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OFFICIAL REPORT
(HANSARD)

Thursday, October 26, 1995

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, October 26, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to present, in both official languages, the government's response to 14 petitions.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the Standing Committee on Environment and Sustainable Development has the honour to present its sixth report, pursuant to the order of reference made Monday, October 2, 1995.

Your committee reviewed Bill C–94, an act to regulate interprovincial trade and the importation for commercial purposes of certain manganese–based substances, and agreed to report it without amendment. A copy of the minutes on this bill is being tabled.

* * *

[*English*]

COMMITTEES OF THE HOUSE

FINANCE

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I have the honour to present the 20th report of the Standing Committee on Finance. In accordance with its order of reference of Monday, September 25, 1995, the committee has considered Bill C–103, an act to amend the Excise Tax Act and the Income Tax Act, and has agreed to report it with one amendment.

* * *

PETITIONS

NATIONAL UNITY

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, I take tremendous pride in representing my community, and the petition I am presenting is one of the reasons. It was organized by Mr. Jakeet Singh, a student at Waterloo collegiate. A year ago a couple of students at WCI decided that with the referendum approaching the youth of Canada would reach out to do their part in having our country remain united.

There are 4,000 signatures on this petition. These citizens of Canada want to see this country remain united from coast to coast, with Quebec as an integral part of our nation.

I am very pleased to present this petition to the House. It is in addition to the many other things done in my community in expressing its love for a united Canada.

JUSTICE

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present the following petition which comes from all across Canada and contains 1,183 signatures, making a total of over 6,200 signatures to date.

The petitioners request that in memory of Dawn Shaw, a six–year old girl who was murdered in my riding of Comox—Alberni, this petition be brought to the attention of Parliament.

The petitioners request that Parliament enact legislation to change the justice system to provide greater protection for children from sexual assault and to ensure the conviction of offenders.

I fully concur with the petitioners and endorse this petition.

The Speaker: With all respect, we need not endorse nor be against a petition but simply present the petition.

NATIONAL PARKS

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, I have the honour of submitting a petition signed by senior citizens of my home province concerning the payment of fees to enter Prince Edward Island's national parks. The petitioners feel they have contributed their share to the economy over the year's enter the parks for sightseeing only and do not use any of the other services offered by the parks.

Accordingly, the petitioners request Parliament to review the policy of charging senior citizens entrance fees to Canada's national parks.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition circulating all across Canada. It has been signed by a number of Canadians from Uxbridge, Ontario.

The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession that has not been recognized for its value to our society. They also state the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill or the aged.

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

[*Translation*]

EMPLOYMENT CENTRES

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, today, I am tabling a petition signed by 10,000 people in my riding, which denounces the cuts in the Martin budget, particularly their impact on our riding's employment centre, whose staff will be reduced from 50 to 15 and which will become a local employment centre.

All those who signed the petition denounce the impact this will have on the regional economy. I am pleased to table this petition today.

● (1010)

[*English*]

CANADIAN FLAG

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I have the honour to present a petition signed by more than 200 people calling on Parliament to recognize that Canada recognizes two official languages but that our flag does not reflect this duality. Being only red and white it does not reflect the blue that has traditionally represented the French speaking population.

[*Translation*]

The petitioners are asking Parliament to legislate in order to get discussions underway on the renewal of our national emblem to include blue bands within the red borders to symbolize Canada's distinct francophone society and promote unity and harmony within the country. This addition would enhance the beauty of our flag.

[*English*]

The petition is the initiative of Hank Gigandet, who believes we should renew our Canadian flag.

NATIONAL UNITY

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the privilege of presenting a petition on behalf of a number of my constituents from Stormont—Dundas and over 15,000 Canadians from coast to coast who signed a unity scroll that originated with Mr. Norm Lalonde of Cornwall and several volunteers who have contributed many hours of their time to ask Canadians to sign this unity scroll.

The petitioners draw to the attention of the House their belief that all Canadians want the same from life in Canada and that Canadians want the opportunity to prosper, to grow and to preserve the rich heritage and cultures that built our great nation regardless of where we live in this vast country.

To begin this process they invite Canadians, particularly those who reside in Quebec, to stay within the Canadian family and join all Canadians in taking Canada to a united, stronger and greater future.

Therefore the petitioners call on Parliament to unite and continue to build this great country.

RAIL SERVICE

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise today to present a petition on behalf of petitioners in my riding concerning the government's restructuring of the railroads.

The petition states that rail service is the fastest and most environmentally responsible means of travel and that the subsidies to VIA Rail are not disproportionate to the huge subsidies provided for highway infrastructure.

On behalf of my constituents I present this petition to maintain passenger rail service in Canada.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

AGRICULTURE AND AGRI–FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House proceeded to the consideration of Bill C–61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act, as reported (with amendments) from the committee.

SPEAKER'S RULING

The Speaker: There are 23 motions in amendment standing on the Order Paper for the report stage of Bill C–61.

The motions will be grouped for debate as follows:

Group No. 1, Motion No. 1.

[*Translation*]

Group No. 2, Motions Nos. 2, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17.

[*English*]

Group No. 3, Motions Nos. 3, 4, 5, 18 and 19.

Group No. 4, Motions Nos. 20 and 23.

● (1015)

[*Translation*]

Group No. 5, Motions Nos. 21 and 22.

[*English*]

I wish to inform the House that there is an error in the text of Motion No. 1 in the name of the member for Kindersley—Lloydminister. The motion should read:

> That Bill C–61, in clause 4, be amended by adding after line 23, on page 2, the following:
>
> ''(b) prescribing criteria for determining whether an act or omission shall be proceeded with as a violation or as an offence''.

MOTIONS IN AMENDMENT

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 1

> That Bill C–61, in clause 4, be amended by adding after line 23, on page 2, the following:
>
> ''(b) prescribing criteria for determining whether an act or omission shall be proceeded with as a violation or as an offence''.

He said: Mr. Speaker, we are at report stage of Bill C–61, a bill that allows the Department of Agriculture, under the jurisdiction of the minister of agriculture, to impose administrative monetary penalties for a violation to the various acts that were just read in the House and to seek compliance agreements to ensure the violations do not continue in the future.

My party and I support the concept of administrative monetary penalties. We also support the concept of compliance agreements. The House will see in the amendments we have proposed today that none of them would disallow the use of administrative monetary penalties to implement or to penalize violations of acts, particularly those that would affect regulations dealing with agriculture, health, safety and the like. Nor do any of the amendments we propose, including the one we are dealing with right now, preclude the minister reaching a compliance agreement with an offender or with a violator of any of the offences in the acts we are dealing with today.

Our amendments attempt to qualify and quantify the powers of the minister, the powers of the tribunal to which violators can appeal, and to clarify certain parts of the acts and the rights and the responsibilities of both the violator and the minister in enforcing and administering the monetary penalties and forming compliance agreements.

Motion No. 1 is incorrectly printed in the Notice Paper. It says that the minister shall prescribe ''criteria for determining whether an act or omission shall be proceeded with as a violation or as an offence''. The amendment requires the minister to have regulations determining the differences between a violation which the AMPs address and an offence which the court system addresses. We feel this clarification would respond to some concerns in the industry about the matter.

The Standing Committee on Agriculture and Agri–Food was given information by the Parliamentary Secretary to the Minister of Agriculture and Agri–Food that a number of institutions and associations impacted by the legislation support Bill C–61. The parliamentary secretary to the minister of agriculture circulated a list in the committee of several organizations such as the Canadian Horticultural Council, the Canadian Meat Council, the Canadian Animal Health Institute, the Canadian Veterinary Medical Association, the Canadian Nursery Trades Association, the Canadian Egg Marketing Agency, the Canadian Seed Growers Association, the Council of Forestry Industries of British Columbia, the Canadian Fertilizer Institute, the National Dairy Council of Canada and the Holstein Association of Canada.

The parliamentary secretary indicated to the committee that all these associations and organizations supported Bill C–61. The list that he circulated in the committee was titled ''Organizations which support Bill C–61''. He said that he would supply letters of support for the bill to members of the committee. We sought those letters of support, and when we received them only one of the letters was dated after the introduction of

Bill C–61. In other words all the letters the parliamentary secretary suggested indicated support for Bill C–61 were written in 1992 and 1993, which is before the current government was elected and before Bill C–61 was in the drafting stage, let alone introduced into the House of Commons.

• (1020)

We took note of what the individuals who wrote those letters said and found that while they supported the concepts of AMPS and compliance agreements, they wanted to review the legislation once drafted and to comment on it.

To my knowledge the minister of agriculture and his officials have not yet supplied us with any letters, other than one letter from the Canadian Meat Council, that actually support Bill C–61. I bring that forward as a concern and as a rationale for some of the amendments we are proposing.

Motion No. 1 would require the minister to have regulations determining the differences between a violation which the AMPS address and an offence which the court system addresses. This must happen in any case. The amendment ensures that the minister is required to do it. The criteria must be more open and more well known in the industry and if the criteria are wrong we will know in advance, before the regulations are administered, whether or not they will be done in a fair and reasonable manner.

Departmental officials say that they are doing a great job of it right now, that they are very fair minded, very reasonable in the way they administer penalties on violations and deal with offences under the acts. That may very well be; I am not here to challenge whether or not they are doing a good job. However over time, situations change. A few years ago we had a Mulroney government that was very arrogant. We may have a Liberal government that becomes more arrogant or we may have some new arrangement in the Parliament of Canada in the years ahead where ministers and departments overstep their bounds.

The amendment is not criticizing the current administration. It is not a criticism of the Department of Agriculture. It is not a criticism of the minister's officials. It is ensuring that in the future the criteria will be very public, that no one could be biased in their determination of whether a violation would follow the AMPS and compliance route or go the court route, perhaps based on someone's politics, on which part of the country they live in or on some other unreasonable criteria unacceptable to Canadians.

The minister must set out a criterion to determine the differences. This minor amendment would ensure that happens. It would ensure the AMPS and the compliance agreements would have a reason for introduction. If the department decided not to go the AMPS route or the compliance agreement route and decided to take the matter to the courts, to the justice system, we would know the criteria on which the decision was made. It is a more open, transparent way of performing one's responsibilities.

I urge the House to accept the amendment. It certainly is not partisan by nature; it certainly is not unreasonable. Therefore I ask for the support of all members.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I am pleased to have the opportunity in the House today to deal with Bill C–61 and the various possible motions in amendment that have been put on the Order Paper with respect to Bill C–61.

In beginning the discussion on Motion No. 1, I start by making reference to a matter the member for Kindersley—Lloydminster referred to in his opening remarks, the level of industry support for the measure as it appears in the form of the legislation.

• (1025)

My parliamentary secretary, in dealing with the issue before the committee, indicated that there was broad support for the legislation as it appears before the House of Commons. In indicating the kind of correspondence presented to verify the support, my parliamentary secretary was not in any way misleading or attempting to mislead members of the committee. He stated quite accurately that letters of support had been received for the principle and the concept of the legislation from 11 key industry organizations. The names of the organizations have already been referred to by the hon. member opposite.

Consultation on the legislation began a long time before the bill was actually drafted. In October 1992 Agriculture and Agri–Food Canada wrote to all industry associations to inform them of the intention to move forward with an administrative monetary penalty system. After that consultation various letters of support were received broadly from the industry. Also a variety of industry groups reaffirmed their support for this type of legislation during the regulatory review process conducted by my department during the course of 1992.

Once the bill was actually drafted and tabled in the House of Commons on December 5, 1994, a letter and substantial documentation were sent to 132 industry associations informing them that the bill had been tabled. The letter went on to detail the significant features of the legislation. It specifically provided a contact point to enable further discussion and information upon request from the various industry organizations.

In response we received a few inquiries seeking certain specific clarifications about some detailed points contained in the draft legislation, but there were no letters and no other forms of communication indicating any fundamental change on the part of the industry in terms of support for the legislation.

At the same time a press release was issued to over 1,000 media and industry contacts. It indicated that the legislation had been tabled and that the concepts previously discussed in various forms of consultation had now been transformed into legislative form and were about to proceed through the House of Commons.

As the bill has been before the House for some considerable length of time, various industry representatives have been kept informed of the progress of the legislation. Certainly the indication is that a broad measure of support in the industry continues for Bill C–61.

In view of the concerns expressed at committee stage by members of the opposition wondering if the previous expressions of support continue to the present time, this week my officials have contacted a number of the groups and organizations previously consulted. This week my officials have also spoken with the Canadian Horticulture Council, the Canadian Egg Marketing Agency, the Canadian Seed Growers' Association, the National Dairy Council and the Canadian Meat Council. All the organizations again reconfirmed their support for the bill.

While I appreciate the question about earlier support and later support being raised by the hon. member for Kindersley—Lloydminster, the evidence before us indicates fairly clearly that a broad measure of support was there in the beginning and continues to the present time.

• (1030)

Specifically Motion No. 1 talks about the possibility of prescribing in regulations the criteria for determining whether any contravention should be considered as an administrative violation or an offence. I have a couple of observations I would like to make.

At the present time, every contravention can be prosecuted through the court system. This bill gives to the minister of agriculture an administrative option where prosecution is seen to be too harsh or too drastic a measure. In arriving at his or her decision as to whether to proceed immediately through the court system by way of prosecution or proceed under the auspices of administrative monetary penalties, the minister of the day will be guided by a compliance and enforcement policy. That policy establishes criteria to advise and instruct the department in making decisions on the use of the various enforcement options that are available, the more severe and the less severe.

The compliance and enforcement policy is a public document. It would not be prescribed by way of regulation, but it would be on the public record for the public to know about, to understand, to ask questions about, and potentially even to suggest changes to.

The choice to be made by the minister in any given set of circumstances is whether to prosecute or whether to issue a monetary penalty. This is akin to a choice that is often before prosecutors in criminal matters where a decision has to be made about whether to proceed by way of indictment, which is a more serious method of proceeding through the court system, or by way of summary conviction, which is a somewhat less serious method of proceeding.

Because the choice in any given case is so heavily dependent upon the individual facts of the situation, there is obviously a requirement here for some degree of flexibility. I would say to my hon. friend across the way that I do not believe it is practical or realistic to have hard and fast rules set down and prescribed by way of regulations. The necessary flexibility that has to be there in making these judgment calls is best offered by relying on a policy statement, a policy document, rather than trying to etch all of that in the more rigid framework of regulations.

I repeat the point I made earlier. The policy document on compliance and enforcement matters dealing with how decisions are to be made on the choice of the various enforcement options that might be available will be open to the public. One of the fundamental things we are trying to achieve by means of this legislation is an open, fair and transparent process.

I would simply conclude by saying that in making these choices, which are difficult choices and require judgment calls to be made and some measure of flexibility, depending on a wide variety of factual situations that may confront the minister of the day, it is important for these matters to be dealt with in the form of a public policy document as opposed to trying to etch them in the more rigid form of regulations. While I understand the general point my hon. friend is trying to make, I would not be in a position to recommend support for Motion No. 1.

• (1035)

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, I must take part in the debate on Bill C–61 today, because this bill cannot be agreed on as presented by the government, on the basis that it would save time and money for the taxpayers.

I entirely agree with the principle, and so does my party, but the government always has to leave the door open to all kinds of adverse consequences.

This bill could have serious consequences in terms of disregard for judicial fairness. If the department introduces a system of monetary penalties, it must be because it believes that this will significantly reduce the need for enforcement actions, thus generating substantial savings for taxpayers.

The big problem is that the government did not foresee the risks that making totally arbitrary decisions on the enforcement of such penalties entail. We object to reducing penalties imposed on offenders by concluding compliance agreements. That is unfair.

It would have been enlightening for the government to advise us of the potential savings resulting from this bill. This legislation contains a totally unacceptable principle, authorizing the person designated by the minister to conclude an agreement with the offender, whose fine would be reduced by $1 for every $2 invested by the business into improving its process, buying new equipment or training its employees. As far as I know, penalties are not negotiable in our justice system. Bargaining fines is not something we do in Quebec. Anyone who was stopped for speeding knows what I mean: either you are guilty and you pay the full amount of the fine or you go to court and let the judge decide.

The existing justice system provides that the person who is guilty of a fault must bear the consequences of his or her actions. Instead, with this bill, a wealthy offender, one who can more easily afford making investments to remedy a particular situation, is rewarded. In the way of unequal treatment, you can hardly find worse. This is preferential treatment based on the financial capability of an individual or business, and that is unfair.

I would also like the government to tell us who will be in charge of assessing the cost of the efforts made by offending individuals or businesses to remedy the situation. Training, equipment, all that can cost more in one region than in another. In a region where it costs more, offenders will be penalized. Moreover, will they be informed of all the means made available to them to correct the situation? And what if an offender, in collusion with suppliers, presented inflated bills? Frankly, there are tax or other incentives which could be used to promote investment and training by companies. For heaven's sake, let us not negotiate penalties.

Another unacceptable provision in this bill is the one which provides for a 50 per cent reduction of the penalty if the offender pays it without appealing the decision or asking for a hearing. With that provision, the government undermines the presumption of innocence. A number of members of this House are lawyers and they know that the presumption of innocence is a fundamental right. Indeed, under our legal system, a person is deemed innocent until there is evidence to the contrary.

Let us take an unclear situation where there would be grounds for challenging the decision. The minister would tell the individual or business that it is in their best interest to keep a low profile, otherwise, they would of course have to submit to a hearing—

An hon. member: You are not discussing the right motion.

Mr. Landry: What is the problem?

An hon. member: You are discussing Motion No. 2.

The Speaker: Is everything all right? Fine. Let us stop for a few seconds and then give the floor to the hon. member for one minute. I have a question.

● (1040)

Does the hon. member wish to continue the debate?

Mr. Landry: Mr. Speaker, I want to address Motion No. 2. I apologize. I spoke too soon. I am sorry.

The Speaker: Thank you. Resuming debate. We are still discussing Motion No. 1. The debate is on Group No. 1.

[*English*]

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, it is a pleasure for a westerner to be able to speak to this motion. I begin by pointing out that there has been in both recent and historical terms a need to address the problem this bill and this motion seemingly are dealing with.

The minister is charged with the duty to look at any circumstance in which there has been an infraction under the law and take that circumstance and assess whether or not it is ''a very serious situation''. Perhaps even out of ignorance a person may become involved in a set of circumstances that really potentially is serious if not checked.

The biggest point that needs to be addressed is the bill and the minister are trying to bring about some compliance to the degree that this infraction or this problem can be rectified.

Under the present situation, every contravention must be prosecuted. The reason the bill is being put in place is to have in place some discretionary powers whereby the bill will in fact still bring about compliance while recognizing that there are some circumstances that need not produce criminal records.

To prescribe by regulation, as the motion puts forward, the criterion for determining whether a contravention should be considered as a violation or an offence perhaps is on the surface rather difficult, but once it gets operating sets of criteria will flow and will become apparent.

I will give a couple of examples. Let us suggest that somebody has entered material into the food chain that is very harmful. This would require penalties that perhaps would be approaching the criminal level and should be dealt with very seriously.

At the standing committee my colleague said perhaps a person who is hauling animals will be putting too many animals into a trailer and unknowingly breaking the regulations. Consequently, all we need to do is deal with that individual on a user friendly basis.

I feel the motion on the criteria situation is one that in time will flow and the decision on whether or not to prosecute or put in place the monetary penalties when necessary will bring about the desired effect of compliance. The minister has the duty to make known what those criteria are as the events unfold.

● (1045)

The Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Pursuant to Standing Order 76.1(8), a recorded division on the motion stands deferred.

We will now proceed to Group No. 2.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ) moved:

Motion No. 2

That Bill C–61, in Clause 4, be amended by replacing lines 32 to 34, on page 2, with the following:

''reduced;''.

Motion No. 6

That Bill C–61, in Clause 8, be amended by replacing line 7, on page 5, with the following:

''the Tribunal.''

Motion No. 7

That Bill C–61, in Clause 9, be amended by replacing lines 15 to 19, on page 5, with the following:

''penalty, the person named in the notice may pay the amount of the penalty in the prescribed time and manner.

(1.1) Where a person pays the amount referred to in subsection (1),''.

Motion No. 8

That Bill C–61, in Clause 9, be amended by replacing lines 32 to 40, on page 5, with the following:

''in the prescribed time and manner, request a review by the Tribunal of the''.

Motion No. 9

That Bill C–61 be amended by deleting Clause 10.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 10

That Bill C–61, in Clause 10, be amended by replacing line 17, on page 6, with the following:

''reasonable security, in a form and in an amount''.

