

CONTENTS

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

CORRIGENDUM

In the Hansard of October 23, 1996, the “Motions for Papers” passage at pages 5612 and 5613 should be replaced in total by the following:

MOTIONS FOR PAPERS

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Madam Speaker, would you be so kind as to call Motion for the Production of Papers No. 6, in the name of the hon. member for Malpeque.

[Text]

Motion No. P-6—**Mr. Easter:**

That a humble address be presented to His Excellency praying that he will cause to be laid before this House copies of the operating agreement between the Grain Transportation Agency Administrator, Canadian National Railways (CN) and Canadian Pacific Ltd. (CP) dated April 1, 1993, with respect to railway cars supplied for grain service by the Government of Canada.

[English]

(Transferred for debate.)

Mr. Bodnar: Madam Speaker, I ask that the other Notices of Motions for the Production of Papers be allowed to stand.

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

Some hon. members: Agreed.

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, October 24, 1996

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (A), 1996-97

A message from His Excellency the Governor General transmitting Supplementary Estimates (A) for the fiscal year ending March 31, 1997, was presented by the Hon. the President of the Treasury Board and read by the Speaker of the House.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to section 36(8), I have the honour to table in both official languages the government's response to 14 petitions.

* * *

[*Translation*]

SUPPLEMENTARY ESTIMATES (A), 1996-97

REFERENCE TO STANDING COMMITTEES

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Madam Speaker, pursuant to Standing Order 81(5) and 81(6), I would like to table a motion to refer the estimates to the standing committees of the House.

Therefore, I move:

That Supplementary Estimates (A) for 1996-97 be referred to the several Standing Committees of the House as follows:

As there is a lengthy list attached to the motion, if it is agreeable to the House, I would ask that the list be printed in *Hansard* as if it had been read.

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

Some hon. members: Agreed.

[*Editor's note: the list referred to above is as follows:*]

- (1) to the Standing Committee on Aboriginal Affairs and Northern Development
 - Indian Affairs and Northern Development, Votes 1a, 5a, 15a, L30a, 35a, 40a, 45a and 50a
- (2) to the Standing Committee on Agriculture and Agri-Food
 - Agriculture and Agri-Food, Votes 1a, 5a and 10a
- (3) to the Standing Committee on Canadian Heritage
 - Canadian Heritage, Votes 1a, 5a, 10a, 25a, 30a, 35a, 37a, 40a, 65a, 75a, 85a, 105a, 120a and 135a
- (4) to the Standing Committee on Environment and Sustainable Development
 - Environment, Votes 1a, 10a and 15a
- (5) to the Standing Committee on Finance
 - Finance, Votes 21a and 35a
 - National Revenue, Votes 1a and 5a
- (6) to the Standing Committee on Fisheries and Oceans
 - Fisheries and Oceans, Votes 1a and 5a
- (7) to the Standing Committee on Foreign Affairs and International Trade
 - Foreign Affairs, Votes 1a, 5a, 15a, 20a and 31a
- (8) to the Standing Committee on Government Operations
 - Privy Council, Vote 1a
 - Public Service Commission, Vote 130a
 - Public Works and Government Services, Votes 2a, 15a, 16a, 17a, 18a, 19a, 25a and 36a
 - Treasury Board, Votes 1a and 10a
- (9) to the Standing Committee on Health
 - Health, Votes 1a, 10a, 20a and 30a
- (10) to the Standing Committee on Human Resources Development
 - Human Resources Development, Votes 1a, 10a, 15a and 25a
- (11) to the Standing Committee on Human Rights and the Status of Persons with Disabilities
 - Justice, Vote 21a
- (12) to the Standing Committee on Industry
 - Industry, Votes 1a, 5a, 20a, 40a, 45a, 60a, 65a, 80a, 85a, 90a, 95a, 105a and 125a
- (13) to the Standing Committee on Justice and Legal Affairs
 - Justice, Votes 1a, 15a, 20a, 30a, 35a and 40a
 - Solicitor General, Votes 1a, 5a, 15a, 25a, 45a and 50a

Routine Proceedings

(14) to the Standing Committee on National Defence and Veterans Affairs

—Veterans Affairs, Votes 1a and 10a

(15) to the Standing Committee on Natural Resources

—Natural Resources, Votes 20a and 27a

(16) to the Standing Committee on Public Accounts

—Finance, Vote 30a

(17) to the Standing Committee on Transport

—Transport, Votes 1a, 5a, 10a, 33a, 35a, 37a and 45a

(18) to the Standing Joint Committee on Official Languages

—Privy Council, Vote 25a

(Motion agreed to.)

* * *

[English]

COMMITTEES OF THE HOUSE

GOVERNMENT OPERATIONS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I think you will find unanimous consent for the following motion. I move:

That the Standing Committee on Government Operations be designated committee for the purposes of section 20 of the Seized Property Management Act.

There was previous discussion some months ago about this and this is the appropriate committee for the designation. I was wondering if we could have unanimous consent for this.

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

Some hon. members: Agreed.

(Motion agreed to.)

* * *

PETITIONS

HEALTH CARE

Mr. Maurizio Bevilacqua (York North, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present to this House two petitions. In the first the petitioners draw to the attention of the House that Canadians of all ages view our health care system as a defining element of Canadian society.

The petitioners therefore call on Parliament to continue to uphold the fundamental principles of the Canada Health Act so that public health care remains accessible, comprehensive, portable, universal and publicly administered.

● (1010)

ENDANGERED SPECIES

Mr. Maurizio Bevilacqua (York North, Lib.): Madam Speaker, in the second petition the petitioners draw to the attention of the House that the plight of endangered species in Canada is a national problem that continues to worsen and that there are compelling ecological, economic and ethical reasons to save Canada's irreplaceable wild species.

Therefore the petitioners call on Parliament to enact enforceable legislation which will protect Canada's endangered species.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, it is a pleasure on this day to see the blue ribbon honouring Canada's peacekeepers.

Pursuant to Standing Order 36, I am pleased to present two petitions. The first concerns taxation of the family and it comes from Winnipeg, Manitoba.

The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

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

ALCOHOL CONSUMPTION

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the second petition comes from Kingston, Ontario and it concerns the labelling on alcoholic beverages.

The petitioners draw to the attention of the House that the consumption of alcoholic beverages may cause health problems or impair one's ability and specifically that fetal alcohol syndrome and other alcohol related birth defects are 100 per cent preventable by avoiding alcohol consumption during pregnancy.

The petitioners therefore pray and call on Parliament to enact legislation to require health warning labels to be placed on the containers of all alcoholic beverages to caution expectant mothers and others of the risks associated with alcohol consumption.

BILL C-205

Mr. Bob Kilger (Stormont—Dundas, Lib.): Madam Speaker, pursuant to Standing Order 36, it is my duty to present three petitions to the House containing signatures of constituents from my riding of Stormont—Dundas.

In the first instance the petitioners call on Parliament to enact Bill C-205 at the earliest opportunity to provide in Canadian law that no criminal profits from committing a crime.

GENERIC DRUGS

Mr. Bob Kilger (Stormont—Dundas, Lib.): Madam Speaker, the second petition contains signatures from members of the United Senior Citizens of Ontario who request that Parliament regulate the longstanding Canadian practice of marketing generic drugs in a size, shape and colour which is similar to that of brand name equivalents.

BELL CANADA

Mr. Bob Kilger (Stormont—Dundas, Lib.): Madam Speaker, the final petition contains 150 pages of signatures from constituents of Stormont—Dundas.

The petitioners call on Parliament to amend legislation so that Bell Canada efforts to restructure local phone billing procedures will not disadvantage senior citizens, volunteer community organizations and citizens on fixed incomes.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, Question No. 25 will be answered today.

[Text]

Question No. 25—**Mr. Williams:**

For each department, agency and crown corporation, how many employees, including parliamentary agents, governor in council appointees, armed forces personnel, and RCMP personnel, receive a living allowance for a second residence and/or a transportation allowance from the residence to the place of work where distance exceeds 40 km?

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): I am informed as follows: This question has been interpreted as those who receive a living allowance and/or a transportation allowance for a period of one year or more as initially requested under Question Q-117, 35th Parliament, 1st Session: Living allowance: Twelve months or more; Transportation allowance: Over 40 km for one year or more.

The following information provided by several departments, agencies and crown corporations excludes the short term/temporary dual residence assistance. Please note that foreign posts are not included.

In the context of the above interpretation, other departments, agencies and crown corporations have no information on this subject.

Routine Proceedings

	Allowance	
	Living	Transportation
Agriculture and Agri-Food Canada	10	4
Atomic Energy Control Board	1	8
Bank of Canada	1	1
Canada Council	1	None
Canada Labour Relations Board	1	None
Canada Mortgage and Housing Corporation	None	6
Canada Post Corporation	Proprietary Information	
Canadian Dairy Commission	1	1
Canadian Heritage	7	34
Canadian International Trade Tribunal	2	2
Canadian Security Intelligence Service	None	41
Canadian Space Agency	1	None
Citizenship and Immigration	18	49
Correctional Service of Canada	13	6
Defence Construction Canada	None	4
Environment Canada	4	1
Farm Credit Corporation	None	3
Federal Office of Regional Development (Quebec)	1	None
Fisheries and Oceans	5	None
Health Canada	9	29
Human Resources Development Canada	13	1
Immigration and Refugee Board	3	None
Indian and Northern Affairs Canada	9	2
Industry Canada	3	None
National Defence	220	1691
National Film Board of Canada	1	None
National Research Council Canada	None	18
National Transportation Agency	1	None
Natural Resources Canada	1	None
Office of the Commissioner of Official Languages	1	None
Public Service Commission	2	None
Public Works and Government Services Canada	6	2
Revenue Canada	36	57
Royal Canadian Mounted Police	15	49
Social Sciences and Humanities Research Council of Canada	1	None
Statistics Canada	1	1
Transport Canada	42	24
Transportation Safety Board of Canada	1	None
Treasury Board of Canada	1	None
Veterans Affairs Canada	5	None
VIA Rail Canada Inc.	None	2
Western Economic Diversification Canada	1	None

[English]

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

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

Some hon. members: Agreed.

*Supply***QUESTIONS PASSED AS ORDERS FOR RETURN**

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, if Question No. 26 could be made an Order for Return, this return would be tabled immediately.

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

Some hon. members: Agreed.

[Text]

Question No. 26—**Mr. Williams:**

What is the rank, position or title of each recipient of second residence allowance and/or transportation allowance from residence to place of work and, what is the cost per individual recipient and method of taxation of these benefits?

(Return tabled.)

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—MONTREAL

Mr. Michel Gauthier (Leader of the Opposition, BQ) moved:

That this House recognize Montreal as the economic mainspring of Quebec society and, therefore, condemn the federal government's lack of concrete initiatives in supporting the Montreal area economy, primarily: the federal government's under-investment in research and development; its inequitable allocation of federal purchases of goods and services; its lack of willingness to support Montreal as a major financial centre in North America and its termination of Montreal's role as a major transportation centre.

Mrs. Dalphond-Guiral: On a point of order, Madam Speaker. I wish to inform you that, pursuant to Standing Order 43(2), the members of the official opposition will divide their speaking time in two, each speaking for 10 minutes.

• (1015)

Mr. Gauthier: Madam Speaker, in politics, the greatest quality, in my opinion, is sincerity, honesty. When politicians address their electors or the public in general, I believe they have the duty to speak as truthfully as possible about situations as they see them but they must meet certain standards regarding what they say about the reality of the situation.

Yesterday, in this House, we questioned the Prime Minister. A few days ago, he had addressed a group of citizens in Montreal, where he told the chamber of commerce that the federal government was so concerned about the development of their city, that the federal government was so terribly upset about the financial difficulties Montreal is facing and, finally, that the federal government was taking oh so effective steps to support of Montreal's development. That is basically what the Prime Minister said.

As the official opposition, and concerned as we are about what happens to Montreal and even more so about what happens to the people of Montreal, who all too often find themselves jobless and living in poverty, we decided to check whether the statement made by the Prime Minister before the chamber of commerce had any basis whatsoever. Expressing concern about a city's difficulties before its chamber of commerce, in itself, is not enough to solve the problem. It takes more than the Prime Minister of Canada paying lip service to a healthy economy in Montreal, Quebec's metropolis, for economic prosperity to be restored there. It takes some concrete actions.

We asked the Prime Minister if he was prepared to act on this, that or the other issue. We referred to very specific issues that may help restore a healthy economy in Montreal, issues we will discuss in a moment. Not once did we get a clear answer from the Prime Minister, a positive and firm answer like: "In my capacity as the Prime Minister, I undertake to implement this initiative, which will create jobs for the Montreal area". Not once did we succeed in obtaining this kind of a commitment during oral question period.

Yesterday, to my colleague from Hochelaga—Maisonneuve, the Prime Minister gave an answer that spoke volumes about his vision of Quebec development. The hon. member for Hochelaga—Maisonneuve's question was this:

Why does the Prime Minister not agree to making federal procurement in Quebec proportionate to the size of its population?

Why would Canada not adopt a procurement policy based on equity, so that the purchases made with taxpayers' money are distributed according to the relative demographic weight of the various regions? This, I think, would be an interesting way of stimulating the economy in every region of Canada and not always buying, by a strange coincidence, from the same source.

The Prime Minister's answer was this:

Will the hon. member rise in this House and tell the public that, under the equalization payment system through which the Canadian government provides assistance to any region of Canada experiencing financial difficulties—last year, because its revenue was below a certain level, Quebec actually received an extra \$500 million from the federal government?

The truth was out. For the Prime Minister of Canada, being fair to a region like Quebec, being fair to Montreal and helping with its development, means equalization payments. For the Prime Minister of Canada, being fair to Quebec means giving Quebec a share equal to the taxes it pays to Ottawa.

• (1020)

For the Prime Minister, real development that comes from producing goods and providing services is good for some regions of Canada, while, for other regions, fairness, material well-being and development mean equalization payments.

What the people listening to us must know is that, indeed, equalization payments are used when a region is unable to generate its own wealth. When a region finds itself in a difficult economic situation, these payments provide needed assistance.

Supply

When the Prime Minister comes to Montreal to shed a tear over the issue of development, he does not think about concrete plans or a shift in government policy, about real situations or a new way of looking at things, but about equalization payments.

Even though any economic development the federal government may foster through its purchases and its R and D spending just happens to favour Ontario—90 to 95 per cent in some cases of professional service procurement, while in other cases the figure is 58, 59 or 60 per cent—the Prime Minister tells us: “We have a procurement policy we must adhere to. Would we want to be unfair? The Government of Canada is so honest, so frank, that we call for tenders”. But, by a curious coincidence, purchases are always made in the same place. By some strange coincidence, they are rarely made in Montreal.

How can the Prime Minister of Canada explain a vision of economic development based solely on equalization payments? For him and his government, social assistance is the key to Montreal’s well-being. That is what the Prime Minister of Canada thinks.

Mr. Loubier: This is unbelievable. The jobs go to Ontario.

Some hon. members: Hear, hear.

Mr. Gauthier: Madam Speaker, we accuse the federal government, its predecessor, and the one before that, of which the Prime Minister was also a member, having been here since the Auto Pact or just about. Federal governments have always made decisions that penalize Montreal.

In the railway industry, federal decisions have cost Montreal 15,000 jobs in the past 15 years. Air traffic has been transferred and, as passengers are now arriving in Toronto instead of Montreal, our airports are in trouble. Government decisions which favour Canadian International over Air Canada will also create problems because Air Canada jobs are located in Montreal, while Canadian’s jobs are elsewhere. Indeed, the federal government keeps favouring Canadian over Air Canada.

As for shipping, they are taking decisions which could prove very harmful to St. Lawrence harbours. The Centre for Information Technology Innovation in Laval has lost 80 jobs. The St. Hubert Command Centre is down by at least 480 jobs. The federal government’s decision to save \$7.5 million means there will be no more research and development in the Montreal area at the Tokamak installation in Varennes. Helped along by the federal government, Atomic Energy of Canada is heading toward Toronto and could take with it some high technology companies in the sector. The creation of a Canada-wide securities commission, which will transfer the nerve centre from Montreal to Toronto, will shift even more activities to Toronto.

But what decisions is the federal government taking that favour Montreal, other than those concerning equalization payments? Last week the Prime Minister was happy to announce for the first time a

good decision for Montreal. He was happy, and rightly so, because otherwise he would have had nothing to report. He says he is concerned about the problems of Montreal, about the city’s poverty and economic difficulties, but he does nothing.

This is why we chose today to speak about what the government should do, but will not do.

• (1025)

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Madam Speaker, I first want to thank members of the official opposition for giving the government an opportunity to state its position on the greater Montreal area and to say how it envisions its economic recovery.

Later on, I will have an opportunity to mention the initiatives we have taken in a speech. But I want to reply to the speech delivered by the leader of the official opposition, in which he mentions what concrete measures he would like the government to take. I have the distinct feeling that the leader of the official opposition does not go to Montreal very often if he cannot think of concrete measures taken by the government, because we regularly take action and implement integrated projects that benefit the Montreal region from a national and an international perspective.

In the case of government contracts, the fact is that, in its advertising, the federal government makes sure the private sector has a clear understanding of these contracts which, incidentally, total over one billion dollars in Canada.

As for equalization, why are members of the official opposition against the idea? Because equalization is a basic principle of our political system, of Canadian federalism, and it enables us—and this is something we are proud of—to distribute, in an equitable way, our overall wealth across the country.

What really saddens me is that, once again, members of the official opposition are incapable of rising above purely partisan views. I will not ask the opposition leader to name five projects that were recently announced by the Canadian government in the Montreal region, because he simply would not be able to do so. But I will ask him if he and his head office in Quebec can, in the interest of Montrealers, make constructive proposals based on a vision, in the context of the strategy unveiled this week by the Prime Minister of Canada before the chamber of commerce, something I will come back to later on, in my speech.

Mr. Gauthier: Madam Speaker, you will understand that I can hardly keep a straight face when I hear a Liberal like the hon. member opposite telling me that we are not able to rise over partisan politics. In this House, we know all about the government’s eagerness to promote its red book, to use government services to promote its funding drives, to appoint its friends everywhere, and the member has the gall to talk about partisanship.

Supply

Yes, we are partisans, partisan of development. We are in favour of real development for the Montreal area.

The hon. member is asking for suggestions; I made some and I will make more. The government should have the courage to fairly allocate research and development funding in Canada and to take initiatives for the development of the Montreal area. I think that instead of buying flags for \$20 million, the government should invest \$7.5 million in the Tokamak project in Varennes, that way it would effectively support the economic development of the Montreal area.

• (1030)

I am in the process of providing an answer.

The Acting Speaker (Mrs. Ringuette-Maltais): The hon. member's speaking time is up. Is there unanimous consent to give the hon. member more time?

Some hon. members: Yes.

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): The hon. member does not have unanimous consent.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Madam Speaker, it is quite revealing that the secretary of state for regional development in Quebec should thank the opposition for giving him the opportunity to talk about Montreal. Just imagine. He needs to be given that opportunity by the opposition because the government does not give it to him. That is quite something.

Today, my colleagues will be talking about a whole series of actions, or non actions, rather, of the federal government affecting Montreal. But first of all, I think it is worthwhile to set some objective criteria to better understand the situation in Montreal.

A very interesting study has been made of 15 big cities in the world, including three Canadian cities, Toronto, Vancouver, and Montreal. Various indicators can be used to better assess the situation in Montreal. On that basis, we will see who is responsible for what, and what the federal government is doing or not doing in Montreal.

If we look at labour cost indicators, we see that Montreal ranks third, behind London and Stockholm, for directors general; second, behind London, for secretaries and professional engineers; third, behind London, Stockholm and Vancouver, for system analysts; third, behind Atlanta and London, for laboratory technicians, and fourth, behind Toronto, Atlanta and Los Angeles for electronic assemblers.

We compare very well, contrary to what some would have us believe, such as the militant community paper of the West Island,

The Gazette, which paints quite another picture of Montreal for its North American and worldwide readership.

On the business tax indicator, Montreal ranks second, behind Stockholm. On the R and D cost indicator, Montreal is the very first city in the world. On the telecommunications cost indicator, it ranks second, with Toronto, behind London. Montreal has the cheapest first class office space in the world.

On the industrial land cost indicator, Montreal ranks second behind Atlanta. It stands in third position, behind Toronto and Atlanta, on the industrial construction cost indicator. Montreal holds to the third spot, behind Vancouver and Stockholm, on the hydro cost indicator, despite our harsh winter. For natural gas, Montreal ranks fifth in a group of 15 cities, which is not bad.

In terms of the quality of life index, Montreal is third with an index of 1000, behind Toronto and Vancouver, which are about at the same level with indexes of 1002 and 1003 respectively. In terms of public security, Montreal is sixth out of 15 cities. The cost of living index has Montreal in second place right behind Vancouver, with only a point difference. Montreal ranks first for its cost of housing index.

So, these are very encouraging statistics, and yet Montreal faces some serious problems. There are those who would say this is due to political uncertainty. That is the expression they are using these days. In answer to which we argue that there is one certainty, which is that the members opposite are doing absolutely nothing. And we can prove it.

When they talk about political uncertainty, I can still hear the big names supporting federalism, such as Laurent Beaudoin of Bombardier, for instance, who said during the 1992 debate: "You know, political uncertainty is preventing people from investing in Montreal and that is terrible." The same week, he announced the biggest investment Bombardier ever made outside the country. It bought Short Corporation in a city known for its incredible stability, Belfast. Belfast is a very stable city.

• (1035)

When the Prime Minister travels with Team Canada, he goes to visit Russia, another very stable country, Russia is. We see it all the time, the mafia is practically running the whole country over there. The rouble is not worth much. They are out of money. Yes, indeed, a very stable country.

Now we have free trade with Mexico, and is Mexico more stable than the province of Quebec? Do we have something like Chiapas in Quebec? Is the former premier of Quebec in hiding somewhere in the world, because he is accused of fraud and suspected of murder? Come on! Get serious. We are all in favour of trade with our Mexican friends, but do not compare the stability in Quebec with the situation in Mexico. That is pushing it! You might be Liberals, but I hope you can still reason a little bit better than this.

Supply

Still on the issue of stability, we are now negotiating a free trade agreement with Israel. That country is on the news every night. Can you compare the political stability in Jerusalem with that of Montreal? Of course not.

They like to use the expression “political uncertainty” and when they do I can see them smiling, because they are glad to see what is happening in Quebec. They say one thing when they are in Montreal and something else when they are in Ottawa. That is what the Prime Minister likes to do. We all know that.

Now we are going to talk about the real things, the real figures, and I guess my hon. colleague, the Secretary of State for the Federal Office of Regional Development, does believe in the work of Statistics Canada. I guess it is a reliable federal institution, graded A+. We will see about that.

Expenditures on goods and services: federal structuring expenditures in Quebec in 1994, 19.7 per cent; grants and subsidies to businesses, 20.5 per cent; capital financing, 18.3 per cent; total structuring expenditures in Quebec, 19.7 per cent; Quebec population, 24.9 per cent. We seem to be short of 5 per cent here. And yet this is published by Statistics Canada and not by the Bloc Québécois.

Federal investments in Quebec: 1993, 18.5 per cent; 1994, 15.7 per cent; 1995, 15.3 per cent; 1996, 13.2 per cent. These are the figures. These are the facts. Everything else is only rhetoric and lip service on the part of all of the prime ministers, from Trudeau to this one. And I see that the one who is getting ready to take over is sending the same signals, is thinking along the same lines, is backing us into the same corner.

That party, as paleontologists would say, is an exemple of an evolutionary dead end.

To conclude, I move, seconded by my colleague from Laval-Centre:

That the motion be amended by adding immediately after the word “recognize” the following:

“the area of”.

• (1040)

The Acting Speaker (Mrs. Ringuette-Maltais): I declare the amendment in order.

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Madam Speaker, again I thank the official opposition for giving me the opportunity to talk about our vision for Montreal. As my colleague from Laurier—Sainte-Marie said, if the government did not talk about the metropolitan area, why then is the opposition making it the subject of this allotted day.

The Canadian government takes this opportunity to tell the people that it has been and will continue to be present in the metropolitan area. The whole of Team Canada is present in the metropolitan area. Frankly, I must say that I now understand why members of the official opposition, when I ask them to propose concrete and constructive ideas for the strategy we set forward as a government, are unable to make any real suggestion.

The answer comes from my colleague from Laurier—Sainte-Marie. The members opposite are still stuck on statistics, they are still at the drawing table, while we on the government side have been acting for a very long time. We have been working hard so that the metropolitan area can take its place in the province of Quebec and continue to play a major role within Canada, and that Montreal can continue to be the international city all Canadians are so proud of.

This being said, I would like to ask the hon. member for Laurier—Sainte-Marie if he can propose any real solution, today, in terms of our strategy for Montreal. I know that they know nothing about this strategy and, naturally, they are a little bit more eloquent about it. But could the member at least try to tell us that his party is now past the stage of studies and statistics and has gone as far as the government, which has been acting for a very long time. Do you have any concrete solutions?

Mr. Duceppe: Madam Speaker, it is amazing that a secretary of state who wants to become a minister tells us that he does not want to hear about statistics. He should follow the basic political training from the Minister of Finance. He talks about it all day long. I think he knows his subject better than the person responsible for regional development in Quebec. While we do not agree with what he does, at least we understand what the minister says. That, however, is another matter.

The secretary of state asks for suggestions. The leader of our party just submitted some to him. Yesterday, we asked questions. Sometimes, it is better to talk less and to listen more. You can make another effort. Take a pencil and write down my suggestions; or, better yet, I can make a copy of them for you. There are four of them.

Regarding the financial sector, can the government make a commitment not to establish a Canadian Securities Commission? That is one suggestion. That is the first one. Here is the second one. Regarding the development decisions dealing with energy, can the government abandon the idea of transferring—I speak slowly because it takes time to write these suggestions down—the offices of Atomic Energy of Canada from Montreal to Toronto? And will it also undertake to maintain the subsidies to Tokamak, T-O-K-A-M-A-K? That is for the second suggestion.

As for federal spending, will it guarantee with respect to regional development, defence spending and capital spending that Quebec

Supply

will benefit from more than 19.7 per cent of development spending? That is the third suggestion. But the secretary of state is not listening, that is why he does not understand.

• (1045)

Mr. Bergeron: He did not write down anything.

Mr. Duceppe: And the fourth suggestion relates to tax equity: will the government sign an agreement regarding the GST, as it did with the Maritime Provinces?

Mr. Iftody: That is not true.

Mr. Duceppe: Ma-ri-ti-mes.

That is the fourth one. We made quite a number of suggestions since yesterday. As the day goes by, the secretary of state will have filled all the pages of his notebook. If, one day, he can start listening and taking notes, he will then be able to act. Meanwhile, he does nothing.

Some hon. members: Hear, hear.

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Madam Speaker, I can understand that members of the official opposition have nothing concrete to suggest for our Montreal strategy because I think they have not quite yet understood the big picture with regard to the Canadian government's intervention in the Montreal metropolitan area.

I will take a few minutes to explain our intervention in a region that is vital not only to Quebec but to Canada. When we look at Greater Montreal, it is, in many respects, the economic force behind the whole country.

I like to say this because I think it is true: Montreal is Canada and Canada is Montreal. The metropolitan area is at the heart of our history. Therefore, you will certainly understand that for the Canadian government, which I represent, the development of the metropolitan area is most important and, as such, is included in our priorities.

The government's desire for dynamic intervention in the metropolitan area must be understood and must be put in perspective. It must be understood in the sense that a modern country, a country that wants to have a dynamic economic structure and that wants to be highly competitive, must ensure that its large metropolitan areas are economically healthy.

Vancouver, Calgary, Toronto, Halifax, Montreal, these cities are all vital to our country, and they all must be in excellent financial health.

Canada is sensitive to the vitality of these cities. We have developed an intervention strategy for the Montreal metropolitan area, as we have done for other regions of Canada. As secretary of State responsible for regional development, I can talk proudly

about this strategy. I think it is important for the people who are listening to me today to understand what the Canadian government means to the metropolitan area.

There are 32,500 federal employees in Greater Montreal. This means that the federal government's second largest service centre is in the metropolitan area. That is why this area so important to the Canadian government, and that is also why we can say that the federal government is a major partner in this area.

• (1050)

The salaries paid to these federal employees represents \$732 million a year. When we are speaking about development programs, we speak about programs which cost \$765 million a year. When we speak about one hundred per cent research and development programs, we are talking about interventions totalling \$485 million in 1993.

Therefore, as you can see, our involvement is structured and our presence is enormous. We have chosen for the region of Montreal an essentially horizontal intervention strategy, that is, one which allows all the departments to act in a concerted way, to work, as Team Canada, for the metropolitan region in order to maximize all the different federal programs provided to Montrealers.

We did the same thing in the Saguenay—Lac-Saint-Jean area. We did the same thing recently with certain regional development initiatives, such as the Gatig Fund in the Quebec-Chaudière-Appalaches region. We did the same thing when the time came to help the Lower St. Lawrence—Gaspé region with the ground fish strategy, and we are doing the same thing for other Canadian regions.

To get involved in the metropolitan area means to provide structure and to act with vision. To do this, we have chosen focuses. The Canadian government's intervention is focussed essentially on its fields of jurisdiction, on elements which may lead to a considerable and significant progress for the metropolitan area.

The focuses of intervention are as follows: the development of science and technology; the development of the metropolitan area for the international market; helping the small and medium size businesses; the development of culture and tourism industries, which are fundamental elements; and the social and economic development at the local level of the different communities of Montreal.

These are the structuring measures we are taking in the beautiful Montreal region, and I think that it is important to underline the fact that these measures come within the scope of the major priorities of the government. In 1993, we received a mandate from the Canadian people. We did what we were elected to do and the strategy, of which I just enumerated the five elements, revolves around the government's priorities.

These priorities are, of course, job creation, economic growth, helping businesses to adapt to the new economy and support for Canadian youth.

That being said, I think that we all have a basic role to play with regard to the structuring elements in greater Montreal. The Canadian government gets involved and has its strategy for the Montreal area, but I think that we must understand that the greater Montreal area concerns the Canadian government, the Quebec government, Montreal itself and all the surrounding towns and cities, as well as the private sector.

In greater Montreal there is a whole spectrum of stakeholders who have decided to work in partnership. Now, let me review our interventions with concrete examples.

● (1055)

In the area of science and technology, I made a speech yesterday before the members of the space industry, not the aerospace sector, but a very specific part of it, the space industry. The Canadian government has been involved in the space industry for more than 20 years. We played a major role to help an industrial area recognized not only here in Canada, but all over the world. So, when we talk about the first element, science and technology, we can say that the Canadian government has been a major partner in aeronautics, biotechnology, pharmacology, telecommunications, information technologies and multimedia.

In connection with the elements I have just mentioned, which come under science and technology, a number of companies have sprung up, thanks to the vision of the Canadian government, and thanks also to the infrastructure in the Montreal area, to the quality of the workforce, and to our vision, because we focused on science and technology.

And as for the successes we are seeing today, with respect to concrete projects, I must say that the government is rather proud to be associated with these achievements, because these companies are, in a way, one of the cornerstones of our Canadian society. I will list them for you. There is Bell Helicopter, Ericsson, Biochem Pharma, Merck Frosst, CAE Electronics, Spar, SR Telecom, Harris, Farinon, Lallemand, the Institut Rosell, and I could go on. These success stories are all because of the Canadian government's vision and its strategy for action.

Again, just recently, it was with great pride that we entered into partnership with Bombardier and Canadair in the aerospace field, with the result that the 70 seat stretch CRJ jet was finally developed. This will allow us to create or maintain over 1,000 jobs in the greater Montreal area. We are focusing on partnership, and I think that one of the messages I want to get across today is that we are doing so because it is together that we are going to be able to

Supply

rebuild and recreate the dynamic level of activity that Montreal has a right to expect.

