other possibilities. One of course is to determine how much funding should go to different multicultural groups, multicultural spending. Polls have shown and certainly people who talk to other people in large numbers would know that Canadians do not accept spending taxpayers' money on promoting certain cultures. The general principle that people believe should guide spending on culture is that the money should come from the people who are interested in preserving that culture.

Certain groups have done this extremely well. They have protected their culture. They have promoted their culture. They have put their culture to others in the neighbourhood in a way that has fascinated people. It has not caused resentment because they know it is not taxpayers' money that is doing this.

One group I can think of is the Ukrainian group. In my constituency there is a large group of people who emigrated or their parents emigrated from Ukraine. Long before multicultural grants were available they did a super job through the church and through work in the community of keeping their culture for themselves, for their children and for the interest of others in the community. Because people knew that they were doing it with their own money, there certainly was not any resentment.

Now that there are multiculturalism programs a resentment has built toward the people from visible minority groups themselves who are funded with taxpayers' money, who are promoting their culture with the use of taxpayers' money. That is what causes the resentment.

There are some other possible reasons for wanting these numbers. I wonder. Leading up to the last election the Liberal Party chose women candidates, it just chose them. The Liberals did not allow the proper nomination process to take place because there were not enough women to become members of Parliament who were going to be running for the Liberals.

I am wondering if part of the intent of getting these numbers is that the Liberals are now going to appoint candidates for the next election based on the numbers obtained in the census. I say that kind of tongue in cheek but I am not so sure it would not happen. Let us all hope it would not. Let us let the best person for the job get the job.

Private Members' Business

• (1835)

The Deputy Speaker: The hon. member for Beaver River who will no doubt be speaking only to the amendment.

Miss Deborah Grey (Beaver River, Ref.): Yes, Mr. Speaker. As you know Motion No. M-277 is my motion. I spoke earlier in the debate on November 26, 1996 when my colleague from the Bloc, the member for Bellechasse, brought forward the amendment.

If we could look at a snapshot of what is wrong with this country, it is somebody from a group who is going to add to the list rather than make the list smaller. That probably sums up so clearly the main reason I brought this motion forward in the first place. We need to be recognized as Canadians and Canadians period. Yet here is somebody in the Chamber who wants to make the list longer rather than shorter.

I know it has been quoted here several times today by my colleagues who have spoken on this but let me in disbelief read one more time what the actual amendment states:

That the motion be amended by replacing all the words after the word "should" with the following:

"include "Canadian", "Quebecker", "English-Canadian", "French-Canadian" and "Acadian" among the questions of ethnic origin on the Canadian Census."

This is not derogatory toward any of these groups. Every one of these groups is to be celebrated. In Beaver River I have an enormous francophone population and we celebrate that. It truly is a multicultural microcosm of this country. Not only do we have a huge francophone population, the second largest in Alberta, but we have an enormous Lebanese community up in the Lac La Biche area. There were fur traders there in the twenties. We have a large German population, a large Ukrainian population and on and on it goes.

There is one common denominator of those people in Beaver River. They would jump to their feet in a moment if they could be here today, if we could transport them, to say: "I am a Canadian, you bet". It is as simple as that. They would say: "I am a Canadian period". And they would leave off all this nonsense after all these commas.

I had a number of calls in my constituency office and here in Ottawa from people who were among the unlucky one out of five to fill out the long census form. It upset me more than anything that I got a short one. I was just waiting. When my husband phoned me from home to tell me we got our census form, I asked him to rip it open to find out if it was the short one or the long one. Mr. Speaker, you know Lew and you know he was just as anxious as I was to get the long form and he was pretty upset. I think he was ready to drive around the countryside to find a neighbour he could swap with, but it did not happen and we had to fill out the short one.

It is for this very reason that Lew, who just happens to be my husband and I think the greatest guy in the world, as a regular Canadian said: "Let me get my hands on this so I can tell this government exactly what I think about this kind of list making and categorization of people as if we were just a bunch of so many pigeons".

It is wrong. Mr. Speaker, you know it is wrong and I think many people in this Chamber feel it is wrong. I know how important it is for the people my colleagues have alluded to this afternoon to say wait a minute here, there is something wrong because there is an underlying motive, which is wrong, for asking these questions. That of course is: "We will attempt some social engineering. We know what is best for you".

The census people from Stats Canada did not dream up these questions. They were told, they were ordered, they were commanded by the people who are obsessed with employment equity and government grant giving because they think that will help unify the country. Nothing could be further from the truth. I am so sad that some colleagues across the way did not even stand up on behalf of this motion today.

When are we going to stand up in this Chamber and say: "I am a Canadian and I am proud to be a Canadian"? When am I going to be able to count on folks on the other side of the House who may disagree with me politically on all kinds of things, which I respect, but for goodness sake, it took us a year and a half to sing "O Canada" in this place after I tabled a motion on that. Is it too radical to sing our national anthem in the national Parliament? Is it going to be too much to ask people to say: "Let us say we are Canadians on the census"? I could understand it from the Bloc Quebecois. But for the life of me I cannot understand it from people on the other side of the House who are proud and passionate Canadians. We should be able to say "I am a Canadian" on question 19. By jingles, the next time that census comes around, I will put Canadian no matter what, because that is what should make us proud.