Motion No. 11

That Bill C–61, in Clause 10, be amended by adding after line 31, on page 7, the following:

''(4.1) Where security has been given under paragraph (1)(*a*), the notice shall also state that the security shall not be forfeited to Her Majesty in right of Canada unless the amount of the security is less than twice the amount of the penalty set out in the notice of violation.''

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ) moved:

Motion No. 12

That Bill C–61 be amended by deleting Clause 11.

Motion No. 13

That Bill C–61 be amended by deleting Clause 12.

Motion No. 14

That Bill C–61 be amended by deleting Clause 13.

● (1050)

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 15

That Bill C–61, in Clause 14, be amended by replacing lines 3 and 4, on page 9, with the following:

''14. (1) No later than six months after the Tribunal receives a request for a review under this Act, it shall, by order, as''.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ) moved:

Motion No. 16

That Bill C–61, in Clause 14, be amended by replacing lines 4 to 16, on page 9, with the following:

''under this Act, the Tribunal shall, by order, as the case may be, determine whether or not the person requesting the review committed a violation and, where the Tribunal decides that the person committed a violation but considers that the amount of the penalty for the violation, if any, was not established in accordance with the regulations, the Tribunal shall correct the amount of the penalty, and the Tribunal shall cause a notice of any or–''.

Motion No. 17

That Bill C–61, in Clause 15, be amended by deleting lines 38 to 42, on page 9 and lines 1 to 7, on page 10.

He said: Mr. Speaker, I rise to oppose Bill C–61, because we feel it is unacceptable in its present form. Myself and my party fully agree with the underlying principle, which is to save taxpayers time and money. However, it seems that the government always opens the door to all sorts of harmful effects.

This bill could have a major adverse impact on compliance and fairness. Moreover, if the department is setting up a system of monetary penalties it is because it feels such a system can greatly simplify the procedures used to ensure compliance, and therefore result in major savings to Canadian taxpayers. The problem is that the government did not anticipate the possibility that some decisions related to the process may be totally arbitrary. We oppose the compliance agreements which allow the designated person to reduce the penalty imposed to an offender. Such a procedure is unfair.

The government should also have told us about the potential savings associated with the implementation of this bill. Allowing a person designated by the department to enter into a compliance agreement with an offender is totally unacceptable. Under such an arrangement, the offender's penalty would be reduced by one dollar for every two dollars that the company would invest to improve its procedures, buy new material or train its staff. As far as I know, our justice system does not allow an offender to negotiate his or her penalty. Bargaining penalties is not part of our way of doing things. Just ask those who get arrested for speeding: either you are guilty and pay the full amount of the fine, or you challenge the decision before the court and the judge makes a ruling.

Under our justice system, an offender must assume the consequences of his acts. An offender who has the means to invest money to correct a specific situation would benefit from that provision. This bill is as unfair as you can get. Such preferential treatment is based on the spending power of an individual or a company, and that is unfair.

Moreover, can the government tell us who will evaluate the cost of efforts made by the individual or company to remedy the situation? Training, equipment, all these things cost more or less, depending on where you live. Offenders would be penalized if they live in a region where these costs are high. What is more, will they be informed of all of the approaches available to them for correcting the situation? And what if, with the complicity of suppliers, our offender produces padded invoices? Frankly, there are tax or other incentives which could be used if we are seeking to step up investments or training in a company. But for goodness' sake , let us not link it with negotiation of a sentence.

Another unacceptable point: the bill calls for a 50 per cent reduction in the penalty if the person committing the violation pays the fine without contesting or requesting a review. Here the government is attacking the very foundations of presumed innocence. A number of hon. members are lawyers and they know this is a fundamental right. A person is considered innocent until proven otherwise in our legal system, is he not?

Let us look at an obscure situation in which there were grounds to request a review. The minister would tell the individual or company that it would be in his or its best interests to be seen and not heard. Of course, he could ask for a review, but with a gun at his head. He will be told that he has already been found guilty and that, if he wants to reduce his penalty, he has only to pay up without a fuss.

• (1055)

Where does the right of any individual to representation come in? Who will help the person presumed to have committed the violation to defend his point of view?

The individual may obtain a hearing before a tribunal, however, if he insists. But beware of conflicts of interest. Listen carefully to how the thing works: the tribunal is appointed by the minister. The members, whose mandate is renewable, have to assess decisions made by departmental employees.

And the latter answer to the minister. That is how it goes. It seems to me that the tribunal members could very easily be appointed by the Standing Committee on Agriculture and Agri–Food after an assessment of whether the handling of certain cases has or has not caused problems. Another point not made clear is whether the individual will have to travel to Ottawa for a hearing.

This government just loves to complicate things. Another department I will not mention, Transport Canada, uses a system of monetary sanctions. Unlike Agriculture and Agri–Food, however, Transport Canada has no mechanism allowing it to reduce penalties if the offending individual decides to pay up without an argument. There is no reduction either if he decides to invest in improvements to the facilities which earned him the fine.

It is unnecessary to offer some sort of penalty reduction bonus as an incentive for violators to pay up, because in many cases, contesting the penalty costs more than the penalty itself.

The government wants to save money. So do we. The bill before the House today proposes to amend eight acts. Most of these acts concern areas that are already administered by the provinces.

Did the government start by consulting the provinces to find out whether the monetary penalty system is a concept they would recognize, and did it then consider whether the provinces would not be in a better position to administer the system? It is high time we put an end to unnecessary duplication in inspection services.

Too often the federal inspection system's only excuse for being there at all is the international standards it enforces in order to meet international trade requirements. Why not let the provinces enforce these standards themselves? Then we would certainly save money.

In concluding, we support initiatives that help relieve pressure on the courts. Consequently, as I said at the beginning of my speech, we support the principle of Bill C–61. However, we do not agree with the double standard the Minister of Agriculture and Agri–Food wishes to introduce by reducing penalties for violators who plead guilty without asking for a review or who will invest to correct the situation.

In fact, the agreement process the department wishes to impose is certainly not essential to the bill, especially since it is a potential source of arbitrariness and inequity. I would urge the House to vote in favour of the amendments proposed by the Bloc Quebecois, in order to correct a bill that might otherwise have a disastrous impact on the concept of equity in our legal system.

[*English*]

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, the individuals who looked at the bill and came forward with amendments looked very hard at the issues they are attempting to address. I have to say their attempts to remedy or improve the bill are evident.

However I take exception that the actual function they are bringing forward will be a benefit to agriculture in general. I would point out that in Motion No. 15 they are asking to legislate what the maximum time frame should be tied to six months within which time the review tribunal must complete its review.

● (1100)

Many times when a tribunal is involved in matters it would be rather imprudent to be fixed to a particular time frame and attempt to guarantee this time frame in legislation where reason dictates that flexibility would be required and needed. Therefore, a six–month time frame would not always be suitable. I think we would have to say that some flexibility in timing would be required.

Another purpose of the motion is to remove from the minister the ability to enter into compliance agreements whereby penalties could be reduced in recognition of costs incurred by industry by taking corrective measures. The important thing in these matters is that compliance is achieved. Whether or not there is a reduced or an increased penalty is secondary in most cases to bringing about the change by the perpetrator of the infraction.

By authorizing the department to enter into these agreements the bill gives the department the tool to negotiate the implementation by industry of measures that would change the violator's practices and process. That is the key. At the same time, the violator may pay a reduced amount of penalty in exchange for compliance. These funds to effect the necessary improvements leading to a future compliance may also be used to remedy certain situations.

Compliance agreements result in immediate corrective actions. Note that we are saying immediate. When that has happened of course, the ministerial or departmental approval would be achieved. Immediate corrective action leads to a better product, improved health and safety, and more effective enforcement. Compliance agreements are optional and no one is forced to enter into these agreements. The bill provides an incentive to enter into compliance agreements by making it possible to reduce the amount of monetary penalty. As we have said, the most important outcome is that there has been a change and there has been a remedy and compliance is achieved.

To remove the possibility of a ministerial review of a notice of violation is also deemed not suitable by this amendment. I would like to speak against that point as well. A ministerial review enables a violator who wishes to challenge a monetary penalty to have a fast, inexpensive and informal way to do so. Under current legislation he must do so through the court system. As we know, that can be slow. We also know it can be very expensive. Consequently, when we hear concerns from opposite sides that we do not have enough savings by these changes, we admit that we perhaps do not have a fixed number, but we know that by taking it out of the court system we will be putting a number of dollars into agriculture rather than into the hands of people in the legal system.

The ministerial review is optional in any event. The violator may choose to proceed directly to the review tribunal. Furthermore, anyone who elects to have a ministerial review may appeal its outcome to the review tribunal.

Finally, I would like to comment on whether or not to remove the possibility for a violator to pay less than the full amount of monetary penalty where the violator does not request a review. In other words, we would be putting in place a mechanism whereby there would be a smaller amount of money taken from the perpetrator of an infraction without his even asking for it.

The intent behind including in the bill a provision that enables this to happen is twofold. First, it is to enable a violator who does not intend to challenge the assessment of a penalty to pay a reduced amount of penalty if the department is satisfied that the violator would act in good faith and take the necessary corrective measures. Again, the compliance component is paramount here. Second, it is to promote compliance without engaging in long and costly hearings.

● (1105)

Hearings are of course expensive, as we said earlier. There are other regimes. It is estimated that the average hearing cost is about $1,400, and some might be more. If we can save that $1,400, we will all be ahead of the game.

We are informed these types of reductions are common under other monetary penalty regimes both in Canada and the U.S. In these other regimes reductions are informally made on a case by case basis while taking great care to make a decision appropriately. Bill C–61 formalizes the procedure and makes the practice transparent and available to anyone.

I conclude my remarks at this point.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, this is rather heavy slugging; I hope you are enjoying the debate this morning.

We are dealing with quite a large number of amendments in Group No. 2. I am not going to speak individually on all of the Bloc amendments, but I will lump them together. It seems the Bloc's intention in proposing these amendments is to actually do away with the formulating of compliance agreements altogether. That is not a position I or my colleagues share. We are not opposed to the concept. We want to clarify, quantify and qualify some of the act to make it work better, which is the purpose of our amendments.

If the compliance agreement is properly administered and properly enforced, if it is balanced and gives a proper and reasonable amount of protection to both the minister and his department and to those violators or alleged violators who are affected by this legislation, it can actually be a useful tool that will take violators out of the courts and allow the situation to be dealt with in a less costly and more efficient manner.

Having said that about the Bloc amendments, I suspect the Bloc would have been wiser to simply oppose the bill and offer no amendments at all rather than to actually destroy the intent of the bill.

I would like to speak briefly to the motions we have put forward in this grouping. I will begin with Motion No. 10, which concerns clause 10. We would amend it by replacing line 17 on page 6 with the following: ''reasonable security, in a form and in an amount''.

This motion deals with the granting of security to ensure compliance of someone who has violated the regulations under one of the acts dealt with in Bill C–61. We suggested there should be criteria in the process, and I appreciate the minister saying that he already has a policy manual in place. I do not know why he and his government would oppose ensuring that policy manual continues and is very open to the public by means of the amendment we have proposed. I cannot understand why the government would not be supportive of the word reasonable in front of the word security. We all want to be reasonable people; I am sure the minister wants to be reasonable, as does his government.

Let us use an example of what this would prevent. It would prevent the minister and his department from demanding an entire meat processing plant for security if the cooler was of a value at least twice as great as the penalty that would be imposed upon the processor for any violation he had committed. That type of approach is reasonable and would prevent abuses by the minister and his department. On the other hand, it would also preclude the minister from going to the other extreme and just demanding the meat grinder for security when the violation was serious enough that he should have more security to ensure the compliance agreement is complied with.

That is a reasonable amendment. It makes the bill stronger. It again qualifies the bill and leads me into Motion No. 11, which deals with the same matter of reasonable security.

Motion No. 11 is that Bill C–61 be amended in clause 10 by adding after line 11, on page 7, the following:

(4.1) Where security has been given under paragraph (1)(a), the notice shall also state that the security shall not be forfeited to Her Majesty in right of Canada unless the amount of security is less than twice the amount of the penalty set out in the notice of violation.

• (1110)

This qualifies what reasonable security in this case would be. It prevents the minister and his department from demanding an unreasonable amount of security in ensuring a compliance agreement is complied with.

This is common sense. It is reasonable. It protects the department; it protects the minister; it protects the Canadian taxpayer. It is an incentive for the offender or the violator to comply with the agreement, yet it prevents abuse.

I will go on to Motion No. 15, which is also in this grouping. It states:

That Bill C–61, in clause 14, be amended by replacing lines 3 and 4, on page 9, with the following:

14.(1) No later than six months after the Tribunal receives a request for a review under this Act, it shall, by order, as

This seems a bit disjointed when it is read, but a tribunal is established under the act that can review disputes if they are not voluntarily complied with by the violator. If the offender is not able to make an agreement with the minister and his department, he does have recourse to a tribunal.

As we know, we have seen in the justice system in the United States and to a degree in Canada that sometimes these cases drag on and on. They are very costly. They are certainly not fair to the person who is accused or the person who has been alleged to have made a violation, and they are certainly not fair to the taxpayers who bear a large portion of the cost of this process.

Again, this is just a qualifier that ensures that the tribunal cannot delay making a decision forever and ever. In fact, it stipulates that in no case can the tribunal delay its action for more than six months. It requires the review tribunal to complete its review within six months of receiving the person's request for review.

Can the minister offer a very good reason why that is not reasonable or that does not protect taxpayers, why it does not protect the person who is alleged to have made a violation and even protect the department from ongoing cases where this situation is not resolved? It is better for all parties involved in this process.

I request that all members in the House look seriously at Motion No. 15. I suggest they support that as being fair and reasonable, making it a better act rather than a weaker one.

The purpose of these amendments is not to in any way criticize the government or do a one–up on the government; it is to make better legislation that is going to affect us all. It is in that spirit that we bring these amendments to the House.

I request that members opposite have a fair look at these amendments and see whether or not they can support them as being reasonable in this legislation, in this case suggesting reasonable security and a reasonable amount of time for decisions to be made.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, these are certainly very difficult and challenging times in the field of agriculture. We see a lot of changes going on throughout the sector worldwide. We have seen with the globalization of trade that is occurring and with the tight fiscal situations governments find themselves in all around the world that this is imposing certain constraints on the way we carry on business.

This government and the minister are facing many challenges in the area of agriculture. Certainly this government and the minister in particular has achieved a number of very significant successes in dealing with these challenges of globalization and dealing with the challenges of a tight fiscal situation.

● (1115)

When we look at the fair and thorough handling of the Crow payout issue in western Canada, the protection of the supply management system at the GATT talks and the successful completion of the GATT talks shortly after the election by the minister and the very favourable settlement of the durum wheat disputes of the U.S., in each instance the minister has dealt with these issues in a fair and thorough fashion, getting good results for the agricultural producers of Canada.

The minister has proven to be a very forceful and successful advocate for all the country's farmers, whether in the west, in Quebec, in Ontario, or in the maritimes. He has always ensured that when dealing with the issues of farmers, each group of producers in each region has its issues dealt with on the merits of the case. This bill is another fine example of dealing with the pressures and challenges facing the agricultural sector. This can be looked at as yet another success.

It is very important to point out that we are dealing with a piece of legislation that allows for compliance agreements. Therefore when there is a violation of a regulation within various parts of the agricultural sector, the usual route is to charge the individual. The individual gets a lawyer; the government gets a lawyer. The government pays for the expense and time of a tribunal to hear the case. Down the road a year or two later there is finally a decision in the dispute. Thereafter, in the event the charged individual or corporation is found guilty, their practices are changed.

This legislation allows for a speedy and fair resolution of the violation when it occurs. It allows the producers or the person charged to come to a very quick resolution of their dispute. The offending behaviour can be quickly remedied.

In a legal dispute in which charges are laid, a person will not change his behaviour for fear that change will lead to an admission of guilt.

When there is the ability for a person to simply change behaviour and get on with business, this is what we really want to see. We want to see our food safe, our industry competitive. Both these issues are dealt with very favourably by this legislation. That type of settlement is encouraged.

As we do not have the resources we used to, the solution put forward by the minister is excellent because it allows cutting the costs of corrective measures. This is very important for all Canadians. It allows industries to continue to be very competitive, to spend their resources doing their job of processing and selling products better rather than spending resources, time and energy worrying and trying to deal with a charge. In this respect the bill is excellent and handles a number of these changes in a very positive manner.

When dealing with the security required to ensure a violator complies with a compliance agreement, it has always been the intent of the minister that it be reasonable. If not included explicitly within the legislation, it is always included implicitly.

● (1120)

If the matter were subject to dispute, I have no doubt the courts would simply read into the legislation that the security required by the minister or the department would be reasonable. However, I suppose one could look at this amendment and say it is exactly what the intent of the legislation is and therefore would be reasonable to include it within the legislation.

One of the motions seeks to remove the possibility for the violator to pay less than the full amount of the monetary penalty where the violator does not request a review. The intent behind the bill includes the provision which enables a violator to pay less than the full amount of the penalty which otherwise would be taken if the procedure were to go to court.

The intent behind it is twofold. It enables a violator who does not intend to challenge the assessment of the penalty to pay a reduced penalty and to get on with life. It encourages the person to take corrective measures. It also promotes compliance without engaging in long and costly hearings. That makes sense. There is a large benefit to the person charged or who has committed a violation to simply change the behaviour and to get on with business. That is what the legislation is all about. If the possibility for the violator to pay less were not there, we would not see many violators voluntarily changing their behaviour.

The legislation deals with the fiscal realities of the government. It encourages a change of behaviour on the part of violators within the agriculture and agri–food sectors. It encourages the improvement of behaviour. Canada will continue to produce high quality goods in the agricultural field and will continue to have a competitive industry. The legislation also assists Canada to compete in the international market because the resources of the companies and the government will not be diverted into long legal disputes.

The legislation accomplishes a number of goals. It is another example of the minister's dealing effectively with the challenges we are facing in the agri–food sector today. I congratulate the minister and all the people who have worked hard to make this legislation a reality.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I am pleased to address the motions we are discussing in Group No. 2, Motion No. 2 and Motions Nos. 6 through 17. They are all part of our discussion at the present time.

Remarks were made earlier by the hon. member for Lotbinière regarding overlap and duplication in agricultural policies and programs between the federal government and provincial jurisdiction. I will address that point for a moment.

That there might be some measure of overlap is probably to be expected since under our Constitution agriculture is specifically and explicitly a joint federal–provincial responsibility.

● (1125)

When we look at the duplication that actually exists, it is truly remarkable that the amount involved in agriculture is tiny. Two studies were conducted within the last year or so by the Government of Quebec. One was released in the spring of this year and the other was released earlier this fall.

One study indicated that at the very worst the amount of overlap and duplication between the Government of Canada and the Government of Quebec with respect to agriculture might involve a cost in the order of 2.5 per cent. According to the other study, it was more like 1 per cent. According to the studies it is very minor.

On a number of occasions in the House and publicly I have indicated to the Government of Quebec and every other provincial government to the extent that overlap and duplication exist in the field of agriculture, that we should talk about it. We should work it out of the system so we have it at the absolute minimum, even though it is already very small to start with.

There really is no substantial argument to be made on the point of overlap and duplication because there is not much in the first place. To the extent that it does exist the Government of Canada is completely prepared to work with every provincial jurisdiction to identify problem areas that might exist and to work them out of the system so that overlap and duplication are minimized.

In the remarks of the member for Lotbinière I also heard an attempt to demean or diminish the importance of the Canadian federal inspection system in agriculture. That system is vital to Canadian farmers, exporters and consumers in terms of providing this country with the safest and highest quality of food in the world.

Studies, some of which we released at the time of the federal budget last February, indicated Canadians have a very high confidence level in our food system in terms of its health and its safety because of the Canadian food inspection system which ranks among the very best in the world in terms of health and safety standards. That gives our consumers a very strong and positive feeling about the quality of products they buy from the Canadian food system. It also provides our customers abroad with a very high level of expectation about the standards they can receive when they buy from Canada.

I have had the opportunity to visit with our customers in foreign markets, in the Asia–Pacific region, in Latin America, in Europe and in other places around the world. They have repeatedly told me that when they buy from Canada they know they buy the very best and they rely heavily on the high quality, high standard inspection system.

It is not accurate or appropriate to dismiss that as something frivolous or unmeaningful. It matters a lot to Canadian farmers, to Canadian exporters and potential exporters, to Canadian consumers and to our international customers. That inspection system is exceedingly important to all Canadians.

I have heard that comment repeated to me over and over by exporters and potential exporters from Quebec who know the value of the Canadian inspection system and who want to see it maintained in the best interests of Quebec agriculture and Canadian agriculture.