Other examples. In biotechnology, there is the Biotechnology Research Institute of greater Montreal, founded in 1983, was the impetus behind a good number of technology firms that are international successes today. Think of Ixex Technologies, Bio Signal, or Quantum Biotechnologies. The institute has such a reputation that we are now attracting international investments. There is also the Dutch company Bio Intermediair.

This has all been made possible through the National Research Council of Canada. And again, recently, proud of the assistance it has provided, proud of its contribution to science and technology, the Canadian government, through my colleague, the Minister of Industry, has announced a \$20 million expansion of the institute, which will make room for 20 additional firms. This is what we mean when we talk about structuring activities.

The second area is international development: 40 per cent of the jobs created in 1995 are related to international development, the conquest of new markets by our small businesses. Naturally, we play a role by providing advice to these businesses, helping them to fine-tune their export capabilities, but we also play an international role with our added value, which is the pride of Quebecers, in the form of our network of embassies and consulates in over 126 countries, with their trade advisors, who are there to assist our small businesses.

● (1100)

On the international scene, we seem to forget that the Canadian government has been very dynamic in its promotion of Montreal as the site for certain secretariats. Whether with the secretariat of the North American Commission on Environmental Co-operation, the secretariat of the United Nations Convention on Biological Diversity, or the secretariat of the Convention to Control Desertification, we have been doing our level best to help Montreal consolidate itself as an international region. And what about the Centre de conférences internationales de Montréal, which we support not only through its operating budget, but also through funding for international development.

Those are fundamental interventions, in some cases involving partnerships with the Government of Quebec and the private sector. We shall shortly be announcing Montréal international, another developmental element, one which will enable Montreal to fully assume its deserved role in terms of international endeavours.

The third concerns the development of small and medium business. The right balance between small and big business must be struck. In my opinion, announcements such as the one by Bombardier and Canadair are full of promise for small business, because they will lead to sub-contracts, which are good not just for the

Supply

metropolitan region but for all regions of Quebec, for sub-contractors are located just about everywhere in Quebec.

The Government of Canada intervenes with small and medium businesses, first of all to help them adapt to the new economic context, but also to ensure that young entrepreneurs can get help starting up and becoming competitive. We do so—and I feel this is an important point—because the new government is one which offers support and expertise, for instance via such programs as Strategis for small business.

And then we could also mention the Centre d'entreprise et d'innovation de Montréal, just another example of how we are, always have been, and will continue to be, major partners in the development of small business in Quebec.

The fourth bridge is development of the cultural and tourist industries. Such elements as the Vieux Port, the parc des Îles and the Pointe-à-Callière museum are all of importance to the metropolitan region. Tourism, for instance, represents 40,000 jobs in greater Montreal. We play our part in this sector through the Canadian Tourism Commission or the OCTGM with which we entered into a \$2.5 million partnership.

In the case of local communities, we act with the greatest respect for their realities and needs in terms of development, through CDEC, for example. All those examples show that the Canadian government has been and continues to be major partner.

If you will allow me a few more minutes, I referred, as part of this intervention, to a horizontal strategy and I must emphasize the collaboration of all the federal departments, which contributed their share to metropolitan Montreal and are working in close collaboration, be it Industry Canada, Heritage Canada, Transport Canada, to name just a few.

When we refer to partnership, this means we also count on the collaboration of all stakeholders. I know that there will be a socio-economic summit at the end of this month in Quebec. In this regard, I will quote what the Prime Minister said this week when he spoke before the Montreal Chamber of Commerce. He said: "Premier Bouchard will host an economic summit. It is very important that tangible results come out of it for Montreal and the rest of Quebec". This is what the Canadian government is: a partner with a vision, a partner that lends a hand and that is present.

● (1105)

In short, we play our part, for instance the way we did in Saguenay—Lac-Saint-Jean. I wish to emphasize, in closing, as the Prime Minister did so well this week, that there is something important we have to do and it is to get rid of this sword of Damocles, which we have over our heads at this time and has a damaging effect on Montreal as well as on the rest of Quebec.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I want to thank the Secretary of State for his speech. He is aware of my concern about the situation in Montreal. I am very confident speaking about these issues since I am a Montrealer, born and bred in Hochelaga—Maisonneuve. I have always lived there and cannot imagine living anywhere else. However, I cannot say I share the optimism of the Secretary of State.

There is something we should all remember. I am sure the Secretary of State is aware that a few days ago, the mayor of Montreal, who is not a Bloc member and has no sovereignist leanings, appeared before the committee on taxation. In his brief, and I am sure the Secretary of State had occasion to read it, the mayor reminded us of an undisputable fact, which led the opposition to move the motion before the House on this opposition day. He reminded us that as a result of the government's neglect, and I would challenge anyone on the government benches to prove otherwise, today Montreal is the poverty capital of Canada.

I may recall a quote from a report by a federal agency. In his brief, the mayor of Montreal said: "A recent report by the Canadian—and I insist on the word Canadian—Council on Social Development shows that in Montreal, the poverty rate is at 22 per cent, the highest of any Canadian city. According to the report, in Montreal one child out of five lives in poverty". I am not the kind of political demagogue who believes that poverty is the individual's fault. That is not what we are discussing today.

Will the Secretary of State admit that a number of measures deliberately introduced by his government have helped to make Montreal a city where poverty is widespread? I am referring to the unemployment insurance, now employment insurance reform. In Quebec, both the Fortin report and the Bouchard report indicated there was a connection between the reform and the fact that people were going on welfare. Will the Secretary of State rise in the House to tell us that the government admits that this kind of measure is helping to pauperize Montreal?

Finally, I would like to quote from the red book, which has now become the black book for Montreal, in which the government made three promises. I would like to hear what the Secretary of State has to say on the subject. It said that the government would promote the use of community groups and partnerships to revitalize local economies. Would the Secretary of State agree that the proposed reform in which he was very much involved has helped to pauperize Montreal?

The red book also referred to revitalizing the housing industry through a renovation program that would be of particular benefit to old neighbourhoods. That is all very well, but today, the federal government is not putting a cent into subsidized housing. It has withdrawn completely. Will the Secretary of State work actively in

his caucus on obtaining compensation for Montreal? That is my question, and I ask it as a friend.

Mr. Cauchon (Outremont, Lib.): Madam Speaker, I am pleased to answer the question asked by my colleague for Hochelaga—Maisonneuve, with whom I had the opportunity to work this summer. I will come back to this.

• (1110)

The mayor of Montreal was mentioned earlier. I must say that the mayor of Montreal is exceptionally co-operative as far as the intervention strategy is concerned. He is a man who does a great deal for his region, who is committed and with whom we work very well because he also understands that we can develop the metropolitan area in partnership.

I listen to the members of the official opposition and, what I like about the question of the member for Hochelaga—Maisonneuve is that he has given me the opportunity to be more specific. When one talks about the fifth intervention in the area of economic and social development at the local and community level, my colleague knows very well that the Canadian government is one of the major partners in the metropolitan area in terms of respect of the community development, of intervention, of partnership.

Think of the CDEC network, think of the pilot project conducted jointly with the Minister of Finance. The Réseau Centre-Sud has just been established in order to be able to adapt development—after the disappearance of some big corporations in about 20 years—to adapt development to regional realities. I say to the Member for Hochelaga—Maisonneuve, think of the Société de développement Angus.

This summer, I received a call from my colleague who was asking me to see what can be done in his region in terms of revitalization or local development, but always in a perspective of tourist or cultural economic development.

That is what the Government of Canada can and must do, and that is what we did together. We visited his community together, meeting with stakeholders. He knew very well that the Government of Canada had not only the structure and the capacity, but also the necessary concern about the various neighbourhoods of the metropolitan area, because such is our role.

That is why I want to conclude by saying to the official opposition that, in statistical terms, we are far past the stage of the drawing board. It seems to me the the strategy of the members opposite is to slow down government action which has proved effective in the past in the greater Montreal region, and which will remain effective, because we are eager to work for the benefit of the everybody in the metropolitan region and in Quebec, as well as in the rest of Canada.

Supply

Mr. Pierre de Savoye (Portneuf, BQ): Madam Speaker, I want to ask a question and make a comment. I hope the secretary of state will pay close attention.

If he is to be believed, the federal government is doing everything for Montreal. What a lot of rhetoric. He said we are way beyond the drawing board or the planning stage, statistics are irrelevant now.

I would like to ask the secretary of state a few questions. Given the statistics we heard earlier, it is clear that every time Montreal gives a dollar to Ottawa, Ottawa returns \$0.75 to Montreal. That means Montreal is receiving three quarters for each dollar it pays.

The secretary of state will have to admit that, according to Statistics Canada, and its figures should be reliable, all those accomplishments he just listed are nothing but a description of the way those three quarters are spent. What about the fourth one? Is it that generosity, that charity, called equalization? Montrealers do not want charity; they want jobs.

Some hon. members: Hear, hear.

Mr. de Savoye: Thank you, dear colleagues.

So, essentially, the secretary of state is promising strategic action, an action plan, is explaining the past, but is he ready to commit yourself, before the House, his colleagues and the public, to spend that fourth quarter in Montreal, so that next year Statistics Canada will be able to say that 25 per cent of all Canadian expenditures have been made in Quebec and that Montreal got its full and fair share? Or will there be, one year from now, another official opposition day when we will once again stand in this House and say that Montreal is once again not getting its share? I await his answer.

• (1115)

The Acting Speaker (Mrs. Ringuette-Maltais): The hon. member has only 30 seconds to answer.

Mr. de Savoye: Then, is it yes or no?

Mr. Cauchon: Briefly, in 30 seconds, we are asked to promise to get involved. We are not promising to get involved because we are already actively involved in the metropolitan area and have been for a long time.

I did not like the fact my colleague talked about spending money in the metropolitan area. The Canadian government does not spend money in the metropolitan area and throughout Canada, it invests. This is the way we look at it.

Mr. Stephen Harper (Calgary West, Ref.): Madam Speaker, I rise today to speak to the Bloc's motion on the current economic situation in Montreal. This is one of those times when I feel I do not belong, being part of a different family, but that I must still take part in their debate. Anyhow, the motion reads:

Supply

That this House recognize Montreal as the economic mainspring of Quebec society and, therefore, condemn the federal government's lack of concrete initiatives in supporting the Montreal area economy, primarily—

It then lists several particular areas in which the federal government has failed.

I notice that we are dealing here with the Montreal area, where the support for the Bloc is not as strong as in the rest of Quebec. This may not be pure coincidence, but I believe that there is here reason enough to blame both the federal government and the sovereignist movement. If I may, I intend to move an amendment later on reflecting my point of view and my party's to the effect that both sides are to be blamed for their policy with regard to this economic crisis.

[*English*]

What has happened to Montreal? When I was a young boy growing up in Toronto, Montreal was a substantially larger city than Toronto and was recognized in Toronto at the time as being the economic centre of Canada.

Before I was a teenager all of that had changed and today in Montreal, which I visit frequently, one can see on each visit the gradual decline in the economic importance of that beautiful and important city. One can see evidence of decline in its infrastructure, the growth of unemployment and the decline of employment opportunities. One can see evidence of the decline of business and the shift of growth and economic activity and opportunity outside of Montreal, particularly to Toronto, but also in some cases to other parts of Canada.

No doubt today we will be treated with arguments which are basically the following from the federalist side. I am a federalist. However, we shall hear from the Liberal side that the separatist movement is solely responsible for the decline in Montreal and for the economic uncertainty it faces and that the sovereignty movement has chased away any economic prosperity and activity.

I often point out to the people in western Canada that the separatists will say: "Look at what being part of the federation has done to Montreal over the past 30 years". I think there is a lot of insincerity on both sides of the debate. The separatists never want to use the word independence to describe their proposals for the province of Quebec, economic independence and economic separation from the rest of Canada, as the Minister of Intergovernmental Affairs has noted. Also some of the federalists in the province of Quebec today do not seem to want to say the word province to describe their view of Quebec's position in Canada. They want distinct society or whatever the latest buzzword is to get the separatist vote.

Both, in blaming each other, are right. There is an old quote by a political scientist which says that in a democratic system both

major parties—speaking here of the province of Quebec—spend most of their time trying to prove that the other is incompetent and unworthy of government. Both succeed and both are usually right. That may apply in this case.

● (1120)

I am not terribly interested in taking sides on this other than if push came to shove I would certainly vote against this motion. We certainly do not see anything in the separatist proposals, either economic, constitutional or political, that would resolve any of the difficulties. Clearly they have worsened it.

Let me digress on some of the difficulties that Montreal faces and some of the reasons for its decline. I will make some reference to a paper that has recently been written by Professor John Richards of Simon Fraser University entitled "Language matters: ensuring that the sugar not dissolve in the coffee".

Professor Richards was at one time a social democrat or socialist. I think he still calls himself that but increasingly his friends in the New Democratic Party do not. He has been labelled a budding conservative, although that may be premature.

Professor Richards has asked me on numerous occasions to write something about the situation in Quebec and I promised him that and I have yet to deliver. I promised to review this paper he has written for the C.D. Howe Institute.

His argument is worth examination, and that is what I am doing, that the provinces generally, but Quebec specifically, should have enhanced jurisdiction over language as part of a solution to the national unity problem. That is perhaps in a different form part of the Reform Party's own proposals.

He does make reference on page 3 of his paper to the following:

—the Quebecois want provincial legislation to promote French and, to some extent, to limit the use of English.

Their Charte de la langue française (Charter of the French Language) most often still called Bill 101 although it was enacted in 1977, has done the job. It has strengthened the status of French as the working language in the province, preserved Montreal as a predominantly francophone metropolis, and confirmed that French remain the dominant language in the school system. Bill 101 has been controversial but necessary.

That is mentioning something in the very narrow context of language policy but I think more significant is what is not mentioned here. It is quite arguable that the success of Bill 101, of nationalist policies and nationalist language policies specifically, has not really been to strengthen French in Montreal but in fact to weaken English in Montreal, to be part of a massive exodus we have seen of English language people and allophones outside of the province of Quebec, taking with them much of the economic activity they have generated, both capital and labour.

The consequence has been a dilemma for all Quebecers, not just for separatists, in the attempt to make Montreal an entirely French city or to encourage Montreal as a French city as opposed to an English city or a bilingual city. It has meant the decline of Montreal as a national, international and particularly a continental centre. This is the great dilemma.

Those who want to preserve, protect and strengthen the role of Montreal as the francophone capital of Canada have no answer to the problem of how they will stop the decline of Montreal as a centre that has economic importance outside of the province of Quebec. This is certainly a dilemma for the separatist movement but is also a dilemma for nationalist movements that are nominally on the federalist side. If I have time I will make some mention of those later.

• (1125)

This is a dilemma. It is at the heart of the decline of Montreal as an economic centre.

[Translation]

This is not my own theory. I will give as an example an article written by William Coffey and Mario Polèse for the publication *Recherches sociographiques*. It is entitled "The Decline of the Montreal Empire. An Overview of the Economic Situation in a Changing Metropolis".

Here is an excerpt:

For the past three decades, the Montreal economy has taken a nosedive, resulting in the loss of hundreds of thousands of jobs. Cut off from its Canadian imperial economic hinterland, Montreal is reduced to being merely Quebec's metropolis.

This article is more optimistic than many others, even though it makes reference to the same problem I mentioned.

[English]

There is, however, no doubt that decline has happened, whatever one believes the cause of the decline is. Let me also be very specific about this by mentioning some facts which are reported in various publications that one can read on a monthly basis.

Maclean's magazine indicates that during the 1980s the population in the Montreal region grew by a modest 9.6 per cent. Toronto expanded by 22.1 per cent. Vancouver grew by 25.2 per cent. The number of jobs in Montreal between 1971 and 1991 increased 60 per cent, but well behind Vancouver, Toronto, Ottawa, Edmonton and Calgary, all of which saw jobs grow by more than 100 per cent in the same period.

Let us look at some recent economic statistics. Here I quote the *Toronto Star*. The unemployment rate in Toronto in recent months is 2 to 3 percentage points below Montreal. Frankly, that is a fairly narrow gap compared to what we have seen in recent years.

Supply

Employment as a percentage of adult population was 5 per cent lower in Montreal. The percentage of the population below the poverty line in 1994 was 17 per cent in Toronto and 25 per cent in Montreal, the economic engine of Quebec.

Housing starts were up 9 per cent in Toronto and down 9 per cent in Montreal. Bankruptcies are double in Montreal what they were in Toronto. Consumer bankruptcies are about 25 per cent higher. There is slower growth in sales as the economy recovers.

These are all substantial and significant pieces of evidence of the relative weakness of the Montreal economy. Nobody should deny that, not the Liberals, not the separatists, not the federal government and not the provincial government.

There are always explanations offered by separatists who try to blame entirely the federalist side. Some of them are more far fetched than others. One is mentioned in an article.

[Translation]

It is an article which describes the sovereignist perspective on the economy of Quebec and Montreal. It says "the incompetence of Mr. Jean Chrétien is reason enough to worry investors", writes Mr. Roy in *L'Action nationale*. He also mentions several reasons in the sovereignist perspective, including the role of the air transportation sector and he compares Canadian Airlines and Air Canada. In his article about what might worry investors, Mr. Roy does not mention what we find time and time again in polls, that is that sovereignty, the next referendum and the separatist movement is what worries them.

[English]

He does mention the role of Air Canada versus Canadian Airlines. I give this as one of the more far fetched examples. The supposed favouritism of the federal government for Canadian Airlines, which is based in Calgary and Vancouver to a lesser extent, over Air Canada, which is based in Montreal and Toronto to a lesser extent, is given as a reason.

• (1130)

First I should mention that very few people at Canadian Airlines believe this and I know that for a fact. However, let us not forget the facts here. Whatever separatists or others want to pick at as a particular incident, the reality is that the existence of Air Canada as a corporation based in Montreal is entirely the consequence of the federal government having basically created and funded that corporation for decades and then by legislation placed its head office in the city of Montreal. There is no such parallel for Canadian Airlines.

Furthermore, I just have to mention these uncomfortable facts. For all the favouritism that supposedly generated, Air Canada is in

Supply

fact making money. Canadian Airlines has not turned a profit since 1988 and as we know is constantly under financial pressure.

There are other facts and there are certainly failings of the federal government and federalists. There is demonstrable and researched uncertainty, it has been said over and over again by the business community of Montreal, about the next referendum and the sovereignty movement.

There is as well the particular problem of the language wars and the language legislation. This summer the premier of Quebec, Mr. Bouchard, was personally involved and responsible for heating that up. We had some protests in Montreal about English language customers in English language areas of Montreal demanding from English language businesses service in English to be completely acceptable under the laws of the province of Quebec. Yet Mr. Bouchard jumped into the debate and with elements of the Parti Québécois threatened to once again raise the issue of further language legislation and debate.

It is important to point out to people outside Quebec that this was contrary to the wishes of virtually all Quebecers. This was not just the anglophones but the vast majority of francophones, including most francophones who actually supported the sovereignty side in the referendum. This was once again the pet project of a particular element of the separatist movement. The federal government is not all to blame.

In this regard let me mention the tax burden in the province of Quebec. A major reason that people often live in Ottawa as opposed to the Outaouais is the tax burden at both levels of government. Let me mention some facts on this which are not arguable. These are not reasons for the economic performance of Montreal.

The combined federal-provincial top marginal tax rate in Quebec is 52.94 per cent which is the third highest in the country. Quebec payroll taxes are 4.26 per cent, the highest in the country. Non-financial corporation capital tax is 0.64 per cent, the highest in the country. Gasoline taxes are the highest in the country. Interest rates on provincial bonds demanded by the international investment community are the highest in the country.

In the time that remains let me mention in all fairness to the sovereignty movement some of the failures of the federalists and of the federal government because these are important. On the provincial level, let us not forget that the Liberal Party was supposedly a federalist party that governed Quebec for part of the period of this decline. It has often pushed the same kind of damaging nationalist policies that we see from the Parti Québécois. It is the same type of financial mismanagement as we have seen from the federal Liberals in Ottawa over the past generations. Therefore that side is not blameless.

I might even point out that I have questioned many times even giving that party the title of a federalist party. The Quebec Liberal Party certainly wants Quebec to remain part of Canada but it also supports the idea that there is a unilateral right to separate. This would be six of one, and half a dozen of another.

Let us look specifically at the economic philosophy of the federal government. This federal government in the classic style of a centralist party that governs without vision and principle but only on the basis of power and patronage brags about the kind of largesse it can dispense to various Canadians. There is no shortage of its bragging about the kind of largesse it has often dispensed in the province of Quebec. This is well documented. I can point to studies by Professor Mansell at the University of Calgary in which I participated.

• (1135)

It is interesting to note the nature of these things: subsidies, unemployment insurance, equalization payments, social assistance in all forms. It is never what the Reform Party or others have proposed. It is never the idea that we should have a competitive economy, that we should lighten the tax burden, that we should make sure that economic opportunity is available to all Canadians, that we should lighten the load of the federal government, bring decentralization to the country. Unfortunately I am not going to have time to elaborate on these things.

What is generally interesting is that the parts of the country that have benefited from these Liberal programs, massive movements of money across the country, are the have not provinces. The question to really ask over time is, are they getting this money because they are have not provinces, or are they have not provinces because of these economic policies? Instead of exploiting their natural advantages and the dynamism that is possible in the resource base of those economies, they have been reduced to economies that operate on subsidy through the various regional development offices and through social assistance.

The Minister of Finance, a Quebecer, yesterday condemned the Reform Party saying its policies would deny welfare to single mothers. Perhaps its policies would offer a job to single mothers so they would not need welfare. That always escapes the Liberal Party in this kind of thinking.

In conclusion, I would like to move an amendment. I move:

That the amendment be amended by adding the following after the word "the", "separatist threat is hampering the".

The Speaker: My colleague, I will take this amendment under advisement and I will render a decision on it in just a short while.

Supply

Mr. Ringma: Mr. Speaker, on a point of order, to help in your deliberations regarding the subamendment which was just proposed, I would like to direct your attention to a similar motion that is on today's Order Paper.

On page 11 of today's Order Paper there is an amendment to the speech from the throne and it reads as follows:

[Translation]

That the following words be added to the Address:

"This House deplores that Your Excellency's advisers have demonstrated a lack of vision in the face of the fundamental issues confronting Canada and Quebec, such as job creation, better administration of public funds, the re-establishment of fiscal justice for all, the recognition of Montreal as the economic hub of Quebec society, the need to protect Quebec culture;

and show a lack of sensitivity toward the poor by proposing a reform of the social programs that strikes at those who are unemployed or on welfare, as well as seniors and students;

and show a total lack of understanding of the referendum results".

● (1140)

[English]

There is also a subamendment by the member for Okanagan Centre. As listed on today's Order Paper, his subamendment reads:

That the amendment be amended by adding after the words "Quebec Society" the following:

"and, in particular, recognition that it is the separatist movement in Quebec that threatens the economy of Montreal".

I would refer to Beauchesne's sixth edition, citation 580.(1): "The purpose of a subamendment—is to alter the amendment—it should deal with matters that are not covered by the amendment". And finally, citation 584.(2) states: "A subamendment must be relevant to the amendment it purports to amend".

[Translation]

Mr. Duceppe: Mr. Speaker, on a point of order, I think that the situation is fairly clear. A subamendment can only modify the amendment, and not the main motion.

The proposed amendment, which was accepted this morning, reads as follows: "the region of". We could of course amend this amendment and, to this end, propose a subamendment. We could say: "the beautiful region of", "the great region of". But it must relate to the words, the ideas, the concept of the amendment. It cannot deal with the whole motion, only the amendment. A subamendment should seek to modify the amendment and not the main motion. This seems clear to me and I urge you, once you have read the amendment and reflected on it, to reject this initiative of the Reform Party.

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Mr. Speaker, I always thought the Reform member was a serious and informed man, and I am sorry to advise the House that I was mistaken. I think he is, to say the least, unacquainted with Quebec's

situation, which the Reform Party has itself admitted to being, and I can reassure him today by telling him that, with such a statement, he can rest assured that his party will be considered to be many generations away from Quebec.

The hon. member stood in this House, and showed a lack of consideration that had not been seen for a long time, to tell us that the cause of economic hardship in Montreal—we know that, as we are speaking, Montreal is one of the capitals of poverty—is the language situation, Bill 101 and, finally, that it is because a majority of people want to speak their language that things are going badly on the economic level.

You will understand that the hon. member is just repeating the same old platitudes, the same obsolete approaches, which are not serious at all and are based on absolutely no analysis. I think what the hon. member must be reminded of is that there is a nation in Quebec. There are people who speak French, who control a territory, who have a history, who have a legal system, and that is called a nation. You know very well that a nation is destined to become sovereign.

Having said that, if the hon. member wants to look up the history of this concept, I refer him to the recent regional commission and to the bill that was introduced in the national assembly. I speak about this with firsthand knowledge, because I was a member of that commission, and I have excellent memories connected with it.

● (1145)

It was recognized that there is in Quebec an English speaking founding minority to which were conferred very specific rights over the control of a number of institutions. I know the hon. member is aware that it is possible to take courses in English from childhood to university in Quebec. It is possible to be served in English to obtain health services in Quebec. When it is requested specifically, it is also possible to receive correspondence from public authorities in English.

What the hon. member did not understand is that we are saying that, collectively, we think a language is not insignificant. The common language of a nation is not something to be treated lightly, because it is a rallying code, an identity code. That is how we can communicate with one another.

As sovereignists, we are for people speaking or understanding many languages—English, Chinese, Spanish, Portuguese. It was Montaigne who said that to learn a new language was to learn a new way of thinking. As parliamentarians, I believe we all agree with that.

That said, our point is that our situation is not the same in Quebec as in Prince Edward Island, Saskatchewan or other provinces, since we have the specific mission of preserving this

Supply

language of ours which is unique in North America. That is why the legislator passed Bill 101 and, later, Bill 178.

I would like our hon. colleague to tell us whether he agrees that, since we are a nation enthusiastically moving toward sovereignty, the legislator acted responsibly in ensuring that French-speaking citizens in these parts of America can continue to do so in the next few years?

Mr. Harper: Mr. Speaker, the hon. member claims I blamed Montreal's economic situation on Quebec's language situation. This is not true. I said it was one of the problems in Quebec's current economic situation.

I repeat what I said. There are people in Quebec—not only the sovereigntist movement, but also the Quebec Liberal Party—who think Quebec and Montreal should be French. The price of this policy is that Montreal's importance as an economic centre has declined in the rest of Canada and North America where the language is English. I am not saying that this policy is wrong or mistaken, but that it is the price to be paid.

In my opinion, Montreal's strength as a city in Quebec, Canada and North America is that it is the only city of its size on this continent where Canada's both official languages are widely spoken. This is Montreal's strength. If the provincial government decides not to capitalize on this strength, it is one of the consequences it must accept. It cannot have it both ways.

I should point out that, in this regard, sovereignty would make the situation worse than it is today. My friend mentioned that Quebec is a nation that should achieve sovereignty. I assume he is right. But I also see that, in the two referendums held in Quebec, the people made themselves heard and decided they were part of the Quebec nation, of course, but also of the Canadian nation. As I said several times, only through federalism can both sides of Quebec's personality be expressed.

• (1150)

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Mr. Speaker, you realize that we will oppose the resolution, because it is way too divisive. This resolution goes against any idea of partnership.

[*English*]

With respect to my colleague from the Reform Party, I would like to mention, without going through all the details which he mentioned in his speech, that I am pleased to see that the Reform Party recognizes the economic problems that exist in the Montreal area. Of course the idea of an upcoming referendum in the province of Quebec does not help the Quebec economy. That was mentioned by the Prime Minister at the beginning of the week.

I would like to remind my colleague from the Reform Party that we voted here in the House, with respect to the province of Quebec, on a resolution for a distinct society designation, which is important. That not only means something for the province of Quebec, it means something across Canada.

We recognize the economic problems of metropolitan Montreal. The Canadian government is acting on those problems. Our action is one of vision. We are getting involved in five areas, which I will mention again: science and technology, international development, SMEs, culture and tourism, social and local economic development. We have been working hard with the province of Quebec, and with metropolitan Montreal, in those five areas.

We are doing many things in the Montreal area, the Saguenay, Lac-Saint-Jean and many other regions of Quebec. We have done many things in cities across Canada: for example, Halifax, Moncton and Winnipeg. We are also doing things in other regions across Canada.

Mr. Harper (Calgary West): Mr. Speaker, I am not sure how to respond to that. It sounded more like an extension of the member's speech than a question put specifically to me.

Let me repeat that Reform members do not doubt for a minute that the policies being pursued by the government in Quebec are also being pursued by it in other parts of the country. What we quarrel with is the appropriateness of those policies.

Our governments do not need to be involved in giving large sums of money to major corporations, which also happen to contribute to the Liberal Party, in order to spur economic development. What the country really needs, for example, is a lighter tax burden. Take away the subsidies and lessen taxes, both in Quebec and in other regions of the country and the private economy could exploit the advantages which our resources and the North American market offer to us.

It should be mentioned that Quebec was a leader, not just the federalists but also the separatists, in the free trade debate. They supported the extension of free trade and the economic opportunities that brings. Let us exploit the opportunities of a market economy rather than trying to do it through big government and corporate subsidies. That is one objection I have.

I also have to mention the reference to the distinct society motion, which my party opposed and will continue to oppose. We will continue to say that the solution to this problem is not for so-called federalists in Quebec to walk around repeating separatist claims that the French language is in some kind of jeopardy in the province of Quebec, which it is not, and needs some kind of special status to protect it. We have said repeatedly that there are things which can be done to improve this federation, but putting separatist slogans in the Constitution is not the way to proceed.

[Translation]

Separatists themselves recognize that the true distinct societies of this world sit at the United Nations. Quebec is a province of Canada. It fulfils an important role and its name must not be changed.

• (1155)

[English]

The Speaker: Before returning to debate I have been asked to rule on an amendment to the amendment. So that we are all dealing from the same spot, the motion stated:

That this House recognize Montreal as the economic mainspring of Quebec society and—

The amendment was:

That this House recognize the region of Montreal as the economic mainspring of Quebec society and—

The amendment of course was acceptable.

By adding the words after that this House recognize “the separatist threat is hampering the region of Montreal as the economic mainspring of Quebec society and—” in my view enlarges on the scope of the amendment and it should not.

The hon. member from the Reform Party was very kind to give me his advice and I thank him for intervening. However, in my view this would enlarge the scope of the amendment. Therefore, it is not receivable.

We will continue the debate.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, it is with anger that I will speak this morning to support my party's proposal. I am angry because the speech delivered by the Prime Minister to the Chamber of Commerce of Metropolitan Montreal is tainted with a dose of cynicism that is hurtful.

When the Prime Minister stated, as quoted in this document, that we have a duty to target, as a priority, the problems of a city, he should have referred to a region with 675,000 poor, which is twice as many as in all of Atlantic Canada, a region where one unemployed Canadian in seven lives. When the Prime Minister says we have a duty to target the problem as a priority, he should remember what his government did to the poor, who are found in very large numbers in Montreal, since he took office.

The fact is that his government did not target poverty, it targeted the poor. The employment insurance reform follows another UI reform. Together, these reforms will result in a shortfall of over

Supply

\$900 million for Quebec, almost \$1 billion. In 2001, according to the government's own figures, the figure will reach \$1.2 billion. Forty per cent of this \$1.2 billion, that is at least \$500 million per year, will be a huge shortfall in the fight against poverty in the Montreal region.

In other words, the government decided to target the deficit by making the poor pay, and since there is a large concentration of poor people in Montreal, the city's contribution to reduce the deficit is greater than that of a lot of others.