Let me just close by asking the Speaker to put the question now on the amendment by the Bloc Quebecois.

The Deputy Speaker: The time for debate has expired. If the hon. member wishes to speak further on the amendment the next time, she will have four and a half minutes to do so.

Miss Grey: I know the time has expired. I am asking you to put the question now on the amendment.

The Deputy Speaker: The time for adjournment has passed, so there would have to be unanimous agreement from all members in the House to put the question on the amendment.

Is there unanimous agreement to put the question on the amendment?

Private Members' Business

An hon. member: No.

The Deputy Speaker: I hear a no. Therefore, the debate will continue the next time.

[*Translation*]

Dear colleagues, the hour provided for the consideration of Private Members' Business has now expired and the order is

dropped to the bottom of the order of precedence on the Order Paper.

[*English*]

It being 6.41 p.m., the House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 6.41 p.m.)

CONTENTS

Thursday, February 6, 1997

ROUTINE PROCEEDINGS

Government response to petitions	
Mr. Zed	7745
Canadian Multiculturalism Act	
Ms. Fry	7745
Multiculturalism	
Ms. Fry	7745
Mr. Nunez	7746
Mr. McClelland	7746
Petitions	
Nuclear Weapons	
Mr. Harb	7747
Highway System	
Mr. O'Brien (London—Middlesex)	7747
Young Offenders Act	
Mr. Harper (Simcoe Centre)	7747
Consent	
Mr. Harper (Simcoe Centre)	7747
Justice	
Mr. Harper (Simcoe Centre)	7747
National Unity	
Mr. Harper (Simcoe Centre)	7747
Highway System	
Mr. Taylor	7747
Highway System	
Mr. Perić	7747
Marriage	
Mr. Finlay	7747
Gasoline Tax	
Mr. Finlay	7748
Highway System	
Mr. Finlay	7748
Fisheries	
Mr. O'Brien (Labrador)	7748
Justice	
Mr. Gilmour	7748
Generic Drugs	
Mrs. Barnes	7748
Tax on Gasoline	
Mr. Patry	7748
National Unity	
Mr. Szabo	7748
Human Rights	
Mr. Szabo	7748
Emergency Personnel	
Mr. Szabo	7748
Taxation	
Mr. Szabo	7748
Alcohol Consumption	
Mr. Szabo	7749
Questions on the Order Paper	
Mr. Zed	7749

GOVERNMENT ORDERS

Excise Tax Act	
Bill C-70. Consideration resumed of report stage	7749
Motions Nos. 68 to 86	7749
Mr. Loubier	7749
Mr. Loubier	7749
Motions Nos. 87 to 100	7749
Mr. MacAulay	7750
Motion No. 101	7750
Mr. Loubier	7750
Motions Nos. 102 to 109	7750
Motions No. 110 to 113	7751
Mr. Loubier	7751
Mr. Loubier	7752
Motions No. 114 and 115	7752
Mr. MacAulay	7752
Motion No. 116	7752
Mr. Loubier	7752
Motion No. 117	7752
Mr. Campbell	7754
Mr. Solberg	7755
Mr. Taylor	7756
Mr. Nunez	7758
Mr. Breikreuz (Yellowhead)	7759
Mr. Canuel	7760
Mrs. Barnes	7762
Mr. Harris	7762
Mr. Pomerleau	7763
Mr. Martin (Esquimalt—Juan de Fuca)	7765
Mr. Fillion	7766
Mr. Benoit	7767
Mr. Chrétien (Frontenac)	7769
Mr. Williams	7770
Mrs. Ablonczy	7771
Division on Motion No. 3 deferred	7773
Mr. Loubier	7773
Motions Nos 118 and 119	7773
Mr. Chan	7773
Motion No. 120	7773
Mr. Loubier	7773
Motions Nos. 121 to 124	7773
Mr. Solberg	7774
Mr. Bernier (Mégantic—Compton—Stanstead)	7776

STATEMENTS BY MEMBERS

The Late Charles Munro	
Mr. Finlay	7777
Amateur Sport	
Mr. Dumas	7777
Health Care	
Mr. Martin (Esquimalt—Juan de Fuca)	7777
Centres of Excellence	
Mr. Telegdi	7778
Job Creation	
Mr. Malhi	7778

Toyota Motor Manufacturing Canada	
Mr. Perić	7778
Fisheries	
Mr. Frazer	7778
Bristol Aerospace	
Mr. Blaikie	7778
Tribute to Naim Kattan	
Mrs. Dalphond-Guiral	7779
The MacAuley Boys	
Mrs. Barnes	7779
Canadian Broadcasting Company	
Mr. Easter	7779
Job Creation	
Mr. Discepolo	7779
Team Canada	
Mrs. Guay	7780
The Senate	
Mr. Gilmour	7780
International Development Week	
Mrs. Gaffney	7780
Goods and Services Tax	
Mr. Solberg	7780