● (1130)

Can we make our inspection system even better? The answer to that is obviously yes. At the present time we are working very hard in co–operation with the private sector and in co–operation with all provincial governments to make that system better. We are working on areas where we can avoid costs in the system. We are working on areas where we can reduce costs in the system. We are working on areas where we can share costs in the system when there is an appropriate sharing of benefits at the same time. We are looking at a whole range of ways in which we can introduce new technology into the system to take advantage of the advances in science and technology in the field of food inspection systems.

We are also pursuing new approaches that have international acceptance such as an approach called HACCP, as it is known by its acronym, the hazard analysis at critical control points system. It is deemed in many jurisdictions around the world to be the very best system to move toward for the future. Many Canadian companies are already beginning to adopt that approach in their inspection standards.

Finally, there is the issue of more co–ordination and co–operation among all those in the system who have some responsibility for inspection.

I have seen examples of inspection situations in the country where three or four federal government departments are involved in some aspect of inspection, perhaps two or three departments at the provincial level and on occasion, some departments at the municipal level. That is an area where there is some overlap we can seriously work at removing from the system. We are trying to do that in two ways.

First, at the federal level we are working very hard on a single federal approach to inspection so that we do not have overlapping activities on the part of several federal departments all inspecting the same thing but simply repeating the process over and over again. We are making progress at working out those illustrations of federal overlap so we get the inspection job done but we do not cause repetitive actions that are in fact counterproductive and costly.

Second, we are working very hard with the provinces, as is evidenced by the last several federal–provincial meetings of agriculture ministers, to develop a Canadian national food inspection system. It is a system where all jurisdictions and all levels that have responsibility work in greater co–ordination with each other so that at the end of the day the very best inspection work gets done at a very high level with excellent standards and calibre, but we avoid costs in the system, overlap and duplication. We then have a system that performs to the very high standards we want at the very least possible cost.

The story of food inspection is one in which Canadians can have confidence and of which they can be very proud both for today and for the future. Having said that, I would add this one final sentence. It is critically important that we maintain our vigilance with respect to food inspection so that Canadians cannot only have a past reputation for being the very best in the world, but can have the absolute confidence that their reputation will continue forever into the future.

In the group of motions that are specifically before us, Motions Nos. 2, 8, 9 and 12 have already been dealt with, I believe, by my colleague for Brandon—Souris quite effectively. Similarly, Motions Nos. 6, 8, 13, 14, 16 and 17 have been dealt with by the member for Brandon—Souris in considerable detail. I do not propose to repeat what he said.

I want to focus on Motion No. 10, presented by the member for Kindersley—Lloydminster, where he suggests the insertion of the word reasonable. It is obviously our intention, with respect to the matters dealt with under Motion No. 10, to be reasonable. I have no difficulty with the inclusion of that word with respect to Motion No. 10. I would suggest though, as a consequence that it would not be necessary to accept Motion No. 11 because the point is already covered effectively by the amendment we are prepared to accept in Motion No. 10.

● (1135)

All other motions in the package I would recommend against. However, the government is prepared to accept the amendment proposed in Motion No. 10.

[*Translation*]

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

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

The Deputy Speaker: I declare the motion lost on division.

I therefore declare Motions Nos. 6, 7, 8, 9, 12, 13, 14, 16, and 17 lost.

(Motion No. 2 negatived.)

[*English*]

The Deputy Speaker: The question is on Motion No. 10. All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

An hon. member: On division.

The Deputy Speaker: I declare Motion No. 10 carried.

(Motion No. 10 agreed to.)

The Deputy Speaker: The next question is on Motion No. 11. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76.1(8), a recorded division on Motion No. 11 stands deferred.

The next question is on Motion No. 15. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76.1(8), a recorded division on Motion No. 15 stands deferred.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 3

That Bill C–61, in Clause 4, be amended by replacing lines 14 and 15, on page 3, with the following:

"committed to obtain a financial benefit, $1,000 for a first violation and $2,000 for any subsequent violation; and

(*b*) in any other case

(i) $1,000 for a first minor violation, $5,000 for a first serious violation and $10,000 for a first very serious violation, or

(ii) $2,000 for a subsequent minor violation, $10,000 for a subsequent serious violation and $15,000 for a subsequent very serious violation."

Motion No. 4

That Bill C–61, in Clause 7, be amended by replacing line 25, on page 4, with the following:

"violation and the designated person serving the notice of violation and".

Motion No. 5

That Bill C–61, in Clause 7, be amended by replacing line 33, on page 4, with the following:

"paying, which shall not be less than forty–five days, and the manner of paying the".

Motion No. 18

That Bill C–61, in Clause 15, be amended by replacing line 13, on page 10, with the following:

"(f) the amount of any reasonable expenses incurred".

Motion No. 19

That Bill C–61, in Clause 18, be amended by replacing lines 1 to 14, on page 11, with the following:

"18. A person named in a notice of violation has a defence by reason that the person

(*a*) exercised due diligence to prevent the violation; or

(*b*) reasonably and honestly believed in the existence of facts that, if true, would exonerate the person."

He said: Mr. Speaker, we are making a little progress here. Let us see if we can make more.

The minister says he has some good news and he has some bad news. The good news is that he has listened to Reform once. Perhaps the bad news is that he did not listen to us on the first amendment which he should have supported as well.

● (1140)

Mr. Hill (Prince George—Peace River): The bad news is he is a Liberal.

Mr. Hermanson: We are dealing with motions which my party submitted in this group, Motions Nos. 3, 4, 5, 18 and 19. I will try to be quick and discuss the substance of the motions, dealing first with Motion No. 3. It is to suggest that Bill C–61 in

clause 4 be amended by replacing some lines. We are reducing the administrative monetary penalty for first time violations.

There is a matrix in place which begins to do this, but the matrix is not included in the legislation. In our judgment, this reinforces that matrix component and ensures that the principle is enacted in the legislation.

The administrative monetary penalties fall into three maximum ranges. The first one is for a minor violation, having a maximum of $2,000, a serious violation having a maximum of $5,000 and a very serious violation having a maximum of $15,000. For a second or subsequent violations we think this is reasonable. However for a first violation, often dealing with small business and with producers, this seems rather severe.

I understand also there can be a warning issued as well for a violation. The minister and his department have that option. I am not so concerned about the norm as I am the extraordinary circumstances that this legislation has to be prepared to deal with. It is only reasonable and right that the legislation should contain the principle that on a first violation the amount of the penalty be reduced by half to protect small business, smaller producers and smaller processors.

We have another amendment further along. If I knew that amendment was going to be passed, this one would not be quite so important. My suspicions are it may not be and that precludes an alleged violator being able to use due diligence and having burden of proof put on the minister. If that fails, it is even more important that Motion No. 3 pass and the first time violations not be subject to quite as severe a monetary penalty.

Motion No. 4 is another real common sense amendment to which I hope the minister is listening and which I hope he will agree to pass. It suggests that when a person is notified of the violation, besides having his or her name served on the notice, the person who is serving the notice has to identify him or herself as well. This is an agent of the Department of Agriculture, an agent of the minister.

This is common sense and common procedure that someone who is imposing a fine, an administrative monetary penalty, on someone who is alleged to have violated regulations under the agriculture act should have the person who served that notice put his or her name on that same piece of paper. That is only common sense. It will be useful, valuable and will also protect the person who is alleged to have made the violation.

Motion No. 5 amends clause 7. The legislation states that the minister may make regulations prescribing anything that by this act is to be prescribed. That is a pretty blank cheque, particularly when it comes to time frame and some of these specifications.

When a person is served a notice of violation, we do not know how long he or she has to respond. This act does not indicate whether that person has 24 hours, 24 days, or 24 months to respond and to make a decision on whether to ask for an appeal, an appeal to the tribunal, agree to pay the monetary fine or seek compliance.

● (1145)

Nothing in the act suggests a time frame for the decision to be made by the person accused of the violation. The amendment we are proposing would suggest that the person have at least 45 days to make a decision on what route to go.

The minister could argue that it should be 30 days, 25 days or 60 days. I am willing to listen to his arguments. However the fact that there are no restrictions in the act whatsoever is irresponsible and could be dangerous if at some future time Agriculture Canada became very heavy handed and gave people two days to decide what course of action they wanted to follow. Several courses of action are permitted in this piece of legislation.

This gets confusing. I thank members for bearing with me. I want to make sure I have covered all the motions in this grouping. There are two more motions I want to briefly touch on. In Motion No. 18 we are inserting the word reasonable into clause 15 on line 13. If the minister and his department seize goods and dispose of them, the expenses incurred by the department in disposing the seized goods are charged to the violator.

If the word reasonable is not included in the clause, the minister could hire Lloyds of London to come in and hold an auction to sell something of small value that has been seized, say a load of produce. We do not want to see these extremes employed by the department. We want to make sure reasonable means are used and only reasonable expenses are incurred in the sale of seized goods.

Motion No. 19 amends clause 18. It reads:

> a person named in a notice of violation has a defence by reason that the person
>
> (a) exercised due diligence to prevent the violation; or
>
> (b) reasonably and honestly believed in the existence of facts that, if true, would exonerate the person.

There has been extensive debate in committee over this issue. Many members, even members on the Liberal side, were concerned that the act authorizing administrative monetary penalties and encouraging compliance of those accused of violations does not allow those alleged to have violated to use due diligence as a defence. This is a violation of some of the common law protection in Canada.

It allows for a heavy handed department to preclude people asked to pay the fines under the act from normal defences, normal access to the justice system and the normal common law defence of due diligence and honest belief in the facts as presented to exonerate people.

We were moving into an area where perhaps the rights of those charged under the act were being abused. There needed to be some changes. This was the best way that we could ensure it was an even handed piece of legislation that did not unduly burden and persecute those charged with a violation and preclude them from the defence they required if they were to adequately defend themselves from a department that may get carried away or go a little too far.

Again I ask members opposite to seriously consider each of the amendments. I appreciate that they supported one amendment that made a lot of sense. There are some here that also make a lot of sense. If they have not considered them, I ask them to look at the amendments to see which ones they can support.

I invite all members of the House to support each of the amendments in Group No. 3.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the member for Kindersley—Lloydminster made an important point in his last statement when he said we support amendments that make sense.

The difficulty with these amendments, I am sorry to say, is that in terms of the effectiveness of the legislation they do not make sense. I will speak on most of them.

● (1150)

On Motion No. 3, we have to understand current maximum penalties are relatively modest. The bill does not make a distinction between the first and subsequent violations for the purpose of setting a maximum penalty that could be assessed.

I am surprised to a certain extent that a reduction for a first offence is being requested, given that very often when dealing with violations of law or quasi–law the Reform Party wants to go all out and go for the jugular. In this case you are asking for—

The Deputy Speaker: I ask the member to put his remarks through the Chair. I know it is a bore but it is required by our procedure.

Mr. Easter: I will do that. In this case the regulations will determine a base penalty amount range in circumstances under which penalties may be increased or reduced. Compliance history will be one of the factors set out in the regulations whereby penalties will be reduced for violators with no previous history of non–compliance and increased for those who commit subsequent violations.

Under clause 4(3) of Bill C–61 penalty amounts may be increased or decreased based on the degree of intention or negligence on the part of the person who committed the violation, the amount of harm done by the violation and the compliance history of the person who committed the violation.

In terms of Motion No. 3 the legislation has to remain as is to give the flexibility needed to enforce compliance.

On Motion No. 4, as I understand it the basic purpose of the Reform amendment is to have a notice of violation to identify the designated person serving the notice. I do not see the need for that. The bill allows that a notice may be served by various means.

Mr. Hermanson: It is a speeding ticket.

Mr. Easter: I try not to get speeding tickets. I might inform the hon. member that where I come from in Prince Edward Island we do not need to speed to get from place to place, it is such a wonderful place to be. I can understand the member for Kindersley—Lloydminster wanting to speed to get to P.E.I. some time because of its great people and great industries. We would welcome him any time but we will not pay his speeding tickets.

The bill allows for a notice to be served by various means and the server of a notice may not necessarily be the designated person. By definition the designated person is the person who issues the notice. Service of the notice is a procedural matter best addressed by maintaining a degree of flexibility. The bill allows the matter of service of all documents including notices to be addressed by regulations, for example paragraph 4(1)(g). The regulations will make provision for service in person or by registered mail, which is appropriate.

On Motion No. 5, the member for Kindersley—Lloydminster could correct me if I am wrong but its purpose is basically to legislate a minimum time of 45 days within which a penalty may be paid. This is a procedural matter to be determined by regulation. There is certainly reason for determining some of the procedures by regulation.

We must be careful not to be overly restrictive in terms of the bill.

● (1155)

The member mentioned earlier that the department could become overly heavy handed. I certainly know that if it became overly heavy handed with the current minister it would be addressed. I would expect members opposite to be forever watchful in that regard. Under this legislation I do not expect the department could become overly heavy handed.

I will deal specifically with Motion No. 5. To include time frames such as these in legislation is impractical because it is very difficult to make future changes. Procedural details are generally contained in regulations or in policy documents.

The regulation process is open and fair. The preparation and drafting of regulations include consultation with the industry and the prepublication of regulations in *The Canada Gazette*, part I. The process will ensure that a reasonable time frame is put in regulation for the payment of a monetary penalty. It gives us some flexibility in reviewing it in the future to redress it through regulation. It might be easier to take the member's

concerns into consideration in the future, maintaining that flexibility by way of regulation.

The purpose of Motion No. 18 is to clarify that the expenses recoverable by Her Majesty with respect to the disposal of forfeited goods are reasonable. I was surprised by the hon. member's comments that maybe the minister would hire Lloyds of London to sell some goods. As he very well knows the government—and sometimes it is to the point of being of concern to some of us—is very concerned about how departments spend their limited dollars.

The House could be assured that the government or the ministry would not spend money in an unreasonable way. I challenge the member on the comment that we would go that far astray. It has always been the government's intention to administer the bill in a reasonable way. One thing about the government is that it does not need everything in legislation to be reasonable. We are a reasonable bunch to begin with and that is very well known in the community.

The last motion is Motion No. 19. Its intent is to enable a violator to rely on the defence of due diligence. We would have to oppose it. Bill C–61 allows for the issuance of monetary penalties on the basis of absolute liability. The department only needs to prove the alleged violator committed an act in violation of the regulations. The bill does not allow a defence of due diligence by which a violator can avoid liability by establishing that he or she was not negligent.

Under Bill C–61 there is no possibility of imprisonment, no record of conviction for an offence created, and penalties are modest rather than punitive in nature. Because of these factors there is no constitutional or other legal impediment to proceeding on the basis of absolute liability. It is worth mentioning that although the due diligence defence does not apply, other common law defences are available to a person to whom a notice of violation is issued. Those are my comments on the motions.

● (1200)

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I am pleased to speak to this group of motions and to some extent to the thrust of the bill.

I represent an urban area, not a rural area. One might be curious as to why a city boy is standing to talk on an agricultural bill. My family and I eat the food, I acknowledge that. We depend on this constituency for survival.

I did take an interest in the bill from when it was first introduced in the House. Initially it raised some concerns with me. These concerns were expressed to the ministry and to colleagues. They were reduced to writing; it was not just talk. In the end I see the department has adapted the bill and made changes at committee. We are still making a few minor changes in the House.

What is significant here is that the House will delegate to a department an administrative penalty program that involves a huge constituency, the whole agricultural community. Up until now the House has not delegated that kind of authority. The ability to police, to levy penalties and fines has usually been in the field of criminal law.

We do not delegate that kind of authority out of the House without making sure it is set out very specifically in our laws. In this case we have. It was done earlier in relation to airports and the field of aviation. However, in that area we are dealing with a very small constituency. Here we are doing it with the agricultural community and thousands and thousands of Canadians will be participating in and subject to this new administrative monetary penalty system.

We must be vigilant in the House, as I know all members are. The opposition is certainly vigilant, which is its job. My colleagues on the government side have been vigilant about how this process is to evolve.

We should look at other areas of Canadian life where there are rules and penalties. One that comes to mind, which is a little bizarre, is the National Hockey League in which Canadians play hockey for a living and voluntarily subject themselves to a system of rules. On the ice, hockey players can be fined and suspended. Granted it is a very small constituency but it happens in other areas of amateur hockey in Canada as well.

In this case we are talking about the entire agricultural community. As the minister has pointed out, it has bought into the new system. It is a recognition of evolution and modern government that the old way of doing things does not work any more. It is too cumbersome. Just because somebody ends up with a badly shaped potato should not be a matter subject to a criminal offence or a quasi–criminal offence.

We have a new system evolving here and I think we will make it work. The government has adapted and recognized the extreme difficulty in applying standards of strict and absolute liability. While in the beginning we perhaps were not as sensitive to the issues involved, as my colleague from Malpeque pointed out, the department and the legislation have the issue down very well.

The motions for further changes to the bill by the opposition are useful for the record even if my colleagues on this side of the House do not accept them all. I know some have been. However, it is a further good faith attempt to refine this legislation so that it will work to the benefit of Canadians.

• (1205)

I am pleased to indicate my support for the bill generally. I am sorry I cannot support all the opposition motions in amendment. The minister has the proper system and it will fly well.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, it is an honour for me to rise on the bill a second time.

Within my riding there are urban areas and there is also a large rural area where agricultural producers provide the food which we all eat and enjoy.

With respect to this motion I will go over a number of the proposals for change put forward by members opposite. There is a motion which seeks to vary the maximum allowable penalty between the first and subsequent violations. While there could be some merit to these suggestions, in light of the fact that the current maximum penalties are relatively modest, it would not be in our interests to start making distinctions between first and subsequent violations for the purpose of setting a maximum penalty which could be assessed. That does not mean that where there is a subsequent violation a larger penalty could not be assessed.

The legislation allows for maximum flexibility when determining the level of penalty to be assessed when regulations have been violated. This flexibility takes into consideration the compliance history in determining the level of the fine. That is, it does not automatically lead to a greater fine. One must also consider all the circumstances surrounding the alleged violation in determining the penalty.

In subclause 4(3)(a) of Bill C–61 the penalty amounts can be increased or decreased based on the degree of intention or negligence on the part of the person who committed the violation, the amount of harm done by the violation and the compliance history of the person who committed the violation. Therefore we have a system in which all factors are considered in dealing with the maximum level of penalty to be set.

Motion No. 4 proposes that the designated person serving the notice of violation be identified. The bill seeks to achieve administrative simplicity, an inexpensive yet effective system. This is one of the quasi–judicial procedures required by the legislation. I do not believe it would be efficient to have individuals designated within the legislation. By the definition included within the legislation, the designated person issues the notice.

• (1210)

The service of the notice is simply a procedural matter. We want to see a flexible yet efficient system for ensuring that the violator of a regulation gets notice. We also want to ensure we are not overburdened with large expenses or complicated mechanisms to get the notice to the person.

The amendments to the act will allow for the provision of service to the person by registered mail. The nature of the offence is a very important factor when considering how a person should be served or notified of the offence. These offences are absolute liability offences. Therefore the procedural requirements to ensure notification, et cetera, are at a minimum level.

At the other end of the scale we have criminal law, the violation of which requires a lot more procedural care, a very much higher standard of proof. Because these offences are of a minor regulatory nature, the service need not be such that it leads to any type of inefficiency.

With respect to Motion No. 5, there is the suggestion to legislate the minimum time of 45 days within which a penalty may be paid. Dealing with time frames within legislation, at one time in our system of government it may have been quite reasonable to include within legislation time frames within which penalties may be paid or within which certain actions may be taken. However, as our legislative requirements have grown it has become more complicated.

Acts have become far more comprehensive. We are dealing with what goes into an act and what should be within the regulations. Acts are not easily amended or changed. Therefore if a provision in an act such as a time frame is found not to function properly we may be stuck with that time frame for a considerable length of time if we are looking at amending legislation to get the change.

What is being proposed is that these time frames be contained within the regulation where it is appropriate. If found to be unworkable or in need of an amendment they can be changed with the minimum amount of disruption to the system. In a cheap, effective manner they can be changed as quickly as is practical. This is what insertion of time frames within the regulations would allow.

Motion No. 18 is another motion to insert the word reasonable within the statute. It is to clarify that expenses recovered by the crown in respect of the disposal of forfeited goods are reasonable. While this was not in the legislation, certainly it was always the intention of the department to be reasonable in the charges and requirements it makes of people who forfeit goods. This is implied within the legislation.

The term reasonable would no doubt be implied in the legislation anyway. Obviously where the goods are forfeited they will not be able to make exorbitant charges. There are limitations.

The Reform Party has put forward a sensible amendment which reflects the intent of the legislation and which therefore should be accepted. It shows the openness of the government and the minister. It shows a lot of flexibility, and I appreciate that flexibility on the part of the minister.