Have job creation projects been set up to make up for what is taken away from the poor?

• (1200)

We would have heard about them, because they made such a fuss over an \$87 million loan. The attention given to this \$87 million loan shows how little the government is doing in this city, in this area, which has the misfortune to hold the Canadian record for poverty.

I would like to add, for the benefit of my colleague in the Reform Party who spoke earlier, that separatism is not the cause of all this. I would like to remind him that in 1962-63, for example, there was a commission in Quebec, the Boucher Commission, which looked at poverty. It concluded that the leading cause of poverty was the weakness of the Quebec economy at that time.

What has federalism done since then, before there arose this nationalist movement of Quebecers, the majority of them raised in these poor neighbourhoods where these victims of poverty wanted to take control of their future? Anyone in Canada who fails to look at this aspect of the fight against poverty by Quebec's nationalist movement is missing the key to understanding a large part of the movement.

I spoke about the cost of unemployment insurance, the Liberal cuts, the Liberals' gift to Montreal. This year, the cost is \$400 million and by the turn of the century, 1999, it will be \$500 million.

The Prime Minister cannot stand up and say, even with a smile on his face: “We have a duty to give priority to the problem of a city where there are 675,000 people living in poverty”. But that is not all.

If only the cuts were limited to unemployment insurance. But there were also large cuts in social transfer payments. These transfer payments were reduced by \$7 billion over a period of two years, which leaves about \$1.9 billion for the entire province of Quebec. Again, this means 40 per cent for the Montreal region, or more than \$400 million.

This shortfall affects health care, education and social assistance. But the worst part is, and we cannot repeat this often enough,

Supply

this Canada social transfer includes a dimension that should be criticized loud and clear. This Canada that is so anxious to meet the needs of its population, this Canada is changing by reducing equalization. That is what is happening. And it will become increasingly obvious, because without the resources that belong to the Canadian state, the city of Montreal, the municipality and the region will have tremendous problems, even with the support of the Quebec government. That is why we want to have all our resources to deal with this situation.

I repeat, the Canada social transfer is bringing about fundamental changes. Unfortunately, every recession sees an increasing number of people who must rely on social assistance to survive. This social assistance was 50 per cent funded by the Canada assistance plan.

With the Canada social transfer that is no longer the case. When the conditions are renegotiated, something that is still pending because of pressure from other provinces, especially Ontario which also has a comparatively high poverty rate, and we understand those pressures, what will happen? The government will want to relegate Quebec to a role based on its population. Here again, Quebec will be alone in bearing the additional load of new welfare recipients who will arrive in a steady stream, since we know there will be another recession, especially with the economic measures to reduce the deficit, because these cuts are the result of offloading the deficit on the provinces, on Quebec and Montreal.

• (1205)

It is outrageous. I repeat, because of these changes, the deficit will be fought at the expense of the poorest in our society. What happens to the surplus in the unemployment insurance fund? What happens to this adjustment? People are talking about tax cuts for everyone, including the rich.

That makes no sense at all. People in Quebec were already talking about what the federal government did not do, but they said that at least they had more unemployment insurance and social assistance. From now on, even that will no longer be true. For many people, sovereignty was not the only option. But increasingly, that is changing, and it is high time it did.

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Mr. Speaker, when I listen to my colleague for Mercier, I note her rather amazing talent for painting a sombre picture of what the government has done, whereas these have been actions with concrete effects, extremely beneficial effects, for all of the people of Quebec and of Canada, and this is something my colleague for Mercier knows full well.

When they refer to employment insurance they refer to cuts, but I want to speak to you of basic reforms, reforms called for by everyone in this country, as well as a good many international organizations.

Employment insurance reform means that today people needing jobs can use this new program to gain access to tools, to means of acquiring additional skills for getting back into the work force. This is one of the elements, one of the goals of employment insurance reform.

With the change from a system based on weeks worked to one based on hours worked, employment insurance reform will provide coverage to thousands of men and women who work part time. They will be able to draw benefits, which they cannot at present. Before, as my colleague has said, the existing system was based on areas. It is true that, over the past 20 years, certain companies have closed down. The economy of the metropolitan region is changing, as it is everywhere in Canada, as well as in a good number of G-7 countries.

We have answered the call, we were present and accounted for when needed. We worked with the CDECs in the metropolitan region, those grassroots bodies which work together in collaboration. Think of RESO and the Corporation de développement Angus already referred to. These are approaches we will be continuing to use. They already have the means, means that could do with some fine tuning, and I would just ask them to focus their efforts on that.

Just think about the education issue, the tax agreements with the metropolitan region—two fundamental elements which come under their jurisdiction and where they have plenty to keep them busy.

Mrs. Lalonde: Mr. Speaker, I mentioned a \$400 million a year reduction of benefits in one region. He counters with the employment insurance, saying that it will provide \$200 million more a year throughout Canada, because of pre-existing active programming. The only difference between the employment insurance and the old active programming is that, from now on, the money will no longer come from the consolidated revenue fund, but from the unemployment insurance fund. Active programming did exist before.

He then goes on saying that the federal government is involved in CDECs. An so it should. Despite this \$400 million cut, despite the shortfalls in federal spending in Quebec, when Ontario was awarded a contract to build tanks, all the east end of Montreal got was a contract to repair old tanks.

• (1210)

The ones who have to watch what they are saying are people speaking on behalf of the Canadian government. They cannot just ramble on. People who live in poverty want to get out of it. The hon. member may not know what poverty means. I bet that some of his constituents who would like to work could tell him all about it. I am not saying that some may not want to, there may even be some among members. However, there are lots of people who want to work but cannot because there are no jobs.

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Mr. Speaker, could you please let me know when there will be only one minute left, because I am announcing right now that we will be moving an amendment.

I am really convinced that the official opposition is taking on its responsibilities and is doing its job by apprising the House of the seriousness of the financial situation, and therefore the social situation, in Montreal; it is sounding an alarm that this government must hear.

I want to talk about one characteristic in particular and that is the defense economy. Before that, however, let me remind you that people from outside this House, people who are not sovereignists and who were not elected under the Bloc Québécois banner, are joining their voices to that of the official opposition today to express their concern over the situation in Montreal.

Let me remind you that, a few days ago, the mayor of Montreal, who is after all the official spokesperson for his city, tabled a brief with the commission on taxation. In this brief, he presented several facts that government members should try to understand. If Standing Orders allowed me to be more specific I would do so, but I will resist temptation because, as you all know, I abide by the rules.

The mayor quoted a recent Canadian Council on Social Development report stating that 22 per cent of all Montrealers are classified as poor and that, in Montreal, one child out of five does not get enough to eat. Furthermore, there is a problem with the rental housing stock because 60 per cent of all housing units were built before the sixties and now, it must be said that all the taxes Quebecers send to Ottawa are no longer applied to the maintenance and construction of social housing.

Someone reminded us that employment growth is very slow in Montreal; Montreal is losing jobs, particularly in the manufacturing sector. Who among us, whether a member of government or of the opposition, could rise in the House today and speak seriously? I am not thinking about the few amusing comments that we heard earlier because you will admit that this is not the kind of talk we should be hearing. Who could rise and say that the federal government really took some significant measures in order to solve the critical situation prevailing in Montreal? It is so true.

This debate today is not a device to garner popularity. We all stand to benefit from Montreal doing well. Montreal is my passion, my life, my city even since I was born. I have lived in Montreal all my life, always in the same neighbourhood. I will not go as far as to say that I lived in the same house all that time, I did not. But if there is someone in this House who is familiar with the back streets of Montreal, the sheds, the Olympic Stadium and the subway, it is yours truly.

I know Montreal like the back of my hand. And today, I am not too pleased to see that Montreal has become a city of poverty, a city

Supply

on the decline. We must recognize that, beyond the changing international circumstances the secretary of state keeps referring to, there were deliberate choices made that have undermined the economic vitality of Montreal.

• (1215)

Let me give a specific example. This way, the secretary of state will not complain later that I talked in generalities. He knows that I do my homework; rigour is a quality of mine he appreciates. I am telling him that what hurt Montreal was a decision made by a minister from Ontario, who deliberately chose to weaken the defence component of the Montreal economy.

The secretary of state spoke earlier and he was right. I agree with one thing he said. Two in fact. The first one was when he said that I am a good MP and that I had invited him to come and visit my riding. I thank him for his support to the SIDAC Ontario merchants. L'économie de la défense? I have always thought that economic problems were non-partisan issues.

The second thing he said that I agree with is that there is in Montreal a strong area that makes us proud, the aerospace industry, and that Montreal is the only region in Canada where airplanes and helicopters can be built from nose to tail so to speak, without having any part of the aircraft shipped in from outside. That was what we called the defence component of the economy, on which nearly 30,000 jobs were dependent in Montreal.

This was one program we were benefiting from equitably. We rose time and time again in this House to complain about being treated unfairly. There was only one program in the history of the federal government where Quebec ever got its fair share and it was DIPP. This is not a venereal disease, it stands for Defence Industry Productivity Program.

Fifty six per cent of the aerospace industry is concentrated in Quebec and in Montreal in particular. Quebec would usually receive about 50 per cent of program funds. We must keep in mind that, in good years, this program had a \$300 million budget, of which Quebec would receive 50 or 51 per cent. Why? Because the flagship aerospace industry was based in Montreal.

What did the Minister of Industry, who comes from Ontario, do when he realized this could benefit Montreal? He abolished the program to all intents and purposes. This year, DIPP has a \$22 million budget and, in 1998, it will cease to exist. Is this the kind of decisions the Secretary of State is proud of when he comes to Montreal to talk about federal support for that region?

Does the Secretary of State agree with me that the defence industry will need help in the next few years? We need help. I want to be clear. I am asking the Secretary of State in a friendly, non-partisan way—because we are both from Montreal—to put in place a fund to help defence industries convert to civilian applications.

Supply

What you do not know and I will tell you is that, if nothing is done within two years, 10,000 jobs will be lost in the defence industry in the greater Montreal area. DIPP could have been a way for the government to take concrete action and support industries that need help in converting to other uses.

I am not shy. I went to see public officials. I went to that bastion of intellectual reflection that is Industry Canada, and I wish you had been with me. I asked industry officials to tell me what they thought of DIPP. They told me it was a great program.

I have here documents I will not use. But I saw documents I could table anytime if the Secretary of State asked me to. According to these documents, every dollar spent on DIPP generates the following economic benefits: \$25 in sales, \$18 in exports, \$4 in research and development. Industrial performance shows that the industry was successful in converting to more desirable applications. This allowed the industry to grow and be ranked sixth in the world. The aeronautical industry is recording trade surpluses.

If nothing is done in Montreal, where the defence industry is concentrated, 10,000 jobs will be lost. If the Secretary of State is serious, he will take action. The conversion of the defence industry to civilian uses is important.

• (1220)

We need market studies, we need help in finding niches, new products upstream or downstream of what we already produce. I hope I have been convincing in my serenity and that the Secretary of State will not turn a deaf ear.

I move:

That the amendment be amended by adding immediately after the word "of" the following:

"the Greater".

The Speaker: The amendment to the amendment is in order.

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as regards defence industry conversion, the Canadian government took action a long time ago. The hon. member referred to the famous DIPP. This program is now called TPC, or Technology Partnerships Canada, and it also relates to the issues raised by the hon. member for Hochelaga—Maisonneuve. It gives very concrete results, as was hoped, and these results benefit the whole community.

This dynamic and concrete initiative is part of Industry Canada's program, and we co-operate together. As you know, regional development officers are on Industry Canada's team, and we all work together regarding the point raised by the hon. member.

As for defence industries, here are some examples of contracts awarded between April 1996 and now: ammunition purchase from SNC, \$140 million; automated systems for low altitude air defence from Oerlikon, \$62 million; DND uniforms from Logistik and Newcourt, \$42 million; Spar Aerospace, \$39 million for space program trinkets for Canadarm and RADARSAT; DND aircraft repair and overhaul by Allied Signal Aerospace, \$22 million; Godfrey Aerospace, \$16 million—

The Speaker: The hon. member for Hochelaga—Maisonneuve.

Mr. Ménard: Mr. Speaker, I thank Myriam Goodwin for having sent to the Secretary of State what he had to say about Industry Canada. The real issue is that there is currently no support fund for industry conversion.

I challenge the Secretary of State to tell us today that Technology Partnerships Canada has actual funds available for feasibility studies, so that we can truly change production technologies. The fact is there is no such fund.

In spite of the commitment made during the election campaign by the Prime Minister's team to allocate specific funds for conversion, this has not been done. Let me remind you that, if nothing is done, 10,000 jobs will be lost. We cannot remain impassive to this situation.

[English]

The Speaker: We will return to the debate. I will now recognize the hon. member for Parry Sound—Muskoka. My colleague, before you begin, it is my understanding that you will be splitting your time with the hon. member for Winnipeg. You will have 10 minutes and 5 minutes.

• (1225)

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I will be sharing my time with the member for Winnipeg St. James

I am pleased to have an opportunity to talk on this opposition motion offered by the Bloc in respect of Montreal. I have no doubt that its suggestion that the economic situation in Montreal is critical is a reality. However, I firmly believe and I know most Canadians, most economists and most people who know how economies work believe that the analysis that the Bloc has put forth in its opposition motion is at best flawed.

The situation in Montreal today is caused in large part because of the political uncertainty that exists in that province and in that city. If Bloc Quebecois members want to know why Montreal is

Supply

suffering economically today, I suggest they and their PQ cousins look themselves clearly in the mirror and they shall see the enemy.

For the economy in Montreal, in Quebec and indeed for the Canadian economy in general to prosper and move forward we need political stability. That means that this experiment, this flawed idea of sovereignty must be put aside. For Montreal to prosper as a community, for it to serve as the engine of the Quebec economy, political stability has to be brought to that province. The constant and continual constitutional debates must come to an end. The Quebec government must, as this government does, focus its energy on the economy, on job creation and on seeing the economy move forward. If it wants to identify a problem that is where it should be looking.

As part of the specific comments that were made in that motion, I am going to take the opportunity to talk a little about Natural Resources Canada and its R and D investment. I have the opportunity of serving as the chair of that committee. I know Natural Resources Canada is going to continue to fund energy research and development activities, those that are expected to generate benefits in the short and medium term. We are also not going to abandon the long term activities. We are placing a priority on research and development activities that will address critical long term issues like climate change and will be doing that sooner rather than later.

The natural resources portfolio of this government is doing a great deal of work. It is setting research and development as a priority. We see things across Canada. We see things like the oil sands where we are working to have sustainable development of the Alberta oil sands. We are looking at the area of energy efficiency where we are working to create alternative sources of energy which create no pollution. These are the priorities of Natural Resources Canada and they demonstrate that we are in fact investing in research and development in this country.

There is a great and lengthy story that I could espouse about in Natural Resources Canada's development activities, but I want to be more specific about the motion before us today. I want to point out very clearly that the investments that Natural Resources Canada is making are not just in western Canada, eastern Canada or Ontario; they are right across the country. No one would know it from reading this motion, but these investments are happening in the province of Quebec as well.

Natural Resources Canada is working on the advanced houses program, including two in Quebec, and is just completing its one year public demonstration period. These houses deal with the whole issue of air quality requirements. These are houses in which we are dealing with the whole issue of air quality requirements. We are looking at an advanced housing program that will see better and more efficient homes built in this country. This project is happening across Canada. It is happening in Quebec.

• (1230)

The expertise assembled at the Natural Resources Canada energy diversification research laboratory at Varennes, Quebec, was instrumental in the European space agency's award to EDRL of a \$100,000 contract to evaluate the potential of advanced heat pumping technologies in space applications. That is happening in the province of Quebec.

Natural Resources Canada with Environmental Canada and the Government of Quebec funded a field trial of the combustion of old tires in a cement container at the St. Constant, Quebec, cement plant of Lafarge Canada. Again, that is new technology which is working to protect our environment. It is investment in research and development by Natural Resources Canada and it is happening in the province of Quebec.

Natural Resources Canada is working with the École Polytechnique at the University of Montreal and Canadian gas utilities to develop an energy efficient process which uses natural gas to reduce organic contamination in industrial waste water. That is important research and development that continues to occur in this country and it is occurring in the province of Quebec.

At Laval University's hydro-turbine test laboratory, Natural Resources Canada supported the development of a 120 kilowatt tubular S-turbine which has now been licensed for international manufacturing and marketing. Again, that is sound research development into future energy needs and it is taking place in the province of Quebec.

The suggestion that the Bloc is trying to make, that we are taking one part of the country and playing it off against another part of the country, is totally absurd. That is not what the government is doing. It is what the party on the other side of the House is trying to do. It is trying to play one part of Canada against the other. It is trying to play one part of Quebec against another part of Quebec.

It is clear on the research and development aspect that the government has not favoured one part of the country over another. The Minister of Natural Resources has had to make some tough decisions in this fiscal climate. She has had to govern. The Minister of Natural Resources has had to make those hard choices which any government is required to make. She has made them understanding what sound fiscal management is all about. She has made them understanding what leadership is all about. She understands that governing is for all of Canada. She understands that she must make decisions which are in the best interests of all Canadians.

The ministers that make up the government, and the Prime Minister in particular, understand their obligation to the whole country. That obligation is not just to Ontario, the prairies or the maritimes, and it is not just to Quebec, it is to the whole country.

The province of Quebec, as all other provinces in Canada, has the opportunity within this great nation to move forward. The

Supply

province of Quebec has, the province of Ontario has, the east and the west in Canada have as well.

As an individual who represents a riding in rural Ontario, I can say that I resent the insinuation in the motion that the government is ignoring its obligation in one part of the country. That simply is not true. The government recognizes its obligation to all parts of the country, including the province of Quebec. It has exercised that obligation in a sound manner. It has exercised its obligation showing leadership, making tough decisions when they have been required, but always remembering that we are one nation from coast to coast to coast. We govern that way and we govern that way effectively.

• (1235)

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I listened carefully to the speech made by my hon. colleague opposite. If we believe what he said, things could not be any better. So, why have not only his government but the previous federal government and all the governments during the last 30 years allowed the economic situation in Montreal to deteriorate? It did not happen overnight, it occurred over a certain period of time.

We only have to think about the Borden line which closed down three refineries in eastern Montreal. About Mirabel airport that reduced traffic in Dorval without increasing its own, which explains why air traffic shifted to Toronto.

Earlier, I heard the hon. member put the blame on the political instability and so on. In 1966, it was a federalist and not a separatist government that was in office in Quebec, as far as I know. And in 1976, Mr. Bourassa ran into trouble with the Borden line, which led to the closure of three refineries.

In 1984, Mr. Bourassa was re-elected and remained in office until 1994. Of course, we had Mr. Johnson the last few months but all these Quebec leaders supported federalism. Meanwhile, Montreal was getting poorer and poorer. To argue that the sovereignty issue or political instability was at the origin of Montreal's problems is totally wrong.

In fact, let us examine these things clearly. Canada has a free trade agreement with Israel. As far as I know, people are not throwing rocks or firing machine guns off in the streets of Montreal, but such things do happen every day in Jerusalem. So, please, do not bring up the issue of political instability.

We are talking about helping Montreal with some investment. We know that the government opposite donated \$11 million to Vietnam. Vietnam is a fine country, I agree, but let us not forget

that Montreal is the poorest city in our country. Montreal needs \$7 million for the Tokamak project to go on. Can the hon. member tell me why his government seems to prefer Vietnam to Montreal?

[English]

Mr. Mitchell: Mr. Speaker, in his question and comments the hon. member requires that I repeat a couple of the things I said in my speech. If he wants to stand in this House and say through the television cameras to the people of Quebec and to the people of Montreal that the political climate and the political instability brought to that province through of the pursuit of the sovereignty option has absolutely no impact on the economy of Quebec, then he can say that. There is not an economist, not a reasonable person in Quebec or anywhere else in Canada or the world that believes that.

If the hon. member is going to suggest to me that the political climate in Quebec is conducive to economic activity, he is just plain wrong because it is not. In order to have an economy grow, move forward and create jobs it needs to have political stability.

The member forgets something else. Economies operate within a market system. They are not dictated simply by what the provincial government in Quebec City does. They are not simply affected by what a federal government might do in Ottawa. They are dictated in this country in large part by the markets within which we operate. Those markets are affected by external factors.

One of those factors is the political stability within which that market operates. Until that political stability is brought into line, until that sovereignty option is put aside and the concentration is on the economy in Quebec there will continue to be economic problems in that part of this country.

• (1240)

Mr. John Harvard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Madam Speaker, let me begin by describing the principles of the Department of Public Works and Government Services' procurement process. It will make it obvious that the member for Roberval's motion is unsubstantiated. It will also make it clear that as the federal government's main contracting arm and the largest purchasing organization in Canada, the Department of Public Works and Government Services is committed to—I want to say this with all clarity—an open, fair and competitive procurement process that respects its commitments under international and national trade agreements.

The department annually issues 80,000 contracts worth almost \$8 billion through a procurement process that is transparent, fair and open. The fairness and integrity of the process is rarely challenged.

Supply

In its day to day operations, openness, fairness and competition are the guiding principles for how the department does business with suppliers and contractors. Its approach is a very practical and visible example of the government's commitment to governing with integrity.

One might ask how this is done. First, the department competes contracts. In other words, bids are invited on a competitive basis and contracts are let on a competitive basis. It does not allocate them on a share basis to particular regions. Second, the department provides fair access to government business through open and competitive bidding opportunities. Third, its procurement policies ensure equal and fair access to competitive bidding opportunities for potential suppliers from all regions of Canada.

I have a few words about contracting statistics and why they are not a reliable indicator of economic benefit. The contracting statistics produced by the Department of Public Works and Government Services reflect the billing address of suppliers. However, it is clear that a supplier's address does not necessarily reflect economic activity.

For example, large national oil firms are likely to process all federal sales through an Ottawa mailing address but we all know there is no oil production or refining here in Ottawa. There are many examples of this nature which is why it is futile to examine contracting statistics as a means of evaluating economic benefits.

It is accurate to say that procurement is probably the most scrutinized activity of government. It is scrutinized not only by Parliament but also by Treasury Board, the Auditor General of Canada, the Canadian International Trade Tribunal, disappointed suppliers, the news media and taxpayers.

I assure the House that the Department of Public Works and Government Services' procurement system operates with the highest level of integrity. I emphasize that within the department, great efforts are always made to ensure that the procurement system is a transparent one and that we are accountable for our decisions. Important illustrations of this are open bidding, our supplier promotion program and the bid challenge mechanism offered by the Canadian International Trade Tribunal.

Open bidding is the key to helping Canadian firms do business with the Government of Canada. Open bidding opens up the purchasing needs of federal departments and agencies to suppliers that then decide for which requirements they want to compete. I emphasize that the decision on whether to compete or not rests with suppliers.

At the heart of open bidding is the open bidding service, often referred to as OBS, an electronic bulletin board that publicly advertises bidding opportunities for suppliers. The OBS is accessible with a personal computer and modem from anywhere in

Canada. Users can log on a DOS or Windows basis and via the Internet. This information is also available in paper format in a publication called "Government Business Opportunities" for those suppliers without computers.

Equal access to business opportunities is one of the guiding principles of Department of Public Works and Government Services' open bidding system. The system is open to all Canadian firms, large or small, 24 hours a day and it operates in both official languages. The department is continually striving to improve the service. In fact, it views the open bidding service very much as a work in progress, one that has come a long way since it was introduced in 1989.

● (1245)

Today more than 27,000 subscribers use the OBS to obtain consistent, timely information on federal government and other public procurement opportunities. A recent OBS subscriber survey shows that 90 per cent of subscribers rate the service as good or very good which tells me that the people using the system like it.

The OBS is just one of the ways in which we are working to make the procurement system as accessible, fair and effective as possible for all Canadian businesses.

I should also emphasize that promoting competition, providing greater access to business and ensuring fairness in public sector procurement opportunities are the principles at the heart of this country's agreement on internal trade which has been signed by all provinces, including Quebec, and the two territories.

The key part of the agreement on internal trade deals with improvements to government procurement. These improvements commit all 10 provinces and the two territories not to discriminate on the basis of province of origin or nature of business.

I trust that I have been able to make clear that the notion of a regional fair share of federal procurement is a misguided one. That is not the way we operate. That said, we recognize the important role that procurement plays in creating jobs and growth here in Canada. Wherever feasible, within the confines of agreements such as the World Trade Organization agreement and NAFTA, regional benefits are given a high priority when evaluating bids for major government projects.

Assisting Canadian suppliers large and small to do business with the federal government is a key activity in the Department of Public Works and Government Services. The main tool used to accomplish this is the supplier promotion program. Each year this program holds seminars in all parts of Canada giving participants practical pointers on marketing to the government and putting them in touch with key departmental contacts. Last year 170 seminars were held throughout the country.

Supply

In addition, the supplier promotion program has fax sheets available, written in plain, clear language on a variety of topics including the open bidding service, free trade and much more. A booklet called "Your Guide to doing Business with PWGSC" is also available. The booklet provides basic information on doing business with the department. Today this wealth of information and a list of upcoming seminars is available 24 hours a day, seven days a week to anyone with Internet access.

Let me return again to the principle of integrity. As well as being a cornerstone of how the government operates, integrity in procurement is also a reflection of the international marketplace. Our international trade obligations require that our government procurement practices and transactions be fair and be seen to be fair. There must be equal access to information about procurement opportunities, clear rules on how the process is conducted and there must be an independent appeal mechanism for suppliers seeking redress.

The Canadian International Trade Tribunal, known as CITT, is Canada's third party appeal mechanism established to hear complaints from suppliers who believe that they have not been treated fairly during any stage of the procurement process for federal government requirements.

The CITT has the right to issue subpoenas and to make awards to suppliers in cases where a supplier's complaint is validated by the CITT. It is interesting to note that of the 80,000 contracts the Department of Public Works and Government Services awarded in 1995-96, the CITT only received complaints on 37 of these procurements and of these, only three were upheld as valid complaints by the tribunal. I think that is a pretty darn good record. On that note, I end.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Madam Speaker, this is a very fine and articulate theory but what about practice?

• (1250)

Here is practice, and my question to the member opposite will be based on it. Last year, the Canadian government signed a contract for armoured vehicles worth \$2 billion, that is \$2,000 million. This is not peanuts. This very big contract was awarded without a call for tenders to, naturally, an Ontario manufacturing industry, which in turn subcontracted the turrets to a California company for \$500 to \$600 million, still without a call for tenders.

I know that in Saint-Jean, on the outskirts of Montreal, Oerlikon, which specializes in this type of equipment, could have fulfilled this contract at a competitive price, since there was no call for tenders. But it was not to be.

My question for the member opposite is this: Why did we choose to give our own taxpayers' money to workers in California rather than to workers on the outskirts of Montreal?

I want a concrete answer, not only rhetoric.

[English]

Mr. Harvard: Madam Speaker, I know that the hon. member from the province of Quebec is trying to leave the inference with us that contractors, companies and all the people of Quebec are somehow being shafted. They have used that story over and over again but I can say that in this House of Parliament it does not work.

The record stands for itself. Quebec companies are doing very well. In my opinion the member and all members of the Bloc cast a slur on companies in Quebec every time they stand up and complain. These companies have strong leadership. Their executives are good, their workers are very strong and they compete very well. Looking at the record, we see that Quebec companies are doing quite well. Let me go down a short list.

SNC Incorporated of Montreal. Everybody knows about that company. Right now it is supplying the Government of Canada with munitions. That contract is worth \$140 million. Another company is Allied Signal Aerospace Canada. It has a contract for \$20 million to supply systems for light armoured vehicles. SHL Systemhouse Inc. has a contract to supply the Canadian Armed Forces with a computer program to control supply systems. That contract is worth \$30 million.

There is a long list but I will give one more example. Textron Canada Limited of Mirabel is supplying 100 helicopters to the Department of National Defence and the benefits to Quebec are \$400 million.

Those members complain, yell and shout that somehow the province is let out. Do you know what? Yes, the economy is not as strong as it should be in Quebec. In fact, it is not as strong as it should be right across the country but if those people would stop hollering, if they would stop contributing to political instability in this country and especially in the province of Quebec, their companies would do even better.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I am very pleased this morning to take part in this debate, which the Bloc Québécois considers a fundamental debate.

When one looks at the decline of Montreal, when one sees all the hopes that were dashed these past few years, one can understand all the frustration not only on our part but on the part of our fellow citizens at the government's inaction.

I listened earlier to the hon. member for Outremont and Secretary of State responsible for the Federal Office of Regional

Supply

Development—Quebec. I listened to his arguments and I do not question his good will in the least.

• (1255)

However, I do question the good will and good faith of some of his colleagues, in particular the Prime Minister of Canada who came to Montreal to bemoan the decline of the city in front of the Montreal board of trade and talked about almost everything but the real issues and the joint actions needed to successfully counteract this decline.

When I look at all the decisions his government has made in the last three years, I do not question the good faith or good will of the hon. member for Outremont. But I do question the good will and good faith of the Prime minister and his colleagues and, in particular, the Toronto establishment. I need only look, for example, at what was done to Air Canada these past few months. Decisions were made that ran counter to maintaining jobs in Montreal, which put at risk the very existence of Air Canada's head office in Montreal with its 1,200 employees. I need only look at what is being done in shipping, where the St. Lawrence ports are completely disadvantaged. I need only look at the government's decisions, and I will consider only the Laval information technology research center, where the federal government has cut \$10 million and 80 high quality jobs. I need only look at the closure of the Saint-Hubert Land Force Command, causing the loss of 480 jobs in metropolitan Montreal.

I need only look at what happened to Atomic Energy of Canada's Tokamak project in Varennes, where 20 per cent of the employees were transferred to Toronto. And when I hear the Prime Minister say that he will do everything he can to save Montreal, I doubt it. I doubt that the Prime Minister is capable of anything except saying that he will act, without ever putting his words into actions.

I need only look only at the project of creating a Canada-wide securities commission to have my doubts about whether the Prime Minister and greater Toronto members in particular are working for Montreal. Why? Because do you know what the establishment of such a Canada-wide commission would mean for Montreal? It would certainly mean the transfer of a major part of Montreal's financial activities, of its infrastructures and superstructures in the securities sector. This means a transfer of the decision making process, of the financial sector's resources from Montreal to Toronto. This is quite clear. It is so clear that it has nothing to do with the fact of being sovereignist or against the government.

There are even some good Liberals who have been saying for years to the federal government that it must not interfere with the securities sector and, above all, that it must not create new institutions like a Canadian securities commission that would make decisions leading to a transfer in Toronto of almost all of Montreal's financial sector, including tax experts, securities experts and the whole securities network.

If the government really wants to save Montreal, create jobs and strengthen economic activity, it cannot create a Canadian securities commission that would siphon off all of Montreal's financial sector or large portions of it toward Toronto.

How do you expect us to believe the Prime Minister when he says that he will help Montreal to recover? Do you really expect us to believe in his goodwill when it is clear that he will take deliberate measures to make Montreal lose all of its securities sector and a good part of its financial sector?

How do you expect to reinforce economic activity if you move it to Toronto?

• (1300)

So, as I was saying, I do not question in any way the good faith of the member for Outremont, but I certainly may question the good faith of his government and especially the capacity of the members from Quebec who sit on the other side to stand up to the establishment in Toronto, to stand up to the backers of the Liberal Party of Canada, who are concentrated mostly in Toronto, and to stand up to the lobbying by the Ontario financial community, which wants to have this Canada-wide securities commission. And do you know why they want that? Because, from now on, Toronto will be the heart of the financial sector and the securities sector.

Not so long ago, Daniel Johnson was premier of Quebec. It was another era. Lots of things have happened since then. But when he was premier, he had deemed appropriate to write to the then President of the Treasury Board and Minister responsible for Intergovernmental Affairs, the member for Hull—Aylmer.