ORAL QUESTION PERIOD

Taxation	
Mr. Gauthier	7781
Mr. Martin (LaSalle—Émard)	7781
Mr. Gauthier	7781
Mr. Martin (LaSalle—Émard)	7781
Mr. Gauthier	7781
Mr. Martin (LaSalle—Émard)	7781
Mr. Loubier	7781
Mr. Martin (LaSalle—Émard)	7782
Mr. Loubier	7782
Mr. Martin (LaSalle—Émard)	7782
Public Documents	
Mr. Manning	7782
Ms. Copps	7782
Mr. Manning	7782
Ms. Copps	7782
Mr. Manning	7782
Ms. Copps	7783
Tobacco Legislation	
Mrs. Picard	7783
Mr. Dingwall	7783
Mrs. Picard	7783
Mr. Dingwall	7783
Public Documents	
Miss Grey	7783
Mr. Young	7783
Miss Grey	7783
Mr. Young	7784
Culture	
Mr. Leroux (Richmond—Wolfe)	7784
Ms. Copps	7784

Mr. Leroux (Richmond—Wolfe)	7784
Ms. Copps	7784
Canadian Armed Forces	
Mr. Frazer	7784
Mr. Young	7784
Mr. Frazer	7785
Mr. Young	7785
Royal Military College in Kingston	
Mr. Leroux (Shefford)	7785
Mr. Young	7785
Mr. Leroux (Shefford)	7785
Mr. Young	7785
Krever Commission	
Mr. Hill (MacLeod)	7785
Mr. Dingwall	7786
Mr. Hill (MacLeod)	7786
Mr. Dingwall	7786
Rural Development	
Mr. Mitchell	7786
Mr. Goodale	7786
Department of National Defence	
Mrs. Tremblay (Rimouski—Témiscouata)	7786
Mr. Young	7786
Mrs. Tremblay (Rimouski—Témiscouata)	7786
Mr. Young	7787
Canadian Armed Forces	
Mr. Strahl	7787
Mr. Young	7787
Mr. Strahl	7787
Mr. Young	7787
Atlantic Economy	
Mr. Wells	7787
Mr. Massé	7787
Agriculture	
Mr. Taylor	7787
Mr. Goodale	7788
Ferry Service	
Mr. Bernier (Gaspé)	7788
Mr. Anderson	7788
Pearson International Airport	
Mr. Harper (Simcoe Centre)	7788
Mr. Anderson	7788
Infrastructure Program	
Mr. Bélanger	7788
Mr. Massé	7788
Presence in Gallery	
The Speaker	7789
Business of the House	
Mrs. Tremblay (Rimouski—Témiscouata)	7789
Mr. Gagliano	7789

ROUTINE PROCEEDINGS

Committees of the House	
Procedure and House Affairs	
Mr. Zed	7789
Bill C-79	
Mr. Irwin	7789

GOVERNMENT ORDERS

Excise Tax Act

Bill C-70. Consideration resumed of report stage and of the motions in Group No. 3	7789
Mr. Harris	7789
Mr. Campbell	7791
Mr. Godin	7792
Mr. Johnston	7793
Mr. Szabo	7794
Mr. Taylor	7796
Mrs. Tremblay (Rimouski—Témiscouata)	7797
Mr. Thompson	7798
Mr. Bélisle	7800
Mr. Hill (Prince George—Peace River)	7801
Mr. Nunez	7802
Mr. Gilmour	7803

Mr. Crête	7805
Mr. McClelland	7806
Mr. Benoit	7808
Ms. Meredith	7809

PRIVATE MEMBERS' BUSINESS

Canadian census

Consideration resumed of motion	7810
Mrs. Tremblay (Rimouski—Témiscouata)	7810
Mr. Bodnar	7811
Mr. Ablonczy	7812
Mr. Frazer	7813
Mr. McClelland	7815
Mr. Benoit	7816
Miss Grey	7818

MAIL  POSTE

Canada Post Corporation/Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**8801320
Ottawa**

If undelivered, return COVER ONLY to:

Canada Communication Group — Publishing
45 Sacré-Coeur Boulevard,
Hull, Québec, Canada, K1A 0S9

En cas de non-livraison,

retourner cette COUVERTURE SEULEMENT à:
Groupe Communication Canada — Édition
45 boulevard Sacré-Coeur,
Hull, Québec, Canada, K1A 0S9

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliamentary Internet Parlementaire at the following address:
Aussi disponible sur le réseau électronique «Parliamentary Internet Parlementaire» à l'adresse suivante :
<http://wwwparl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Additional copies may be obtained from the Canada Communication Group — Publishing, Public Works and Government Services Canada, Ottawa, Canada K1A 0S9, at \$1.75 per copy or \$286 per year.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

**On peut obtenir la version française de cette publication en écrivant au Groupe Communication Canada — Édition, Travaux publics et Services gouvernementaux Canada,
Ottawa, Canada K1A 0S9, à 1.75 \$ l'exemplaire ou 286 \$ par année.**