• (1215)

The issue of allowing the violator to rely on the due diligence defence has been carefully addressed by a number of my other colleagues. I will echo those remarks.

Once again, I appreciate the effort that has gone into making this bill such a success. Congratulations to the minister for yet another fine piece of work.

Mr. Hermanson: I rise on a point of order, Mr. Speaker. It has been brought to my attention that there is one more error in the Order Paper. I would like to bring that to the attention of the House to make sure it is corrected.

In my Motion No. 11 on the Order Paper and Notice Paper it states: ''That Bill C–61, in clause 10, be amended by adding after line 31, on page 7, the following'', and it goes on to state my amendment. That in fact is an error. The amendment falls after line 11, not line 31. If we look in the bill it raises it on page 7 before subclause (5) rather than after subclause (5).

I suspect that those members who looked at this carefully and perhaps felt they could not support the amendment when they saw where it was supposed to be will change their position and support my amendment.

The Deputy Speaker: I thank the hon. member. The table officers will check into this matter and the Speaker will get back to the House on that issue.

[*Translation*]

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I am indeed delighted to have the opportunity to address this House on the subject of Bill C–61, as I represent a region where agriculture is fundamental, where it is one of the underlying sectors of the economy.

I would first like to congratulate the minister and all the members of the House standing committee, who studied the bill and have proposed amendments.

I think Bill C–61 is further proof that our government has paid heed, throughout this 35th Parliament, to all that Canadians from coast to coast have said about the need for the various levels of government and the different departments to manage time and money more efficiently.

When producers have less bureaucracy to deal with and less of an investment in time to make the result is a lower product cost; the financial benefits they reap are passed on to food product consumers. In the end, less bureaucracy and less time invested for producers means a lower product cost, which consumers also enjoy.

However, when we look at Bill C–61, we note that all the measures to protect Canadian consumers are still there, along with the added protection afforded by the effective action of departmental officials.

• (1220)

This additional protection for all those who violate the various agriculture–related bills will make it possible to adjust their penalties immediately.

And I also think we will save money if we transfer all these penalties with the possibility of an appeal before a quasi–judicial tribunal. In this way we are saving both time and the taxpayers' money the federal government would otherwise spend to bring all these violators before the courts. The violators themselves may not have to appear in court, but we all know about legal fees and what it costs to be represented in court. What is particularly important in this bill, as in other bills and measures initiated by our government in the past two years, is that it will make our economy, our bureaucracy and our judicial system more efficient.

I think that is what I see as the central focus of all bills on agriculture, because that is what Canadians from coast to coast have asked us to do, and we acted accordingly. We did this in a number of departments. I want to commend the Minister of Agriculture for having the foresight to make changes in these bills so that we can be more efficient.

According to the text of the bill and the proposed amendments, the bill will allow the imposition of penalties through an administrative process, in addition to the criminal sentences authorized by law. The department's officials will be able to set penalties of up to $15,000, based on various criteria provided in the form of tables in the regulations.

It is also worth mentioning that all consultations with the agricultural sector were held before the bill was prepared. When a government acts in good faith, all the people involved in the bill appreciate the various consultation mechanisms we set up and support the various options we provide. The bill also provides for a reduction of the penalty when the offender pays it within the time limit without challenging it or demanding a hearing to reduce it.

This is another measure that will allow all stakeholders, including governments, producers and those who market agri–food products across the country, to become more effective and efficient and to benefit from large scale savings.

In fact, the industry supports the consulting process and the work done by the standing committee on this bill because we indeed have the effective enforcement of Canadian standards, especially with respect to imported products.

• (1225)

Regarding the importation of agri–food products into our country and the time required to process offenders through the judicial system, we can take measures on site to discipline these offenders under the threat of monetary penalties. We can provide even greater, almost immediate protection for Canadian consumers.

When I look at the various aspects of this bill and of some amendments put forward by the standing committee, I think that our government has taken a giant step in assuming its responsibilities toward our agricultural industry and toward Canadian consumers. I have no hesitation in supporting this bill and the amendments proposed by the Standing Committee on Agriculture and Agri–Food.

[*English*]

The Deputy Speaker: The table officers have considered the matter raised by the hon. member for Kindersley—Lloydminister. He is absolutely correct. It changes nothing. It will be amended in accordance with his sharp–eyed advice to the Chair. We thank him for making that correction.

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, my comments perhaps will be somewhat limited, because I plan to deal with only one aspect of the legislation. That aspect deals with Motion No. 19 and the suggestion that the defence of due diligence should apply to the legislation.

As much as I believe in the system of justice we have and that we must always put in all defences possible for the enforcement of laws and the defendant should have available defences such as due diligence, et cetera, I am suggesting that the motion should be defeated and that such a defence should not be allowed and not be applicable in a bill such as Bill C–61. There are a number of reasons why I suggest this. It comes from looking at the system we have in Canada in the food processing industry, which is perhaps one of the best in the world. If we allowed such a defence of due diligence to apply, we would be diluting the system we have. We would be regressing rather than progressing.

Let me give an example of a possible occurrence. I have earned money in the past by defending individuals using defences like this. Let me give an example of why the system perhaps should not have this defence.

If an importer brings in a particular product, whether it be cheese, bread or whatever, and there is something wrong with the product and it is contrary to the legislation and therefore subject to penalty under this statute, the person could be brought forward and could claim due diligence. He could say: ''I contacted the manufacturer and he absolutely guaranteed that there was nothing wrong with this product. The foreign processor told me that every precaution was taken to make sure this food was safe. The foreign processor told me that spot checks, et cetera, have been done on this food and it is fine. I have used all due diligence in making sure the product is safe''.

If the defence is available, the person should not be subject to the penalties. That certainly does not help the consumer who may be ingesting this food and getting ill or perhaps even dying from that food. The importer must go further.

● (1230)

If the importer is subject to the penalties in this act, the importer must be in a position to say: ''I did spot checks. I tested this food and I made certain it was safe''. It is not good enough because if due diligence applied, the importer could always rely on it and always bring in unsafe food although the processor in the foreign country indicated it was good enough.

We require this rule so foreign processors cannot bypass the safety standards of our country. We require it so that if the importer is in violation of this act, the importer can go back to the foreign processor and say: ''What you told me was not good enough. You must take other steps to ensure and guarantee this product is good. If you do not do that, I will change suppliers because I do not want to be brought forward again and punished for being in contravention of the act''. That is why due diligence should not apply.

Due diligence is applicable in many other areas of our justice system but should not be in the food processing industry. Again, this shows why Canada has one of the best food systems in the world. If we allow such a defence we are going to be regressing rather than progressing in the future, regressing because errors will not be corrected and the same problems will arise. If we allow it, this would be small comfort to an individual who might ingest an adulterated food that might cause serious injury or possibly even death.

The system put in place by Bill C–61 is a quick system. It is effective but it will not be painless. It cannot be painless. There has to be some pain but it does not have to be overly excessive. The person who violates the provisions of the bill must be brought to task for what has been done. However, Bill C–61 does not provide for imprisonment. It does not give the person a record of conviction of an offence and the penalties are rather modest but they are punitive to some extent and therefore serve the purpose required. The person who is contravening the legislation does not want to be brought back over and over.

Absolute liability offences are necessary in the food industry. They are absolutely necessary to protect people. Everyone knows this. I am sure the member for Kindersley—Lloydminster knows how important it is that any grain produced on his farm is not adulterated, that it has not been treated or accidentally adulterated with some chemicals, then sold and put into the food processing chain for someone else to eventually consume. It is as important there as it is in the processing industry. It is as important there as it is in the importing business.

How do we deal with it? Do we adopt a system where a person ends up going through a regulatory system with charges laid and the process going on and on? People like me in my other world relish such a system where things would work well for me. Or, do we put in a system that is effective and efficient? I suggest when it is contraventions in the food industry it has to be done quickly. It has to be done effectively because we cannot afford to have contraventions that continue over a period of time with adulterated food that keeps entering and maintaining itself in the food system while the possible contravention is being dealt with in the court system. It has to be quick. It has to be effective. The health of our public is too important.

● (1235)

The health of the people to which we export is too important. Canada's reputation is too important. We cannot afford to tarnish it by having our food system in any way hampered and looked on by people in this country and foreign countries, saying: ''We do not know if we can rely on it. It is generally a good source, but it is not that good a source''. We cannot afford such a reputation. The reputation has to be that ours is superior to everyone else, or as good as the best that there is.

The policy obviously is to maintain a very high standard. We must maintain it. It helps exports in the future and it certainly helps in the production and the processing of products.

As indicated by the hon. member for Malpeque, other common law defences are still available to a person. Due diligence is not the be all and end all if we do not accept it.

For the reasons I have given, I suggest that due diligence should not be a defence. Motion No. 19 should fail.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I have a brief word or two with respect to the motions that are in Group No. 3, Motions Nos. 3, 4, 5, 18 and 19. The members who have already spoken in detail about these proposed amendments have very clearly indicated why the majority of them are either inappropriate or unnecessary. I would like to congratulate the members who have participated in the debate on these motions in putting forward the arguments very clearly.

I would like to indicate that Motion No. 18 is fundamentally acceptable. As a matter of legal interpretation, it may not be absolutely necessary, but as the hon. member for Kindersley—Lloydminster indicated earlier with respect to Motion No. 10, if it is the government's intention to proceed in a reasonable manner, which obviously it is, then is there any harm done by including that specific word reasonable?

In the circumstances pertaining to Motion No. 18, it may as a matter of legal interpretation be a bit redundant. Some may say it is sort of gilding the lily, but it is clearly the government's intention to administer the bill in a reasonable fashion. If it improves the perception of the legislation by accepting Motion No. 18 and including the word reasonable in this context, the government has absolutely no problem with that. Motion No. 18 is certainly acceptable in this group of motions, whereas we would have to vote against Motions Nos. 3, 4, 5 and 19.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I am pleased to be able to speak this morning on the agriculture and agri–food administration of monetary penalties act. It is good legislation in the circumstances.

Presently, when an inspector under the agri–food act determines that offences have been committed under the statute, he must proceed through the criminal justice system and the whole process gets rolling. An information is laid through the attorney general's office, appearances begin in court, adjournments are made, the cost and time of not only the court administration, the cost of defence counsel, the cost of prosecuting counsel and the time it takes from beginning to end could be months if not years, depending on what the situation is.

The alternative method proposed in Bill C–61 is to establish a system of administrative monetary penalties, so that an inspector when he determines that an offence has taken place under the agri–food act, can impose a fine on the offender immediately, rather than proceeding through the judicial system. I think that is a very good procedure to be following.

● (1240)

The objective is to create a system that allows the officials of Agriculture and Agri–Food Canada to issue monetary penalties for serious or repeated violations of the regulations. The monetary penalties vary from $15,000 for companies to $2,000 for individuals. The legislation also establishes an independent tribunal to hear appeals of the proposed monetary penalties. Safeguards are still built into the system.

The AMP, if I may refer to that acronym, adds to the enforcement options available to agri–food prosecutors. The system still provides the department with appropriate responses when dealing with the violations of regulations such as in the marketing of inedible food products or the inhumane transportation of animals.

The term administrative monetary penalty is used to differentiate the monetary penalties which are administrative in nature from fines which are imposed by the court system for convictions of regulatory offences.

I will speak to some of the motions involved, but I submit that this is good government. It still provides a framework wherein Canada's high standards for food safety are maintained. That is essential. We are also assisting Agriculture and Agri–Food Canada to enforce health and safety standards consistently, not only for imported foods but for domestic food products as well.

Further, we are regulating in a more efficient and cost effective way. In this time of restraint, cost effectiveness is a very important item. Therefore, we are going to require less time and money to pursue these offences than we would otherwise do through the provincial court system.

The maintenance of a safe food supply is essential and Bill C–61 allows for the issuance of monetary penalties and is necessary to encourage industries to adhere. We do not really want them punished if they do not comply but we do want compliance. It is necessary that they adhere to these regulations such as in the areas of pesticides and animal and plant health. On matters touching food, the food chain and public health standards of conduct, they must be extremely high and the reasons are obvious.

I would also like to refer to the competitiveness of Bill C–61. I suggest that it supports the competitiveness of the agricultural sector by responding to requests for more equitable enforcement of regulations for imported and domestic products. Our domestic industry has complained for years that the standards for safety and quality are more strictly applied to them than to their competitors, especially offshore competitors and that is not fair.

Our industry supports the system because it allows Agriculture and Agri–Food Canada to respond quickly and effectively when importers or domestic industries market products that do not conform to our high standards in the area of food safety or in the safe use of pesticides. Equal enforcement of these standards for both imports and domestics enhances the competitiveness of the agricultural sectors.

Giving Agriculture and Agri–Food Canada the proper tools to effectively enforce these standards will help it to maintain Canada's fine reputation for healthy and safe food products. It is the reputation of our agri–food sector that suffers when exported products do not meet our health standards. They blame it on us, as a domestic supplier and that is not fair. Let us bring it all up to the same standards.

As an alternative to prosecution and with my background, I think this is a very key item in times of restraint. In the current climate of restraint, we need simple, efficient, cost effective ways for dealing with industries that do not comply with the regulations for food health and safety. Bill C–61 provides a fair but quick and expedient method for responding to regulatory violations.

The administrative procedure provided by Bill C–61 is an alternative to prosecuting regulatory offences in the provincial courts. It is faster and far less costly to both the department and the offender. We have to also remember the offender has to put up the cost of legal counsel and is away from the business, et cetera.

Administrative penalties are another step in the decriminalization of regulatory infractions. Unlike the situation where regulatory principles are prosecuted by the courts, Bill C–61 creates a decriminalized system. It does not provide for imprisonment or receiving a record of conviction of an offence. We do not want to make criminals out of these people, but we do want them to comply.

• (1245)

Administrative monetary penalties are a much fairer way of enforcement we for most regulatory infractions. When it hurts in the pocketbook, it hurts. A record may be a stigma in perpetuity, but when you have to come up with some hard cash out of our pockets we often think twice, and deservedly so.

Another aspect is negotiated settlement possibilities. This allows for negotiated solutions to non–compliance. What we really want them to do is comply. Even the monetary penalties can be reduced to zero if they would use the money to buy corrective equipment. Immediate action to correct the situation is much better than money into the coffers of the judicial system.

I might address some of the motions that have been put forward. Dealing perhaps with Motion No. 3, to vary the maximum penalty between first and subsequent violations, the current maximum penalties are relatively modest when we look at them. The bill does not make any distinction between first and subsequent violations for the purposes of setting a maximum penalty that could be assessed. However, the regulations will determine a base penalty in the range amount and circumstances under which the penalties may be increased or reduced.

Compliance history is one of the factors we set out in the regulations. Penalties will be reduced for violators with no previous history of non–compliance and increased for those who commit subsequent offences, as they deservedly should. Under subclause 4(3) of Bill C–61 penalty amounts may be increased or decreased based on the degree of intention or negligence on the part of the person who committed the violation, the amount of harm done by the violation, and the compliance history of the person who committed the offence.

Perhaps I could address Motion No. 4. The purpose is to have a notice of violation identify the designated person serving the notice. Service is an essential point of any court proceeding, and sometimes technicalities arise on service that result in the offender walking from the situation.

The bill allows that a notice may be served by various means. That is progression. The server of the notice may not necessarily be the designated person. By definition, the designated person is the person who issues the notice. Service of the notice is a procedural matter and is best addressed by maintaining a degree of flexibility. We want to be flexible.

The bill allows that the matter of service of all documents, including notices, will be addressed by regulations. For example, the regulation will make provision for service in person or by registered mail. We have these procedures in other court systems, in family law, et cetera. That is not unreasonable.

The purpose of Motion No. 5 is to legislate a minimum of 45 days within which a penalty may be paid. Again I suggest that this is a procedural matter which could be determined by the regulation. To put a time frame such as this in legislation really is impractical. It makes it very difficult to make changes in the event that the penalty could not be paid within the time frame.

Procedural details are generally contained in regulations or in policy documents. That is where they belong. The regulation making process really is open and fair. The preparation and drafting of regulations includes consultation with industry and the prepublication of the regulations in *The Canada Gazette* to give everyone sufficient notice. The process will ensure that a reasonable time frame is put in regulations for the payment of a monetary penalty. They will not escape. We have to be reasonable. Forty–five days may not be, as the minister of agriculture has suggested.

Motion No. 18 seems acceptable to us. The object of the motion is to clarify that expenses recoverable by Her Majesty in respect of the disposal of forfeited goods are reasonable. We want to be reasonable and we accept this motion as certainly reasonable in that situation.

The purpose of Motion No. 19 is to enable a violator to rely on the defence of due diligence. Bill C–61 allows for the issuance of monetary penalties based on absolute liability. That situation happens when the department only needs to prove that the alleged violator committed an act that was in violation of the regulations. The bill does not allow for the defence of due diligence by which a violator can avoid liability for the offence by establishing that he or she was not negligent.

• (1250)

Under Bill C–61 there is no possibility of imprisonment. There is no record of conviction for an offence. Penalties are modest rather than punitive in nature. Because of these factors there is no constitutional or other legal impediment to proceeding on the basis of absolute liability.

From a policy perspective, the use of absolute liability is essential to encourage the food industry to exhibit a high standard of care. This is important for matters involving the food chain and is consistent with the approach of courts in civil matters. The concept of absolute liability is important to the effectiveness of the system as a preventive measure.

We had the situation of some children being allergic to peanut butter. There was a very important incident where a young lady reacted to peanut butter and died rather quickly.

The Deputy Speaker: The hon. member's time has expired.

Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Under the standing orders, a recorded division on the motion stands deferred.

The next question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76(8), a recorded division on the motion stands deferred.

The next question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: A recorded division on the motion stands deferred.

The next question is on Motion No. 18. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

The Deputy Speaker: I declare the motion carried.

(Motion No. 18 agreed to.)

The Deputy Speaker: The next question is on Motion No. 19. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to the standing orders, a recorded division on the motion stands deferred.

● (1255)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.) moved:

Motion No. 20

That Clause 19 be amended by striking out line 19 on page 11 and substituting the following:

''violation are reviewed by the Minister or by the Tribunal, the Minister must''.

Motion No. 23

That Bill C–61, in Clause 29, be amended by adding after line 37, on page 14, the following:

''(3) For greater certainty, no lobbyist or party to a contract with the public service of Canada shall be appointed as a member of the Board or the Tribunal.''

He said: Mr. Speaker, our caucus should have discovered the word reasonable a long time ago. Perhaps we would have more good laws passed in the House of Commons. I wish we had used that in Bill C–68, the gun control bill. We probably would not have had registration. And maybe we would not have had Bill C–64 introduced at all.

In any event, back to Bill C–61. I appreciate support from the other side for a couple of my amendments, which were reasonable, included the word reasonable and were adopted by the House.

We have now moved on to the fourth group of motions. I will address Motion No. 20, which deals with clause 19. It strikes out line 16 and substitutes the following: ''violation are reviewed, the minister or the tribunal''. Currently in this clause it is stated: ''In every case where the facts of a violation are reviewed, the minister must establish, on a balance of probabilities, that the person named in the notice of violation''.

This ensures that the facts of a violation should be reviewed both by the minister and by the tribunal. It is not a matter of either or, but in fact it is both. This again is a common sense amendment. It ensures that the burden of proof is on the minister in the case of a ministerial review. It ensures that there is burden of proof on the tribunal when a case of a violation is referred to the tribunal. This is just good common practice. It is sensible. It again puts some qualifiers and quantifiers into the legislation to make it not only effective but also balanced and fair.

I cannot see why members on the opposite side would have any problem whatsoever with this amendment. Therefore I encourage them to support it.

Moving on to Motion No. 23 which deals with clause 29, this motion adds after line 37 on page 14 a new subclause (3), which would say: ''For greater certainty, no lobbyist or party to a contract with the Public Service of Canada shall be appointed as a member of the board or the tribunal''.

The clause prior to that says: "A member of the tribunal shall not accept or hold any office or employment that is inconsistent with the member's duties or take part in any matter before the tribunal in which the member has an interest''. We certainly support that clause, but it does not go far enough. All it says is that a member of the tribunal shall not be able to enter into a contract with the federal government. What it does not preclude though is the actual appointment to the board of a lobbyist or someone with a contract with the public service.

We have had a rather negative light cast upon government and upon politicians for quite some time because of the ethics we impose upon ourselves. That perhaps might be better stated as a lack of ethics we impose upon ourselves. Yes, there are conflict of interest guidelines. There has been some question as to the effectiveness of the conflict of interest guidelines currently, even upon us as members of Parliament. There is concern in the public sector that conflict of interest guidelines be rigid, clear and enforced.