Allow me to quote what Daniel Johnson said about the federal government's interference in the securities sector. He said: "Perhaps I may remind you first of all that the Government of Quebec has never supported an expanded federal role in the securities sector, which is the exclusive responsibility of the provinces". That is not us talking, but Daniel Johnson, a good Liberal.

He goes on to say: "In the five-year report she tabled in the National Assembly last December, the finance minister reiterated Quebec's concerns about the federal regulations regarding the securities sector, which would be part of this legislation. She stressed that federal regulations would be inappropriate, both constitutionally and from the point of view of efficiency".

I do not often agree with Mr. Johnson, but on this issue we are in total agreement. In fact, a broad consensus exists in Quebec. At the end of last spring, the Quebec government's committee on employment and the economy held hearings regarding the financial sector, more specifically the securities sector.

Supply

All the stakeholders who appeared before the committee unanimously criticized the federal government's interference in this sector and the creation of a Canada-wide securities commission. Federalists and sovereignists alike were unanimous on that point. Political stripes are never important in Quebec when the issue is saving and creating jobs, maintaining activities as important as the securities sector and decision centres in Montreal. Everyone in Quebec is opposed to this government proposal.

Therefore, they should stop bemoaning the situation in Montreal. They should put aside this ill conceived proposal, which verges on madness, especially when one speaks from both sides of one's mouth. One cannot save or help Montreal, on the one hand, and kill whole sectors of the financial industry, on the other hand.

I suggest to the hon. member for Outremont, who is the minister responsible for regional development in Quebec, that he try to convince his colleagues, especially those from Toronto, to overturn the decisions and reject the policies of the Prime Minister and the finance minister in this regard. Once he has done that, I will be even more convinced of his good faith than I am today.

I have one last comment. I see that the member for Outremont is anxious to answer, and I am anxious to hear what he has to say, to hear that he will commit himself to working to have this decision overturned. Nevertheless, I would ask the following question: Where are the other members from Quebec today? We are talking about Montreal and saving Montreal. A single member from Quebec is here, and he is the minister responsible for the regional development. This is outrageous.

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Madam Speaker, first of all I must thank my hon. colleague, for whom I have great respect, for his show of confidence. I would just like to point out that, notwithstanding the trust put in me, when in the same breath the will and the good will of the Prime Minister of Canada is put into question, it is also my own will and good will that is being put into question.

In that sense, I must say that the Canadian government's policy in the Montreal strategy is a noble one in that it acts on a serious situation.

• (1305)

I describe the situation as serious because there are more poor people in greater Montreal alone than in all of Atlantic Canada. When a government with a national vision wants to ensure that the country has a dynamic economy, is able to export and can be competitive—as I said this morning—it has to make sure that large urban centers throughout Canada have a dynamic economy. It is our duty to remain active, and I emphasize remain, because we were already active and will continue to be active in the Montreal area.

What we are asking official opposition members is basically to heighten the awareness of their colleagues in the Quebec government so that they work in partnership with us, a partnership already endorsed to a very large extent by city officials in Montreal.

I shall be brief, Madam Speaker. The issue of transportation was raised earlier, and many aspects were listed. Someone mentioned for instance that, on June 6, 1996, Via Rail Canada announced it was consolidating all its operations in the greater Montreal area. That is quite something.

Regarding the Canadian Securities Commission, I respectfully submit that it is wishful thinking on the part of my hon. colleague to say that Quebec will be swallowed up and will have to join in. In establishing a Canadian Securities Commission, my colleague, the Minister of Finance, is essentially acting on a request made by a number of provinces across Canada. With this structure in place, Quebec will not be required to join in. Its jurisdiction will in no way be affected.

I think criticism can be good, but it must be constructive criticism. Now that we have made quite extensively clear the will to act and plan of action of the government and the Prime Minister of Canada, I urge them to join in and fall into step.

Mr. Loubier: I thank the hon. member for Outremont and minister in charge of regional development. But if he really wants to work, I urge him to show his unflagging faith in Montreal's future and to publicly undertake to oppose the project for a Canada-wide securities commission.

The answer he gave when he quoted the Minister of Finance is far from satisfactory, and I will tell him that no Quebecer believes in that statement from the Minister of Finance that, if Quebec refuses to participate in the activities of the Canada-wide securities commission, the Quebec Securities Commission will remain, and there will be two commissions.

Nobody believes that, for two reasons. First, when there is a securities commission for all of Canada, a national commission, it takes precedence over all of the others. Financial circles will turn to the Canada-wide securities commission, which will probably be established in Toronto, because all this government's financial decisions revolve around Toronto. Second, the government wishes to increase efficiency, yet it will agree to maintain provincial securities commissions in addition to a national commission. This is absolutely inefficient and not in the interest of the financial circles, which are looking for stability and certainty.

Mr. Benoît Tremblay (Rosemont, BQ): As you know, Madam Speaker, a large centre like Montreal does not change overnight, or even in a year. We are currently experiencing the consequences of decisions made in the last few decades. Similarly, our children's lives will be largely influenced by the decisions we make today. In order to understand Montreal's situation, we have to put things in

perspective. When we have convictions, it is because we put things in perspective.

• (1310)

It is no accident that we are convinced today that Montreal is a metropolis in need of a country, of a capital that cares for its metropolis.

Montreal was once a city and a region whose population was primarily anglophone. At that time, the anglophones were the masters and we were their servants. There was the affluent Montreal and the poor Montreal. Poverty had a language, ours.

Things have changed. Today, Montreal is a primarily a franco-phone city, and I hope it will be so forever. But, things have also changed politically. Montreal was once the metropolis of Canada. Today, political Canada has chosen its metropolis, Toronto. This is largely due to a series of decisions made by the federal government.

Montreal is the metropolis of Quebec and it can clearly be demonstrated that its major problem is that most of the decisions affecting it are still made in a capital which has another metropolis. This is the major problem Montreal faces.

When the Prime Minister of Canada came to Montreal to tell us that we, the sovereignists, are the ones responsible for the uncertainty and suggested that this uncertainty is responsible for the decline of Montreal, he just wanted us to forget about our ideals and, why not our language while we were at it, and to concern ourselves with concrete things.

I accept the challenge, but only for a few minutes, while I examine the concrete decisions that the federal government has taken in the last few years in areas under its jurisdiction.

The Prime Minister presents himself as the reassuring buddy, and us as the uncertainty. Let us look at each individual issue. In something that is exclusively under federal jurisdiction, the rail industry, I would like to ask the 15,000 workers who lost their jobs in the last years in Montreal if they are reassured by the federal government's decisions. I would like to ask them who is responsible for the uncertainty they have to live with now.

I would like to ask the 8,000 workers of the shipbuilding industry, who lost their jobs as a result of federal decisions, if they are reassured by the Prime Minister's statement. Do they still want the federal government to take care of them?

I ask the same thing to the thousands of workers of Montreal's petrochemical industry, who lost their jobs to Sarnia, Ontario, following a federal decision to draw an artificial line down the Ottawa Valley known as the Borden Line. This decision allowed

Supply

petrochemical development to take place in Ontario while this industry declined in Montreal. All Montreal's workers know that those who are responsible for their uncertainty are not the sovereignists.

The attitude of the federal Liberal government was similar in other sectors. I need only think of civil aviation and the pharmaceutical industry. Let us ask managers and workers of the pharmaceutical industry if the federal decision power concerning patents is reassuring for them.

During over 20 years, Canada was the only western country to deny real patents to a research industry that was well settled in Montreal. When the Conservative government wanted to change the legislation and give real patents to this industry, the whole region had to rally for months instead of putting its energies into its own development. We constantly have to put a lot of energy into bringing the federal government to make positive decisions.

Who delayed the bill? Not the Conservative government, but the Liberal Senate, during several months, in Toronto's pay. Let the Secretary of State for Regional Development answer that. The federal government's attitude toward the pharmaceutical industry could change.

• (1315)

We are asked to make concrete proposals. What we want are basic decisions for Montreal's economy, not an announcement to the effect that some funding will be provided. In order to dispel the uncertainty concerning Montreal and drug patents, it must clearly be stated that the drug patent legislation will be amended by 1997. The government must pledge that the pharmaceutical industry will be able to get patents similar to those available everywhere in the western world. If this is done, investments will increase in Montreal.

Let me say to those who are listening to us that fundamental changes have occurred over the years and will continue to occur. The most important of these changes is the presence, in Ottawa, of the Bloc Quebecois. The days when federal ministers, or even the Prime Minister, could secretly make basic decisions that were unfavourable to Quebec's economy and then try to look good by announcing some subsidy are over. These days are over.

We do not want the government to announce some subsidy; we want it to make basic decisions regarding Montreal's economy. Here is another suggestion. The Sarnia industry, which was developed at the expense of Montreal's petrochemical industry, is now asking that the Sarnia-Montreal pipeline go the other way. My suggestion would not cost one penny to the government. The government only has to demand that these multinationals revitalize Montreal's petrochemical industry, in exchange for the service. They would then contribute to Montreal's development.

Supply

What is needed for that? No money is necessary. We know that governments do not have any money and when they do, it comes from our pockets. But political will is necessary. The two suggestions I am making would not cost a thing; they only require political will. We will be watching to see if this political will is there. If it is not, the Liberal government will have to pay the price. Put an end to economic uncertainty.

I want to ensure the Prime Minister that we are still part of Canada. The No side won the last referendum by a very narrow margin. Quebec pays \$30 billion to be part of Canada; it is a rather high contribution. We are here to protect the interests of Quebec and to demand that these \$30 billion be used.

I also want to tell him that we will keep our ideals. We will keep our will to develop our identity, and the Bloc Québécois will continue to promote sovereignty and Quebec's interests in Ottawa, until the fundamental decision on our future is made. We are not prepared to give up our ideals for a subsidy.

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Madam Speaker, I have listened with a great deal of patience to the remarks of the hon. member for Rosemont. When I listen to him, I get the impression we do not live in the same metropolitan area.

When people opposite say that what is expected from the government are fundamental decisions and concrete projects, I wonder where they have been for the last 20 to 30 years, when the federal government has been building the modern economy of Quebec, when it has been contributing to that as a partner.

I wonder also where members opposite have been for the past few months when we have been taking action everywhere in the country, particularly in the Greater Montreal area. One needs to have a vision in order to make fundamental decisions. The Prime Minister of Canada stated our government's vision this week before the chamber of commerce, and I have explained it again this morning.

• (1320)

Each and every action we take, based on this vision, from the most modest ones to the most significant, have been fundamental actions. The most modest ones have been important for small businesses. Take for example the Info-entrepreneurs centre in Montreal which has a resounding success in the business community because it is filling a need.

Another example is the Centre d'entreprise et d'innovation of Montreal which has just changed its focus. Members opposite say we are talking peanuts. These things are important. The Centre d'entreprise et d'innovation has just changed its focus in order to

help small businesses more, and young people who want to start their own business in the new economy.

There have been other federal contributions and more structuring projects, like Bell Helicopter, in which Quebec and Canada take great pride. Just think of the latest announcement. They were talking about peanuts a while ago. But Bombardier-Canadair will be producing a new regional 70-passenger jet aircraft, and the Quebec aerospace industry will keep its enviable position on international markets.

This morning, I spoke about the leading edge in the space industry. The Canadian Space Agency in Saint-Hubert is part of the aerospace industry, and it has a ten-year plan representing \$2.3 billion.

These are fundamental and concrete projects. This is what it means to act in a structuring manner and, most of all, with a vision.

In concluding, I will get back to an issue. If my hon. colleagues opposite want to put their shoulders to the wheel and work constructively within the framework of the strategy we have developed, we will be pleased to take all their remarks, provided they are made in the spirit of that vision and that strategy. However, they already have elements in their hands. They can surely talk to their colleagues in Quebec City about the sword of Damocles the Prime Minister was talking about, and also about the areas under their jurisdiction, like education, to use them to adequately respond to the needs of our population and the needs of our young people. They could also talk to some people who are in charge in the metropolis, so that we move forward in a partner like manner.

Mr. Tremblay (Rosemont): Madam Speaker, it is interesting to see how impatient the minister gets when we remind him of the Liberal government's decisions concerning the rail system, shipping, civil aviation, the pharmaceutical industry and the petrochemical industry.

The people who are watching this are no fools. Of course, a corporation was granted a subsidy recently. However, I questioned the minister about two decisions. If he had listened to me the first time, he would have been able to give me an answer. I put two questions to him. It would not cost a penny, at a time when millions of dollars are given away, while hospital budgets and unemployment benefits are cut. I put two questions to the minister and he did not answer either one of them. These two decisions are political and would not cost a penny. What do you intend to do about the drug patents and about the pipeline to revitalize the petro-chemical industry in Montreal?

Mr. Paul DeVillers (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Madam Speaker, I will share my time with the member for Notre-Dame-de-Grâce.

Supply

My remarks will deal with the Montreal port, a major element not only in this country's shipping industry but also in intermodal transportation and international trade.

• (1325)

The Montreal Port Corporation was created in 1983 by the federal government as a local port corporation, under the Canada Ports Corporation Act. In keeping with the national shipping policy, this port has been designated a Canadian port authority.

Our government's national shipping policy will ensure that the Canadian shipping industry continues to contribute significantly to the Montreal economy, by allowing the port to become even more commercially orientated.

Montreal is one of the busiest inland ports in the world and one of the main transatlantic traffic transfer centres. With its port, its international airport, its road and railway networks linking it to every corner of North America, Montreal is undeniably one of the hubs of transportation in the world.

Every year, the Montreal port contributes \$1.2 billion to the economy of Montreal, Quebec and the country as a whole. It accounts for 7,400 direct jobs which, coupled with indirect jobs, amount to 14,000 jobs.

These economic benefits are more obvious with regard to the North Atlantic ocean. Of all the eastern seaboard ports, Montreal provides the most direct and fastest access to the main Canadian markets, as well as to American markets in the Midwest and the North East.

This is where transatlantic routes interconnect with the rail and freeway networks thus reducing the time and cost of door to door transportation of goods. Traffic back and forth is so important that it promotes economies of scale and allows shipping lines to offer regular and frequent services. Importers and exporters can fully profit from all the advantages of just in time delivery.

The Montreal Port Corporation is financially independent. Between 1984 and 1995, it generated total net profits amounting to \$148.4 million. During that time, thanks to internally generated funds, the corporation invested \$180 million in capital expenditures.

In 1987, the Government of Canada approved a transfer to the equity of the Montreal Port Corporation in the amount of \$231 million, comprising \$133 million in annuity certificates and \$98 million in accrued interests on those certificates.

Therefore, between 1986 and 1995, the government wrote off part of the debt and accrued interests for a total of \$231 million and the Montreal Port Corporation contributed \$108.7 million to the consolidated fund of Canada in the form of a special contribution

and dividends, so the net result was a positive difference of \$122.3 million.

In 1995, the Montreal Port Corporation paid six million in grants in lieu of municipal taxes. On the other hand, tenants of the port paid directly \$7.7 million in property, municipal and school taxes. Therefore, in 1995, the Montreal Port Corporation and its tenants jointly paid \$13.7 million in grants in lieu of taxes, municipal taxes and school taxes.

Given those data and the economic impact of the port activity, we can conclude that not only is the port not a burden for the Canadian taxpayer, it is a real motor for the Canadian economy.

• (1330)

In the Montreal Port Corporation's business plan, investments or capital expenditures of almost \$110 million are expected for the five-year period from 1996 to 2000.

With containers on top of the list, the total traffic of goods handled in the port of Montreal during the first six months of 1996 reached 9.3 million tonnes, an increase of 1.3 million tonnes or 16 per cent compared to the same period last year. There was a traffic increase in all categories of goods, except one.

During the first semester of 1996, the port of Montreal handled 3.9 million tonnes of various containerized goods, an increase of more than 570,000 tonnes or 17.2 per cent compared to the first six months of last year. We must recall that, for the whole of the year 1995, container traffic had reached an unprecedented level in the main Canadian container port, despite a labour dispute that paralysed activities on the wharves for 16 days last year.

For the first half of 1996, the port of Montreal has increased its share of the container market in a context of fierce competition. It has succeeded to fare better than its competitors on the North American east coast, and there is every indication it will be another record year in this sector.

The growth in freight traffic combined with tight control of administrative and operating costs had a positive impact on the Montreal Port Corporation's financial performance. As of June 30, 1996, the corporation's net profits amounted to \$3.6 million compared to \$1.1 million for the first half of 1995.

All user fees have been frozen for the fourth consecutive year. Additional improvements were made to the discount program put in place to stimulate container traffic, and rebates aimed at increasing other types of freight have been added.

A highlight of the first half of 1996 was the arrival of three brand-new containerships linking Montreal to northern Europe. Two of these three ships were christened in Montreal. Canada Maritime's *Canmar Courage* and *Canmar Fortune* each have a capacity of 2,200 TEU containers, while OOCL Canada, which

Supply

belongs to Orient Overseas Container Line, can carry 2,300 TEU containers.

These three deep-draft ships are currently the largest container-ships sailing on the St. Lawrence. They are on the leading edge of technology and equipped for winter sailing. The commissioning of these three great vessels is further evidence of shipowners' confidence in the Port of Montreal's future.

The highlights of the first semester include improved carrier services between North America's industrial heartland and northern Europe and the Mediterranean, as well as the opening of a new fruit terminal operated by Logistec Arrimage Inc.

This shows the positive economic impact of port operations in the Montreal area on all trade activities linked to shipping.

• (1335)

Mr. Pierre de Savoye (Portneuf, BQ): Madam Speaker, I listened with interest to what the hon. member opposite just said. In a way, he just sang the praises of the port of Montreal. The fact is that Montreal did do rather well after all. I say after all on account of the statistics referred to earlier by the hon. member for Laurier—Sainte-Marie, data from our revered Statistics Canada indicating that for every dollar it pays in taxes to the federal government, here, in Ottawa, Montreal gets only 75 cents back. All in all, Montreal did quite well on its three quarters out of a buck. But how much more would Montreal have been able to accomplish with that last quarter? That is the real question. You see, for decades now, the problem has not taken the form of sword of Damocles dangling over our heads, but rather that of a ball and chain that we have to drag behind us all the time and that keeps getting heavier and heavier every time we send money to Ottawa. We keep getting less and less back and end up getting shortchanged.

I notice that the majority of government members standing up are not from the Montreal area. Where are the hon. members for Pierrefonds, Saint-Laurent, Verdun? I am not saying that they are not in the House—

The Acting Speaker (Mrs. Ringuette-Maltais): I am sorry to interrupt the hon. member. I recognize the hon. member for Stormont—Dundas on a point of order.

Mr. Bob Kilger (Stormont—Dundas, Lib.): Madam Speaker, members may be tempted from time to time to comment on the presence or absence of other members, but I do not think that this serves the important and very sensitive debate we are having today on the Montreal area.

Mr. de Savoye: Madam Speaker, why are the members I just mentioned not standing up in this House at this time? I would like to hear from them. After all, they have the right to represent the views of their fellow citizens from the Montreal area. I am sure that

they would have something to say on the subject. Why are we not hearing from them?

I would like my hon. colleague opposite, who made such complimentary remarks about the port of Montreal, to tell me why. Once the bill the House is currently considering, the one that will charge user fees for navigational aids is passed—I hope it will not but, unfortunately, the government majority holds the opposite view—when it is in force, resulting in the St. Lawrence seaway becoming less competitive in the eyes of a number of American carriers, what will happen to the port of Montreal then? Is Quebec, and Montreal and its port in particular, not at the mercy of yet another bad decision made by a centralizing government in Ottawa?

Mr. DeVillers: Madam Speaker, I thank the hon. member for his question. I am pleased to inform him that I am sharing my time with the hon. member for Notre-Dame-de-Grâce, who is from Montreal. That should make him happy.

Furthermore, what I said in my speech clearly shows that the Port of Montreal is doing very well. The hon. member asks me questions as if I could forecast the future, as if I knew what will happen after a certain bill becomes law. He has no arguments to refute what I said in my speech, that the Port of Montreal is doing fine, better than last year, despite all the cuts made across the country, and not only at the Port of Montreal.

Mr. Bob Kilger (Stormont—Dundas, Lib.): Madam Speaker, I think you will find unanimous consent for the following motion:

That any recorded division on the opposition motion now before the House be deemed deferred until Tuesday, October 29, 1996, at the conclusion of Government Orders.

• (1340)

The Acting Speaker (Mrs. Ringuette-Maltais): Does the hon. government whip have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Ringuette-Maltais): The House has heard the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to.)

[English]

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Madam Speaker, as the member of Parliament for Notre-Dame-de-Grâce in Montreal and a fifth generation Montrealer who loves his city, loves his province and his country, I take this debate very seriously.

The separatists in all their forms, whether sovereignists or Parti Québécois or Bloc Québécois or Société Saint-Jean-Baptiste, continue to bury their heads in the sand. They refuse to face the

reality that their policies are seriously hurting the economy of Montreal. They are hurting the recovery of Montreal as one of the world's great cities.

They refuse to recognize that their policies to hold continual referendums, to make statements with respect to exclusivity as to who is really a Quebecois, and from time to time their extreme language policies are scaring away jobs and new investment. Obviously not all investment; there is investment in Montreal, but there could be much more without these negative policies which I have just referred to.

It is true that Montreal suffers the same problems as all other smokestack industrial cities, the old industrial cities: the need to convert to the new economy, the need to convert to high technology and to globalization. We can debate on another occasion the effectiveness of these policies by the government to help all Canadian industrial and commercial cities that are faced with those same challenges.

In addition to suffering the same difficulties as other North American cities and cities in Europe that are trying to adapt to the new economy, Montreal is hit with the additional burden of continual referendums, extreme nationalism and extreme language policies.

The Parti Quebecois and the Bloc Quebecois talk about democracy and self-determination and the respect for democracy and self-determination, but they refuse to recognize the results of two referendums which have already been held. Their policy seems to be to continue to have referendums until they win one, no matter what kind of question and no matter by what margin. They refuse to recognize the rule of law. They say that they will not recognize decisions of the supreme court with respect to the universal declaration of independence issues.

Do such policies encourage employers to come and stay in Montreal? I would think not. Consider their statements as to who is and who is not a Quebecois. One day we hear them speak of the Quebecois in a very exclusive fashion, as if only those who are descendants of *vieille souche* Quebecois are really Quebecois, which results in two types of citizenship in Quebec.

On another day, in a more reflective mood they will say that I am included, the Blacks are included, the Indians are included, everyone else is included. But then we had statements in this House by one member of the Bloc Quebecois who suggested seriously that only those who fit his definition of Quebecois should have the right to vote in the referendum. By that he meant the descendants of the *vieille souche* Quebecois.

I hear this again. I hear "nous Québécois avons besoin de notre état". When they say "nous Quebecois" they do not include me and many of my electors in Notre-Dame-de-Grâce. They are speaking of an exclusive ethnic type of nationalism. I ask again:

Supply

Does this sort of policy encourage employers to come and stay in Montreal?

In the same vein, we had the statements by the former premier of Quebec, Mr. Parizeau and the minister of finance, Mr. Landry, which attacked the ethnic minorities in Quebec for their votes in the referendum and the interpretation of the poll results. These were statements which terribly upset the ethnic minorities in Quebec. There were recent statements which were even more extreme from Mr. Villeneuve who attacked the Jewish community in Quebec and said that they would get theirs once independence was brought about.

• (1345)

Do these kinds of statements encourage employers to come to Montreal: extremism in language policy; proposals to bring back the language police, which has even been attacked by part of the sovereignist community in Quebec and by the trade unions. However, there is still a proposal to bring back the language police and other extreme language policies. There is the recent situation at the hospital in Sherbrooke. The hospital put up bilingual signs to assist the elderly anglophone community of the eastern townships who must go to the Sherbrooke hospital and instructions came from Quebec City to take down the English signs even though they were in a secondary position.

There have been attacks on Mr. Galganov. In the first place, all he was doing was asking major businesses on the West Island of Montreal to respect the Quebec language laws and simply put up English language signs in accordance with the law of Quebec, which is English in a secondary position and in smaller letters. He was asking the stores to do that because their signs were only in French and yet he was attacked.

Does extremism in language policy encourage other Canadians, Americans, Europeans and Asians to invest and stay in Montreal?

I want to make clear that I fully support policies, and have for years, to assure and promote the French language and culture in Quebec and have it flourish. The federal government has done that for years and continues to do so. It has done it through Radio-Canada, CBC, the Canada Council, the CRTC, Telefilm Canada and assistance to theatres, museums, libraries and research.

It is without a doubt that Quebec, French Canada in general, is now the second strongest French culture in the world after France. Nobody can rival Quebec or French Canada. It is strong in writing, theatre, music and academia. It is very strong and has done that within the federal system. These extreme policies that I referred to are not necessary. All they are doing is hurting the economy, the jobs and the people of Quebec.

The purport of the resolution states that Montreal and Quebec are not getting their fair share. With respect to federal transfers to Quebec, in 1996-97, this fiscal year, while Quebec has 25 per cent

Supply

of the population of Canada, 31 per cent of the money transferred from the federal government to the provinces goes to Quebec. I support that because I think that is a fair share. It amounts to \$11.1 billion. It has been approximately at that level for the last six years.

Yesterday there were questions in the House to the Prime Minister with respect to the granting of contracts in Quebec, saying that Quebec was not getting its fair share. The Prime Minister answered correctly that, first of all, we grant contracts on a tender basis and give out contracts to companies and professionals who apply for different jobs on a tender basis.

However, it is a question of the chicken and the egg. Quebec does not have the same number of entrepreneurs and professionals that it did when I first started in politics here in the 1960s. A lot have left. A lot have not come who would have come. A lot of former Montreal businessmen in Montreal head offices are now in Toronto, Calgary and elsewhere because of the extreme policies of the PQ governments with respect to these matters. They scared away firms that would have been there to bid on these contracts and probably get them for the Quebec people.

With respect to the assistance to industry, I was present this week when the Prime Minister announced the repayable loan of \$87 million to Bombardier to develop a new aircraft. The federal government has been very supportive of the aircraft industry in Quebec. I will list them off. There was a contribution by Industry Canada of \$940,000 to Matériaux techniques Côté; a contribution of \$825,000 to École Polytechnique chaire industrielle; \$5 million to Institut de recherche en biotechnologie; \$1.7 million to Malinckrodt Medical Inc. It goes on and on. Bell Helicopter received \$8 million. Aliments Delisle received \$1.5 million. Galderma received \$1.6 million.

• (1350)

With respect to the infrastructure program which has just taken place over the last two years, the region of Montreal received 400 projects, of which the federal government contributed \$236 million for 12,000 employees.

I see that my time is up. I simply want to say that if the Parti Québécois and the Bloc Québécois really want to help with jobs in the economy in Montreal, they should forget about referendums and the extremism of their nationalistic policy, co-operate, take up the offer of the Prime Minister and together we will create jobs and develop Montreal as it used to be.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I listened very carefully to the speech made by my friend, the hon. member for Notre-Dame-de-Grâce. I cannot, in any way, share his views on the Quebec sovereignist movement.

The term “Quebecer” is not exclusive, it is inclusive. It includes anglophones, such as the hon. member for Notre-Dame-de-Grâce, and allophones, such as the member for Bourassa. The hon. member condemns the comments made by Villeneuve toward Jews, as we all did here in this House and elsewhere but, at the same time, he congratulates Mr. Galganov. The same rules should apply to two extremist members of Quebec’s society.

The hon. member for Notre-Dame-de-Grâce and other Liberal members remained silent when a minister of this government, the former Minister of Human Resources Development, asked me to leave Canada, to look for another country, because I do not approve the government’s policy and because I am a sovereignist member of Parliament. The member did not say anything then, nor did other government members.

It is unbelievable to hear a minister tell us there are two types of Canadians and Quebecers: those who agree with the federal government’s policy are welcome, while those who do not must leave the country. I cannot accept such comments.

I also want to put a question to the hon. member for Notre-Dame-de-Grâce. The federal government’s inaction is the reason why Montreal’s economic situation is catastrophic. It is because of measures taken by this government if, for example, Canadian International moved and is now concentrating its operations in the west, if it secured the rights to fly to the Czech Republic and is now Canada’s carrier to the Asian market.

Air Canada is adversely affected because its head office is in Montreal. It cannot fly to Asia, it cannot fly delegates to the Liberal Party convention this weekend. Canadian International does it, as it will also fly those who will attend the rock concert, etc. Why? Tell me.

The Speaker: The hon. member will agree that this is a comment rather than a question. Nevertheless, I will give the hon. member for Notre-Dame-de-Grâce an opportunity to reply.

[English]

Mr. Allmand: Mr. Speaker, while I share many things and some policies in common with my hon. friend, I guess this is an area where we disagree.

To being with, it is true that some members of the Bloc Québécois and some members of the Parti Québécois when they speak of Quebecois do include in their reflective moments all of us in Quebec, anglophones, minorities and so on. But there are others and even some in this House who when they speak about nous les Quebecois do not include us.

For example, I cannot remember the seat, but one hon. member during the referendum campaign stood up and said that only “les Québécois doivent avoir le droit de voter au référendum”. He meant and he clarified that, and it was also said by a member of the

S. O. 31

PQ in Quebec, that this meant the real Quebecois. By that he meant those who were the descendants of *vieille souche*.

• (1355)

There is ambiguity over there. The hon. member says that the definition is inclusive. However, there are many others who speak of it exclusively and I could give many examples.

With respect to Mr. Galganov, I did not congratulate him on everything he did and said. I said he was right, however, when he campaigned on the West Island of Montreal to assure that the signs were both in English and French in accordance with the Quebec law which the Quebec government supported up until now. When Mr. Galganov did that he was right. He was not attacking the Quebec government. He was telling the various major stores on the West Island "do what the law gives you the right to do". In that he was right. I do not congratulate him for calling certain people bastards. I think he went too far on that.

Mr. Speaker, I have much more to say.

The Speaker: Yes, I would imagine. I know you meant that in sort of an oblique sense. At least I hope you did, my colleague.

In any case, I am going to save all of us because it is almost two o'clock. If we are ready we will proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

MEMBER FOR PETERBOROUGH

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, I wish to draw to the attention of the House the fact that a very talented member of Parliament has won the Elected Officials Ploughing Championship at the recently held 79th annual Peterborough County Ploughing Match.

Yes, the member for Peterborough has accomplished something quite unique. He won the title last year for the first time, the first for any member of Parliament to win this event.

Now he will officially be known as Re-Pete, not just Pete. I congratulate the member for Peterborough and send out this notice. Next year the member for Victoria—Haliburton will end this reign of the member for Peterborough. There will be no Three-Pete.

* * *

LIBERAL PARTY

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, from time to time members search for acceptable words to

use to describe blatantly inaccurate statements by other members. Well, the Prime Minister has kindly provided us with a new one.

On a recent trip to the west, the Prime Minister made numerous statements of very questionable accuracy. When challenged, his response was that he was using linguistic shorthand. That explains a lot.

When the Liberals claim they have fulfilled their red book promise to create jobs in the face of unemployment figures which show that unemployment is still just as high as when they took office, it is linguistic shorthand.

And when the finance minister claims to have fulfilled the red book promise to break the back of the deficit while increasing our debt by \$111 billion and increasing our debt servicing costs by more than the total transfers to provinces for health care, that is linguistic shorthand.

The next federal election is coming soon and Canadians will get to decide whether they want more linguistic shorthand from the Liberals or a fresh start from Reform.

* * *

SMALL BUSINESS

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, this week is Small Business Awareness Week. With more than 1 million small businesses in Canada, they are the engines driving the economy and creating the jobs, and women are the leaders in business today. Before they used to be behind the scenes. Today they are front and centre.

In fact, business firms led by women entrepreneurs are creating jobs in Canada at four times the average of all other firms. Between 1984 and 1990 in Atlantic Canada the percentage of women owned business employing five or more full time employees increased from 16 to 28 per cent. This is extraordinary growth and women are indeed succeeding in business.

I urge the government to develop programs to help small businesses that are particularly sensitive to the economic potential of women entrepreneurs.

* * *

[*Translation*]

INDUSTRIES MANUFACTURIÈRES MÉGANTIC

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, this week being small business week in Quebec, I am happy to inform the House that, recently, a man from my riding, Gilles Pansera of Industries manufacturières Mégantic, was awarded the Grand Prix de l'entrepreneur du Québec for 1996 in the business recovery category.

Mr. Pansera is well known in the Eastern Townships for his dynamism and his keen sense of entrepreneurship.

S. O. 31

• (1400)

Efforts made since 1990 by management and employees of Industries manufacturières Mégantic have not only helped this business recover, but it has ensured its success for the future.

This is another concrete example of the positive results that can be obtained, particularly in the area of job creation, when all the partners work together to ensure the economic vitality of a region.

Congratulations to Mr. Pansera and to all his associates who gave us another good opportunity to celebrate the pride of the Eastern Townships.

* * *

[English]

BRADSON MERCANTILE INC.

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, as all members of Parliament know, security officers employed by Bradson Mercantile Inc. are locked out by their employer. The security officers, represented by the United Steelworkers Union, are picketing the House of Commons today.

The security guards currently earn an average wage of \$7.25 an hour. All these employees are asking for is a fair contract, one similar to other agreements being agreed to by the competitors of Bradson.

Instead of negotiating in good faith, the company is challenging the United Steelworkers' right to represent these workers. They have forced the workers to train replacement workers who are now on the Hill.

I urge all members of Parliament to support these workers' legitimate demands. I urge all members to speak with these people and hear their case. And I urge the Prime Minister to prevent scab workers from replacing contracted employees on Parliament Hill.

* * *

INDEXABLE CUTTING TOOLS

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, a company in Niagara is the regional award recipient of the Canadian Airlines Foundation's Small Business International Expansion Program.

Indexable Cutting Tools of Canada Limited received this honour earlier this year. The Canadian Airlines representative said: "Our selection team was very impressed with not only your entrepreneurial spirit but also your international expansion initiatives to your unique business. We are delighted to support your pathway to continued success".

Indexable Cutting Tools is on the path to success. It is a reputable and exemplary company that has been expanding because of demands for their high quality products.

This week we are celebrating small business in Canada. It is important for us to congratulate the many small Canadian firms that support jobs and growth in our economy.

I would like to congratulate the president of Indexable Cutting Tools of Canada Limited, Mr. John Precious, and the employees who make this company a great Canadian success.

* * *

SMALL BUSINESS WEEK

Mr. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, this is Small Business Week, a very important week when we celebrate the contributions the small business sector is making to the economic well-being of Canada.

The small business advisory committee, which was created by Revenue Canada, is working to assist the very same businesses and business people we now celebrate.

The committee, made up of private sector members, advises Revenue Canada and provides feedback to the department on policies and procedures to help the sector prosper, grow and to be competitive. This committee has been an important part of Revenue Canada becoming a positive force in the development of small business in this country.

As we celebrate Small Business Week, let me also say to Revenue Canada: Bravo.

* * *

CANADA POST

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, the Canada Post mandate review was recently made public yet when I was in Winnipeg last Tuesday, Canada Post officials refused to meet with me to discuss the Radwanski report. The Canada Post review is a public report but the Post Office refuses to discuss allegations made in the report.

This government promised more open government yet it could not even get in the doors of the Winnipeg post office. Why is this? What is this government trying to hide? The red book says that if government is to play a positive role in society, as it must, honesty and integrity in our institutions must be restored.

According to the Radwanski report on Canada Post, Canadians presently own a crown corporation which has a complete monopoly on first class mail, that is faced with serious allegations of unfair competition and cross subsidization in the courier business, and is seriously under performing in its delivery of mail. However, when I asked to meet the Winnipeg postal officials to discuss the allegations in this report, they refused.

So much for the red book promises.

S. O. 31

[Translation]

WORLD DEVELOPMENT INFORMATION DAY

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, October 24 is World Development Information Day. This day is most important, especially in light of the fact that a United Nations development program report published last week showed a dramatic increase in the poverty level worldwide.

• (1405)

While extreme poverty is growing at an alarming rate, official development assistance is being cut repeatedly everywhere in the world, including in Canada. The government must respond to the United Nations' invitation because development is the antidote against poverty.

Considering how important it is for Canadians and Quebecers to be better informed on these issues, the official opposition is asking the Liberal government to reinstate CIDA's public participation program to support non-governmental organization initiatives in this area.

* * *

[English]

SUGAR INDUSTRY

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, the Canadian sugar industry's access to the United States continues to be restrained by unfair trade restrictions by the U.S. government. Canadian sugar exports to the U.S. were drastically reduced last year when the Americans lowered our export quota. As a result, the Lantic Sugar Refinery in my city of Saint John has had to lay off employees.

These tariffs are estimated to cost many hundreds of Canadian jobs in the sugar industry. The U.S. has refused to respond to its NAFTA obligations to terminate its re-export of sugar-containing products by October 1, 1996.

The all-party sugar caucus, of which I am a member, has just passed a unanimous resolution. The resolution calls for measures to protect Canadian jobs and investment. As a member of the sugar caucus I call on the Minister for International Trade to immediately challenge these unfair trade restrictions and request formal consultations under NAFTA in order to preserve our sugar industry and save hundreds of Canadian jobs.

* * *

NATIONAL CAPITAL REGION

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, the entire national capital region is ever so grateful to the leader of the

third party for coming to Ottawa to turn us from a cliquy one industry town into a high tech powerhouse.

We learned that lesson a quarter of a century ago and for 25 years the businesses and municipalities in this community have been working to develop a vibrant and diverse economy.

Perhaps the leader of the third party has heard of companies called Nortel, Corel and Newbridge, local companies that have gone international and are developing jobs by the thousands. They are one of the reasons our unemployment rate has dropped from 11 per cent last August to just over 7 per cent this past month.

Perhaps the Reform leader needs to give himself a fresh start, get out of his office and his hotel room and find out about this nation's capital.

* * *

[Translation]

CANADIAN UNITY

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I would like to draw attention to a program organized by the Collège universitaire de Saint-Boniface, the Société franco-manitobaine and the Saint-Boniface Chambre de commerce francophone, all in my riding.

Official partners in operation "Let's Talk", these organizations are encouraging dialogue among Manitobans in order to promote understanding of the cultural, linguistic and ethnic differences of Canadians and of their founding peoples.

A series of articles on francophonie in the *Winnipeg Free Press* are giving people an opportunity to send in written questions to a panel, for later reply. This dialogue provides a more balanced view of Canada and of Canadians.

[English]

Operation Let's Talk permits Manitobans to learn about the history of Canadians and how best to deal with our differences.

[Translation]

I applaud this initiative and the action taken by this group to promote unity in our country.

[English]

Best of luck to operation Let's Talk.

* * *

[Translation]

LIBERAL PARTY OF CANADA

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, another member from Montreal wants to speak today.

S. O. 31

The Liberal Party convention, which began today, will be the scene of some very important debates on a host of subjects of interest to all Canadians. The issues of job creation, social programs, tax reform, research and development, the fight against poverty, assistance to small business, and measures to promote exports are all subjects that our delegates will be addressing.

Our party has always listened to the legitimate concerns of all Canadians, including those living in Quebec, and particularly in Montreal.

Unlike the Bloc Québécois, the Liberal Party of Canada does not wait for summits and splashy media events to begin thinking about the issues of concern to Montreal. We are tackling these issues on a daily basis, and it is time the Bloc Québécois gave us a hand, rather than continuing to hold its threat of separation over people's heads.

* * *

• (1410)

FEDERALIST FORCES

Mr. Benoît Tremblay (Rosemont, BQ): Mr. Speaker, tomorrow the federalist forces will celebrate what is known as the love-in of October 25, 1995 in Montreal. A year ago, faced with the popularity of the sovereigntist option and having nothing tangible to offer Quebecers, the hard-core federalists, today's supporters of Plan B, organized what the senior editorial writer of *La Presse*, Alain Dubuc, qualified as a declaration of love that was too little, too late.

This demonstration and the celebration of its anniversary are a good illustration of the position of Canadian federalists. Quebecers are not a people. Quebec has no right to determine its future, and its aspirations regarding its status in Confederation will be given no consideration. The government prefers to appeal to the courts and support extremists like Guy Bertrand and Howard Galganov.

Tomorrow's demonstration will once again reflect the intellectual vacuum that exists in the federal camp.

* * *

[English]

DEPUTY PRIME MINISTER

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, since this is red book revival and review week, let me quote from "Governing With Integrity", page 91:

If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.

A response by our Deputy Prime Minister during question period on Monday strained both of these.

The Deputy Prime Minister said I received a letter which I never had. The letter she referred to was not a letter but a fax addressed

to her and I was not shown as receiving a copy, nor did I. She claimed the letter she had was from a member of the Reform Party. In fact this person is not a member of the Reform Party and never has been.

Earlier the Deputy Prime Minister attacked some of my colleagues for faxing her office on behalf of constituents. Now she attacks me for not doing that. Rather than answer the question about where the \$23 million for flags is coming from we get doubletalk and distortions.

The Deputy Prime Minister bragged that she kicked butt on January 17, but it is clear she did not learn a thing.

* * *

[Translation]

MONTREAL ECONOMY

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, this sudden interest in Montreal shown by the Bloc Québécois yesterday is surprising and even suspicious. It was not until our Prime Minister took the initiative and invited the Quebec government to collaborate on the development of Montreal that the Bloc Québécois realized that action was urgently needed.

Bloc members whose sole objective is to separate Quebec from Canada suddenly realized they were interested in Montreal. Yesterday they claimed not enough was being done for Montreal.

The Bloc Québécois and its separatist platform have probably done more harm to the economy of Montreal than all other factors combined. They should stop complaining and stop talking about separation. That would be the best thing that could happen to Montreal.

* * *

[English]

THE LATE COLLEEN PETERSON

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, it is with much sadness that I rise in the House today to pay my respects to Colleen Peterson.

Colleen, a treasure of Lakefield, Ontario, had a tremendous career in country music. In 1977 she won a Juno as the most promising female vocalist. She moved to Nashville for more than a decade, writing hundreds of songs for such talents as Anne Murray and Roger Miller.

Returning to Ontario in 1992, she pursued her true love, singing. In 1991 her solo song "No Pain, No Gain" was the number one country song in Canada. She was also an integral part of the group Quartette which won a Canadian country music award.

Oral Questions

Her other love was animals. Besides owning numerous horses Colleen helped establish the Lakefield Animal Welfare Society.

Colleen Peterson was a beautiful person and a beautiful singer. To her family and friends I extend our condolences.

* * *

SMALL BUSINESS AWARENESS WEEK

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, this being Small Business Awareness Week I rise today to express my deepest congratulations to the winner of the small business award in Fort McMurray, Alberta.

The winner this year is 2000 Plus, a maintenance service company that performs work for Syncrude Canada and other oil and gas operators. It has only been in operation for five years and in that short time it has grown from a tiny enterprise to a \$4.5 million annual operation. It has grown from six employees to 70 full time workers, 90 per cent of which are aboriginal.

• (1415)

Not only has 2000 Plus won this award but they have been nominated for the Candu award for economic development. The secret of its success is flexibility in planning and a high degree of attention to safety, reliability and quality with a great record of customer satisfaction.

My caucus colleagues and I would like to congratulate the employees of 2000 Plus and, in particular, Ed Courtoreille, president of 2000 Plus and Mikisew Cree Chief Archie Waquan for winning this award.

ORAL QUESTION PERIOD

[*Translation*]

EMPLOYMENT

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, the time has come for the Liberal government to meet with its party faithful this weekend, in order to look at the commitments it has made to the Canadian people. The Prime Minister claims he has kept his commitments but, essentially, his record has been a big fat zero.

The Liberal government got itself elected with its slogan of “jobs, jobs, jobs”, which it repeated high and low in order to convince the public that employment was its top priority.

What can the Prime Minister say today to the million and a half Canadians who are not working, still not working, despite the Liberal promises, while the unemployment rate still hovers around the 10 per cent mark? What can the government and the Prime

Minister say to these people, except to admit that they have not met their commitment?

Hon. Pierre Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I would like to reassure the leader of the opposition and to tell him that the Government of Canada will be extremely proud to meet the Liberal Party faithful during this weekend’s magnificent convention.

Of course, while the unemployment level is still too high to satisfy us, it has nevertheless improved considerably since 1993. We have made a magnificent contribution through three of the finance minister’s budgets, which have left interest rates at 3.75 per cent, lower than they have been in 38 years, three points lower than the level in the U.S. The investment climate in Canada has never been better.

Transition toward the new economy is sometimes hard, but there are 600,000 more jobs in Canada today than there were in 1993. In the next few weeks, moreover, we are going to announce some extremely interesting youth employment initiatives, since we are concerned with the employment future of our young people.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, one more who feels everything is just going fine. This government is totally clueless.

The new Minister of Employment—I do not know if the former one has clued him in completely—must know that we would need more than 870,000 jobs to get the economy back to the way it was in 1989. He tells us everything is fine, yet we are 870,000 jobs short of the way things used to be. Clueless.

In the red book, in 1993, the Prime Minister said, and I quote—and I hope the other side is listening properly, for it is their Prime Minister speaking: “Today, after nine years of Conservative government, Canadians are facing hardship: 1.6 million unemployed, millions more on welfare, a million children living below the poverty line, record numbers of bankruptcies and plant closings”.

Does the Prime Minister realize that three years later, he could write that same thing again, exactly, for their next campaign platform?

Hon. Pierre Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I realize that the leader of the opposition has a problem: he is very hard of hearing. I never said everything was fine, and I am not in the least proud of the unemployment situation at this time.

• (1420)

What I said is that we still have a lot to do, but we have done an enormous amount of work in putting public finances in order, with the result that we are saving millions, billions of dollars as a society at the present time in interest rates, because the international markets have confidence in our government. That creates jobs.

Oral Questions

That is reality, an extremely important reality and one in which we shall continue.

We shall have an even more interesting program for young people within a few months. As for the 800,000 jobs referred to, many jobs were lost. That is reality. That is normal. We are undergoing an economic transition which means that jobs are constantly changing. If jobs had not been lost, we would be in even more trouble, because the economy has changed. I am very much aware that the opposition does not realize that we are in a period of evolution, but we are in the process of adapting our programs in order to help get workers back to work. And the 600,000 jobs are in addition to the 800,000 which were—

The Speaker: I am sorry to interrupt the minister. The Leader of the Opposition has the floor.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Do not worry, Mr. Speaker, he will eventually learn.

The former teacher in me would mark his oral presentation as follows: “A” for the number of words, “Z” for the number of ideas.

The red book, which will be discussed this weekend, contains these words: “Whose job will go next? For the first time in decades, Canadians are seriously concerned that children will be less well off than their parents”. That is what the Liberal Party wrote in its red book in 1993.

What can the Minister of Employment say to young Canadians without jobs, when Statistics Canada shows that the Liberal regime brought a decrease of 25,000 jobs for 15 to 24 year-olds? What does he have to say now?

Hon. Pierre Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, he has plenty to say. The Minister of Human Resources Development Canada has plenty to say. First, he would like to ask young people to stay in school as long as possible, and to get the best training possible, for the statistics the Leader of the Opposition has just cited do not refer to young people with training, whose rate of unemployment is lower than the Canadian average, if you look at your figures properly.

So, what I have to say to young people today is this: Stay in school, get as much training as you can. That is your best chance for a job. I can also tell you that what society needs at this point is economic stability, political stability. Early this week we had an extraordinary speech by the Prime Minister of Canada, to which I shall refer again this afternoon. He went to Montreal to offer his co-operation, his solidarity to all Canadians to rebuild Montreal. And what have we had ever since? The only vision these people are capable of is division, constant division and redivision, like the hon. member for Rosemont tried to do, when he spoke to us this

morning of the way Montreal used to be, divided between the English and the French.

* * *

TAXATION

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Words, words, words, Mr. Speaker. We do not want words, we want action. We want job creation.

In their notorious red book, the Liberals promised more justice, fairness and transparency in the Canadian tax system. But remember the Minister of Finance, when he said he would not eliminate the GST as his government had promised and naively admitted to misinforming the entire population of this country.

My question is directed to the Deputy Prime Minister. Now that her government has offered a bribe of nearly one billion dollars to three maritime provinces so they will harmonize their sales tax with the GST, will the Deputy Prime Minister have the courage to admit that her government did not abide by its campaign promise—and here it comes, in case she forgot—to eliminate the GST, not harmonize it, not hide it in the sale price, not shamefully waste one billion dollars of Canadian taxpayers money?

● (1425)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first of all, we have just set up the process for harmonizing sale taxes in this country. The Atlantic provinces were the first to get on board, after Quebec, because they know it is crucial to job creation.

In fact, I wish to congratulate the former Government of Quebec for having the courage to harmonize its sales tax, and I congratulate the Atlantic provinces, because they want to create jobs and know that by reducing their costs and becoming competitive, they will be able not only to compete with the other provinces but the United States as well. That is how we build a strong economy.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I want to congratulate the Government of Quebec, because it is doing its job and gives the people real information. It does not shamefully waste one billion dollars on political compensation for an agreement entered into locally with the maritimes. That is what I have to say. I cannot congratulate the Minister of Finance.

My supplementary is also directed to the Deputy Prime Minister.

In the red book, the Liberal government also promised to make the tax system more equitable. Will the Deputy Prime Minister admit that by refusing for more than three years to initiate a thorough tax reform, as the Bloc Québécois asked it to do, the government has reneged on its promises in the red book and even perpetuated inequities through its shameful cover-up of the family trust scandal?

Oral Questions

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, this is ridiculous. The hon. member for the opposition knows perfectly well that we eliminated all the tax benefits for family trusts. I have four pages of tax loopholes here, and I will read them to you. They are too long, and I cannot remember them all.

Eliminate capital gains tax exemptions of \$100,000; eliminate tax benefits for limited recourse financing; tighten the rules for debt remission; eliminate the use of butterfly transactions, and I could go on. We have eliminated the loopholes. Thanks to this government, the tax system in Canada is fairer than it has ever been.

* * *

[English]

GOVERNMENT POLICIES

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I see that the Prime Minister has unveiled yet another piece of Canadian fiction, a record of achievements. I am sure that Margaret Atwood is just shaking in her pants, as the Prime Minister would say.

We have taken a look at the red book and at the Liberal record. The reality is that the Prime Minister has broken more promises than he has kept. Seventy per cent of the red book promises have gone unfulfilled. The Liberals have broken 136 commitments they made to Canadians in the last election campaign.

I ask the Deputy Prime Minister, how can she imagine that the Liberals have kept 80 to 90 per cent of their promises when fully 70 per cent of the red book promises have gone totally unfulfilled?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, unfortunately the member's arithmetic on this one is about as good as it was on the fresh start platform.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, that kind of an answer is exactly the proof that Canadians sitting in the gallery here and right across the country need a fresh start.

The imaginary friends in the Prime Minister's life believe that the Liberals may have kept their promises but real Canadians will not buy it. They remember the Liberal broken promise of jobs, jobs, jobs; renegotiating NAFTA; stable multiyear funding for the CBC; protecting universal day care and medicare; and their promise of course to kill, scrap and abolish the GST. Those are only five of the biggest whoppers in the red book. There are 131 more.

Why has the Prime Minister resorted to this piece of creative opportunism the Liberals have just released today instead of just telling Canadians the truth, the plain simple truth, that the Liberal Party of Canada, this government, is truly the home of the whopper?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, obviously the Liberal Party has not done as much as it intended to do in terms of completing the promises in the red book. We have only completed 78 per cent of the promises in the red book.

• (1430)

We hope that the people of Canada will give us the confidence to continue to govern. We are not perfect, but we are going to do our best. Our party is the only party in the history of Canadian politics that has actually put its promises in writing completely in advance of an election so we could let the people be the judge. That is what we intend to do.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, there certainly is wisdom in getting a platform out ahead. That is exactly what we did last week.

Jobs, jobs, jobs. Some promise. There are 1.4 million Canadians unemployed. One in four Canadians are worried about the jobs they have.

Protecting medicare? A \$7 billion Liberal cut to social programs, with \$3 billion of that coming directly out of health care, and the Liberals know that.

Stable funding for the CBC? The Liberals cut its budget by a third.

The list of broken promises goes on and on: free votes, an independent ethics counsellor—remember that one?—day care centres and spaces. “We will restore Canadians’ faith in themselves and their government” was a promise in the red book. I can hardly believe it.

Why did the government not provide Canadians with a reality check, that is, that 62 promises have been kept and 136 promises are unfulfilled, instead of this list of imaginary red book achievements?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, the sad thing about the Reform Party and probably the reason it is at single digits in the polls is that when the government comes forward with jobs initiatives, all it gets from the Reform Party is criticism.

We made an announcement earlier this week in Montreal to create Canadian jobs in a city which desperately needs them. Reformers said nay. We announced a cultural production fund that will create 30,000 jobs in Canadian television. They said no. We announced projects which put \$3 billion into the economy by way of infrastructure. The Reform Party said no.

The fresh start of the Reform Party would send the Canadian job situation into a tailspin. That is why the Canadian public has massively rejected the policies of the Reform Party.

Oral Questions

[Translation]

CANADIAN BROADCASTING CORPORATION

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, in its red book, the Liberal Party of Canada accused the Tories of having jeopardized Canadian culture with their drastic cuts in cultural funding. The Liberal Party promised stable multiyear financing for national cultural institutions. However, since it came to power, it has cut \$350 million in the CBC's budget alone, thus forcing the corporation to lay off close to 4,000 cultural workers.

My question is for the Deputy Prime Minister and Minister of Canadian Heritage.

Mr. Volpe: Now, now.

Mr. Leroux (Richmond—Wolfe): You may laugh, all of you champions in job creation. Does the minister believe that, in making unprecedented cuts such as those inflicted upon CBC by her government, she is fulfilling her electoral promises in the areas of culture and job creation?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Unfortunately, Mr. Speaker, when the Bloc Québécois talks about culture it is again filibustering since, according to the latest survey conducted by Statistics Canada, of all the governments having to make cuts, Quebec's is the one which has cut the most in the cultural area.

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, one does not get taller by stepping on somebody else's head.

Some hon. members: Ah, ah.

Mr. Leroux (Richmond—Wolfe): My supplementary is for the Deputy Prime Minister and Minister of Canadian Heritage.

Since the Liberals came to power, the CBC French network has eliminated 1,300 jobs, mainly in the Montreal area. They are telling us they are looking after Montreal and always have, and yet most of these 1,300 jobs were lost in the Montreal area.

Is it not outrageous that while she is making these cuts, she is sinking several million in a flag campaign and in an Information Canada type committee?

• (1435)

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, it is such a pity that the member is insisting on ridiculing the Quebec government. The fact is, according to statistics widely available, for every \$1.16 the federal government spends in Quebec on Canadian culture, the Quebec government only spends 86 cents.

I think he should appeal to his head office to solve the Quebec culture issue, which is undergoing more drastic cuts at the hands of the Quebec government than what Canada is doing.

* * *

[English]

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, obviously the Liberals should have called the red book the unread book.

Yesterday's announcement on books was a big zero for students and consumers who will still pay GST on reading materials. This is despite the fact that the Liberals have passed a priority resolution that their government would "remove the goods and services tax on reading materials".

Can the finance minister explain to these same Liberals gathering in Ottawa today for their lovefest why his government has reneged on this promise, as well as the eye popper that they would axe, scrap and abolish the GST entirely?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member is referring to a resolution that was passed at a party convention and is not referring to a commitment of the government.

There is no doubt that every single member in this House and every single member in the Liberal Party would like to eliminate the tax on books. The problem very clearly is that we also have to deal with a very difficult financial condition in this country and we are achieving a balance.

The balance is to promote literacy. The way in which we have decided to do it is to be selective. Yes, we are going to support those who are in the front line in the fight to promote literacy. We are going to eliminate the tax on books for schools, libraries, municipalities and charities. This is very important. If the hon. member does not understand how important it is that we take very scarce financial resources and promote literacy, then I wonder what in God's name he is doing in this House.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the minister takes scarce financial resources and gives them to his well heeled buddies at Bombardier. That is what he does.

Some hon. members: Oh, oh.

The Speaker: Colleague, please be very judicious in your choice of words.

Mr. Solberg: How about the red book promise on jobs? The Retail Council of Canada has called the government's billion dollar harmonization deal a declaration of economic separation because it is going to cost \$100 million annually in Atlantic Canada. That is what the job creators are saying.

Oral Questions

Can the finance minister explain to Canadians why his red book promised jobs, jobs, jobs while he is cutting political deals like these that mean “higher costs, lower quality, less selection, higher prices and fewer jobs”? That is what they are asking in Atlantic Canada.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as far as the retail council is concerned, we have made it very clear that we are prepared to work with the retail council. We will sit with the council to make the transition as painless as possible. There is no doubt there are going to be changes. The government has said it will be very flexible in the administration of those changes.

As far as tax inclusive pricing is concerned, public polling has been done in the last while which shows overwhelmingly that Canadians want tax inclusive pricing. They do not want the sticker shock. They want to know what the final price is.

Why is it that the Reform Party, which claims to be a populace party, wants to take actions which are not in the best interests of Canadian consumers?

The hon. member for Beaver River wants to talk about reality checks. Let us look at reality checks. The day that the famous Reform Party program was revealed by the hon. member on the CBC what was basically said was that it was going to eliminate taxes for people making over \$150,000 and the member was caught speechless. The provincial premiers said that it would devastate their cuts.

* * *

• (1440)

[Translation]

MONTREAL ECONOMY

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, during the last election campaign, the Liberal Party published a red book that talked about the economic recovery of greater Montreal. The Liberals promised to create a joint action committee for the development of the greater Montreal area.

The Speaker: My dear colleague, members must not anticipate an order of the day, particularly when the same question is involved. I will hear the question, but the preamble comes a bit close.

Mr. Duceppe: Mr. Speaker, this is not an opposition day about the red book, but about Montreal.

I therefore ask the Deputy Prime Minister whether she can tell us what became of the promise in this party's electoral platform to create a joint action committee for the development of the greater Montreal area.

The Speaker: Dear colleague, we seem to be having a debate. I see that the minister has risen, and I will allow him to reply, but I would prefer that we not have debate at this point.

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Mr. Speaker, a few weeks before the last election, we put out an electoral platform entitled: “For the economic recovery of greater Montreal”.

If you look at this electoral platform, the majority of the promises made by the government have been kept. And what we did for Montreal was essentially to have all the departments involved in the economic recovery of Montreal take a horizontal approach.

We followed our vision, and today we see the concrete results. Here are a few: Bell Helicopter, in the aerospace industry, Ericsson, Biochem Pharma, Merck Frosst, Spar, SR Telecom, Harris, the Institut—

The Speaker: My dear colleagues, I hope this will not be about Montreal again. Perhaps members could look a bit beyond.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): By all means, Mr. Speaker, let us look beyond.

In other words, what the Secretary of State for Montreal and beyond has just told us is that they did not keep this promise. That is clearly what he told us: “We kept a number of promises, but not that one”. Let us try again. Maybe something was done way back of beyond.

They promised a recovery in housing, thanks to a redevelopment program that will be of particular benefit to older neighbourhoods and beyond, Mr. Speaker.

Knowing that the Prime Minister has said that he wants to get out of the housing sector, which comes under provincial jurisdiction, perhaps he can tell us today whether he will be turning over to Quebec the money he promised to invest in Montreal and beyond, or whether, once again, this was just so much hot air?

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Mr. Speaker, now they are talking about greater Montreal or the surrounding area.

I am pleased to say in this House, in this democratic forum, that between 1986 and 1993, Quebec received in the order of 29 per cent of all federal funds set aside for public housing. In 1995, through the efforts of our government, Quebec received 32.2 per cent of federal funds set aside for social reform.

Discussions were entered into with all the provinces. They are proceeding well with the province of Quebec, obviously, but there is not yet any concrete result. But Quebec is receiving its full share of the pie, and then some, as far as public housing goes.

Oral Questions

[English]

BOMBARDIER

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, the red book promised integrity. At a recent fundraiser in Toronto the Prime Minister said: "I am not going to buy votes with the Canadian people in the next election".

But he has done just that: an \$87 million interest free loan to Bombardier, a company that had a profit of \$167 million for the six months ending July 31 of this year.

• (1445)

Will the Prime Minister or his spokesman admit to the jobless people of Canada that the interest free loan to Bombardier was pure and simple pork barrelling and that a profitable company like Bombardier should not receive corporate welfare?

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, unfortunately the Reform Party did not look into this matter before it asked the question.

The whole matter of the moneys involved, the \$87 million, deals with an investment approach. There is an investment by the federal government which requires full repayment and upon profits being made, a sharing of the profits in question. But then again, that is not a matter that the Reform Party is used to seeing generally in the repayment of moneys on matters like this.

The federal government is not involved in the business of giving grants. We simply give moneys in an investment and then require repayment. That is what has happened.

It is strange that Reform Party members continuously harp on matters such as this but never mention investments that are made in western Canada, in particular in British Columbia and Alberta. They never mention \$9 million to Paprican, never. They never mention the benefits that the oil industry is receiving in Alberta that will create 40,000 permanent jobs. They concentrate only on Quebec.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I would like to refer the hon. secretary to the fresh start book. He will see that precisely what we are going to do is eliminate grants and subsidies and do away with regional granting agencies.

Let me give the spokesperson for the Prime Minister some facts. Once Canadians have paid the interest on the so-called loan to Bombardier, the cost will be about \$150 million, not \$87 million. It is estimated that 1,000 jobs will be created on this, \$150,000 per

job. If the money had been left to the taxpayer, some 5,000 jobs could have been created.

How does the spokesperson for the Prime Minister explain that to the jobless people of Canada?

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, it is very interesting again that Reformers concentrate on this matter when we have a company that is a world class manufacturer of airplanes. They concentrate on matters like this.

The hon. member mentioned elimination of grants in their programs. They talk about the elimination of regional agencies as well. They would eliminate all the work that has been created in areas such as western Canada by organizations like western diversification, Hitachi in Saskatoon and other industries. They are trying to do that. That is unfair to regions that are developing.

* * *

[Translation]

UNEMPLOYMENT INSURANCE

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

Before the Liberals came to office, the previous government made major cuts to unemployment insurance. In Montreal, these cuts amounted to over \$800 million over four years. The Liberals, who were then in opposition, strongly condemned these cuts to unemployment insurance. Some members who are now ministers even took part in a 1993 demonstration in Montreal in bitter cold temperatures.

What did they do after coming to power? Their successive reforms to unemployment insurance will deprive Quebec of benefits totalling \$900 million this year and \$1.2 billion by the year 2001.

Will the Prime Minister admit that his government's past and future cuts to unemployment insurance will exceed \$900 million this year—I am adding the 1994 reform to the EI reform—and \$1.2 billion in 2001?

• (1450)

Hon. Pierre Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the last calculation was a little tricky, but I will try to understand it.

I can assure you that the shift from unemployment to employment insurance reflects the new economy we referred to earlier. The hon. member for Mercier should realize that, instead of the passive measures favoured in the past, by the year 2000—which you mentioned—we will have reinvested \$2.7 billion in active measures so that Canadians can receive the training they need to join the labour force.