• (1300)

Other legislation precludes members of Parliament or members of provincial legislatures from serving on a board or body such as this tribunal. However what is not precluded is the fact that lobbyists, people who are working for the public service and have a vested interest in the work of the tribunal, are currently not excluded from appointment. This dips into the whole area of patronage appointments that is repulsive to Canadians. It seems that lobbyists have an inside track and are able to have influence behind the scenes far beyond their worth.

I suggest the House support Motion No. 23 that goes one step further than the conflict of interest in clause 29(2) by stipulating that no government lobbyist or person who has a contract with the federal government may be appointed to the tribunal. I appreciate the progress we have made this morning.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I will deal with the two motions in Group No. 4.

On Motion No. 20, again showing how reasonable we are, I agree with the motion. The amendment possibly brings a little more clarity to the bill. It clarifies that the minister carries the burden of proof in both the ministerial review and the review by the tribunal that the person named in the notice of violation committed the violation. This is precisely what the current wording of the bill provides. I have no objection to accepting the proposed amendment; maybe it clarifies the matter a little further. It shows how reasonable we are on this side of the House.

The intent of the legislation is to set up the administrative monetary penalties act. At present an inspector with responsibility for enforcing the agri–food act determines there has been an offence under the statute. There has been much mention that he or she should proceed through the criminal justice system to obtain a penalty for the offence. The inspector must file a complaint with the attorney general who will, where appropriate, commence proceedings against the offender.

Currently whenever a penalty is sought, the entire judicial system must be brought to bear regardless of the seriousness of the offence. The expense and delay inherent in the procedure are often disproportionate to the particular offence. In some cases the fines imposed are very small and in other cases they create a criminal record, which is perhaps too severe a penalty.

In terms of seeking an alternative the government established a system of administrative monetary penalties so that an inspector who determines there has been a violation of the agri–food act could impose a fine on the offender immediately rather than proceed through the judicial system. Basically the government is creating efficiencies in government, being fair and reasonable to all and protecting the interests of the public under the act.

I will mention a couple of points and why the minister must carry the burden of proof. There is a lot at stake and it is important the minister carry the burden of proof. The administrative monetary penalty system will be one that allows the FPI to levy monetary penalties for non–compliance with branch acts and regulations. As has been mentioned by others in the debate, it is less costly, would not tie up the court system and creates a great deal of efficiency.

• (1305)

The administrative monetary penalty system will lead to more equitable enforcement of regulations by allowing the department to take effective action against importers and domestic companies marketing products that do not meet Canadian health, safety and quality standards.

As the system starts to evolve, the industry will recognize the pressure the new system puts on it. The industry will continue to comply with the regulations without having to get into any great enforcement measures. That is important. That is the objective of the system. The criminal prosecution system will remain an option and is available should it become necessary.

It is important that monetary penalties can be offset through compliance agreements. The proposal is to reduce the fine by $1 for every $2 a company spends on new equipment, process changes or staff training to prevent the recurrence of non–compliance. That is also an incentive for the industry to comply with the regulations. In this way the system emphasizes compliance, not punishment for behaviour, which is certainly a great step in the right direction. The administrative monetary penalty system fits with the government's regulatory review agenda to improve regulatory effectiveness and decriminalize most regulatory offences.

The intent of Motion No. 20 is a good one and can be supported. However Motion No. 23 is a horse of a different colour and I cannot support it. The amendment provides that ''no lobbyist or party to a contract with the Public Service of Canada shall be appointed as a member of the board or the tribunal''.

The bill requires that members of the tribunal have technical qualifications related to the areas of agriculture and agri–food and are not in positions of conflict of interest relative to the matter before them. In addition, it has been clearly set out that no member of the tribunal may be employed in the Public Service of Canada.

The intent of Motion No. 23 is taken care of in other ways. If one were to incorporate the amendment, in essence it would make the legislation more cumbersome. In effect Motion No. 23 is unnecessary and I have to oppose it.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, in dealing with this group of amendments I will address two related and relevant issues.

Our efforts to fine tune the legislation in the House and earlier in committee have been primarily directed toward ensuring a proper balance between the rights and liberties of Canadians in the sector we are dealing with and the administrative exigencies as they evolve in the agricultural sector. Because we are dealing with food, in many cases some of the exigencies tend to be relatively urgent and require a prompt solution as opposed to a slow, administratively cumbersome solution.

● (1310)

As we strive to seek that balance in the House with the legislation, we must keep in mind that the House realizes it cannot, as is sometimes said, micro–manage the sector. We simply do not have the ability to micro–manage in all detail everything that goes on in a particular field. That is why the House by way of regulation delegates authority to administrators in government to make regulations which deal in a more specific way with the exigencies in the field.

Even then it is tough. Even then it is probably impossible to micro–manage. Many decisions that have to be made are being made in a warehouse at a border. Perhaps they are being made in a barn somewhere by inspectors and people who are growing and transporting the commodity. We ought to resist the urge in the House to overly micro–manage the field, and that is why we delegate.

We are trying to find that balance in the House and that is tricky. There is a further challenge for Parliament. Every time we delegate we say that we are giving authority or power to an official of the government. That official, in concert with the department, will be making decisions about property of others and what others can or cannot grow and transport in this field.

The challenge for Parliament is not so much today; it is down the road. We have a committee that deals ex post facto with the regulatory authority delegated by the House, the Standing Joint Committee for Scrutiny of Regulations. The more the House delegates, the more work there is for the standing joint committee. Given the large degree of delegation taking place under this statute, I see a further challenge for the standing joint committee to deal with the scrutiny of this type of regulatory delegation.

One criteria of the committee is described as the unintended or unexpected use of power. I agree it is perhaps a little fuzzy. However, should an official, the department, the minister or the cabinet at some future date authorize the taking of a step that could be construed as an unexpected or unintended use of power, the committee would point it out to the House. The committee also has the power of disallowance which it has used a half a dozen times in the last four or five years. It prefers not to do so. It is a procedure the House would rather not have the committee use but when necessary it does so.

To the extent we are delegating and trying to fine tune that delegation, there will remain to a greater or lesser degree a significant challenge to the committee structure created by the House in reviewing the appropriateness of the use of the authority and power we delegate.

● (1315)

It is not to detract from our efforts here to find the right balance between rights and liberties and administrative efficiency.

I think all members have the same view and I will continue to participate in this debate in the hope that we achieve the proper balance so the administrators, the minister, the deputy ministers, departmental officials and the cabinet will have the right tools and the right balance so our citizens will get the best services and the best considerations under this statute.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Madam Speaker, I appreciate the opportunity to once again address some of the motions by members from the other side of the House in relation to the agriculture and agri–food administrative monetary penalties act.

The purpose of the bill is to allow for expedience and resolution to breaches of regulations in the agriculture and agri–food industry. It is designed to make it a lot easier for the department and those involved in breaches of regulations to resolve their difficulties.

It is designed to ensure we get compliance with the regulations as soon as is reasonably possible. The bill does not inhibit the rights of people accused of violating the respective statutes to have the option to gain the full procedural and substantive protection that can be gained from the law if they so choose to defend themselves in traditional fashion of court hearings and due process. This is still available to those who violate the act.

The purpose of Motion No. 20 according to hon. members opposite is to clarify that the minister and the Government of Canada carry the burden of proof in both the ministerial review and the review by the tribunal that the person named in the notice of violation committed the violation. This is certainly what the current wording of the bill provides for.

We have no objection to this amendment. This is another amendment the minister has accepted from members opposite. This shows a responsible attitude by the minister of agriculture in the sense that where there are amendments that enhance the act, where there are amendments that do not do any harm to what is sought to be accomplished by the act, regardless of who brings them forward, if they improve the legislation and make it a bit clearer, the government is certainly willing to hear them.

The legislation makes clear that the minister carries the burden of proof in both the ministerial review and the review by the tribunal that the person named in the notice of violation is the one who committed the violation. This goes back to one of the fundamental bases of the Canadian justice system of due process. The system is based on many administrative procedural protections granted to people who run afoul of regulatory or sometimes even criminal law.

• (1320)

Our common law system has always sought to protect those accused of violations, whether regulatory offences, criminal offences such as under the highway traffic act, provincial offences or somewhere in between. Our legal system always provides safeguards to the person accused of the violation commensurate with the penalty and the seriousness of the breach involved.

Our justice system on a very fundamental basis seeks to ensure innocent people are not convicted or not held responsible for violations they did not participate in. That is why within the common law I do not think there is even any need to suggest the minister carry the burden of proof. The state in matters of breaches of criminal violations, regulatory violations and provincial statute violations always carries the burden of proof.

It is probably better that a few guilty people are acquitted rather than innocent people being subjected to the raw power, the sanction of the state when they were not guilty of what they were charged with.

In relation to the first motion, we are accepting it. The fundamental principles of Canadian law that the minister carry the burden of proof is simply a foregone conclusion and one we accept. This is not the case in all countries. Sometimes one is presumed guilty and must prove one's innocence. In Canada, the British Commonwealth system, the common law system, different considerations apply.

Motion No. 23 of Group No. 4 seeks to provide that no lobbyist or party to a contract with the Public Service of Canada shall be appointed as a member of the board or the tribunal.

The government in appointing individuals to these tribunals always appoints well qualified people who are known for their fairness so that people can trust the correctness of the decisions made by these tribunals. Each of these appointments is very carefully weighed. The people must be qualified in order to participate in these issues.

Once again common law clearly requires that people with a conflict of interest not serve on boards or tribunals such as this. As has been the track record of the minister to date in other appointments, as well as other ministers in other departments, the people sought to be placed in positions like these are qualified people. They will carry out their duties in a manner that will respect the government and the people accused of various violations of agriculture and agri–food penalties.

• (1325)

No one in a conflict of interest will end up on these tribunals. They are quasi–judicial bodies and as a result will have to be above reproach. Common law provides many administrative remedies that could be taken through the courts should there be any reasonable apprehension of bias or other grounds on which the decision of the appointed person could be put in question.

People with these types of connections will simply not be appointed. If a situation arises in which there could be any type of conflict whatsoever, administrative law procedures are available through the courts to ensure people who are being judged in this fashion are fully protected.

While Motion No. 20 says exactly what the bill says and follows the philosophy and basic underpinnings of the law in Canada, the minister will be accepting a recommendation to further clarify and ensure the law is clear and known.

With respect to the second motion, this will be taken care of in the same manner the government has done to date. Remedies are available to anyone who feels aggrieved by a decision, who feels there may be a problem, to deal through the courts with such an issue.

I again thank the minister for his efforts in bringing these changes forward, changes that will certainly improve the—

The Deputy Speaker: The hon. member's time has expired.

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise today to speak in support of Bill C–61.

This bill adds to the enforcement option available to certain legislation administered by Agriculture and Agri–Food Canada by allowing administrative monetary penalties to be imposed. The bill also authorizes the minister, if requested, to conclude compliance agreements with persons who commit violations.

Under compliance agreements, administrative monetary penalties can be reduced or cancelled if persons agree to take the appropriate steps to ensure future compliance with agri–food acts and regulations. The administrative monetary penalties are subject to review by an independent tribunal. Now every contravention can currently be prosecuted.

The bill gives the minister an administrative option where prosecution is seen to be too harsh a measure. In arriving at his decision the minister will be guided by a compliance and enforcement policy—I underline the word policy because it gives broader perspectives—that establishes the criteria to guide the department in making decisions on the use of all enforcement controls or options.

The policy is a public document. The choice to be made by the minister of whether to prosecute or issue a monetary penalty is akin to a prosecutorial choice. It is such as we would find in a criminal case in which the decision is made on whether a matter should proceed by way of indictment or by summary conviction. Because the choice is heavily dependent upon the facts in each situation, flexibility is required. This flexibility is best offered by relying on policy rather than regulations.

• (1330)

It has always been the intention to administer this bill in a reasonable manner. We on this side of the House are happy to accept this approach to the bill. However, compliance agreements form an integral part of the proposed scheme. The object of the scheme is to obtain compliance rather than to penalize the violator. It is a common sense approach to bring those who are the users into a compliance mode without using the heavy hand of the law or penalties.

By authorizing the department to enter into these agreements the bill gives the department a tool to negotiate the implementation by industry of measures that would change the violator's practices and processes. The emphasis here is on change. At the same time, the violator may pay a reduced penalty in exchange for committing funds to effect the necessary improvements leading to future compliance. The bill provides that kind of flexibility.

Compliance agreements result in immediate corrective action which is the desired result of the bill. Of course, immediate corrective action leads to a better product, improved health and safety, and more effective enforcement. Compliance agreements are optional and no one is forced to enter into them. The bill provides an incentive to enter into compliance agreements by making it possible to reduce the amount of monetary penalty.

The nature of the bill is to achieve compliance. For those who do not comply and who are found out, they are counselled into compliance. If they do not comply, the second stage is enacted. The nature of the bill is to encourage people to comply.

Current maximum penalties are relatively modest. The bill does not make a distinction between first and subsequent violations for the purpose of setting a maximum penalty that could be assessed. However, the regulations will determine a base penalty amount and the range and circumstances under which the penalties may be increased or reduced. The regulations will determine a base penalty amount and the range and circumstances. The compliance history will be one of the factors set out in the regulations whereby penalties will be reduced for violators with no previous history of non–compliance. Again, it is the nature of the action. If there is a perceived resistance to compliance the enforcement of the regulation is the only tool the government has.

Penalty amounts may be increased or decreased based on the degree of intention or negligence on the part of the person who committed the violation, the amount of harm done by the violation, and the compliance history of the person who committed the violation. Flowing through this is a series of steps that is known in law as the law of natural justice. Was this a one–shot affair? Was there fair warning? Was there counselling? That is the rule of the land in our country: no one is caught out the first time. In that sense it shows fairness. If it is not fair, the person who is charged has the right to appeal.

I had the opportunity to sit through the clause by clause deliberations in committee. A number of very good concerns were raised, mainly by the opposition but from the government side as well. I see that some of them have been incorporated in this bill. It speaks for the bill having some input from members who are not of the government party.

• (1335)

I see this adhering to the laws of natural justice and due process is outlined clearly in this bill. I would like to review a few points in the bill that may give it a bit more light.

Bill C–61 allows for issuance of monetary penalties on the basis of absolute liability, that is where the department needs only to prove that an alleged violator committed an act that is in violation of the regulations. The bill does not allow a defence of due diligence by which a violator can avoid liability by establishing that he or she was not negligent.

Under Bill C–61 there is no possibility of imprisonment, no record of conviction for an offence is created, and penalties are modest rather than punitive in nature. Because of these factors, there is no constitutional or other legal impediment to proceeding on the basis of absolute liability.

From a policy perspective, the use of absolute liability is essential to encourage the food industry to exhibit a high standard of care, which the people of Canada expect. This is important for matters involving the food chain and consistent with the approach the courts take in civil cases. The concept of absolute liability is important to the effectiveness of the system as a preventative measure.

Let me give an example of the standards necessary in the food chain. To someone with peanut allergies, even a minute amount of peanut dust is enough to send them into an anaphylactic shock. To such a person, the issue is not whether a company exercised due diligence. When we see the breakout of products, even when we have HP sauce included, it is far more detailed than any other country I know of in this world. As a preventative measure, finding that a product is mislabelled in not indicating the presence of peanuts in itself warrants finding liability. That is presently in the law.

The focus of Bill C–61 is on preventative and remedial action and not in finding of fault. The use of absolute liability is also provided for in an effective and efficient enforcement system.

The resource base for enforcing regulations is shrinking. Bill C–61 deliberately designs a simple and efficient system to deal with those importers or domestic companies that do not follow our health, safety, and quality regulations. It is worth mentioning that although the due diligence defence does not apply, other common law defences are available to a person to whom the notice of violation is issued.

Bill C–61 is in my judgment a fair bill, presented and debated openly in committee. It follows the natural laws of justice and includes due process. On that basis, I give my full support to this bill.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I have just a couple of brief comments about the group of motions we are now considering, Group No. 4, which deals with Motions Nos. 20 and 23.

With respect to Motion No. 20, the purpose of this motion is to clarify that the minister of the day essentially carries the burden of proof under this legislation in both the ministerial review process and the review by the tribunal that is proposed under this legislation, the burden of proof that the person named in the notice of the violation in fact committed the violation.

• (1340)

That is how I understand the meaning and intent of the member for Kindersley—Lloydminister in putting forward this motion. I can say without any shadow of a doubt that if I have understood his meaning correctly, that is precisely what the intention of the government is in the wording that is presently proposed in this provision in Bill C–61.

Again in the spirit of co–operation that we demonstrated earlier today in other clauses of this bill, if it is the view of hon. members that inserting the wording proposed in Motion No. 20 clarifies this point, makes it more certain, more definite, I certainly have no objection to accepting this proposed amendment. It is completely consistent with the government's intention in the first place.

I suppose legal scholars and draftsmen could have some interesting discussions about how pretty the language is. Those superficial arguments notwithstanding, the meaning and intent on both sides of the House on this point are absolutely consistent. I have no problem with the amendment the hon. gentleman has put forward.

With respect to Motion No. 23, I do have a problem with this amendment. The manner of appointment for members of the review tribunal by the governor in council that is set out in the version of Bill C–61 that we have before us at the present time follows a well established practice. It is a practice that has been endorsed in this country by the courts of law, assuring the independence of the tribunal from outside interference.

The bill requires very clearly already, without the amendment that is proposed in Motion No. 23, that members of the tribunal have the necessary technical qualification related to the area of agriculture and agri–food and are not in any position of conflict of interest relative to any matters that may come before them for adjudication. In addition, specifically, no member of the tribunal may be employed in the Public Service of Canada.

Those provisions that are already in Bill C–61 adequately cover the point that has been raised by my hon. friend in his Motion No. 23. Therefore I think Motion No. 23 is unnecessary. It could, depending upon legal interpretation, add some uncertainties to a situation, which I am sure my hon. friend does not intend. I presume his intention is to make things more certain and not less certain. With the greatest of respect, we would be better off, in connection to the subject matter to which Motion No. 23 pertains, to leave the draft language as it stands now and reject Motion No. 23. The substance of Motion No. 23 is already otherwise covered in the legislation.

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

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 20. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

• (1345)

An hon. member: On division.

(Motion No. 20 agreed to.)

The Deputy Speaker: The next question is on Motion No. 23. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: A recorded division on the motion stands deferred.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ) moved:

Motion No. 21

That Bill C–61, in Clause 29, be amended by replacing line 5, on page 14, with the following:

> ''nor in Council with the approval of the committee of the House of Commons that normally considers agricultural matters, one of whom shall be ap–''.

Motion No. 22

That Bill C–61 in Clause 29 be amended by adding immediately after line 6, on page 14, the following:

> ''(1.1) No person may be appointed to the Tribunal by the Governor in Council without the prior approval of the committee of the House of Commons that normally considers matters relating to agriculture.''

He said: Mr. Speaker, I am pleased to participate in the debate on Bill C–61, the Agriculture and Agri–Food Administrative Monetary Penalties Act.

I will explain Motions Nos. 21 and 22, on behalf of the Bloc Quebecois. These motions seek to limit the discretionary power of the Minister of Agriculture and Agri–Food.

Clause 29 of Bill C–61 provides that the chairperson and members of the review tribunal are appointed by the governor in council. Motion No. 21, tabled by us, provides that Bill C–61, in Clause 29, be amended by replacing line 5, on page 14, with the following:

> ''nor in Council with the approval of the committee of the House of Commons that normally considers agricultural matters, one of whom shall be ap–''.

As for Motion No. 22, it provides that Bill C–61, in Clause 29, be amended by adding immediately after line 6, on page 14, the following:

> ''(1.1) No person may be appointed to the Tribunal by the Governor in Council without the prior approval of the committee of the House of Commons that normally considers matters relating to agriculture''.

These proposed changes seek to establish a more transparent process regarding the appointment of the tribunal's members and chairperson. We cannot let the minister appoint members alone. I strongly objected to that a few moments ago. If he so wishes, an offender could be heard by the review tribunal.

In its present form, the bill provides that members of this tribunal are appointed by the minister and that their mandate can be renewed. These members must review decisions made by department officials who, of course, are accountable to the minister. Earlier, I alluded to possible conflicts of interest, and I still think that such a risk exists.

Could people appointed by the minister be pressured into making decisions which they would not otherwise make? No matter how small the risk, we simply cannot take that chance. It would make a lot more sense if members of the tribunal were appointed by the Standing Committee on Agriculture and Agri–food, after reviewing whether or not certain issues posed problems in terms of how they were dealt with.