Oral Questions

Thanks to this EI reform, an additional 500,000 Canadians will now be eligible to receive benefits, that is to say, 500,000 Canadians who were not previously covered by unemployment insurance will now qualify. These people include part time workers and women from Montreal's east end, which you know very well, my hon. friend from Mercier.

The Speaker: My colleagues, you must always address the Chair.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, it is unacceptable for the minister to have trouble with his figures, when this is what he should focus on.

If he is not aware that the successive cuts made in Quebec in 1994, 1995 and 1996 will exceed \$900 million this year and amount to \$1.2 billion in 2001, I wonder what he is doing in that job.

Hon. Pierre Pettigrew (Minister of Human Resources Development, Lib.): As you know, Mr. Speaker, it is important to set the record straight and look at the facts. In 1994, Quebec received close to 25 per cent of federal spending in some areas and accounted for 21 per cent of federal revenues.

Can they not look at the whole picture instead of focusing on one particular area? It is important to look at our overall policies and not make judgments based on one particular case. Quebecers receive a very large share of total federal spending. As far as employment insurance is concerned, they have not been penalized any more than other Canadians, quite the contrary. All Canadians are now participating in an active employment system which values work. Quebecers, like all Canadians, benefit from a system that values work and, generally speaking, Quebecers benefit greatly from federal spending.

* * *

[English]

HUMAN RIGHTS

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, my question is for the Minister of Labour.

Last fall the government passed Bill C-64 which strengthened the Employment Equity Act by extending its coverage and giving the human rights commission a mandate to ensure its compliance. As it comes into effect today, could the minister advise the House how this legislation adds to the basic human rights of Canadians?

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to inform the hon. member and the House that Bill C-64, the new Employment Equity Act, does indeed come into force as of today. This is another red book promise kept.

Designations have now been finalized following Canada-wide consultation with groups representing employers, labour and designated groups.

[Translation]

I am proud of the commitment made by the government with respect to workplace equity and equality. This commitment starts today, reinforcing the government's message that every citizen is welcome in the workplace.

* * *

[English]

GOVERNMENT EXPENSES

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, on the scrap heap of broken red book promises is one about a Liberal government restoring public confidence and trust in government.

Yet the youth minister, the member for the Western Arctic, has charged thousands of dollars on government credit cards for personal expenses and holidays and then signed the forms which claim that these expenses were incurred on official business.

When the Prime Minister does nothing about things like this, what message is he sending to Canadians, especially youth whom this member is supposed to represent? How does this inaction do anything to restore Canadian confidence and trust in government?

• (1455)

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, government travel cards, of course, according to Treasury Board rules, should be used only for expenditures that have to do with official government business.

Whenever they are used for other purposes, which may happen in some circumstances, it is clear that all the expenditures not for official government business must be fully reimbursed.

In the present case there is no doubt that all the personal expenditures have been fully reimbursed. We consider the matter closed.

* * *

[Translation]

PROFESSIONAL SERVICES

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

In its red book, the Liberal Party made the following promise, and I quote: "To reduce the \$4.1 billion consulting and professional services budget of the federal government by 15 per cent". But according to the public accounts for 1995-96, the Liberal government spent more than \$4.4 billion on these services, or nearly \$1 billion more than promised.

Business of the House

Does the Deputy Prime Minister admit that, instead of cutting \$600 million from this budget, she actually increased it by \$300 million, thereby breaking another election promise?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, within months of our taking office, it became very clear that the previous government had left its fiscal house in much worse shape than we had expected, with the deficit having actually risen to \$45 billion.

Under the circumstances, we had no choice but to take much more drastic measures than those contemplated in the red book regarding professional services contracts. We immediately realized that a program review had to be put in place to look not only at reducing professional services by 15 per cent but also at ways of realigning many government programs.

By implementing a better idea than the one announced in the red book, we were able to save not only \$1 billion but \$9.2 billion.

* * *

[English]

RESEARCH AND DEVELOPMENT

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, the red book is full of broken promises on the subject of jobs and research and development that they will support in Canada.

We have, among these broken promises, the situation in Chalk River where we have a cyclotron research project in danger of closing down. We have a situation in Whiteshell Laboratories, Manitoba in danger of closing down for the same reason, lack of support from the government.

My question for the Minister of Natural Resources is what are you doing, what will you do to redeem the Liberal promises—

The Speaker: Colleague, you must address the question through the chair. Please rephrase the question to me.

Mr. Ringma: The question, Mr. Speaker, for the Minister of Natural Resources is what will you do to redeem—

The Speaker: The hon. member for Davenport.

* * *

PESTICIDES PRODUCTS CONTROL ACT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Minister of Health and it concerns the modernization of the best management regime in Canada.

Can the Minister of Health indicate to this House when the legislation amending the Pesticides Products Control Act will be introduced in the House?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, the hon. member will be aware that this subject matter is receiving careful and serious consideration in terms of consultations across the country.

The purpose of the review of the Pest Management Regulatory Agency is to provide good and easy access for farmers in this country who need those pesticides, but also in terms of the environmental concerns so that Canadians and their health are protected.

We are in the final stages of our consultations with farming groups and others. I hope to be in a position to come back to the House in due course in order to introduce this legislation.

* * *

● (1500)

PARLIAMENT HILL

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, on the eve of the Liberal convention, something rather sinister and mean is happening here on Parliament Hill.

The Deputy Prime Minister hails from a steel workers town. She will be aware that members of the steelworkers on the construction site on Parliament Hill were paid \$7.25 an hour with minimum benefits. They are now locked out, having been asked to train scabs to replace them here on Parliament Hill.

My question is for the Deputy Prime Minister. Does she feel it is appropriate that scabs are working here on the front lawn of Parliament?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I certainly agree with the hon. member that working people in this country should be given every opportunity to better their situation.

I would also suggest to the hon. member that given his former colleague, the former premier of Ontario, is responsible for the labour laws they are currently facing which permit this, perhaps he should have talked to Bob Rae while he was in office.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw to the attention of members the presence in the gallery of Mr. Oleksander Kozhushko, Member of Parliament of Ukraine, head of a delegation of MPs and officials.

Some hon. members: Hear, hear.

* * *

[Translation]

BUSINESS OF THE HOUSE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I would appreciate it if the government House Leader, or

his substitute, could tell us what the government's legislative agenda will be for the coming week.

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, first of all, the House will not sit tomorrow because, as is customary, when a party recognized in the House has a convention, the House adjourns. We have done so in the past for our colleagues and we thank our colleagues for returning the favour.

We will come back on Monday to resume the debate on Bill C-29.

[English]

This will be followed by Bill C-57 on Bell Canada; Bill C-49, the administrative tribunals legislation; Bill C-47, reproductive technologies; and Bill C-58, water transportation.

On Tuesday we will begin with Bill C-35, the labour code amendment on minimum wages, followed by Bill C-34 respecting farm marketing agencies. We will then pick up the earlier list where we left off and follow it until it has been completed.

Mr. Zed: I wonder if I might seek the unanimous consent of the House to revert to presentation of committee reports. The transport committee has a report to present. I have consulted with the parties and I believe you will find unanimous consent.

• (1505)

The Speaker: Does the hon. member have unanimous consent to revert to Routine Proceedings?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

TRANSPORT

Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Transport which deals with issues involving the Great Lakes and St. Lawrence seaway system.

NATIONAL DEFENCE AND VETERANS AFFAIRS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I wonder if I might, with the good graces of the House, also move a motion regarding travel. I move:

That the Standing Committee on National Defence and Veterans Affairs be authorized to travel to Nova Scotia to visit Cornwallis Park, CFB Greenwood, MTC

Supply

Aldershot and CFB Halifax on November 7 and 8, 1996, and that the necessary staff do accompany the committee.

Mr. Speaker, I have had an opportunity to consult the parties and I believe you will find there is unanimous consent.

The Speaker: Does the parliamentary secretary have the unanimous consent of the House to present the motion?

Some hon. members: Agreed.

(Motion agreed to.)

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—MONTREAL

The House resumed consideration of the motion, of the amendment and of the amendment to the amendment

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to speak to the Bloc Quebecois motion which deals with the economic future of the city of Montreal. As I begin my remarks it is important to make reference to what was said by hon. members during the debate before question period.

The hon. member for Notre-Dame-de-Grâce pointed, as did other Liberal members, to separatism as being the source of the problems in Quebec. He was blaming the separatist movement for all the economic problems in Quebec. That was the common theme which I heard from other Liberal members throughout the morning.

On the other hand, the Bloc Quebecois members were pointing to the federal government and saying that it had not given Montreal enough support. It had not given Montreal enough goodies, according to the motion. It says in the motion that Montreal has not been given an equitable allocation of federal purchases of goods and services, et cetera.

Suffice it to say that obviously both sides are not right. I would argue that both sides in this dispute, the federal government represented by the Liberals, and the province represented by the Bloc Quebecois, can accept all kinds of responsibility for the problems in Montreal.

It is no secret that Montreal is not the city it once was. The hon. member for Notre-Dame-de-Grâce made reference to that. He lives there. He pointed out that several years ago Montreal was a vibrant and growing city, that there were all kinds of entrepreneurs. It was an international city. Today it still is, but it is certainly a shadow of the city it once was. Perhaps it is important, while we are having this debate, to ask what happened between the 1960s and early 1970s and today.

Supply

There have been many changes, not the least of which has been the rise of separatism and a very heavy tax load. There is a tremendous amount of debt in this country. We have seen an environment, really not for job creation but quite to the contrary, an environment that scares off the job creators for two reasons, one of them economic. The other is political. Obviously in that type of environment we cannot see a prosperous economy.

• (1510)

It is important to lay out some of the facts when we are talking about the economic problems facing the great city of Montreal. It is a great city. I think all Canadians would like to see it restored to its former greatness.

Since the present government came to power it has added somewhere in the range of \$103 billion more in debt on to the overall debt load in the country. That means average taxpayers owe on behalf of the federal government about \$45,000 right now or \$290 per month of their taxes go just to pay the interest on the debt. That is \$290 per taxpayer. It is an incredible amount of money.

A lot of people will be alarmed to learn, and I am certain this applies even more so to people in Quebec because of the traditionally high tax load there, but since the Liberal government came to power the average family's purchasing power has declined by \$3,000 a year. That is unbelievable. It points to part of the cause for the economic woes in Montreal.

Since the government has come to power its tax revenues have rocketed upward by \$23 billion more by the end of its four year mandate than when it came to power. That is a tremendous amount of money, a huge increase in its overall revenues.

When we reflect back on the promises of the last campaign, where the Prime Minister, the Deputy Prime Minister and the current finance minister were running around saying there would be jobs, jobs, jobs, all of the facts known today make that promise sound very empty and very hollow.

I will recount some of the facts on unemployment. As members of the Bloc Quebecois know, as do many members of the Liberal Party who are members from the Montreal region, Montreal has been hit perhaps harder than almost any major city in the country with respect to unemployment. However, it truly is a nationwide problem. Today 1.4 million people are unemployed.

It is interesting to look back over the history of the last quarter century to see how the rise in unemployment has paralleled the rise in indebtedness in this country. When former Prime Minister Trudeau was beginning his spending spree back in 1972 about half a million people were unemployed, 535,000 people if my memory serves me right. Ever since then unemployment has been on the rise. It virtually mirrors the rise in indebtedness in the country.

At that point the debt was somewhere in the range of \$13 billion. Today it is \$600 billion. Approximately 500,000 people were unemployed. Today it is 1.4 million. It did not matter what political party was in power. When the Liberals were in government, unemployment was bad and getting worse. When the Tories took over they even made it worse. It was up to 1.6 million people by the time they had their way with the economy. They added another \$300 billion in debt. Obviously they did not do a very good job either.

Today there are 1.4 million unemployed people across the country, not to mention the two million to three million under employed. When we speak of under employed it is important that we define our terms. We are speaking of people who are in positions that really are beneath the skills they have spent a lot of money to acquire. All kinds of people are working in low wage jobs when they have been trained to be in jobs that are far more worthy of their abilities.

This blocks people who are unskilled from getting some of the wages where skills really are not as required. The people whom that really hurts are the youth. That is why we have 18 per cent youth unemployment in Canada today.

• (1515)

On the eve of the Liberal convention, when a lot of young Liberals will be coming to town, I hope they are asking some tough questions of their own government about why youth unemployment continues to be as high as it is today.

However, that is not the whole job story. We have about another 500,000 to 1 million people who have fallen through the cracks, people who are no longer reported in the unemployment statistics because they have given up looking for work. We also have one in four Canadians who are very concerned about their future. They do not know if their job is going to be there tomorrow.

I think I can say this is a fact, and I know hon. members in the Bloc Quebecois and members from all sides who come from Quebec will acknowledge that in Quebec the unemployment situation is certainly more pronounced than just about anywhere else with the exception of Atlantic Canada.

I have laid out a pretty bleak situation. It sounds pretty bad and it certainly is. However, that does not mean that we cannot somehow get out of this terrible mess.

The Reform Party has recently laid out its platform for helping not only the people of Quebec and Montreal, but people from all across the country. We believe that Canada needs to be defined by its citizens, not by its government. The debate over the last couple of days really makes the point. We have had all kinds of accusations flying back and forth in the House in the last couple of days because Bloc members say that we do not give enough money to Quebec and specifically to Montreal. Meanwhile, the government

is saying it gives lots. It just gave \$87 million to Bombardier in Montreal. However, clearly that has not solved the situation.

Governments giving money to big companies, corporate welfare, does not work. It does not work when we flood one province with a whole bunch of money. That clearly has not helped Quebecers. Instead of that why do we not go back and do it the way that we used to, the way that created all those jobs back in the 1960s and 1970s that the hon. member for Notre-Dame-de-Grâce was talking when he was bragging about the Montreal of old. When we talk about that we are talking creating an environment where all the job producers have the incentive to go out there and create jobs.

How do we get there from where we are at today with a \$600 billion debt, a deficit of \$28 billion, record high taxes and falling disposable income? Obviously the solutions are not easy. However, the Reform Party thinks it does have the solution. We believe we have a good plan. We say that the first thing we have to do is make the government smaller. We have laid out a plan whereby we would cut spending by \$15 billion and we would have a \$94 billion federal government, a smaller federal government that is not in the face of Canadians at every level, that is not in the face of the people of Quebec who have said over and over again that they do not want all this intrusion from the federal government. We are happy to help make that happen.

Not only that, we want a federal government that will do 10 jobs well in areas like criminal justice; knocking down internal trade barriers instead of building them up like it has done with the harmonization deal; defence, which obviously needs a lot more attention from the government than it is currently getting because it is truly a mess, certainly at the higher echelons. We would also like the federal government to pay more attention to foreign affairs and international trade and do 10 things well instead of trying to do 25 things and obviously doing them very poorly.

What we would like to see is a tax freedom day that falls in April instead of one that falls in June, July or August. People are taxed to the max. They can barely move. It puts a tremendous stress not only on the job creators out there but all those people who are struggling to make a living and those families that have both parents working even sometimes when they do not necessarily want to have both parents working, which creates tremendous stress in families. What we want is 5 per cent unemployment, not 10 per cent, not 12 per cent, not 18 per cent like we have for young people today. We want 5 per cent unemployment like we have south of the border. Somehow the Americans are able to have low unemployment. Certainly we should be able to have the same level of unemployment. We used to have it in this country.

• (1520)

When I speak of creating jobs through smaller government and lower taxes, I will talk about some specific ways we can do that.

Supply

The first priority is to balance the budget. Hon. members across the way, who may not have had a chance to read our document, have made the accusation that we want to go ahead and start cutting taxes and not balance the budget first.

I assure my friends across the way that is not the case. We believe that would be very irresponsible, particularly when we are in such a precarious position with a debt of \$600 billion. So we say let us balance the budget first. We would do that by reducing government spending by about \$15 billion. We would run a very lean and efficient \$94 billion government.

We would balance that budget by March 31, 1999. We would launch a debt retirement program. We would have balanced budget legislation. We would have free trade between provinces and of course we would have much lower taxes than we have today. The short answer to people who want to know how much tax relief they would get would be \$2,000 for the average Canadian family by the year 2000. We propose a number of ways to make that happen.

We would like to increase the basic personal exemption from \$6,456 to \$7,900. We would also like to increase the spousal amount from \$5,380 to \$7,900. Those two measures alone will obviously affect every person who files a tax form if their basic personal exemption were to go up. It will obviously affect every married couple in the country to give them much lower taxes than they face today.

We speak in favour of extending the \$3,000 to \$5,000 child care deduction to all parents, not just people who send their children out to day care, even to people who look after their children at home. We think they are just as valuable when it comes to providing parenting. It is time in this country that we acknowledge the great job that parents do in raising their children by extending the child care deduction to all parents. That makes sense to me. It is treating people equally.

We believe that we must eliminate the 3 per cent and 5 per cent Conservative surtaxes. The Tories were great ones for raising taxes. Time after time they raised taxes and they spent more and more. We have to begin to repeal some of that.

We believe that we have to cut UI premiums by 28 per cent and we have to cut capital gains tax in half. If we could cut UI premiums, it would provide an immediate stimulus for job creation in this country.

Here is where we get back to Montreal. Many people on both sides of the House have been talking about the lack of jobs in Montreal, and it is truly a national disgrace. I do not know how else to word it. Back in the early seventies we had unemployment rates of 4 per cent and 5 per cent in Canada. Now it is rocketing upward well into the double digits in Montreal, well into the double digits in Atlantic Canada, well into the double digits in the entire country, especially for youth.

Supply

We have a tremendous unemployment problem in this country. There is barely an economist in Canada who has not pointed to the high UI premiums as one of the principle reasons for high unemployment rates. Surely the hon. finance minister and members across the way can see this is an impediment to job creation.

We have to give people some incentive to create jobs. One of the best ways is to balance the budget and then to bring down immediate reductions in unemployment insurance premiums.

We speak about cutting capital gains taxes in half. We have a private sector that is dying to invest in the Canadian economy. If we cut the inclusion rate in half for capital gains, we will have all kinds of capital flooding into the country. There will be all kinds of people who want to invest in Canadian business and create the types of jobs that people in Montreal and people everywhere need.

On the one hand, the finance minister says "hey, we don't need tax cuts, don't worry about it, interest rates will do the job".

• (1525)

Obviously the finance minister and the Prime Minister do not believe their own story or they would not be granting Bombardier \$85 million plus in the form of an interest free loan. They just finished saying that low interest rates will spur that kind of investment on their own. Obviously they do not believe their own story.

The difference between the Reform Party and the old Liberal-Tory Parties has become fairly clear. The old parties believe in bigger government, higher taxes, that government should tell you how to raise and discipline your children. They will be in your face at every turn. They have proven when they do that they have ruined just about everything they have touched.

On the other hand, the Reform Party presents a new vision, a fresh start, as we say. Reform believe that government should be smaller. Canadians should be given the tools to do more of the providing for themselves instead of taking their money and funneling it through a big, fat inefficient government and then having that government tell them what they are going to do with the money. Why not let people keep that money? Why not let Canadians keep the money themselves? Why do we keep taking the money away and putting tremendous strain on individuals and families across the country? This is hugely punitive to all the people who create the jobs, the people to whom the government should be accountable.

In conclusion, I urge the government to drop its stand against tax relief for Canadians, to drop its line that low interest rates are good

enough when clearly it does not believe it itself. Clearly it has failed at every step when it has to hand out big grants to its friends in Montreal. Obviously it does not believe its own story. Obviously it does not believe it is working.

I encourage hon. members across the way and people in the Bloc Quebecois to quit pointing fingers at each other and look at how their own programs are hurting the economy in Montreal and right across the country. Look at the Reform approach of giving Canadians the tools in the form of lower taxes to begin to look after themselves and to create jobs in the Canadian economy.

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, I listened attentively to the hon. member from the Reform Party participating in this debate. Reform's solution to help the sagging economy in Montreal is to cut even more.

Reform is going to cut \$15 billion if it ever forms a government. This would mean smaller transfer payments to the provinces. He talked about free trade with the provinces and I agree with him on that. How will he or his party achieve free trade with Quebec when every day, every week in this House the Reform Party does nothing but Quebec bashing? Then the Reform is going to sit down with it and negotiate free trade. Good luck. I would like to know how it plans to do that.

Reform is going to operate with a smaller government. Mr. Speaker, I am sure your constituents and mine are complaining now that we have cut government too far. There are people who want to have questions answered from Revenue Canada and from immigration. We have already, through our program review, cut the public service by 45,000 and probably another 10,000. The public service has been cut to the bone now. Reform wants to cut not to the bone but into the bone. It claims it is listening to grassroots Canadians. So am I and grassroots Canadians are saying do not cut anymore. They want the public service to serve them when they need it.

• (1530)

My intervention is more of a comment, but I would like the member to answer some of these questions. On the one hand Reform members continually bash Quebec. Of course Montreal is the capital city and the hub of the province and the country.

I think Reform fails to recognize that cities like Montreal, Vancouver and Toronto are still rated by objective international pollsters as the three best cities in the world next to Paris and London. If we compare Montreal, Vancouver and Toronto with U.S. cities, Boston will place third, whereas Montreal will still place in the top ten.

Mr. Solberg: Mr. Speaker, I am certain the hon. member did not mean to say that Montreal was the capital city of Quebec; I think he meant Quebec City.

One thing I want to point out to the hon. member is that it was the member for Notre-Dame-de-Grâce who pointed out that Montreal is not the city it used to be.

The hon. member has to acknowledge that over the last 25 years Liberal governments have been in power in this country, with the exception of the horrendous Tory government. It did almost as much damage as the Liberal governments have done over the many years they have been around.

The member talked about cuts in services and cuts to staffing in the revenue and immigration departments. I do not hear complaints about those cuts nearly as much as I hear complaints about cuts to health care.

Government members campaigned as being the saviours of medicare. Then they turned around and cut \$7 billion out of transfers to the provinces, over \$3 billion of which went to health care. I sat before the finance committee today and heard all kinds of health care professionals pound on the desk very forthrightly because they are so frustrated. They know that on the one hand the federal government is saying that it is the saviour of health care and do not dare try and break the Canada Health Act. Then the Liberals turn around and cut every cent they can out of it and tell people to go and do what they can. That is blatant hypocrisy.

People from Ontario, Quebec, Saskatchewan and Manitoba who protest in front of legislatures about cuts to hospital funding should get on a plane and come and protest on the lawn of the House of Commons because this where the problem began. There is the duplicity of the government which on the one hand says it is the saviour of health care and on the other hand cuts the heart out of it.

On the question of how we would deal with Quebec, the member is absolutely wrong when he says that we bash Quebec every day. That is completely false. We are very, very upset about the Bombardier deal. However we are the ones who propose to give Quebecers the tools in the form of lower taxes. One-quarter of all taxpayers in the country come from Quebec. We are going to give three million people in Quebec lower taxes. A tremendous amount of stimulus will go into the economy of Quebec, \$2,000 per family by the year 2000 in the province of Quebec. They will create a tremendous amount of their own jobs.

I am sure the member has said when he is speaking to his constituents that small business creates jobs in this country. Then let us give the people who create the jobs the tools to create them.

On the political side, we say let us give the people of Quebec and the Government of Quebec the tools they need to chart the future of Quebec. The people of Quebec do have a unique language, a

Supply

unique culture and a unique history. Let us give them the tools and give them the jurisdiction to determine the future of the people of Quebec. That would go over well if every province had to do that.

That is how we are going to deal with the people of Quebec and the Quebec government.

[*Translation*]

The Speaker: We have only about 60 seconds left. The hon. member for Bourassa has 30 seconds.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I also think if there is a political party in Canada which is particularly anti-Quebec, it is the Reform Party.

• (1535)

How can you explain that over the last year, so many Albertans have come in Montreal to tell people in Quebec they care for them and want them as part of Canada, when your attitude is so totally anti-Quebec?

[*English*]

Mr. Solberg: Mr. Speaker, it was a rather incoherent question but I can guarantee that the people of Alberta do want to see Quebecers stay in this country. The best way to show that is for the federal government to create an environment for economic growth on the one hand, and on the other hand provide a decentralized Canada that will allow Quebecers and all Canadians to realize their aspirations within the broad framework of what constitutes Canada.

[*Translation*]

Hon. Pierre Pettigrew (Minister of Human Resources Development, Lib.): Thank you, Mr. Speaker, for giving me the floor to address the issue of the future of Montreal, an issue that is so very close to my heart.

Today's opposition motion will allow us to give the public the facts, which have been totally misrepresented. I am extremely pleased to rise on this issue, since, as you know, I got into politics earlier this year, in January 1996, because, among other reasons, I was dismayed by the situation Montreal was in. I thought that the only way to boost Montreal's economy was to ensure that Canada is a vibrant country, with a modern and flexible federalism that would allow Montreal to work well. That is the underlying reason of my commitment, and that is why I rise in the House today as the member of Parliament for Papineau—Saint-Michel, representing eastern Montreal, the Montreal that is having a rough time, the Montreal that concerns us so much.

Of course, the Prime Minister had absolutely no difficulty recognizing earlier this week that Montreal is the economic mainspring of Quebec. Montreal has always been, is, and will always remain the economic and cultural mainspring of Quebec

Supply

society. Besides, members opposite are among those who have been insisting for years on considering Montreal merely a region like any other, always reminding Montreal that it is only one region among others, whereas we have always recognized its role as an economic mainspring. So, the first words of the motion reflect the bad faith of opposition members who would have us believe they themselves do not recognize Montreal as the economic mainspring of Quebec.

Moreover, in the speech he made last Tuesday, the Prime Minister of Canada went so far as to say that Montreal is not only the economic mainspring of Quebec, but one of the economic engines of Canada. When the Montreal economy is in dire straits, as it is right now, the Canadian economy as a whole is in trouble.

Millions of Canadian citizens feel attached to Montreal. Millions of Canadian citizens feel some kind of attachment for Montreal, which I appreciate and find very encouraging, because when we talk about Montreal in cabinet or in caucus, I can always tell that the government members have a lot of sympathy for Montreal. Canadians love the city of Montreal. They recognize that Montreal is crucial both to the Quebec society and to the future of Canada. I think it is extremely important to recognize this.

Here is what struck me these last few days. I am quite new to politics and I may be rather naive but I am stunned to see that, although the Prime Minister of Canada made an important speech in front of the Montreal Chamber of Commerce, last Tuesday, holding out his hand to the Quebec government, the private sector, the community sector, the co-operative sectors, the municipal governments in Montreal and the vicinity in a speech which was meant to be constructive and unifying, his speech was met yesterday and today in question period with anger and attempts to revive old illusions that are completely out of date in a modern Quebec. And I say to the members opposite: this is 1996, please bring yourselves up to date and forget last century's divisions, and decisions that were, in some cases, made at the turn of the century and which they are trying to update with an anti-Quebec twist. This is pure nonsense.

• (1540)

What I can say is that we, in the Government of Canada, are totally pro-Montreal. The Prime Minister, the head of our government, made a speech the Quebec government did not ridicule fortunately. The Government of Quebec welcomed the Prime Minister's speech because we want to transform Montreal into a job site with a strong job potential for the years to come.

What did we have since then? Not a word on the openness shown by the Prime Minister, not a word on the pro-Montreal and pro-Quebec constructive approach he took by inviting all stake-

holders of the private sector and community groups. I was shocked by this absolutely mean attitude. What I am afraid of is that they are not interested in Montreal's well-being, but, on the contrary, in a return to the old divisions.

In my office, this morning, I was listening with only half an ear to the hon. member for Rosemont, who was reminding us of the old rivalries when Montreal was an anglophone city, when the anglophones exploited the poor French Canadians who suffered so much. They are constantly trying to bring us back to the past, to situations which, for the most part, are no longer true in modern Quebec.

The only way for Montreal to regain its place in the sun, to become a prominent economic pole again is to stop reviving the old hatreds and divisions. Really, the only vision that comes from the opposition, from the Bloc which calls itself Quebecois—but which, I have more and more the impression, should be called anti-Quebecois—is a vision of division. A vision of division, of constant division between people.

They try to divide us when we know that we can accomplish so much more by staying together. They disappoint me because this is not what Montreal needs right now. What Montreal needs is that we all work together: the Government of Canada, the government of Quebec, the private sector, the labour unions and the community sector. This is what we want and the hon. members opposite have nothing to offer except division, they did nothing to make any true commitment or to create a collective commitment.

Fortunately, they do not reflect the reaction of Quebec's premier to the great speech made by the Prime Minister of Canada, who made all Canadians aware of the needs of Montreal.

Do Quebecers get their fair share in Canada? For the past 130 years, Quebecers have chosen Canada every time they were asked, even when all kinds of gimmicks were used to make them say what they did not mean. Why is that? Because, in the end, Quebecers know very well that they get their fair share in Canada. We must see Canada as a land of freedom, individual growth, respect and tolerance. This is a lot more interesting than the divisions and racial hatred that some people would like to impose on us by constantly referring to the old myths of the past when Montreal was an English-speaking city.

I cannot believe that I am still hearing today, in 1996, the things I heard this morning. I sincerely hope people will realize that Quebec's society includes all the people, whatever their language or their ethnic origin. This is the only Montreal that can reclaim its place under the sun. This is the Montreal we need, the Montreal that must shine.

The Government of Canada, under the leadership of the Prime Minister, has taken a structuring approach where various federal

departments have their own line of action. These lines of action are very interesting and reflect our government's agenda.

We want to promote the development of the science and technology sector, which is absolutely essential in the new knowledge-based economy towards which we are moving. We are doing all we can in the area of international development. Most jobs that are created today are related to international trade. Our country is open to international trade and that is extremely important.

Our third line of action within our structuring approach is small business development.

• (1545)

The development of the cultural and tourism industries will also be extremely important, as well as local economic and social development, which is my responsibility as Canada's Minister of Human Resources Development.

A few moments ago, the member for Mercier was trying to tell me again that the poor Quebecers did not get their fair share in the new employment insurance program, that our reform was not fair to Quebecers, when in fact local economic and social development is our main concern. The main purpose of our employment insurance reform is precisely to help the most vulnerable people in our society re-enter the workforce by investing much more money than we did before under the unemployment insurance program to give them access to the training that will allow them to re-enter the workforce.

Do Quebecers not get their fair share? If you look at the figures, in 1995, Quebecers received 45 per cent of employment insurance transfers, or \$4.7 billion, which is \$1.2 billion more than the \$3.5 billion they contributed.

And in how many other areas is this true? We do not even want to get into this kind of highly divisive propaganda at a time when the Prime Minister is extending his hand to try to rebuild Montreal, and all we are hearing is insults, to the point where it was insinuated that the Prime Minister was shedding crocodile tears because he said he was sorry about the state of Montreal's economy. Where are these people coming from?

This reminds me of August or September when Quebec's finance minister, Mr. Landry, thought we were not taking statistics seriously. He even mentioned me specifically, the minister standing before you, who has spent his life working for the development of Montreal's economy, of its business community, helping it to take its first steps in international markets, as an international management consultant.

This is nothing more than old style political fighting. Its approach is to attack people's motivation, trying to play on our prejudices, and we are not having any of it.

Supply

We think that this narrow partisan discourse, which is unable to rise to the challenge of actually building a society, will get what it deserves from Quebecers in due course.

When I hear the name Bloc Quebecois, I can assure you of one thing, and all Canadians must know this, and that is that Quebecers are far above this divisive mentality, that they are people with a different ideal, a much more elevated community and economic ideal.

I think it important to reassure the Canadian people at this time that the Bloc Quebecois represents a certain part of the population and that we will see a sharp decline in its numbers over the coming years. In any event, Quebec's share of federal research and development spending, which is often mentioned, and I have no choice but to speak about it, because of all the figures that have been given, has gone from 14 per cent in 1979 to 24 per cent in 1994-95.

In 1994-95, Quebec received close to 23 per cent of the funds available for research and development from the Department of National Defence. In 1992-93, Quebec businesses received 33 per cent of grants and 33 per cent of federal research and development contracts. In 1992-93, Quebec universities received 26 per cent of federal research and development grants to Canadian universities.

Early this week, the Prime Minister announced an \$87 million investment in Bombardier as part of a technology partnership. What did I hear this morning? I heard people saying: "We do not need grants, what we want is action and policies".

They want words, political decisions. They have asked us for policies and told us they do not want grants.

• (1550)

We give them the focus of our developmental policy, we show them Team Canada proudly carrying the products of Quebecers and other Canadians into the international markets. We show them a Prime Minister of Canada, who has taken those products all over the world, which they have always opposed because they do not want international development, they do not want to be part of Team Canada, despite the great business success these undertakings have enjoyed so far.

Just since the time I became a member of this House, a mere seven months ago, I have seen how many Montreal businesses have received the funding they over there claim they want nothing of. Since this morning I have heard nothing but "We do not want grants, we want policies".

I can tell you, however, that what Quebecers want is more than words, more than political slogans. What they want is economic action. They want partnerships based on returnable contributions, for that is where business is at these days. Such was the case early this week with Bombardier, with \$87 million in repayable funds,

Supply

because we are sharing the technological risk involved, but we have confidence.

How much has the Canadian government invested in Bombardier, which is in the process of moving up from the sixth-ranking aerospace company in the world to the fourth? We are, of course, delighted with this loan, and I am looking at the list of companies, ones like Bell Helicopter, Delisle Foods, Galderma, businesses in which we have invested jointly with the Government of Quebec. It cannot be such a bad thing as that, if Quebec was also involved. Why tell us they want no subsidies, when extremely important investments are exactly what is bringing about the restructuring of Montreal?

I can tell you that what we need at this time is unity and union. We need to unite all of our strengths in order to find the strength Montreal needs. I am speaking of the east, I am speaking of the pro-east group, in which we invested as a government, in the local community. Those people are doing an absolutely remarkable job. We, the Government of Canada, are there one hundred per cent, attuned to the needs of the people of the Montreal region.

But the Government of Canada is proposing tangible actions, useful actions in order to make Montreal become a great city in Quebec and in Canada. We want to help Montreal to be a great North American metropolis.

We will continue to act in the most structured possible way, with employment as a priority. Employment remains our governments' priority. We have put some order in our fiscal house and we are extremely proud of this achievement. We have transformed employment insurance into a very modern system, which takes into account the reality of the new economy and covers 500,000 more Canadians, many of whom are women from the eastern part of Montreal, who had part time jobs.

This government intends to continue to improve economic growth, employment and the new economy and to work for the young people. I am proud to see that there are some healthy economic sectors in Montreal. A part of Montreal may be in a tough situation but there is also another part of it which is economically well. I know the people on the other side rarely talk about that successful Montreal because it rarely is on their political side.

Indeed, the successful Montreal is not on their side because it is made of people who have confidence in themselves. They are not people who are mean and suspicious, who are afraid of their neighbours and who refuse to share their sovereignty with them. The successful Montreal is the Montreal of aeronautics, biotechnology, pharmaceutical industry, telecommunications, information technologies and multimedia. It is this Montreal the Canadian government stood by and has helped in priority for many

years. Montreal, the Montreal that is doing so well, politically supports our approach.

That is why they do not want to talk about the Montreal that is thriving, because it happens to reject this option of suspicion and fear that the neighbours may have done something. That is not our approach. We are faced with the tremendous challenge of helping the other Montreal which is having trouble adjusting to the new economy.

We are there. We now have an investment climate with the lowest interest rates we have known in 38 years. Now that is an extraordinary achievement. Our opposition friends should show the same respect we showed the Government of Quebec and the mayor of Montreal, Mayor Bourque, who was very pleased with the Prime Minister's speech.

• (1555)

If, after the offer made at the beginning of this week, they had the decency to say well, we will have to do better than we have so far because there is still a part of Montreal that is in trouble, if they did, we would be able to do something, because we would all be working together.

There will be a summit meeting in Quebec on the weekend, an important one. We will be watching it very closely. I also want to wish all participants in this summit the best of luck, so that by the end of the month, when the summit takes place, we will have some tangible results. We are going to look at these results, and I can tell you right now the Government of Canada will be there. It intends to meet its commitments, and we will be glad to continue to help the people of Montreal.

Mr. Leblanc (Longueuil): Mr. Speaker, to say that Montreal is not in such bad shape, I agree. It has its problems, but it is not in such bad shape. But to say that Montreal is in a good shape, referring to the action of the federal government these last twenty years, I think that the speech the Prime Minister made in Montreal this week does not reflect the reality. I will not go so far to say that such a speech is pure hypocrisy.

If Montreal is in a somewhat better shape now, it is certainly not thanks to the federal government. Let us look, for instance, at what the present Prime Minister did when he was Minister of Energy, Mines and Resources. He cut part of Montreal's oil supplies. What did the Prime Minister do? What did the federal government do in respect to inflation and the extraordinary interest rates of 20 per cent in 1981-1982 for example? I think such a situation rapidly ruins a city.

What did the federal government do recently when it shut down the Atomic Energy Commission of Canada in Montreal? What did the federal government do when it shut down the Tokamak research centre in Varennes? What is the government doing? The federal

Supply

government is doing everything possible to harm the economic development of Montreal, and we have lots of evidence.

Therefore, when the Minister comes and tells us that the Prime Minister made an extraordinary speech—yes, the Prime Minister said extraordinary things such as “We are targeting our investments so that we can help Montreal become a leader in the emerging technologies of tomorrow”, I say: What hypocrisy! What a hypocritical speech!

The Speaker: My colleagues, I ask you not to use the words “hypocrisy” and “hypocrite”, because it could trigger unwanted reactions, here, in the House.

Mr. Leblanc (Longueuil): Mr. Speaker, I did not say that the minister was a hypocrite. I said that his speech was hypocritical. That is different.

I wanted to say that we, Montrealers, know the minister’s rhetoric has very little impact. He spoke about the federal government’s contribution in research and development contracts, but in all, they amount to 18.5 per cent. He mentioned National Defence. He mentioned areas where the investment was higher than the Quebec average, but still, the average is 18.5 per cent. This is figure provided by Statistics Canada, and it means at least a \$2 billion shortfall in research and development. He says his department also gives \$1.2 billion to the unemployed. Do the Quebecers, the Montrealers, want to be supported on welfare and unemployment premiums? We want to earn a decent living, as any other living body in North America.

That being said, I think the present minister should withdraw his statement and tell the truth, for once.

• (1600)

He must tell the truth, because 18.5 per cent while we represent 24 per cent of the population means we got \$2 billion less than what we should have had for research and development. These figures are from Statistics Canada.

Ontario receives 53 per cent of the federal research and development envelope while Quebec has 18.5 per cent—and the minister is perfectly aware of it.

Mr. Pettigrew: It is 24 per cent.

Mr. LeBlanc (Longueuil): Why does he say such things in the House? Why not try to say the truth to Quebecers and Montrealers? Why not the truth? I do not know. I think he is taking up the same speech his leader delivered in Montreal this week. He probably prepared half of it himself. It is more or less the same speech that was given by the Prime Minister in Montreal, this week, and parts of it are simply not true.

That is why we are here as representatives of Quebec in Ottawa, and we want Quebecers to know the truth about what the federal government does to help Montreal. The worst thing is that this

government is the one that most hindered Montreal’s development in the past, and it is still doing so today.

Mr. Pettigrew: Mr. Speaker, the member for Longueuil is stuck on inflation rates of 14 or 15 per cent. Those were times I hardly knew. In those days, I was probably not even in the labour force, I have been working for only 25 years.

It is incredible how the problems of Montreal are being blamed on the inflation in the early eighties, at a time when we all know that governments had a different philosophy on the issue. The same was true of the Quebec government to which you were very close then, in 1980-81.

We should focus our debate on the Montreal of today, not the Montreal the member for Rosemont talked about, when it was mostly English speaking and seemed to be meant to us, not the Montreal of the late seventies when the inflation was sky high. I will point out that the inflation was the same in Toronto and the rest of Canada. It would appear that Montreal was affected in a different way. So here are a few things that are true. It was certainly not because of an anti-Quebec approach that inflation rates were so high, as a matter of fact, they were too high for Canadians as a whole.

These people should be reminded that for the past three years the inflation rate has been below 2 per cent; right now it is around 1.3 or 1.4 per cent. It is extraordinary to have been able to wrestle the inflation to the ground as we have done under the current Liberal government headed by the current Prime Minister, whom I cannot call by name in this House, although I nearly did, the member for Shawinigan.

Also, our interest rates are the lowest they have been in 38 years. You want to talk about the past? You are right, Mr. Speaker. I must address my remarks to the Chair. I want to point out that interest rates are the lowest they have been in 38 years. So those who cling to the past should also mention that.

I am more interested in the future, in the society we are building now. They speak about research and development spending. Quebec’s part in federal spending for research and development has reached more than 25 per cent this year. We have made considerable progress.

But the interesting part are the tangible results of research and development. This is the area where we have progressed and where we are improving the situation. In the aerospace sector alone, the government will invest \$2.3 billion over a ten-year period in Montreal. Those are structuring investments, considerably more important than what we have seen until now.

Then there are aeronautics, biotechnologies and the pharmaceutical industry. People keep asking: “When will you change the legislation?” Right now the legislation discriminates in favour of

Supply

the pharmaceutical industry in the greater Montreal. You are either in the past, or in an hypothetical future. We must remind these people that they should put an end to their qualms and their fears. We are trying to build a society and that can only be done on the basis of trust and confidence.

There were two major books written on economic development last year. I should send a copy to members of the opposition; they would be happy to see that Mr. Fukuyama, a very interesting Japanese-American sociologist, wrote a book in which he says that the societies which will perform the best in a global economy will be those where confidence prevails.

• (1605)

The title of his book is *Trust*. We must have confidence, we must stop being wary of what we see on the other side. Alain Peyrefitte said the same thing. He studied 400 years of economic development to see which societies performed. It was always the societies where there was confidence, the societies which—instead of turning against their Prime Minister, who is from Quebec, against a Prime Minister born in Quebec, the hon. member for Shawinigan who, faced with an urgent situation in Montreal, extended a hand to the Premier of Quebec—the societies which were united. For three days now he has been under attack. Everything he has done is being questioned.

You were right a while ago when you intervened to stop the use of the adjective, the use of the word hypocrite. Insult is the weapon of the weak, the weapon of those who have nothing to say. I will end on that. The situation is very serious in Montreal and we must unite, we must stop fighting each other and work together: the Government of Canada, the Government of Quebec, the municipal government, the private sector and the community. This is what we want and this is what we will do.

I would like to ask the opposition to stop slowing us down. Indeed, what they are trying to do, faced with the initiative taken by the Prime Minister of Canada at the beginning of the week, faced with this very constructive and positive speech, is slow down government action because it scares them.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I am pleased to speak to the Bloc Québécois motion asking the House to recognize Montreal as the economic mainspring of Quebec society. This motion also asks the House to condemn the federal government's lack of concrete initiatives in really supporting the Montreal area economy, particularly in the transportation sector.

During the last election campaign, the Liberals had promised in their red book to give back to Montreal a strong voice within the Canadian government, to favour community groups, to support small and medium business, which constitutes the essence of Montreal's economic fabric, to revitalize housing through a

renovation program, and to maximize, in the greater Montreal area, the spinoffs of the research and development program.

Beyond these fine promises, the federal government is doing nothing to help with the economic recovery of Montreal. In the transportation sector, many issues demonstrate the federal government's bad faith. In the last 15 years, 15,000 jobs have been lost in the railway industry in Montreal, which is more than half of the work force in this sector.

The federal government did everything it could to favour rail transportation in the west, at the expense of Quebec, and particularly Montreal, which used to be the main railway centre in the country. Ottawa massively invested in infrastructure in western Canada, while supporting grain transportation to the tune of hundreds of millions of dollars. Meanwhile, it let the Quebec network deteriorate and thus become obsolete.

In the air transportation sector, Ottawa's decisions also had devastating effects on employment in Montreal. In July, the federal government announced it was withdrawing from Air Canada its Czech Republic destination, to the benefit of Canadian International. This decision is further evidence of favouritism toward this company.

In this regard, I must add that, for many years, Ottawa has been postponing the entry of Air Canada in the Asian market and is trying to restrain its access. It then becomes realistic to think that, if the government chooses to put forward policies that put Air Canada at a disadvantage, it is in fact because it wants to penalize it for maintaining its head office in Montreal instead of Toronto.

It is important to mention that Air Canada is currently one of the largest employers in Quebec, with some 7,000 employees. However, we have to wonder why an Air Canada centre is already being built in Toronto and what the consequences will be for Montreal.

• (1610)

The handling of the Dorval and Mirabel airports issue is another example of the kind of mismanagement experienced in air transportation in Quebec over the past two decades. Having two airports has greatly hindered Montreal's competitiveness vis-à-vis the northeastern states. In addition, the decision the federal government made in 1986 to allow air carriers departing from Europe to transit through other Canadian airports sounded the end of Montreal as a major hub. As a result, three times more passengers are now going through Pearson Airport in Toronto than through Dorval and Mirabel together.

I would now like to address briefly the difficult situation in my riding of Bourassa, which includes the 86,000 residents of Montréal-Nord. Starting in January 1997, the riding will also include approximately 10,000 residents of Rivière-des-Prairies.

The population of Montréal-Nord is becoming increasingly cosmopolitan, with the majority, or 38 per cent, coming from Italy or Haiti. The Latin American, Middle-Eastern and Southeast-Asian components are also growing.

The unemployment rate in the adult population of Montréal-Nord is higher than the average rate for the island of Montreal, at 16 per cent versus 12 per cent. In the 15-24 age group, the rate is higher there than elsewhere, at 20.3 per cent versus 16 per cent. Of the total population of Montréal-Nord, 18.8 per cent rely on income security benefits, as compared to 10.7 per cent in Quebec. Those relying on welfare are mainly people living alone, single mothers, children, immigrants and young people.

Many of my constituents are living in poverty. They often come to my office to ask me to do something. As hard as I try, I sometimes feel torn and helpless, unable to meet their urgent needs for jobs, housing, and even food.

The Papineau employment center is slated for closure at the beginning of 1997. The minister who was praising earlier all the great things achieved by Montreal is responsible for this center. At the same time, this government is cutting back on grants to those organizations responsible for developing job readiness programs. The federal government has this great infrastructure program, but Henri-Bourassa Boulevard has yet to be completed.

So I wish to express my indignation at the extremely unfair treatment of the Montreal area, especially Montréal-Nord. Federal members and ministers from Montreal are not doing anything for the city. The federal government must take concrete action to straighten out the disastrous socioeconomic situation of what used to be the heart of Quebec's economy.

I would like to say a few words about what the Minister of Human Resources Development has just told us in this House. He told us that the Quebec government treats Montreal like any other region in Quebec. That is not true. The Quebec government has appointed a minister responsible for Montreal, Serge Ménard, who is doing a great job, unlike the federal government.

I think the minister is exaggerating when he talks about all the great things his government has done for Montreal. He should spend more time in his own riding of Papineau—Saint-Michel, which borders on my riding of Bourassa, where many unemployed Haitian and other immigrants live in incredible poverty.

Pearless, a company in my riding, laid off many workers, most of whom were from Latin America, Asia and Haiti.

• (1615)

This morning, the secretary of state responsible for regional development spoke to us about CDECs or economic and communi-

Supply

ty development corporations. There is a CDEC in Montréal-Nord, but, unfortunately, the federal government is no longer providing \$25,000 to develop this institution, this organization. The Quebec government, for its part, gave \$25,000, while the city of Montréal-Nord provided \$15,000 plus office space, which is equivalent to \$25,000. There is no federal contribution at this time. Is this their way of supporting CDECs, which do a wonderful job in the whole Montreal area, especially Montréal-Nord?

For all these reasons, I support the Bloc motion and condemn the Liberal government's policies concerning Montreal and especially its failure to take action.

[*English*]

The Acting Speaker (Mrs. Ringuette-Maltais): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Shefford, military justice; the hon. member for Parry Sound—Muskoka, tourism.

[*Translation*]

Mr. Dan McTeague (Ontario, Lib.): Madam Speaker, I listened carefully to the comments made by the hon. member for Bourassa and I perfectly understand his position.

However, I find it somewhat ironic that he and his party should try to find a scapegoat, when the scapegoat himself cannot understand their separatist policies.

I know that from time to time we must take firm positions on policies, but that should not, in the end, prevent anyone from working, from earning a living. That is why I do understand the hon. member's comments.

I know that from one end of our beautiful country to the other, people are struggling. Just a few hours ago, GM workers on strike in Ontario held out their hands to workers on strike at the GM plant in Sainte-Thérèse. We saw two communities working together and finally succeeding in reaching a satisfactory agreement with the company.

Using this example, I could suggest—and I easily get involved in policies—that the situation in Montreal is not that different from the situation elsewhere, except that we do recognize it in our ridings.

The hon. member is fully aware that Montrealers, anglophones and francophones alike, sometimes come to see us to tell us how bad the situation is in Montreal and that it is a result not only of federal and provincial government policies, but also of the changing economy, so we must co-operate and adapt.

Supply

Instead of putting a question to the hon. member who, of course, must approve the motion, I hold out my hand to him saying: "Work with us, work with Franco-Ontarians, work with others in this country. We are here to help you". But we must hold out our hands, we must have hope in our future, in our future together. Does he not agree with this sincere offer from our government?

Mr. Nunez: Madam Speaker, I agree with the hon. member that we should congratulate CAW workers for settling a dispute which lasted a few weeks between the CAW and General Motors. Ontario and Quebec workers succeeded and I congratulate them because they won a difficult battle.

Second, the federal government has a major responsibility regarding Montreal's problems. The Quebec government did its share. It appointed a minister responsible for Montreal. As for the federal government, it makes decisions that are detrimental to Quebec, and particularly to Montreal.

• (1620)

For example, the federal government favours Canadian International, whose activities are concentrated in western Canada, at the expense of Air Canada, whose head office is in Montreal. It makes decisions concerning Canada's railway system—Montreal used to be the hub of the railroad industry until a few years ago—with the result that the whole industry is now moving west. Montreal used to be Canada's metropolis. Now, Toronto has taken that title away from it. A large number of these decisions were made by the federal government, at the expense of Montreal. I am not saying that the federal government is responsible for all of Montreal's misfortunes, but it is largely responsible for its difficult and even disastrous economic situation, particularly from an employment standpoint.

Mr. Nic Leblanc (Longueuil, BQ): Madam Speaker, I always like to review the historical background of an issue before beginning to speak about it, in order to explain certain things for the present and the future. One always has to remember a little what happened a few years earlier. I have always thought that the past is something of an indication of what the future holds.

Judging by what happened a few years ago, I can say that the federal government has surely not been the engine behind Montreal's economic development, quite the contrary. I will give a few examples. I will back a rather long way, but the problems arose since then; as you know, there was the so called Borden line established by the oil energy legislation. During the period the Prime Minister was Minister of Energy, Mines and Resources, that Borden line cost Montreal between 8,000 and 10,000 jobs. We have to remember that.

In 1986, the federal government inaugurated a large airport called Mirabel. The following year, it decided to deregulate air transportation, which brought about the fall of Mirabel-Dorval airport and a further loss of ten thousand jobs in the area of Montreal. All because of the federal government. There too, these were badly targeted expenditures by the federal government.

A tremendous amount of money was spent between 1970 and 1980, and programs were not necessarily well directed, which meant that they were not consistent with the development of Montreal. Once again, we did not get the funds needed to develop normally like the other regions of Canada. It is for these reasons that I like to look back. We must always remember that, as I said earlier, the past is something of an indication of what the future holds.

When I heard the Prime Minister say this week in Montreal that his "government is targeting its investments to make Montreal a leader in the new technologies of the future", I did not think he was very credible. I do not have much confidence in that rhetoric. It was a speech meant to please, a pre-election speech to make Quebecers believe that he was very much concerned, but we know very well that he has been the main source of the problems the metropolitan area of Montreal is having. It is not very amusing to see a Prime Minister or a government making great speeches when we know very well that it will not make much difference.

I will explain why I do not trust the government. First, only a few months ago, the federal government decided to shut down the Montreal offices of the Atomic Energy Commission of Canada. The Bloc Quebecois raised this issue several times. We have managed to keep almost half the employees of the Atomic Energy Control Board, but what the federal government really wanted, as was announced, was to close down the board's office in Montreal. When the Prime Minister says he wants to turn Montreal into the city of the technology of the future, and when at the same time he is closing down the board's office, I fail to see how he can have any credibility making that speech in Montreal.

• (1625)

That is why we have decided to spend this day talking about his visit there and the actions taken recently in Montreal to regain some credibility. But we have to emphasize the gap between what is said and what is actually done.

They wanted to close down the Atomic Energy Control Board office, and we managed to keep half of it. We know that in this area Montreal will definitely take a back-seat. We also know that gradually, as the years go by, there will be no one left in this Montreal office. How could we trust that kind of speech?

We wanted to condemn this rhetoric, and that is why we are here. Quebecers have elected 53 members of the Bloc to represent them

Supply

in Ottawa. We are here to condemn this kind of rhetoric, because we know it is just a sham.

I have another reason to think we should not trust this rhetoric, and that is the fact that the natural resources minister has decided to stop subsidizing the Tokamak project in Varennes, near Montreal. This Tokamak project is one the most advanced facilities in the world for scientific development. Europe, the United States and Japan are partners in this project to develop nuclear energy.

We have extraordinary skills to develop in this area. It is the energy of the future. But the natural resources minister said that the energy of the future and nuclear fusion are not her priority. It is easy to understand, because she stands up for the oil industry in western Canada. She stands up for the uranium plants in Ontario, which is the type of industries she wants to develop.

She has forgotten that nuclear fusion is tomorrow's source of energy. Twenty or 25 years from now, petroleum products will not be used that much any longer. Electrical power consumption will be on the decline. We will still use electricity, but it will be produced through nuclear fusion.

On the one hand, they say they want to help the Montreal area, but on the other hand, they cancel some projects and stop funding very significant sectors, like nuclear fusion and the Atomic Energy Board. So, we cannot believe a word the Prime Minister says in his speeches.

I met with the general manager of the Tokamak project, who told me and proved to me that the \$7 million the federal government was investing each year in this project had much more significant economic spinoffs. Some of the new products that had to be invented to develop this form of energy are proving to be useful to several businesses in the Montreal area, which, in turn, are developing other new products. The products developed through the research carried out by the Tokamak project generate much more than the \$7 million investment made by the federal government.

By cutting this subsidy, the federal government is running the risk of putting an end to this extraordinary Tokamak project and stands to lose some money. The Minister of Natural Resources did not take the time to properly assess this project. The Prime Minister said he has a technological vision of the future, but his words do not match the reality.

Yesterday or was it this morning, I read in the paper that, according to the OECD, Quebec ranks fourth among all the countries as far as research and development is concerned. However, we know that this government does not invest as much as it should in research and development in Quebec.

• (1630)

This means that Quebec has to invest its share in R and D, plus the \$2 million it is not getting from the federal government.

Did you really think that we could create jobs when the federal government is not paying its share, which comes to \$2 million a year? If times are tough in Montreal, which has extraordinary intellectual resources, people who unfortunately do not have much work due to a lack of money, it is precisely because the federal government is not paying its share in R and D.

[*English*]

Mr. Jesse Flis (Parkdale—High Park, Lib.): Madam Speaker, my wife and I spent the last two weekends in Montreal. We love going there. My wife says that no city in the world has smoked meat like Montreal has. She will also say that no city in the world has bagels like Montreal has.

However, on our last visit we were very depressed. We took a taxi from Dorval airport to downtown Montreal. When I want to learn what is happening in a city I usually talk to taxi drivers and barbers. I learn a lot from these two professions.

The taxi driver told us that he was not pleased with what was happening. He said that he was selling his taxi business, which shocked me. He was selling his home. I asked him why. He replied: "Things are not certain. I cannot go on living this way". When I asked him how long he had been in Montreal he told me 25 years.

He is selling his taxi business and his home. He is moving to Toronto. He speaks French, English and Greek. These are the kinds of human resources we have in our beautiful country and in la belle province, Quebec. He is selling out, moving out to join his brother who has a restaurant and an apartment business in Toronto.

That depressed me. Here is a true entrepreneur who helped to build the economy of Montreal and Quebec for 25 years, and now he is pulling out because of political uncertainty.

The member for Longueuil has been here as long as I have, if not longer, so I am sure he will take my question seriously. Rather than blame the federal government falsely, as this motion does, to say—

[*Translation*]

—the federal government's under-investment in research and development; its inequitable allocation of federal purchases of goods and services—

This is not true.

[*English*]

It is a false motion. Rather than blame the taxi driver I talked to who is moving from Montreal, what is the Bloc Quebecois Party doing to keep these entrepreneurs in Montreal? By falsely blaming

Supply

the federal government the Bloc is driving more of these entrepreneurs out of Montreal.

The Bloc Quebecois has a responsibility as its members were elected by a large group of people, and that I respect. The reason they are sitting here is because they were put here through a democratic process. What are they doing to prevent this flight of entrepreneurs from Montreal?

[*Translation*]

Mr. Leblanc (Longueuil): Madam Speaker, what we are doing is very simple: we do what we are doing today. First, we call to order the people who tell us lies about Montreal. It is important to do this first.

Second, this thing about political uncertainty is old hat. Every expert and business and every poll on the subject said that political uncertainty has nothing to do with Montreal's situation. This has to be made clear once and for all. Everybody said so. Experts said it again last week on television. We read about it every day in the papers. The political situation has nothing to do with the loss of jobs in Montreal.

As we all know, the problem with Montreal is that the federal government never took care of Quebec for the last 30 years.

• (1635)

It is mainly the fault of this Prime Minister who, for 30 years, has been trying to please western Canada and Ontario to be able to win votes, because he is a Quebecer. That is the true reason.

This same Prime Minister scuttled Meech because Quebec had obtained a little more freedom to manage its own things. He became the leader of the Liberal Party and to run down the Conservative government that was on the point of realizing one of the finest Canadian projects, he scuttled the whole deal, and only so he could become Prime Minister.

Power took precedence over the interests of Quebec. This Prime Minister ruined Montreal. This is clear. Everybody can say so, and prove it: his attitude toward Quebec was terrible. He has been active in politics for 30 years and he has been working against Quebec for 30 years. This is why the members of the Bloc, all 53 of us, are now here in Ottawa. We are here because we could not get members from Quebec to really represent us. To get elected, they would do anything to please western Canada, Ontario and the Atlantic provinces.

This is the old way, the old story of Canada. It was this way under the Trudeau government, under the Saint-Laurent government and under this Prime Minister's government.

Unfortunately, my time is up, although I would have so much more to say on this subject.

[*English*]

Hon. Sheila Finestone (Mount Royal, Lib.): Madam Speaker, all of us sitting here and particularly the hon. member for Longueuil who has been in the House for many years as a member of the Conservative Party, know the nature of the discontent that has spread throughout this country. The majority of the population voted for this party.

Now he has the nerve to say that they are unhappy. He crossed the floor and joined the Bloc Quebecois. He said there was no way that politics or the environment of Quebec are at fault, it is the weather and the federal government.

Has the weather made it even worse or just the federal government?

[*Translation*]

Mr. Leblanc (Longueuil): Madam Speaker, politics is not as simple as it looks. It implies many attitudes. One must look at history a little. A country cannot become impoverished in the span of six months, three days or five weeks. One must examine the history of the last 30 years to understand the current plight of Quebec, which is plagued by a 15 or 12 per cent unemployment rate and an almost equal number of welfare recipients. This is a reality.

When I say the last 30 years, I am speaking of the current Prime Minister, who was in the government then. He is responsible for this situation.

[*English*]

Hon. Sheila Finestone (Mount Royal, Lib.): Madam Speaker, as I read the outline of the debate we are faced with today, I note that once again political disinformation is being put before us as an object for debate and vote. Members of the Bloc Quebecois blame everybody but themselves. They blame the whole world, including the weather. They do not recognize what is going on in Quebec society or the problems that Quebec is living with today. It is really a travesty. It also happens to be untrue, unfounded and unrealistic.

I really think that when ideology takes over from reality we really have a very serious issue before us.

One thing we need to remember is that Canada, Quebec and, in particular, Montreal has a population that is a reflection of the country we have built together. It is built on a series of values, policies, programs and philosophies which are shared by the majority of Quebecers, except for one small ideological group which is stuck on language and nothing else. I should not say they are only concerned with language. They are also concerned with culture and cultural issues which are important and valuable.

Supply

• (1640)

However, we also want this reflected in the House. This culture is reflected through you, Madam Speaker, as a francophone from New Brunswick, through our new minister of la francophonie who is a francophone from Ontario and through a number of our ministers and secretaries of state who are francophones from Manitoba, British Columbia, northern Ontario and elsewhere. We also have, by the way, anglophones from Quebec who sit in this House.

We have many representatives in this House who show the diversity of the country. We have aboriginal people who are representative of Quebec and this country. One of the problems members opposite have is a lack of recognition of the diversity and multicultural nature of the province of Quebec.

They also lack the desire to recognize the fact that this government under the Prime Minister, the Minister of Finance, the ministers and all the members of the caucus have expressed support for the views put forward a red book. This is an excellent red book and covers over 189 issues. We have been very frank and forthcoming about what the issues are and what we have accomplished. Over 75 per cent of the promises that we made have been accomplished. We are an open government that is fair, honest and very concerned about the well-being of Quebec.

[*Translation*]

There is no magic formula for attracting investors, whatever the sector. There is only one reason, and it is the big companies or the small and medium size ones that decide how, when and where they wish to invest. For the most part, with the changes that occurred in the era of communication, of market globalization, businesses must find the niches where they can really acquire the expertise and become the best in the world. We have this here, in Montreal.

I am saying this as a Montrealer as well as a member for a riding that has two industrial parks where big retailers and even small and medium size businesses were established. These businesses received Quebec-Canada partnership grants to be more successful.

To attract investment, there is a whole set of factors, such as a positive business environment, and the quality of life that we can find in Montreal. When businesses, big private companies have to make a decision on the location of a new research facility, they think about the stability of the Canadian economic climate. Inflation and interest rates are low. This is why the member of the Bloc Quebecois who spoke before me should realize that we have put in place the groundwork for attracting investors.

What is this groundwork? It is low inflation and interest rates. The Government of Canada is committed to a reduction program that should bring the deficit to 1 per cent of GDP by 1999. I think

that we also recognize that our legislation protecting intellectual property and innovation is essential for investments in R and D.

The tax incentives granted by the Government of Canada for R and D are the most generous in the world. That is why investors come to our country. And the Minister of Industry encourages them to do so. I must admit I told him that I was very happy he should come to my riding to invite three major companies to choose our industrial park and to give them assurance regarding the money and the support they will get from the Government of Quebec and the Government of Canada, through the Quebec-Canada agreement.

• (1645)

The minister assured that Ericsson, Biochem and the National Research Centre that they are welcome in my riding. This implies huge amounts of money, but I will talk about this later. Thanks to these high technology industries, Montreal now has the critical mass necessary to be one of the major centres in the world—and they say that we have done nothing—in many leading sectors.

Montreal has reached this point through partnership agreements with the private sector, the academic and research communities, provincial as well as federal governments and people from 85 countries who have the knowledge and the expertise required and who decided to come to Quebec, people who speak many languages, who know the work and the business cultures in other sectors of this country.