We simply want to avoid any risk of arbitrary decisions or patronage appointments. We understand and accept the principle underlying that bill, but we oppose any compliance agreement or arbitrary appointment by the minister.

This is why we are asking this House to at least support the amendments proposed by the Bloc Quebecois. I certainly hope that we are not the only ones here who seek transparency.

● (1350)

[*English*]

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, we are now dealing with amendments brought forward in group No. 5, Motions Nos. 21 and 22, in relation to Bill C–61, the agriculture and agri–food administrative monetary penalties act. I appreciate the opportunity to address the matter.

The purpose of Motions Nos. 21 and 22 is to change the process of appointing members of the review tribunal by having the governor in council appointments approved by an agriculture related committee of the House of Commons before the appointments are effective.

A point that should be made with regard to this matter is similar to one made in relation to an amendment brought

forward by the Reform Party that the current appointment process and the one in the present bill and as stated by the Minister of Agriculture and Agri–Food is a tried and true process, one approved by the courts. The courts posses the ability to ensure that all decisions are according to the administrative law of the land.

It is proposed that an agriculture related committee approve the people who are put forward to sit on these tribunals to hear disputes between the regulators and those who may have run afoul of various agriculture and agri–food regulations pursuant to a number of acts. What is being proposed will make the procedure more cumbersome. The whole intent of the legislation is to find efficiencies in the way the government does business, to make the process cheaper, to ensure that the rules of fundamental administrative justice can be achieved and that it is balanced with administrative ease.

In my view, the proposal adds to the cumbersome nature of the appointment process. The time required to deal with the appointments will be increased. The committee could refuse to recommend any of the incumbents to these positions thereby effectively preventing these positions from being filled.

It is also important to say that this represents a move toward a more American style hearing process for the approval of various appointments to positions.

If we look south of the border we see these monstrously expensive, cumbersome processes to appoint various individuals. These individuals are subject to such scrutiny, they are basically put in a position where they are unable to defend themselves from the most vicious, partisan types of attacks.

This takes away from the dignity of a person sitting on a quasi–judicial body. It makes it difficult for people of good quality to want to subject themselves to this type of situation. Even if they are good people and are willing to submit to this type of interrogation and partisan attack on their credibility, whether or not they make it through the process, they will not be what is needed to maintain the respect of both the government regulators and the people who have run afoul of various regulations in various agricultural statutes.

There are a number of reasons I am opposed to these types of situations arising. The situation we have now is tried, it is true. It has been upheld by the courts as a method of approving these people. It takes away from the partisanship which could really detract from the dignity of the process, the dignity of the office of the person participating and assisting the country.

The Speaker: It being two o'clock we will proceed to Statements by Members.

S. O. 31

STATEMENTS BY MEMBERS

[*Translation*]

NATIONAL UNITY

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, recently I attended a meeting of the mayors from the Toronto region. At this meeting, 30 mayors and five regional chairmen unanimously passed a resolution expressing their desire for a united Canada that includes Quebec.

The resolution reads as follows: ''whereas, the mayors of the greater Toronto region have recognized and approved, by the very fact of their meeting, the strength and benefits that unity provides; whereas the unity of Canada and its people enhances the strength of and the benefits accruing to each of our regions; whereas approximately four million residents of this region have, together with the people of Quebec, built this great country of ours; therefore it is resolved that the mayors of the greater Toronto region, on behalf of its residents, express their desire to support the unity of a Canada that includes Quebec''.

As the Prime Minister said last night, this is not only a battle for the future of Quebec, it is a question about the future of Canada.

* * *

REFERENDUM CAMPAIGN

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, the vision of doom and gloom of the No side has just been refuted in a report released by a major American brokerage house. Indeed, the New York firm of Donaldson, Lufkin and Jenrette argues that, should the sovereignty option prevail, first, the credit rating of the Quebec government would not be affected, second, market uncertainty would be short–lived, and third, the economic situation would remain stable.

This is similar to the findings of a recent study undertaken by the advisory director of the fourth major commercial bank in the United States, who said, and I quote: ''In conclusion, according to the rating and the views of the capital markets, if the people opt for sovereignty, the most likely result would be between neutral and positive''.

The fear tactics used by the No side are no longer credible and do not scare anyone any more. Quebec now has all the assets to face the future and take control of its economic levers.

S. O. 31

[*English*]

KID BROTHER CAMPAIGN

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I want to share the thoughts in a letter sent to me from Tom Arnbas of the Kid Brother Campaign.

> On behalf of my family and the 300,000 Canadians who signed our Kid Brother Campaign petition, please accept my deepest thanks. With your support and the understanding of people such as you, I am sure we will be able to get the changes we want to this ridiculous Young Offenders Act.
>
> Mr. Thompson, when you speak with the justice minister, please make sure he knows Canadians believe our government provides very little justice for victims of serious crime.
>
> If the minister personally experiences the pain my family is going through, I am sure he'd want the criminals to be punished.
>
> The minister's staff tells people I am putting on a theatrical performance, but you know nothing could be further from the truth. We are real people, my brother was really murdered and it seems our justice system doesn't care.
>
> My family wants to know, what we can do to make Mr. Rock understand.

That is the same question every Canadian is asking.

* * *

CANADA POST

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, a trucking company in Winnipeg which carries Canadian mail is planning to reroute a significant amount of its traffic between Montreal and Winnipeg and Toronto and Winnipeg through the United States. Test trips are soon to begin with exact locations for refuelling laid out in detail to take advantage of savings in fuel costs.

This raises a number of issues. There is the issue of the higher than necessary cost of gasoline in the country and the government's refusal to lean on the gas companies to take less of a profit. It also shows how the free trade mentality has changed our ways, eliminating borders in our minds as well as on paper.

In a week when we are properly talking about our love for Canada, what are we to say of the fact that Canadian mail addressed from one part of Canada to another is being rerouted through the United States, thus eroding the tax and economic base that funds things like medicare?

If we want to be a country we should start acting like a country.

[*Translation*]

NATIONAL UNITY

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, on September 27, the Regional Municipality of Ottawa–Carleton affirmed through a unanimous resolution its pride in its bilingual character, going back to pre–Confederation time.

The citizens of the National Capital area are proud of the fact that their communities on both sides of the river reflect the duality of this great country of ours. Populated for more than 170 years by the two founding peoples, the capital is the symbol of what the Prime Minister was saying last night, that citizens of different languages, cultures and origins can live together in harmony.

Like the Ottawa–Carleton region message to Quebecers, I truly hope that they vote no on October 30. I urge them, like the Prime Minister yesterday, not to break our bonds of friendship and understanding, our bonds of mutual trust.

* * *

QUEBEC REFERENDUM

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, last night, two very important messages were delivered to the people of Canada. On the one hand, they heard the Prime Minister of Canada calmly but seriously describe the country's situation as the referendum date approaches and what major impact a Yes victory would have.

On the other hand, they saw the separatist leader of the Bloc Quebecois revile another Quebecer, one who stands up for a strong Quebec within a united Canada. The Prime Minister talked about understanding, openness and positive changes, while all his opponent talked about was resentment, bitterness and revenge.

On October 30, Quebecers will dismiss this message of destruction and vote No.

* * *

QUEBEC REFERENDUM

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, the people of Quebec must understand that a Yes victory in the October 30 referendum will take away forever all the benefits associated with belonging to the Canadian family.

If Quebec separates, this means that never again will Quebecers be called Canadians. Never again will they benefit from the international recognition and respect that go with the Canadian passport. Never again will they be able to move as freely in Canada as their brothers and sisters from the other provinces and to trade as freely as they used to with them.

A victory for the Yes side will have untold but deeply felt consequences for Quebecers. On October 30, the Canadian dream must be kept alive by saying No to separation.

[*English*]

QUEBEC REFERENDUM

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I am a Canadian. It is my wish that Quebec remain a part of Canada. To Quebecers I say this is their home. We are a nation from sea to sea to sea. The very ideals they search for are to be found within these borders, not beyond. However the upcoming referendum to be held on October 30 will decide whether Canada is 10 equal provinces or two nations.

All provinces should have certain rights. Reformers believe the federal government should withdraw from provincial areas such as natural resources, manpower training, language and culture, housing, et cetera. As an equal province Quebec can work within our country for a new federalism which will address its needs for change.

Quebecers are not the only ones looking for change. People in other parts of Canada are looking for change as well. I hope on October 30 that Quebecers will vote to stay in Canada.

We are a family with many strong differences like all families. Surely members of a family of goodwill can sit down and be imaginative. There is a federalism to redefine and a good nation to save.

* * *

● (1405)

[*Translation*]

QUEBEC REFERENDUM

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, the polls indicate that a number of people are set to vote Yes in the October 30 referendum thinking—can you imagine—that this will lead to the renewal of Canadian federalism.

Nothing could be further from the truth. A Yes vote in the referendum will not bring constitutional changes. Instead, it would bring change and development to an end. It would spell the end of Canada.

On October 30, those who want to remain Canadians and who want Quebec to remain a part of a modern and prosperous Canada will vote No.

Change will come from the No side; this option is the only one allowing Quebec to remain in Canada. The Yes side has nothing to offer, except breaking up our country and tearing it apart, and Quebecers do not want that to happen.

* * *

QUEBEC REFERENDUM

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, in his address to the nation, the Prime Minister said that the vote on Monday will determine the future not only of Quebec but also of Canada as a whole, adding that the consequences of this decision cannot be foreseen or measured.

This is a very serious warning. It clearly shows what is really at stake in the referendum. On Monday, the people of Quebec will not be voting on some way of renewing federalism or on a vague offer of partnership. They will have to decide whether or not they want Quebec to break away from Canada and become a foreign country. They will have to decide if they are prepared to abandon their history and heritage.

The people of Quebec must know that by voting Yes on October 30, they will become strangers in their own land.

* * *

QUEBEC REFERENDUM

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, having reviewed his position, Laurent Beaudoin now says that Bombardier will stay in Quebec whatever the results of the referendum on Monday. After trying to influence Quebecers' decision, Mr. Beaudoin, faced with the imminence of a Yes vote on October 30, changed his mind.

Laurent Beaudoin did not behave as a responsible businessman by using scare tactics to try to influence the decision of his employees and of all Quebecers. Bombardier will stay in Quebec because it is doing well there.

The prophets of doom were taught a lesson in maturity by Pierre Péladeau, who said yesterday: ''I think that we as business leaders have no right to try to influence our people— Fear will not solve anything; we will not solve anything by trying to scare people''. That is why Quebecers will vote Yes with confidence next Monday.

* * *

QUEBEC REFERENDUM

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, on October 30, Quebecers will find themselves at a crossroads, having to make a decision on their future.

If they go right, they will vote against separation. It will be a vote against the status quo, a vote for the decentralization of federal powers and the end of the strongly undemocratic system in which we are living. This vote will put the provinces in control of their cultural and linguistic destiny.

If they go left, they will choose separation, thus causing a mass exodus of businesses, skyrocketing unemployment, and economic disaster.

I urge Quebecers to think about the future of their children and to join forces with all other Canadians in fulfilling our legitimate destiny, being the best country in the world to live in. Long live Canada, a united country.

[*English*]

The Speaker: With all respect I urge members not to use any props in the House of Commons.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, yesterday, one of the separatist leaders took the Prime Minister of Canada up on his offer to address all Canadians. But unlike the Prime Minister, who delivered the same speech to Canadians in both official languages, the Bloc leader had two different messages for Canadians.

● (1410)

In his French language speech, the separatist leader was content to put the past on trial and to accuse the Canadian government of all the problems in the world. In his English language speech, he chose to speak from the other side of his mouth. He portrayed himself as a good, mollifying neighbour hoping for open co–operation in the future.

Quebecers have wised up to the separatists' subterfuge designed to deceive them. On October 30, Quebec will say No to this vision, which comes in different French and English versions.

* * *

QUEBEC REFERENDUM

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, the Prime Minister said this yesterday: ''As you found out this week, political instability exacts a very heavy cost''.

The past few weeks of the referendum campaign, and the past few days in particular, have clearly demonstrated how dramatically our economy can be affected by uncertainty and nervousness on the financial markets, in the business community and among small investors.

Canada offers stability, social peace and an ideal haven to anyone who wants to build and develop. By saying No to Quebec's proposed separation, the people of Quebec will vote for success, prosperity and security.

Canada is the only side that offers change while at the same time preserving stability and protecting what has been gained. That is why the people of Quebec will say no to separation.

PREMIER OF NEW BRUNSWICK

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, New Brunswick dropped a bombshell yesterday, when the legislative assembly led by Premier McKenna agreed to recognize Quebec's distinctive character.

It was Premier McKenna who, at the current Prime Minister's instigation, led the attack that resulted in the failure of the Meech Lake accord in the spring of 1990, going back without hesitation on the promise made by his predecessor. The very man responsible for the failure of Meech Lake would now have us believe that he recognizes Quebec's distinctive character. Just what does he take Quebecers for?

Quebecers will not again be deceived by this man who has lost any credibility he may have had. It is obvious that those who wanted to crush the side promoting change are panicking now.

* * *

REFERENDUM CAMPAIGN

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, in his address to the nation yesterday, the Prime Minister of Canada reiterated his commitment to bring about the changes Quebecers want.

He said, and I quote: ''We must recognize that Quebec's language, its culture and institutions make it a distinct society. And no constitutional change that affects the powers of Quebec should ever be made without the consent of Quebecers''.

This commitment by the Prime Minister of Canada is consistent with the No side's desire to be open and to effect change. This is a serious commitment, which opens up the most challenging prospects for Quebec and Canada the day after a No vote.

* * *

NATIONAL UNITY

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, I am addressing you today as a Canadian of British origin, who remembers the commitments made to the French in the Quebec Act, and as a Liberal, who is proud of the contributions made by Laurier, St–Laurent, Trudeau and Chrétien.

I am speaking as a Canadian from Upper Canada, who remembers how Papineau, Brown, Lafontaine and Baldwin made it possible for two nations to build a common future.

I am speaking as a Canadian who is afraid to see her country destroyed by a spell cast through fabrication, deceit and personal attacks.

If only I could just snap my fingers and free Quebecers from this spell before it is too late. We have shared too much to just drop everything.

Je me souviens. Indeed, I remember.

* * *

[*English*]

QUEBEC REFERENDUM

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, two years ago yesterday over two million Canadians voted overwhelmingly for change by electing 52 Reformers. We have a vision for a new, revitalized country based on more effective democratic accountability, fiscal sanity, a justice system that works, and a decentralized federation that responds more effectively to regional and personal needs.

● (1415)

Today many Quebecers are considering giving up on Canada. I urge them not to do so. I urge them to vote no on Monday, to stay together as a country and to join with Reformers in all provinces to build a new confederation and a new Canada.

We believe in a strong country, a strong federation of equal people and equal provinces and less interference in our lives by a heavy–handed, intrusive federal government. We believe that power should be closer to the people. We believe profoundly that we need to build on our strengths, the highest of which is a deep commitment to understand and care for each other. Things do not need to stay the same.

ORAL QUESTION PERIOD

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday in his speech to the nation, the Prime Minister wanted to reach out to Quebecers by telling them, and I quote: ''I have also heard, and I understand, that the disappointments of the past are still very much alive''.

Could the Minister of Intergovernmental Affairs, on the basis of what we heard last night, tell us whether the Prime Minister, like the Minister of Labour yesterday afternoon in this House, hopes that before they vote in the referendum, Quebecers will forget what he did in the course of his career and consider only what he has done in the past two years which, in our opinion, is not any more reassuring?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, our government has accomplished a great deal since it came to power. Between 1984 and 1993 we were not there, unfortunately, but in the February 1995 budget we announced a major shift toward decentralization. Through our program review, we have to restrict the role of the federal government in the various areas for which it is responsible.

Furthermore, in addition to offering the provinces a mechanism for reducing duplication, we signed 64 agreements to that end within the past 18 months, including a dozen agreements with Quebec.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs can go ahead and repeat his set speech which is meaningless to Quebecers. That is his privilege. He decides how to answer the question.

I would like to ask him this: Even assuming that Quebecers forget the Prime Minister's past, as he asked them to do, and consider only the last two years of his mandate, do the minister and his colleagues realize that every time the Prime Minister referred to the Quebec referendum question, he said it was not in the cards, he did not want any of it and even that we would get a drubbing?

Does the minister think this is the sort of thing that would make Quebecers trust him?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the opposition should be very careful when it attacks the past of a man who has dedicated more than 30 years of his life to politics and by whom the interests of Quebec and Canada were well served.

The people in the Bloc Quebecois and the Parti Quebecois and their separatist leaders have made a habit of attacking the person of the Prime Minister instead of sticking to the issues. They obviously have no more arguments of substance to prove that separation would be a good thing, so now they attack personalities. There is no doubt that the federation has evolved in a positive way in recent years.

The hon. member for Roberval says it is meaningless. Is it meaningless to acknowledge that the quiet revolution took place in Quebec within the federation, within Canada?

● (1420)

Is it meaningless to acknowledge that Quebec's language rights were asserted, protected and augmented in recent years within Quebec and Canada? Is it meaningless to point out that Quebec industrialists have managed to win back Quebec's

economy and play a far more important role than they did 20, 25 or 30 years ago, in Quebec and Canada?

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the man who is responsible for closing the Collège de Saint–Jean without justification has a tendency to talk about issues for which he is not responsible. Since he mentioned the Prime Minister's career and said the Prime Minister served Quebec well, allow me to quote the Prime Minister who said in April 1992, and I will quote him verbatim: ''It is pretty obvious what happened. We did not try to shaft Quebec, but we did outsmart them''.

Considering these comments about Quebec, does the Minister of Intergovernmental Affairs think Quebecers should trust the man whom the minister is defending and who represents the status quo for tomorrow, if Quebecers were to say no in the referendum?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, first of all I may remind the hon. member for Roberval that Saint–Jean was one occasion when the ministers of the Parti Quebecois failed to deal with the problem. When the Péquistes could not agree, we made arrangements with the Conseil économique du Haut–Richelieu to keep the Collège de Saint–Jean open. That is the honest truth.

Second, the hon. member quoted what the Prime Minister of Canada said a few years ago. Perhaps we should ask the Leader of the Opposition what he said when he was a Conservative, or what he said when he was with the Union nationale, because he changed his position several times. What matters is the truth of what he said, not his position at the time.

As far as truth is concerned, I would really like to know why, when Mr. Bouchard, the Leader of the Opposition, spoke to the people of this country last night, what he said in English was so different from what he said in French?

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, most of the quotes attributed this week to the Prime Minister have come from his book, an interesting book worth reading.

In *Le Droit* on April 8, 1982, the present Prime Minister, Minister of Justice at that time, was quoted as saying he was not in the least surprised and was very pleased that the Quebec appeal court judges had been unanimous in rejecting Quebec's claim of entitlement to a veto.

My question is directed to the Minister of Intergovernmental Affairs. How could Quebecers today trust a Prime Minister who says that no constitutional change affecting Quebec's powers will be made without the consent of the people of Quebec, when that same man stated in 1982 that he was not in the least surprised and was very pleased that the Quebec appeal court judges had been unanimous in rejecting Quebec's claim of entitlement to a veto?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I see that the opposition is unfortunately resorting to personalities and is attempting to assassinate the character of the Prime Minister. I feel this is a deplorable tactic. It is a tactic which lessens the credibility of the opposition when it is trying to convince people it has the ability to govern a country.

Because we have proven our ability to govern a country, proven our ability to make it fiscally responsible, something the PQ has so far refused to do. We have proven our ability to downsize government as was necessary, something the PQ government has not done. We have proven our ability to support the interests of Quebecers within Quebec, while the Official Opposition, Messrs. Parizeau and Bouchard, have no reality to offer, just promises.

● (1425)

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs is insulting the Prime Minister by saying that quoting him is character assassination.

The sovereignists are proposing that in future Quebec will negotiate with Canada, equal to equal, nation to nation, for the first time in history.

I am asking the minister to confirm that the federalist option is to see Quebec negotiate equal to equal, on the same footing as the other provinces, on the same footing as PEI and Newfoundland? That is their view of equality.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, when the Parti Quebecois, in the person of its Minister of International Affairs, Bernard Landry, attacks the president of the United States for having stated his position with respect to Canada, when the members of the opposition are attempting to interpret everything said in such a way as to indicate their disbelief, for instance, that they do not believe the Canadian provincial premiers' offer of assistance with questions relating to the distinct society, one wonders. One wonders how they can believe they are preparing to negotiate with other NAFTA partners or other provinces of Canada when they spend all their time insulting them.