[*English*]

The immigrants who have come to Montreal have been the greatest innovators in many ways. Not only are they entrepreneurs who have created small and medium size businesses, they are people who come from different cultures around the world. They understand the cultures and the languages and how business is done around the world. They are a precious asset. They are a hidden asset. They know how we can seek business and become entrepreneurial in this new globalized world where competitiveness is the key. They know how to produce manpower at a cost per unit of production which is the lowest in the world in many fields, the field of pharmaceuticals, the field of aeronautics, the field of technology and the field of telecommunications.

I only have one minute left. I wish I could talk about all the wonderful dollars which we have invested. I have a wonderful speech and if I had time I would be pleased to tell hon. members about the millions and millions of dollars which have been invested.

I would like to cite two or three examples. We have approved 77 projects, which represent an investment of more than \$3.8 billion. Both governments, with an investment of \$575 million, have created more than 8,500 jobs. I would like to know how the Government of Quebec or more particularly the Bloc Quebecois finds that difficult.

Supply

The increase in sales from these investments has amounted to more than \$5 billion. That money went into the economy and was taxed in the province of Quebec, like it is in the rest of Canada.

The major part of this growth and development is as a result of international sales and Team Canada. I hope the premier of Quebec goes with the Prime Minister. Then he will see what the advantages of co-operation are between leaders of government in the interests of the people and not in the interests of an ideology based on culture and language. That is not enough for a country to grow on. There has to be an open spirit. There have to be open minds. Everyone is welcome and everyone is equal. That is a fundamental characteristic and a value of the dignity of human beings and work.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, you might find it strange that a member from Quebec City should take part in a debate on Montreal. But let me explain why I wanted to speak. Montreal used to be Canada's metropolis, but it still is Quebec's metropolis. It is a city whose economic development obviously meshes with the economic development of the rest of Quebec. When Montreal suffers, the rest of Quebec suffers too. This has been known for a long time.

But what I find somewhat offensive in the hon. member's speech is that she suggested—and I do not remember her exact words—that the members from the Bloc and the other members from Quebec should put the cultural and linguistic issues aside, or at least give them less importance—

• (1650)

Mrs. Finestone: I did not say that, I did not say that at all.

Mr. Dubé: Yes, you said that in your last paragraph, just at the end of your speech.

The hon. member lives in Montreal, I know that she is a sensible person, who generally recognizes reality. I do not want to insult her, but I would like her to clarify her thinking in this regard.

Does she admit that the good health of Montreal's economy is important for Quebec? Does she recognize that things are the way they are in Quebec because language is important, since we are a French speaking majority? Language and culture are important for the development of Quebecers, like they are for other peoples.

Of course, we are open to immigration. We prove it every day of the year. In the Bloc, the hon. member for Bourassa is an example of our openness. We are not against immigration, we are not against other languages, but it must be recognized that it is normal for Quebecers to ask that efforts be made for the economic development of their metropolis.

I would like the hon. member to clarify her thinking because I may have misunderstood. I hope that I misunderstood her because she seemed to suggest that we should not attach any importance to cultural identity and language.

Mrs. Finestone: Madam Speaker, first of all, I want the member to understand that I am proud to be a Quebecer. I am proud of both the French and English languages and cultures. I want them both to be respected, as well as the other languages and cultures of the people who chose to make our province their home. They are equal partners, each in their own community.

Secondly, I totally agree with you that Montreal is the heart of Quebec, its economic engine. However, if we want to pursue this idea, we must have an open mind and recognize that the federal government has several objectives, in partnership with the Quebec government and under the Quebec-Canada agreement—or Canada-Quebec if you prefer—on the development of the various sectors. First of all, this agreement is designed to promote the coordination of efforts between both governments to improve Quebec's competitiveness and economic health, especially in Montreal, the province's economic engine. The agreement succeeds in reaching this goal by giving financial support to major industrial projects capable of diversifying Montreal's and Quebec's industrial structure.

I think you will agree with me that it is a very good idea, and we are doing it in partnership.

What bothered me about the previous speeches is that members were saying that Mr. Chrétien has been here for 30 years. Well, it is a good thing because, as a political leader, he has a vision of Quebec that is representative of all Canada, of which I am part as a Montrealer. I think it is not fair to say that it is our party and our leader who are destroying Montreal and who are hindering its economic development. It is not true. It is false.

That is what I said before and I am saying it again, and that is all I have to say about this issue.

Mr. Clifford Lincoln (Lachine—Lac-Saint-Louis, Lib.): Madam Speaker, I spent five years in the Quebec National Assembly on the opposition benches, and almost four years on the government benches.

I was in opposition during the Parti Québécois's second term of office. Whenever Quebec's problems were mentioned, there were two solutions. The first was that everything wrong in Quebec was the fault of the federal government. That was taken for granted. Everything that was going badly in Quebec was because of the federal government.

Every time something went badly, summits were held to find a solution. We had endless summits. The summit master of them all, Mr. Landry, held summits every week, every month, every quarter: economic summits, cultural summits, summits on this, that and the other.

Supply

• (1655)

I see that times have not changed. The discourse here has not changed. It is always the same old song: "For 30 years now, Quebec has had a tough time, and it is the fault of the federal government, the fault of Mr. Chrétien, but it is never our fault in Quebec. We will hold a summit and everything will turn out fine. We will make wonderful speeches".

And now they come here and tell us that things are not going well in Montreal because of the federal government. I live in a very prosperous area of Montreal Island. One field that is doing well is high technology, as are the aerospace industry, and the communications, informatics, and information fields, and all these companies are doing extremely well. I am very familiar with them, having spoken to many of their general managers and shareholders.

I will give you three examples: someone built a computer company a few years ago from nothing. Today, this company has 700 employees and annual sales of \$250 million.

What has happened? When it looks for scientists and research technicians, it cannot find them in Canada and has to bring them in from the United States, England, Germany and elsewhere. It cannot find them because they no longer want to come to Quebec. So what has it done? It has moved its research centre to Florida.

Second example: a thriving, fibre optics company. What has happened? After the referendum, it lost eight of its best scientists. The president wrote to tell me: "The very heart of my business has left".

A third company, also in computers, and also doing extremely well, hired all the managers it could in Quebec, through Canadian universities. It is still looking for 65 scientists, but cannot find any who want to come here. There is all the publicity in the schools about the referendum, talk every day about the referendum. These are examples from Quebec.

If businessmen are discussing it, they say "No, they are traitors to Quebec". If the Chamber of Commerce does, they say "It is the Chamber of Commerce talking". If it is the Conseil du patronat, they say "No, they are not us". But what if it is the mayor of Montreal himself? He was quoted in a headline in *Le Devoir* the other day as saying "Political instability is what is finishing off Montreal". What if it is your Mr. Dumont himself, the good buddy of the PQ and the Bloc, who says: "Put your referendum on hold for ten years"? We are not the ones saying this, nor the Prime Minister, it is your partner, Mr. Dumont.

No, you will not listen. You will not listen because you do not want to hear. I could list off all the investments in which the federal and Quebec governments have participated. I and my colleagues

have been at some of the opening ceremonies myself, and we work very closely together.

Two years ago, I had the experience of working with a trilateral team, made up of the federal government, the Quebec government and the City of Montreal, to try to get the secretariat of the Convention on Biodiversity here to Montreal. We were successful, because on both sides we were neither federalists, nor Quebecers, nor Montrealers. We were instead all working together for the prosperity of our community.

We worked together, regardless of political stripe, regardless of what community we came from, whether Quebec City, Montreal or somewhere else. We worked together, and we were successful. Today we have formed that same trilateral team to get the Secretariat for the Convention to Control Desertification to Montreal. I am a player on that team, and very pleased to be a member.

This is proof that people can work together if there is good will. Let us put aside our never-ending quarrels about language and politics. Surely we can work together to build things that will make our community, our country and our province prosperous, without regard to race, religion or political considerations, for the sake of the people who live there. We can do it.

However, the only thing you want is to be negative and say that things are not going well and that the federal government, not you, is responsible for the present situation.

• (1700)

Every time we have an opportunity to build something together, you go back to the past and talk about Mr. Chrétien in 1970 instead of talking about today, the future and the new century and about the fact that Montreal is not well because of the chronic political instability which exists there and which everyone denounces. Americans and Europeans talk about it. Where there is instability there is no investment.

I urge you, as people who are proud to be Montrealers, Quebecers and Canadians, to forget your mean prejudices, your never-ending quarrels, your famous referendum which you will never win and persist in holding, and work instead to revitalize our city. Montreal is for everyone of us, on this side or on the other, something we all take to heart. So let us work together to build Montreal instead of having those never-ending quarrels.

[English]

I am just saying that we can work together if we want to work together. Every day the federal government, the Quebec government and the city of Montreal work together in harmony and peace. It is only because of the separatists who believe in division, who believe in quarrels, who believe in a negative option that today Montreal is suffering and sick. The only way to build it is to

Supply

breathe hope, unity and political peace into it so investments can return and Montreal can flourish again.

[*Translation*]

This is our most precious wish. I hope that next time you will introduce a motion it will be a positive and constructive motion for us all, whether we live in Montreal, in Quebec or in Canada.

Mr. Nic Leblanc (Longueuil, BQ): Madam Speaker, when federalists do not know what to say, they say the problems are due to the fact that we want a referendum. They refuse to face the facts. The Liberals say we are against everything, but that is not true. We are not against everything. We are just monitoring the federal government.

I was on the government benches when the drug patent bill was passed. Bill C-22 and Bill C-91, that was when I was a Conservative, and we worked very hard to bring pharmaceutical research to Montreal. It was a vicious struggle. The Liberals took advantage of their position in the Senate, and it was a year before this legislation was passed. They did not want to see these projects in the Montreal region and especially right next to the riding of Lachine—Saint-Louis.

Hundreds of millions of dollars were invested, which created thousands and thousands of jobs. The Liberal government at the time did everything it could to prevent the passage of this bill. For the first time in Canada's history, researchers from Montreal demonstrated on Parliament Hill and persuade the Liberals to adopt this bill in order to create jobs in Montreal.

You think we can trust the federal government. You think we are against everything. In fact, we know we cannot trust the government. The evidence tells us we cannot trust the federal Liberal government. I repeat, the past shows what the future holds in store. That is why Quebecers had so little confidence in the federal government that they elected 53 Bloc Quebecois members to represent them in a worthy manner and to protect their interests.

My answer to the minister who was formerly a minister in Quebec City and said we were just a bunch of complainers is that Montreal is not in such a bad shape, on the contrary. I have confidence in the people of Montreal. I know there are people in Montreal with extraordinary intellectual capabilities that can accomplish great things. We have done some great things, and if we did not have a federal government that destroys everything as soon as we build it, we would be better off.

• (1705)

I repeat, the OECD says that Quebec ranks fourth on research and development, which means that although we get less than \$2 billion from the federal government, as a province we do more research and development than almost anywhere in the world. We

are fourth in the world. Why? It means the Quebec government has to pay twice as much.

They tell us they give us more in Quebec City. Sure, they give us more as far as unemployment is concerned. Do we want money for our poor because we will never be rich, because the federal government prevents us from earning an honest living? I do not think that is what we want. Quebecers are people with dignity who want to work and are resourceful. I believe in Quebecers. We want to be sovereign because we think that once Quebec is sovereign, it will be in a far better position to develop its potential. It is blessed with outstanding natural and human resources. But we do not get the help we need.

An hon. member: You are against everything.

Mr. Leblanc (Longueuil): We are not against everything, on the contrary. We are keeping tabs on the government. He should be ashamed for saying that. He was fighting to prevent us from passing Bill C-22 and Bill C-91. It was his party. He was not here at the time. I was here. I remember. We won, and today, hundreds of millions of dollars have been invested in western Montreal, especially.

Just recently, the Liberals on the House of Commons committee on regulations tried to pull a fast one. They tried to change the period. Lucky the Bloc Quebecois was there to keep an eye on them, because otherwise we would have been had once again. Can we trust these people? Never.

Mr. Lincoln: Madam Speaker, I could have taken time to exchange statistics with my colleague for Longueuil. I could have told him that, for example, in 1993, according to the last official statistics from the provincial and federal governments, Quebec received \$41 billion from the federal government, whereas it returned only \$29 billion in taxes. I could have showed him that, in recent years, up to 1993, Quebec received an additional \$137 billion.

But I think all this rhetoric is in vain. He will say that we gave 19 per cent more to other provinces for research and development, but he will say nothing of the fact that, for instance, Quebec receives 50 per cent with regards to milk. He could also speak about the RCMP, which receives 17 per cent.

A federation is a system of balances. Sometimes, we get more, and sometimes less. That is why transfer payments exist. That is why the national capital exists. The entire national capital and the research centre are lumped in with Ontario. However, taking it out would mean a completely different set of figures. But I do not feel like fighting a battle over figures, even though I could have won very easily.

I only want to tell him that if Montreal's mayor himself—and he is certainly not a member of our party—believes that Montreal is being sapped and even killed by political instability, and if all

Supply

objective observers tell the same thing, one has to be deaf and blind not to believe it. Personally, I firmly believe that such is the truth.

Mr. Jean H. Leroux (Shefford, BQ): Madam Speaker, the motion we are debating today, presented by the leader of the Bloc Québécois, the member for Roberval, reads as follows:

That this House recognize Montreal as the economic mainspring of Quebec society and, therefore, condemn the federal government's lack of concrete initiatives in supporting the Montreal area economy, primarily: the federal government's under-investment in research and development; its inequitable allocation of federal purchases of goods and services; its lack of willingness to support Montreal as a major financial centre in North America and its termination of Montreal's role as a major transportation centre.

The Liberal Party, despite the commitments it made in its famous red book, has done nothing for Montreal and the Montreal region. Even worse, because of its job creation policies, the federal government directly contributed to the impoverishment of Montreal. Over the years, several decisions made by the federal government, more specifically, under Pierre Elliott Trudeau, have contributed to Montreal's losing of influence to Toronto, a plan well orchestrated by the federal government, with the blessings of the anglophone majority of Canada.

• (1710)

I will not repeat everything that has been said here by my colleagues from the Bloc Québécois with respect to impoverishment, but for us Montreal is and will always be the heart of the Quebec community.

What I will say today concerns Montreal as a major transportation hub.

Early this week, the Prime Minister of Canada addressed the Montreal Chamber of Commerce. In his speech, he said that he wanted to help Montreal get back on its feet. He even said he was willing to associate himself with other government levels so that they could together, in a spirit of partnership—just imagine, using the word “partnership” we are so familiar with—improve the situation in Quebec's major city, where poverty now prevails. In his speech, the Prime Minister also made reference to the port of Montreal.

However, he forgot to say how for decades the actions of the federal government have contributed to killing the port and rail activities, to eliminating any chance Montreal had to once again be a hub for the freight and passenger transportation in this region of America.

Here are some true examples. First, there is the latest intervention by the federal government, the bill on Canada's oceans, part of which deals with a new fee structure for the services of the Coast Guard. In practical terms, the coming into force of this bill will result in additional costs for ships sailing through the St. Lawrence and the Great Lakes, while the Churchill port, in Manitoba, will not

have to pay for the coast guard's services. Once again, this double standard can only harm the port of Montreal.

It is important to point out that in Quebec many industries depend on shipping for their livelihood. Every year, they pour \$1.2 billion in the economy. Some 20 million tonnes of freight transit through the port of Montreal, which represents 726,000 containers a year. This accounts for 14,000 direct and indirect jobs. This is what is at stake. But mainly, it is ice free and navigable 12 months of the year, which is not the case for Churchill.

Bill C-26 would be a double whammy for the Montreal port since it already faces very stiff competition from American eastern seaboard ports. The passage of Bill C-26 might result in the diversion of all shipping towards the United States. This would not be the first time the federal government is hampering Montreal's profitability. Many decisions have led to the loss of rail and port infrastructure in Montreal.

Madam Speaker, I see that I have only one minute left. May I have unanimous consent to finish my speech?

The Acting Speaker (Mrs. Ringuette-Maltais): I must put the motion to the vote at 5.15 p.m.

Mr. Leroux (Shefford): Madam Speaker, I wanted to talk about the building of the St. Lawrence seaway. In the fifties, Canada and the United States decided to build the seaway. It had a negative impact on Montreal. It killed its economy.

As you know, Quebec taxpayers paid their fair share of the seaway. At the end of the day, it cost Montreal its competitive edge.

To conclude, I would like to say, since I am running out of time, that it is with initiatives such as these that the federal government has been undermining the role of Montreal as a transportation hub. We have lots of practical suggestions to offer—as my Bloc colleagues and I have done all day—to put Montreal, the heart of Quebec, back in its rightful place in Canada and in America.

The Acting Speaker (Mrs. Ringuette-Maltais): It being 5.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

The question is on Mr. Ménard's amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): All those in favour will please say yea.

Some hon. members: Yea.

Adjournment debate

The Acting Speaker (Mrs. Ringuette-Maltais): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Ringuette-Maltais): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Ringuette-Maltais): Pursuant to order made earlier today, the recorded division stands deferred until Tuesday, October 29, 1996, at the end of the Government Orders period.

As for private members' business, the member for Burlington is not present in the House to propose the order according to the notice published in today's Notice Paper. Therefore, the order is dropped to the bottom of the order of precedence on the Order Paper.

Is there unanimous consent to proceed to the adjournment debate?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[*Translation*]

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

MILITARY JUSTICE

Mr. Jean H. Leroux (Shefford, BQ): Madam Speaker, the Department of National Defence is one of the largest federal departments, with a work force of about 25,000 civilian employees, a regular force of about 67,000 military personnel, a reserve of about 23,000 people and an annual budget of almost \$10.5 billion.

In the last few years, the minister has been confronted with constant internal changes that concern me a lot and, I am sure, Canadian and Quebec taxpayers as well.

It is true that National Defence went through a program of massive work force reduction and put in place a program of restructuring its command and internal control, due to the budget cuts that were imposed. But what concerns me mostly is the fact that all these changes seem to be accompanied by a chronic leadership void at the highest levels of the military hierarchy.

I was reading this week a document from the auditor general of Canada, dated February 1994, concerning the transition within National Defence. Some allegations in it are confirming my concerns.

On page 5 of that document, one can read, and I quote: "We found persistent deficiencies in the department's accountability systems and reports to Parliament. We noted inconsistencies in data concerning unit combat readiness and we expressed concerns relating to data control in the central performance management system."

On the next page, the auditors found out that the largest component of the reserve, that is the militia, had no performance standards. We learned that the department was providing very few data to Parliament about the reserve performance and that the information given could sometimes be misleading.

Consequently, with this type of situation that has been going on for many years within the armed forces, how could there be no excesses? How can we make sure that officers in charge can control the few individuals who are damaging the morale and the image of our troops abroad and at home?

How can we prevent scandals such as the Somalia affair or the cover-up operation orchestrated by the higher echelons of the military structure?

• (1720)

I would like the government to explain to me what it plans on doing to restore the credibility of our troops, of our military interventions and our peacekeeping operations abroad. What measures does the new Minister of National Defence plan to take to prevent the corruption and abuse problems which not only tarnish the department's image, but undermine the morale of the troops?

The government must be responsible. It must undertake as fast as possible a cleaning operation within our armed forces. It must not do what it just did, which is wait until the scandals come from all directions before acting under pressure from public opinion and negative polls.

It is the government's duty to have authority over its generals, and all of its senior officers responsible for our security. The taxpayers are entitled to respect. Every year, we pay more than \$10.5 billion to maintain a disciplined institution, and it strikes me as normal for those responsible for its administration to be answerable for their actions.

Does the government have plans for another cross-Canada survey to find out what it needs to do now to reinstate a code of conduct in our armed services personnel abroad? Does the government have plans for another survey to find out what it needs to do to get those who manage the Department of National Defence to administer the billions of dollars entrusted to them with decency?

In the interest of transparency and accountability, will the Prime Minister shoulder his own responsibilities and call for the Minister of National Defence to rectify his code of ethics and to thoroughly scrutinize the events which are a constant source of scandal, day after day?

Adjournment debate

Mr. John Richardson (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Madam Speaker, it is my pleasure, and I thank the hon. member for Shefford for his question.

[*English*]

However, I have to put into perspective some of his concerns. When discussing the military justice system it is important to recognize that the system is there to support the stringent and often unique requirements of military discipline during peacetime, but more particularly wartime.

This does not mean that the military justice system exists in isolation. This is not the case, nor should it be.

Indeed the military justice system seeks to parallel the civil judicial system. As a result, the military justice system has and continues to evolve alongside the civil judicial system.

For example, Canadians can rest assured that the Canadian Charter of Rights and Freedoms has applied to the military justice system from the moment the charter came into force and effect. Citizen soldier are treated no differently than other Canadian citizens under the Canadian Charter of Rights and Freedoms.

There should be no misconception, however, that the military justice system as it currently exists is somehow less rigorous and holds military members to some lesser standards of justice. In fact, recent judgments of the Supreme Court of Canada and the Court Martial Appeal Court of Canada have endorsed the independence of the court martial system but indeed the integrity and validity of the system as well.

We do recognize, however, that all justice systems are complex and must evolve in order to keep pace with the changing needs of the society they serve.

As I have already stated, recent Supreme Court rulings support the overall validity of the military justice system. Yet there is always a need for the legal system to be examined vis-à-vis a changing society.

We must seek to allay concerns that the military justice system may somehow be less than rigorous and unable to withstand public scrutiny. Toward this end I can assure this House that the prudent and measured examination of the military justice system will continue.

Of course, the work of the Somalia commission of inquiry concerning the military justice system will be an important element of any examination. It is therefore with anticipation that we look forward to receiving the recommendations of the commission upon the conclusion of its work on March 25, 1997.

• (1725)

TOURISM

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Madam Speaker, further to my question to the Minister of Industry, I wish

to emphasize that tourism is one of the most important industries in my riding. It is an industry that accounts for half the jobs, that is one in every two jobs in the riding. It is a significant economic generator in Parry Sound—Muskoka.

It is also a significant economic generator throughout the rest of Canada, which is why our government increased to \$50 million its support to this important sector. It is why our government established the Canadian Tourism Commission to stem the tide of the international tourism deficit.

Indeed, tourism is a \$26 billion industry in this country and constitutes in my riding wholehearted support for the federal government's action to increase the economic spinoffs from this important sector.

However, I believe that through the Canadian Tourism Commission there is even more that can be done. It is true that in partnership with industry members, the private sector and federal and provincial governments the tourism commission has been successful in achieving a 13 per cent increase in international tourism receipts in Canada.

These initiatives have also generated an almost 2 per cent increase in employment in the tourism sector, which is good news for Canadians everywhere.

This is good progress, but I want to make sure that everything that can be done will be done to enhance economic development in areas that are dependent on tourism for their livelihood and, in particular, in rural and remote areas of Canada.

For example, in my riding the federal government will continue to support local projects and events through investments in infrastructure and human resources development.

Since 1993, through federal programming initiatives, I have facilitated an investment of more than \$1 million for tourism in our riding.

The federal government has supported things like a snowmobile trail system to develop and lengthen our tourism season. We have supported cultural facilities and tourism centres in addition to the work that we have done with chambers of commerce through the promotion of events and attractions.

Our work in the riding will continue because tourism is such an important industry and such an important job source for constituents. I believe the work of the tourism commission will extend this support.

One of the commission's most important objectives, of course, is to reduce the international tourism deficit. Part of that goal is to divert some of the travellers from the United States and encourage them instead to travel to our many and varied tourism regions here in Canada. This is particularly important to the constituents in my riding. The reliance on partnerships is key to the success of that relationship.

Adjournment debate

In addition to its success in Canada as a whole, I want to ensure that the tourism commission works well in rural and remote Canada. We need to take the small business tourism operators into account with our policies and with the work of the commission. It is important that our government facilitate the creation of partnerships among local rural players like those in my riding.

Research and development in the tourism industry, new technology, access to capital and infrastructure are the things that will benefit rural tourism operators. The tourism commission will play a key role in that development through undertakings that expand on current initiatives and achievements to date.

I ask the parliamentary secretary what can constituents expect in a rural riding like mine from the commission in this regard?

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Madam Speaker, the Canadian Tourism Commission was created in February 1995. This public/private sector partnership was able to take advantage of positive external conditions, for example, expanding economies, fluctuating exchange rates and structural developments to regain market share in key areas and reduce the travel deficit.

In his February 27, 1996 response to the speech from the throne the Prime Minister spoke of the CTC as a remarkable success which will serve as a model of partnership between the various levels of government and the private sector for the 21st Century.

In establishing the CTC the Prime Minister challenged the industry to match the federal government's financial commitment of \$50 million annually within the three years of its creation.

Partners in 1995-96, the first year of operation, provided approximately \$40 million in co-funding programming. To date, in 1996-97, it appears that the target of exceeding \$50 million in partner funding will be met.

Results to date are impressive. Canada's travel account deficit fell from \$4 billion in 1994 to \$3 billion in 1995, a decrease of 25 per cent.

In 1995 tourism employed 488,500 persons directly. This was a 2 per cent increase in tourism employment in 1995 over 1994. Statistics Canada estimates that in 1995 tourism spending in Canada amounted to \$41.8 billion, up from \$39 billion in 1994, a 7 per cent increase. In 1995, 17 million international tourists visited Canada, up 6 per cent over 1994. Tourists from the United States increased by 4 per cent to 13 million while tourists from overseas countries rose by 14 per cent to 4 million.

[*Translation*]

The Deputy Speaker: It being 5.30 p.m., pursuant to an order made on Friday, September 27, 1996, this House stands adjourned until Monday, October 28, 1996, at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 5.31 p.m.)

CONTENTS

Thursday, October 24, 1996

ROUTINE PROCEEDINGS			
SUPPLEMENTARY ESTIMATES (A), 1996–97			
Government Response to Petitions			
Mr. Zed	5643	Mr. Cauchon	5662
Supplementary Estimates (A), 1996–97		Mr. Mitchell	5662
Reference to Standing Committees		Mr. de Savoye	5664
Mr. Massé	5643	Mr. Harvard	5664
Motion moved and agreed to	5643	Mr. de Savoye	5666
Committees of the House		Mr. Loubier	5666
Government Operations		Mr. Cauchon	5668
Mr. Zed	5644	Mr. Tremblay (Rosemont)	5668
Motion	5644	Mr. Cauchon	5670
(Motion agreed to.)	5644	Mr. DeVillers	5670
Petitions		Mr. de Savoye	5672
Health Care		Mr. Kilger	5672
Mr. Bevilacqua	5644	Mr. Kilger	5672
Endangered Species		Motion	5672
Mr. Bevilacqua	5644	(Motion agreed to.)	5672
Taxation		Mr. Allmand	5672
Mr. Szabo	5644	Mr. Nunez	5674
Alcohol Consumption			
Mr. Szabo	5644	STATEMENTS BY MEMBERS	
Bill C–205		Member for Peterborough	
Mr. Kilger	5644	Mr. O'Reilly	5675
Generic Drugs		Liberal Party	
Mr. Kilger	5645	Mr. Gouk	5675
Bell Canada		Small Business	
Mr. Kilger	5645	Mrs. Brushett	5675
Questions on the Order Paper		Industries Manufacturières Mégantic	
Mr. Zed	5645	Mr. Bernier (Mégantic—Compton—Stanstead)	5675
Questions Passed as Orders for Return		Bradson Mercantile Inc.	
Mr. Zed	5646	Ms. McLaughlin	5676
GOVERNMENT ORDERS		Indexable Cutting Tools	
Supply		Mr. Lastewka	5676
Allotted Day—Montreal		Small Business Week	
Mr. Gauthier	5646	Mr. Byrne	5676
Motion	5646	Canada Post	
Mr. Cauchon	5647	Mr. Gilmour	5676
Mr. Duceppe	5648	World Development Information Day	
Amendment	5649	Mr. Paré	5677
Mr. Cauchon	5649	Sugar Industry	
Mr. Cauchon	5650	Mrs. Wayne	5677
Mr. Ménard	5652	National Capital Region	
Mr. de Savoye	5653	Ms. Catterall	5677
Mr. Harper (Calgary West)	5653	Canadian Unity	
Amendment	5656	Mr. Duhamel	5677
Mr. Ménard	5657	Liberal Party of Canada	
Mr. Cauchon	5658	Mr. Lavigne (Beauharnois—Salaberry)	5677
The Speaker	5659	Federalist Forces	
Mrs. Lalonde	5659	Mr. Tremblay (Rosemont)	5678
Mr. Cauchon	5660	Deputy Prime Minister	
Mr. Ménard	5661	Mr. Harper (Simcoe Centre)	5678
Amendment	5662	Montreal Economy	
		Mr. Bonin	5678

The Late Colleen Peterson	
Mr. Adams	5678

Small Business Awareness Week	
Mr. Chatters	5679

ORAL QUESTION PERIOD

Employment

Mr. Gauthier	5679
Mr. Pettigrew	5679
Mr. Gauthier	5679
Mr. Pettigrew	5679
Mr. Gauthier	5680
Mr. Pettigrew	5680

Taxation

Mr. Loubier	5680
Mr. Martin (LaSalle—Émard)	5680
Mr. Loubier	5680
Mr. Martin (LaSalle—Émard)	5681

Government Policies

Miss Grey	5681
Ms. Copps	5681
Miss Grey	5681
Ms. Copps	5681
Miss Grey	5681
Ms. Copps	5681

Canadian Broadcasting Corporation

Mr. Leroux (Richmond—Wolfe)	5682
Ms. Copps	5682
Mr. Leroux (Richmond—Wolfe)	5682
Ms. Copps	5682

Taxation

Mr. Solberg	5682
Mr. Martin (LaSalle—Émard)	5682
Mr. Solberg	5682
Mr. Martin (LaSalle—Émard)	5683

Montreal Economy

Mr. Duceppe	5683
Mr. Cauchon	5683
Mr. Duceppe	5683
Mr. Cauchon	5683

Bombardier

Mr. Schmidt	5684
Mr. Bodnar	5684
Mr. Schmidt	5684
Mr. Bodnar	5684

Unemployment Insurance

Mrs. Lalonde	5684
Mr. Pettigrew	5684
Mrs. Lalonde	5685
Mr. Pettigrew	5685

Human Rights

Mr. Scott (Fredericton—York—Sunbury)	5685
Mr. Gagliano	5685

Government Expenses

Mr. Epp	5685
---------------	------

Mr. Massé	5685
-----------------	------

Professional Services

Mr. Guimond	5685
Mr. Massé	5686

Research and Development

Mr. Ringma	5686
------------------	------

Pesticides Products Control Act

Mr. Caccia	5686
Mr. Dingwall	5686

Parliament Hill

Mr. Riis	5686
Ms. Copps	5686

Presence in Gallery

The Speaker	5686
-------------------	------

Business of the House

Mr. Duceppe	5686
Mr. Gagliano	5687

ROUTINE PROCEEDINGS

Committees of the House

Transport

Mr. Comuzzi	5687
-------------------	------

National Defence and Veterans Affairs

Mr. Zed	5687
Motion moved and agreed to	5687

GOVERNMENT ORDERS

Supply

Allotted Day—Montreal

Consideration resumed of the motion, of the amendment and of the amendment to the amendment	5687
Mr. Solberg	5687
Mr. Flis	5690
Mr. Nunez	5691
Mr. Pettigrew	5691
Mr. Nunez	5696
Mr. McTeague	5697
Mr. Leblanc (Longueuil)	5698
Mr. Flis	5699
Mrs. Finestone	5700
Mrs. Finestone	5700
Mr. Dubé	5702
Mr. Lincoln	5702
Mr. Leblanc (Longueuil)	5704
Mr. Leroux (Shefford)	5705
Division on motion deferred	5706

ADJOURNMENT PROCEEDINGS

Military Justice

Mr. Leroux (Shefford)	5706
Mr. Richardson	5707

Tourism

Mr. Mitchell	5707
Mr. Bodnar	5708

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://www.parl.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.