* * *

[*English*]

FEDERALISM

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, last night the leader of the Bloc Quebecois said again that federalism could not and would not change, et cetera.

The great rebuttal to that is to demonstrate more clearly than heretofore that Canada is going to change for the better through a no vote on October 30.

One of the major ways in which Canada can change without constitutional battles is through simple reforms to our federal institutions. Parliament, the Supreme Court and the Bank of Canada can all be made more representative and accountable to every region and citizen in the country without reopening the Constitution.

My question is for the Minister of Intergovernmental Affairs. Is this federal government open to changing these federal institutions—Parliament, the Supreme Court and the Bank of Canada—to make them simply more accountable and representative to every region and citizen in the country?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I thought I would get some respite after the questions of the Bloc Quebecois.

Unfortunately we are plunging again into constitutional questions. On these questions I would like to indicate how much the government has indicated that it is ready to change. Not only have; we talked about questions such as distinct society and right to veto. More important, we have indicated that we are ready to give to the provinces a large number of powers. We indicated this in the last budget.

In the last budget we showed clearly that we are ready to reduce the actual size of the federal government. We have reduced our own departments by close to 20 per cent. We said that we would recentre our responsibilities and let the level of government that is the most efficient fulfil its responsibilities. That is the greatest opening to change that one can see.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I was not asking about change in the Constitution or in the distribution of powers. I was simply asking about changes in the federal institutions.

In many federations the upper chamber of parliament is the place where the distinctive interests of various parts of the country are represented and reconciled. Accountable and representative upper chambers can serve as a shock absorber for potential unity problems.

Countries like Germany, Australia, Switzerland and the United States have upper chambers that actually work. Unfortunately our Senate is not even democratically accountable, let alone able to represent and reconcile regional and provincial interests.

• (1430)

In order to demonstrate its openness to the reform of federal institutions, is the federal government willing to commit to at least the democratization of the Canadian Senate, another change which can be made without constitutional amendments?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the time to approve these changes would have been in Charlottetown. Unfortunately the leader of the third party did not approve them. There was a lot of discussion at the time on questions such as those. The leader of the third party chose to oppose Charlottetown.

At present the question we face is not the approval of Charlottetown. At present the question we face is the possible separation of the province of Quebec from the rest of Canada.

The burden of proof is on the separatists, and the separatists have not discharged the burden of proof. They have not given us a single good reason why Quebec should get out of the federation. That is what we must hammer at until the vote on Monday.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the minister does not even address the substance of the questions being put to him.

We are not talking about constitutional changes like the Charlottetown accord. We are not talking about changes to relations between the provinces and the federal government. We are talking about some simple changes in federal institutions which the federal government can make unilaterally which would send a signal of things changing to Quebec and other provinces.

I repeat my first question. Is the federal government open to changing federal institutions, Parliament, the Senate and the Bank of Canada, to make them more accountable and representative?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the reason I am not addressing the specific question about changing federal institutions is this is merely a diversion from the present problem we are facing of why it is necessary to prevent the separation of Quebec from the rest of Canada. In this I hope to have the support of the Reform Party because that is the important reform.

To change the supreme court or to change the Senate, although it is a very important question, has nothing to do with the question we are facing today, the separation of Quebec from the rest of Canada.

[*Translation*]

OLD AGE SECURITY

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, according to a document we obtained from the Department of Human Resources, the old age pension system, the guaranteed income supplement, the spouse's allowance and the senior citizens' tax credit will be combined into a single new program requiring an income test.

How does the minister explain the Prime Minister's statement yesterday in his speech that the best way to protect our social benefits is to vote No, when this document by his minister indicates he is preparing to exclude thousands of seniors from old age pension benefits and to cut the pensions of thousands of others?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have been through this many times before. The Bloc Quebecois and its allies come up with a range of documents.

However, as I have said before many times in the House, such recommendations or proposals have not been presented by me or the Minister of Finance to the cabinet. The cabinet has decided it is not the policy of the government. It is simply a leak upon a leak which the Bloc Quebecois and its allies have developed.

● (1435)

I advise the hon. member not to pay attention to such spurious documents.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, this document, which is version 6.3, is entitled ''Serving Canada's Seniors'' assumes, regardless of how pensions are distributed, that there will be a single program with an income test—in other words, the absolute end of universality.

How can Quebecers believe in a government that has deliberately hidden this unprecedented attack—

Some hon. members: Shameful.

The Speaker: My dear colleague, I would ask you to reconsider the words ''deliberately hidden'' and to withdraw them before continuing with your question.

Mrs. Lalonde: —a government that has deliberately delayed this unprecedented attack, which will make senior women dependent on their spouse's income and could deprive them entirely of their old age pension?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is time we went through a reality check with the hon. member for Mercier.

On April 6 in the House the member for Mercier claimed there would be tens of thousands of people coming on to the welfare rolls in Quebec. In August I received a document from the Government of Quebec that pointed out the number of people on welfare had been reduced, not increased.

On June 22 the member for Mercier claimed that as we were reorganizing the department and decentralizing we would reduce Canada employment centres in Quebec to 28. We announced 78 Canada employment centres in Quebec.

Any document sent in by this member has absolutely no credibility.

* * *

THE CONSTITUTION

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs. I remind the minister that the Prime Minister has said this week it is part of his efforts to persuade Quebecers to vote no and that he would be open to change, including in some cases constitutional change.

My question is the one I asked yesterday to which I did not get a response. Is it still the policy of the Liberal Party, as it is the policy of the Reform Party, that any general constitutional change would have to be submitted to and approved by the people of Canada in a national referendum?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I have read a number of studies indicating that given that past constitutional changes have been submitted to referenda, the normal way in the future would be to go through referenda.

However, I do not know that we have talked about that as a policy. Therefore I do not think as the government we are linked to that.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, my understanding from the answer of the unity minister yesterday is the people of Quebec would always have a voice in changes affecting their powers and institutions.

I wonder if the government would be prepared to say to other regions of the country that it recognizes they would also have a similar say in constitutional amendments.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, this question deserves very long discussion. I do not think today is the time for that.

* * *

● (1440)

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

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

The CSN today made public the content of the unemployment insurance reform bill. This bill has been kept hidden up to now by the Minister of Human Resources Development, because it contains a number of cuts directed at the unemployed.

How can the Minister of Human Resources Development expect to earn the trust of Quebecers when he keeps a bill, which is in fact ready to be made public, hidden from them until after the referendum?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I do not know where the hon. member has been but for the past year we have consulted with tens of thousands of Canadians. We have had numerous hearings in front of the House of Commons committee. We have had debates in the House. We have had hundreds of exchanges with provincial ministers, with interest groups, with people right across the country talking about new ideas.

That party says it wants change and yet everything we hear from it is: hang on to the status quo, make no changes to get people back to work.

We want to provide the best employment system for the 21st century and the only people saying no are Bloc Quebecois members. They should get around to saying no on Monday rather than saying no here.

Some hon. members: No, no, no.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, now that his game is up, will the minister confirm that, among other things, it will be more difficult to qualify for unemployment insurance, that thousands of young people will be excluded from the scheme and that benefits will be reduced to half an individual's salary and paid for a shorter period? Will he finally acknowledge this?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, with all due deference to the hon. member, let me make it very clear that the government has made no decision on the presentations on unemployment insurance. We are still working on those proposals. I have not presented any recommendations as yet to cabinet.

As late as this morning I have had meetings with cabinet colleagues and with provincial ministers to get the thing right because our major intention is to ensure and guarantee the protection of low income Canadians and provide job opportunities for all Canadians, including those in Quebec.

* * *

TRAINING

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, yesterday I asked the Minister of Human Resources Development if the Prime Minister was serious about his promise of administrative changes in government and would the provinces be given the exclusive role of manpower training. The minister refused to commit to this.

Will the minister agree to the Alberta government's request to immediately convene a meeting of the forum of labour market ministers to negotiate the final decentralization of manpower training?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, if memory holds me correct I am scheduled to leave as soon as question period is over for the wonderful province of Alberta. I think on my schedule is a meeting with the minister of advanced education and labour to talk about these very matters.

We have a wonderfully co–operative arrangement with the Government of Alberta on single window delivery systems for young people and ending duplication and overlap in its programs.

To the credit of the minister, Alberta has been prepared to discuss such matters, unlike the minister of employment for Quebec who has refused all entreaties and all invitations from me to get together and talk about how we can come together and provide for real and true decentralization.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, discussion time should by now be well and truly over.

The minister has failed for two years to make any solid commitment in this area. The Liberal rhetoric for change rings hollow, untrue and empty as these promises go unfulfilled.

Why will the minister not give the power and the money to the provinces to manage the manpower training as they want to?

● (1445)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I remind the hon. member of one very important development.

A few months ago the provincial premiers assembled in St. John's, Newfoundland, to discuss social reform. At that time they established a special committee of provincial ministers who were to come together to develop a common position. Once they had arrived at a common position, they would then sit down with me, the Minister of Finance, the Minister of Health and other ministers to discuss those issues.

They have not arrived at a decision yet. They have not concluded their discussions. They have not decided what their position will be. I said at the time that when the council of ministers on social security reform was prepared to meet I would be there. They are not prepared yet, but as soon as they are ready I will be at the table.

* * *

[*Translation*]

REFERENDUM CAMPAIGN

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

In response to an appeal by the Minister of Fisheries and Oceans, Canadian International will be offering discounts of between 60 per cent and 90 per cent to enable thousands of people from various cities in Canada to land in Quebec as part of the referendum campaign.

How can the Minister of Fisheries and Oceans not only be in collusion but, moreover, entice a private company to contravene the Referendum Act, especially when he now knows the decision of the Chief Electoral Officer on the matter?

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, the member should know that under the National Transportation Act, air carriers are free to set their own rates with regard to servicing Canadians going from one point to another and that is exactly what they have done.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, now we have heard everything in this House.

My question, however, is for the minister responsible for organizing this great manoeuvre. How can he induce his Cabinet and caucus colleagues into contravening Quebec law, as he is doing at the moment, in the newspapers?

Some hon. members: Oh, oh.

The Speaker: Order. I would once again ask you, my dear colleagues, not to use props in the House.

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, what various transportation companies are doing is entirely up to them. The only thing I am doing is taking my wife and my children and going to Montreal. I suspect some other Canadians who love this country and love Quebec may join me.

Some hon. members: Hear, hear.

* * *

[*Translation*]

FEDERAL PUBLIC SERVICE

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, there has been a lot of speculation recently on the possibility of the Quebec government's—

Some hon. members: Oh, oh!

The Speaker: Order. Today is Thursday, is it not? We have missed a day.

The hon. member for Ottawa—Vanier has the floor.

Mr. Bélanger: Mr. Speaker, there has been a lot of speculation recently on the possibility of the Quebec government's signing an agreement with the Public Service Alliance, the largest public service union. This agreement would guarantee federal public servants living in Quebec a job in an independent Quebec following a Yes vote.

Could the President of the Treasury Board, as the employer of federal public servants, indicate to the members of this House and to the people watching us the status of these negotiations or the promises or the pseudo guarantees made to federal public servants?

● (1450)

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the Parti Quebecois government has promised that all federal public servants residing in Quebec would have a job in an independent Quebec. There is no job guarantee, however, because the Parti Quebecois has not concluded any agreement with the largest union representing federal public servants. Federal public servants in Quebec should be wary of empty promises by the separatists.

[*English*]

FEDERAL–PROVINCIAL RELATIONS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, today at Queen's Park the Harris government introduced an all–party motion calling for decentralization, an end to the status quo and a shifting of federal power to the provinces. It is proof that Canada wants change and can change with a no vote on Monday.

Is the federal government open to this type of substantial change without constitutional amendments?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the government has done nothing but promote change over the last two years.

We have indicated not only our intention to create profound changes but, as I have said before, we have put together a program review that is reducing the size of the federal government by 20 per cent, recentring the activities of the federal government to those that can discharge them best. We have applied a federalism principle in program review that will give to the provinces and the other levels of government the activities they can discharge more efficiently.

That is the proof not only that we talk about change but that we implement it in this government.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the message is not getting through. The separatists are wrong when they say Canada cannot change. Reformers want change, Ontario wants change; B.C. wants change and Nova Scotia wants change. By voting no on Monday Quebecers will open the door to building a new Canada, a stronger Canada, a united Canada.

Will the government assure Quebecers that a no vote means change? Will it assure the Government of Quebec?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I can only agree with the comments of the member of the third party. He is underlining what is fundamental, that a no vote on Monday will mean change. A yes vote will mean rupture and disaster.

[*Translation*]

REFERENDUM CAMPAIGN

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister responsible for the Canada Mortgage and Housing Corporation, the Minister of Public Works.

Yesterday, the President of CMHC authorized distribution of a memorandum encouraging employees to take part in the big no rally to be held tomorrow in Montreal, by offering them paid leave.

How can the minister approve paying CMHC employees to travel to Montreal and demonstrate in favour of the no side with the support of the President of CMHC, Marc Rochon?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I thank the hon. member for his question. I hope he will want to join with other Canadians tomorrow in support of the no forces in the province of Quebec.

This government allows its employees to decide what they want to do in this referendum. The hon. member is quite right. A memorandum was circulated. But a second memorandum has been circulated which states very clearly that if they wish to participate in the no side of the referendum tomorrow they can do so, but they will not be paid by the Government of Canada.

● (1455)

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I trust that we are speaking of the same directive, because the one we have obtained really said "Those who go to Montreal will have paid leave for Friday".

My second question is for the President of Treasury Board. Will the minister confirm that a number of other federal public servants were apparently offered leave with pay for going to Montreal for Friday's demonstration, and does he consider that taking part in such a demonstration is included in their job descriptions?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we will be operating as a government tomorrow. Offices will be open right across the country. Our employees will operate in accordance with the collective agreement.

Whether or not our employees go to the rally in Montreal is completely a personal decision. If they want to take a day off,

they can do that in accordance with vacation leave. They can take a day of vacation. However, they will have to work that out with their managers to ensure that operationally all the government services will continue to be provided to Canadians tomorrow. That is something for the managers and the individuals to work out. However, within the collective agreement they are entitled to take days off.

* * *

BANK OF CANADA

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the people of Quebec are more likely to vote no if their expectations that the government will decentralize and create a smaller federal presence are greater. They will also be likely to vote no if they can be assured that national institutions, such as the Bank of Canada, will be made more responsive to the demands and aspirations of regions.

Will the Minister of Finance consider changes to the operation and constitution of the Bank of Canada such that, like in other industrial countries, monetary policy will be made by people who are responsive to the regions?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I am not sure that changes in the structure of the Bank of Canada would really have an effect on the referendum. However, I agree with the hon. member that the spirit of change which has been seen in the federal government very clearly over the last few years is an important element.

The Prime Minister, in his speech last night, talked about the acceptance of a distinct society. He talked about the right of veto and he indicated that the decentralization which was in the last budget and in the program review is an essential part of what this government wants to do.

We have to conclude that we have already started to change. That is a fact. The relationship between the federal government and the provinces is evolving all the time. We have clearly indicated our intention to change.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, it is very disappointing on this side of the House to ask questions about changes in the responsiveness of national institutions to the demands of the regions and the provinces.

My supplementary question also concerns the Bank of Canada. Does the minister consider it feasible for a central bank to be administered by directors who are citizens of two separate sovereign states, both of which use the same currency?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the hon. member asks a very interesting question. I believe some smaller, mini–states have co–operative currency boards.

The only two countries that I know of which use another country's currency are Liberia and Panama. They both use the U.S. dollar. Anybody who thinks that those two countries have some influence on the Federal Reserve Board in Washington is living in the same dream land as the separatists.

* * *

● (1500)

ROUTE CANADA

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, yesterday was the second anniversary of the culmination of the 1993 election campaign. During that campaign—

Some hon. members: Hear, hear.

Mr. Collenette: Tell us what happened.

Mr. Goodale: What happened, Bill?

Mr. Blaikie: I knew that was coming. During that campaign the Liberals made certain promises and commitments to a group of Canadians who were hurt by the way Route Canada was privatized by the previous Conservative government. They made promises that the injustices done to these people would be resolved.

I ask whoever is speaking for the government on this matter today to say what progress the government feels it has made. When will those commitments be kept? When will the injustices done to those employees of Route Canada be finally resolved to their satisfaction?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I thank the member for his interest in the matter, along with a number of my colleagues on this side of the House who are very concerned about the question.

The bankruptcy trustee and the RCMP conducted extensive investigations into the company's conduct. Charges and sentences have followed. I take this opportunity to ensure members of the House and former employees of CN Route Canada that the rumours their pensions and pension benefits are at risk are wrong.

If they need additional information I encourage them to call the CN pension office. I assure them that their pension benefits have been protected by the government and that other issues will be looked at.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, my question is directed to the Minister of the Environment. On the issue of implementing policies and regulations aimed at preventing pollution, are the federal and provincial governments working together to agree on stricter standards for cars and cleaner gas?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, at their meeting, Canada's Environment ministers agreed, unanimously I might add, that the country should adopt stricter standards. The federal government is prepared to proceed in this respect.

When important issues like health and environment are discussed, the federal and provincial governments have shown a remarkable degree of co–operation, and we can expect that to continue.

* * *

[*English*]

POINTS OF ORDER

QUESTION PERIOD

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, my point of order arises out of question period and the question asked by my colleague from Calgary West.

After he asked his question and received an answer from the government the Minister of Fisheries and Oceans pointed at me, the member for Beaver River, my seatmate from Calgary Southwest, and my colleague from Calgary West who had asked the question and said: ''You're an ass, you're an ass and you're an ass''.

Some hon. members: Oh, oh.

Miss Grey: He then went on to say right after that: ''You are snakes''. Third, he said: ''You would love a yes vote. You are salivating''.

I would ask you, Mr. Speaker, to ask the member (a) to withdraw and (b) to explain how in the world this will help the cause of national unity.

The Speaker: Evidently the hon. minister of fisheries was named. If he wishes to add something to this point I would be willing to hear him.

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, there are only three things in the world I am sure about.

One is that we should have a no vote on Monday night; two, we should all be in Montreal tomorrow; and, three, I should have called them donkeys.

● (1505)

The Speaker: I did not hear any of these statements. I do not know if they will appear in *Hansard*. If indeed the hon. minister said these words I would appeal to him to simply withdraw them.

Mr. Tobin: Mr. Speaker, if anything I have said has caused any cause for alarm by my colleague opposite, whose sensitivities are well known, I withdraw.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would appreciate it if the Leader of the Government would let us know what he has in mind for the next few days.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, we will continue this afternoon and tomorrow with consideration of report stage of Bill C–61 regarding agricultural penalties. We will then return to second reading of Bill C–99 on small business loans. If this is completed we plan to return to second reading debate on Bill C–88.

On Monday we will commence report stage of Bill C–7, followed by report stage of Bill C–103, followed by Bill C–94. We intend to schedule the third reading debates on these bills and Bill C–61 at the earliest time procedurally possible.

As soon as business permits next week we will call the second reading stages of Bill C–95 and Bill C–96. I expect that Thursday, November 1, will be an allotted day.

This completes my weekly business statement.

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POINTS OF ORDER

QUESTIONS ON THE ORDER PAPER

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, on December 1, 1994 I placed the following question on the Order Paper:

> For each department, agency and crown corporation, how many employees, including parliamentary agents, governor in council appointees, armed forces personnel and RCMP personnel receive, or will receive, the following benefits for one year or more: (a) a living allowance for a second residence and (b) a transportation allowance (or transportation) from home to place of work where distance exceeds 40 kilometres, and if any receive the foregoing, (i) what is the cost per individual recipient, (ii) what is the rank, position or title of each recipient and (iii) is the tax deducted at the source for these benefits''.

I thought it was a fairly simple question.

Next Tuesday it will be 11 months since I placed that question on the Order Paper. The question was prompted by the revelation

that the Commissioner of Official Languages was being chauffeur driven between Montreal and Ottawa each week and had an apartment supplied to him in Ottawa courtesy of the government, all because the job was in Ottawa but he preferred to live in Montreal.

Standing Order 39(5)(a) gives a member the right to ask for a response in 45 days. This is not a problem of delay but a problem of avoidance on the part of the government. Questions on the Order Paper are methods by which we as the opposition to the government, on behalf of Canadians in general, may hold the government accountable and obtain the facts concerning benefits given to its appointees that are not available to the public at large.

I ask you, Mr. Speaker, to look into the matter for me pursuant to Standing Order 39(5)(a) and find out why I do not have a response from the government to my question.

● (1510)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I know the hon. member and Job have a lot in common when it comes to patience. I respect the fact the hon. member has been very patient in waiting for a reply, but he read his question and therein lies the problem in getting the answer.

He has asked for every department, agency and crown corporation how many employees meet certain criteria and he has asked for specifics on each of the employees. When we add up all the agencies, crown corporations and departments, including the armed forces, the RCMP and so on, the Government of Canada has over half a million employees as far as I am aware.

Every department will have to go through every list of every employee and every agency will have to do the same, including the Department of National Defence and the Armed Forces of Canada.

Ms. Catterall: How much is this going to cost?

Mr. Milliken: This will cost a fortune. The hon. member does not care about that despite their pretence of claiming they are interested in thrift. He will insist on this answer. We will get him the answer. It is nearing completion, but I am sure it will be an extremely voluminous answer.

I hope he has a long holiday coming up from Parliament so he can sit down and read it when he gets it.

The Speaker: Is the matter settled?

Mr. Williams: Can I respond to that?

The Speaker: No, I do not want to get into a debate today. You have both made your points.

GOVERNMENT ORDERS

[*English*]

AGRICULTURE AND AGRI–FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House resumed consideration of Bill C–61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act, as reported (with amendments) from the committee; and of Motions Nos. 21 and 22.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, we are resuming debate on report stage of Bill C–61. I believe we are at the final grouping of the amendments put forward by my colleague from the Bloc, the hon. member for Lotbinière. My colleagues and I can support the two amendments because they are amendments we considered. Had not the Bloc submitted them I believe we would have introduced them.

Prior to question period I listened to debate on the two amendments by the hon. member for Prince Albert—Churchill River. I confess that I disagree with almost everything the hon. member said.

He did not seem to want more accountability in our system. He did not want public servants in quasi–judicial bodies to be accountable or more accountable to Parliament. He did not want the role of members of Parliament in committees to be increased. It seems it would be too burdensome for the hon. member and too onerous for this astute body to look into the affairs of government, hold it accountable and diligently watch what it is doing.

The red book, if I recall correctly, promised some parliamentary reform. We got into that issue to a degree earlier in question period. Perhaps it is appropriate to raise the subject at this time. The red book talked about parliamentary reform and about strengthening the roles of parliamentary committees.

The two amendments the hon. member put forward would cause the appointment of members to the tribunal to be ratified or reviewed by the Standing Committee on Agriculture and Agri–Food. In my eyes that would seem to comply with the red book promise of giving the committees more responsibility and giving the committees a more meaningful role, making them more than window dressing as they have been notoriously described in the past.

I expected members on the other side to have applauded the proposal, but the member for Prince Albert—Churchill River seemed disconcerted by the suggestion that standing committees would have more work to do and would play a more responsible role in the life of Parliament.

The role of parliamentary committees is more of a babysitting service for Liberal backbenchers. Prior to that it was a babysitting service for the Conservative backbenchers, something to keep them busy while those in the cabinet ran the affairs of the country, something to keep them away from the decision making process, something to keep them away from the actual development of legislation, the meaningful review of bills in the committee and meaningful clause by clause study of bills and an interest builder in the actual departments of government that were held responsible to review, investigate and monitor.

● (1515)

In the Standing Committee on Agriculture and Agri–Food we received wrong information from the parliamentary secretary, which seems to indicate to me that the department, the minister, the parliamentary secretary, or whoever was responsible, did not feel the work of the committee was that important. They did not really do their homework that well.

We went through clause by clause on Bill C–61. It was kind of a scripted thing where the member for Dauphin—Swan River jumped in at the appropriate time with the amendments that were supported by the government and Liberal members sort of turned off their minds. We could see the lights going out, that they were going to accept these amendments and no others. That is why we brought our amendments to report stage rather than in the committee. Experience has taught us that introducing meaningful amendments in the committee is a waste of time. The minister is not there to review the amendments to see if they are acceptable. The government does not want any possible changes to the legislation without a lot of scrutiny. It does not trust backbenchers to have minds that could actually propose some constructive amendments in clause by clause or in the committee stage. This is just a make work project for the backbenchers.

What the amendments put forward in group 5 would accomplish is the committee would have a meaningful job to do of reviewing appointments to the tribunal that would be an appeal body for the administrative monetary penalties should someone who has violated the regulations of Agriculture Canada so appeal to that tribunal. That makes a lot of sense. That is moving the House of Commons and members of Parliament to more meaningful work, a more direct contact with the administration of government. It is more of a hands on role. It is a role with which members can go back to their constituents and say they have something to do that counts and is important.

The Liberal government does not seem willing to give the committees the added responsibility. The promises in the red book ring pretty hollow if these two amendments are not passed.

The minister and his departmental officials have said that the spirit of Bill C–61 is good, that they have good intent. I believe them. I believe they have good intent. I believe they want this new process of administrative monetary penalties and compliance agreements to work to reduce the onerous burden on our justice system. I believe they do want it to work. It is also paramount that in giving these powers to his department, his public servants and himself as minister to put some parameters around the authority and responsibility that are reasonable and responsible.

In summing up my response not only to these two amendments but to the entire bill, it all fits together. We have tried to build reasonable fences around the bill that allow enough latitude within for the minister and his department to effectively administer the powers they receive under Bill C–64.

Why they would not want the committee on agriculture and agri–food to play a more meaningful role in the ratification of appointees to the tribunal is beyond my understanding. It just seems to be the mindset of the government. I think it is wrong. I think it is unfortunate. It is sad. Perhaps it is even part of the reason we are experiencing some trouble right now.

I appeal to the minister and to members to reverse this trend; to start to make government more open, more transparent; and to make the public service more accessible and accountable to not only the ministers but to all members of Parliament. Therefore I support the two amendments. I heartily endorse the two amendments and ask other members in the House to do the same.

● (1520)

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I too want to deal with Motions Nos. 21 and 22, but I want to take issue with a couple of the comments made by the last speaker, the member for Kindersley—Lloydminster.

Earlier today we were talking about being reasonable in this House. We did agree with some of the amendments put forward by the hon. member in the third party. After the comments he made in his last remarks, one would wonder why we would be reasonable. He commented that in putting amendments forward on behalf of the government the Liberal members merely put them forward and the lights went out. Those amendments had taken serious consideration of the discussions, what the department had said and what our members had said, the discussion that Reform members had brought forward before the committee. Those amendments were given due consideration, were well thought out and indeed improve the bill, as do some of the amendments put forward by the third party.

He also alluded to, and I want to take issue with it, the remarks of the parliamentary secretary. I want to say, having sat in on those meetings, that the parliamentary secretary tried to provide the comments from the community. In response to the member that night, when Bill C–61 came out the department issued a release to quite a number of organizations that had raised concerns. It issued an overview of the particular bill. Having been a leader in the farm community for a number of years, I know organizations look at that overview, look at the draft legislation and respond accordingly. I believe they did have the opportunity to respond, and the parliamentary secretary was

trying to outline to committee members the views of the community. I respect him for having done that.

We on the government side of that committee have considered these amendments very seriously, including those from the Third party.

On the motions we are now debating, I oppose the particular amendments. The minister spoke earlier on another amendment and I think his comments apply to these amendments. The manner of appointments of members of the review tribunal by the governor in council set out in the bill follows a well established practice, endorsed by courts of law, of assuring the independence of the tribunal from outside interference.

This is what is so important in terms of the appointment of members to committees. I know from previous experience that there is nothing more difficult than appointing members and trying to do it in a balanced, fair and equitable way. If we had members of the committee trying to push certain members to be appointed to committees for political or other reasons, we would be into very great difficulty in terms of trying to find balance on committees.

In terms of appointments to tribunals and so on, the minister is always accountable and responsible. Therefore, he takes a great deal of discretion in terms of making appointments. If the minister appointed the wrong individual, the first ones standing up in the House would be members of the opposition, complaining about the appointment and trying to hold the minister accountable and responsible. How could the minister be held accountable and responsible for appointments pushed by committee members and sometimes by the opposition parties? As a committee we would be in difficulty.

● (1525)

I know the intent of the member for Lotbinière is good. The objective he is putting forward is good. However, it is very problematic in terms of how it would work in practice. Let me give an example.

I am from P.E.I. and the hon. member is from Quebec. We both might be pushing two individuals for our own reasons, for our own provinces. It could create confusion and problems on the committee. It would take a lot of committee time unnecessarily. I prefer the present approach: hold the minister accountable and responsible for those appointments. That is how it should be.

Let me make a couple of other comments in opposition to the amendments.

The bill requires that members of the tribunal have technical qualifications related to the area of agriculture and agri–food and are not in a position of conflict of interest relative to the matters before them. To ensure that people are not found to be in a conflict of interest, it means their backgrounds and resumes must be examined. It is much better to do that in a private forum, rather than in the public forum the committee entails.

Having the standing committee approve all appointments would raise a number of concerns. First, the time required to deal with the committee recommendations might add considerably to the length of time required to make the appointments.

Second, the committee might refuse to recommend any of the incumbents to these positions, effectively preventing the positions from being filled. As I mentioned earlier, the opposition to incumbents might be based purely on political reasons rather than sound judgment in terms of the ability of the individual to do the job.

Third, this kind of amendment would be a move toward a more American style of government. In the past we have seen what incumbents who are looking for positions go through when they appear before boards and committees. Sometimes individuals who could do an effective job are lost because of the process. I think that is wrong.

Finally, a committee debate on the selection of tribunal members could be conducted in public and might involve hearing witnesses, raising privacy concerns and possibly deterring applicants from even considering sitting on these tribunals.

I know the amendments are put forward in good will. I know the intent to be more productive is there, but I believe they would be problematic. On those grounds, I oppose these amendments.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, we have been considering the various amendments to Bill C–61 at report stage since 10 a.m., which has given us over four hours of very detailed discussion. For the most part, that discussion has been quite useful.

As the member for Malpeque mentioned, during the course of the debate and discussion the government has accepted at least three of the proposals put forward by the opposition pertaining to various administrative matters in the legislation.

On the final two motions that are now before the House, Motions Nos. 21 and 22, the arguments advanced by the member for Malpeque are very convincing and sustainable arguments as to why the two motions should not be among those accepted.

• (1530)

I might elaborate on one of the reasons advanced by the hon. member for Malpeque, which is the distinction between the Canadian parliamentary system of government and the American congressional system of government.

Under the American system there is a certain method for making appointments. It involves in certain circumstances public hearings before congressional committees. In Canada traditionally we have not taken that approach. One of the reasons we have not taken that approach is the difference between the congressional system in the U.S., which has a different system of checks and balance on the whole executive authority of government, and our parliamentary system, which has a very fundamental rudder to it. You see it from the chair every day, Mr. Speaker, in question period. That is a characteristic absolutely unique to our system.

Members of the U.S. cabinet never have to appear in a public forum like the House of Commons. They appear from time to time in carefully controlled circumstances before congressional committees. Members of the American cabinet are not members of the American Congress and therefore are not present in either the Senate or the House of Representatives. They are aloof, separate and apart from the legislative branch of the American government.

The Americans have an array of checks and balances they believe holds their system together quite appropriately. That is their system. It is a different system. They do not have the open forum of Parliament in which every day Parliament sits the ministers of the crown are in the House to face the accountability of the opposition in the open question period. It is a unique feature of our system, one that argues very well for our system as compared to theirs.

That distinction, among others, is one of the reasons we should reject the kind of administrative suggestions proposed in these two motions and stick to the bill as it is presently before the House.

Earlier in the day the hon. member for Kindersley—Lloydminster raised questions about certain comments made in committee by my parliamentary secretary. I answered fully those questions with respect to the views expressed by my parliamentary secretary. The hon. member for Kindersley—Lloydminster has once again in his most recent intervention repeated the allegations without indicating that those allegations have already been completely and fully answered in the House. They ought not to be repeated without the indication that they have been answered. I answered them earlier today. He was not paying attention.

The hon. gentleman also engaged in general criticism. I hope he did not mean it seriously. It was general criticism about the conduct of government members with respect to the work done on the bill in committee.

From my experience as a minister the government members who worked very hard on the bill took their responsibility very seriously. Apart from the hours they spent working on the bill in committee, they spent additional hours doing their homework in their offices, writing letters, asking questions, getting answers and understanding the legislation so that when they went to the committee they were well prepared to deal with the issues in a thoroughly conscientious and efficient manner.

The hon. member for Kindersley—Lloydminster criticized them for being well organized. I commend our members for being well organized. I know the depth in which they studied the legislation because I was the one inundated by their questions on how to put the legislation together in the best and most proper fashion.

Government members have done extraordinarily well in ensuring the legislation came out in a way which serves the national interest.

The Speaker: We are dealing with Group No. 5, Motion No. 21. Is the House ready for the question?

Some hon. members: Question.

• (1535)

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

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Pursuant to Standing Order 76.1(8), a recorded division on the motion stands deferred.

We are now dealing with Motion No. 22. Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Pursuant to Standing Order 76.1(8), a recorded division on the motion stands deferred.

The House will now proceed to the taking of the deferred divisions at report stage of the bill before the House.

Call in the members.

[*Translation*]

And the division bells having rung:

The Speaker: Pursuant to Standing Order 45(6), a recorded division on the question now before the House stands deferred until the usual time of adjournment on Monday, at which time the bells to call in the members will be sounded for not more than 15 minutes.

[*English*]

Ms. Catterall: Mr. Speaker, I rise on a point of order. I think you would find unanimous consent to further defer the votes until Tuesday at 5 p.m.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

SMALL BUSINESS LOANS ACT

The House resumed from October 25 consideration of the motion that Bill C–99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth), Lib.): Mr. Speaker, I am pleased to speak to Bill C–99 and about how the government is acting on its commitment to provide leadership in helping small business grow and create jobs.

I will spend some time discussing the consultations that have fed into this legislation and the initiatives we have taken to help small business grow and prosper.

Small business has always played a crucial role in the Canadian economy, be it a local corner store, a remote fishing camp, parts suppliers to the aerospace industry or a computer software developer.

Small businesses are a vital job creator and are contributors to our country's wealth. Today there are about 2 million small businesses in Canada. They account for almost two–thirds of the jobs in the private sector and 60 per cent of Canada's economic output. It has been stated many times that small business creates 82 per cent of all new jobs.

In my riding small business played a pivotal role in the opening up and the development of the north from small aviation companies that led the way, to the service industries that followed to support the growth, to an increasing number of aboriginal owned and operated companies which provide the services needed and which drive the engine of economic growth in the communities.

I now illustrate some of the dynamic things small businesses are doing in the north. People in my riding are becoming increasingly aware of the potential for growth when we work together to create the economic and social development so needed. An excellent example is the Dogrib Nation group of companies. The Dogrib Treaty 11 Council recognized that the best way to address the needs and priorities of its communities was to play an active role in partnership with the businesses that deliver the services needed. Therefore it created the Dogrib Nation group of companies to address economic development needs from investments in hydro–electric power generation to forestry, heavy equipment supply, aviation in partnership with Canadian helicopters and commercial catering.

● (1540)

The group pursues a number of industrial and human resource development activities for and on behalf of the four Dogrib Nation communities. This is a living testament to the empowerment potential that can be unleashed by small business initiatives.

Another example is the Northern Transportation Company Limited, originally a crown corporation. NTCL's primary objective is to provide cost effective, reliable and comprehensive marine transportation and related services in northern Canada and the Arctic. Now NTCL is the wholly owned subsidiary of NorTerra Incorporated, which in turn is owned by two aboriginal corporations, the Inuvialuit Development Corporation and Nunasi Corporation. The Inuvialuit people of the Western Arctic and the Inuit of the Nunavut are the beneficial shareholders of NTCL.

There is recognition for those small businesses that have been able to achieve equity. Recently NTCL was the recipient of the federal locators award given to those companies that demonstrate they can bring in the groups under–represented in the general population or general labour market areas.

When we bring small business down to the human grassroots level, we look at small communities like the community in my riding of Fort Resolution. The people have undertaken to commit themselves to the small business of running a sawmill, a very industrious and skills related industry. The community can see the results of it and have the participation in terms of jobs and watch exactly how small business grows. They have been able to develop an economic development arm which has allowed them to provide some of the supplies they need to build their homes and to provide the region with some of those facilities.

They have taken it upon themselves to get into an industry that would produce some of the materials needed for building homes such as moulds to create bathtubs and all the other things needed for use inside a home.

There are a number of other items they produce. They are expanding and diversifying which is the key to successful small businesses to either focus and do something very specialized they are good at or to capture a market. This seems to be what they are doing, and doing it very well.

During the recessionary years when large multinational corporations were laying off workers, small businesses were responsible for almost all of the net new jobs created. Why are they so successful? Small businesses embody the dynamism and flexibility to respond quickly to new challenges. They know they have to innovate aggressively in order to compete.

Canada is now moving into a new economy, one characterized by rapid technological change, intense global competition and innovation. Small business has the right stuff to succeed in this environment. However, small business cannot do it alone. It needs the right environment and the right tools to get the job done and that is our responsibility.

The task of the government is threefold in terms of small business being successful. The first thing we must do is create the best economic conditions and institutions that will allow these innovators in the private sector to get on with it. It always helps to have a country as politically stable as it is economically stable. It helps to create the right condition and the right climate for those small businesses to flourish. It helps to create an environment where new ideas are spawned and where ideas, technology, and new production processes move quickly throughout the economy. It helps Canadians realize that innovation does not just happen; it thrives best in countries that consciously understand the process and take steps to create a national system of innovation. This means we must work with the private sector to identify strategic opportunities and channel our resources toward fulfilling those opportunities.

● (1545)

In February 1994 we asked the small business community to help us create the environment and the tools it needs to succeed. The House of Commons Standing Committee on Industry, the private sector small business working committee, the chamber of commerce, and many other groups contributed to one of the most comprehensive reviews of small business ever undertaken.

Four primary messages emerged from the review. Small business told us that with the proper support it has a vast untapped potential for creating jobs and wealth. This is no secret. This is something that is quite well known and has been demonstrated time and time again. Reducing the deficit is one of the most important steps toward unleashing this potential, we were told by the various proponents. Government programs must become more efficient, effective and relevant to the needs of small business. Who knows best? Of course small business does, with its various proponents. Finally, the vibrant small business sector that Canada needs cannot be created by the government alone.

We have listened to these messages and we have acted on them. We have placed the needs and concerns of small business at the centre of our job creation agenda. Our consultations reaffirm that high deficits and a rising debt burden spoil even the best prospects for any country's economic growth. We need stable economic policies for sustained growth and job creation. The fiscal policies we are pursuing address this need.

We in Canada recognize the serious debt to GDP problem we face, and we are responding to it with the biggest budget cuts since demobilization following World War II. The 1995 Canadian budget will reduce the federal government's borrowing requirements to 1.7 per cent of GDP by the next fiscal year, 1996–97. This is the lowest of all the G–7 countries.

We also set an inflation target range of 1 per cent to 3 per cent and we have kept inflation below the midpoint of that range since 1991. In terms of inflation, Canada is the Switzerland of North America in the 1990s.

Also in the last budget the Minister of Finance announced a rollback of unemployment insurance premiums from $3.07 to $3 per $100 of wages to lighten the burden of profit insensitive taxes. We are refocusing our remaining programs to reduce duplication and serve the needs of small business in the best way we can.

The red tape and associated paperwork and complex regulatory hurdles faced by any venture can be discouraging, if not insurmountable. We have eliminated 250 regulations. We are in the process of reviewing another 370 in an effort to achieve a more efficient and effective framework for business.

We continue to work with the private sector financial institutions to improve their ability to serve small business. They have responded with new services, including specialized lending units to serve the needs of knowledge based firms. We recognize that there are some areas the private sector will not be able to serve very well.

We have responded by reviewing and then giving a new mandate to the former Federal Business Development Bank. The new name Business Development Bank of Canada is intended to highlight the bank's new approach. The bank will focus on filling our four marketing gaps. First is the knowledge gap, gaining an understanding of the information technologies, software and related industries to serve businesses where the principal assets are between the ears of the owners and not conventional hard assets.

Second is the size gap, finding ways of providing smaller loans to meet small business client needs while still breaking even financially. People do not go into small business to go broke. People go into small business to flourish, to specialize, to develop and to diversify if they have to, to capture those markets that are out there. Essentially small business means business; essentially that is what it is.

• (1550)

Third is a flexible financing gap, providing loans and other to forms of financing on flexible repayment terms, to take account of clients' variable cashflows, particularly in the early years.

Fourth is the risk gap, lending up the risk curve to provide clients with appropriately priced access to capital. This tends to be generally a big problem where there is not a lot of built–in infrastructure, where there is a lot of difficulty for small businesses to succeed in areas that may be very remote and do not have the kinds of infrastructures available in a more broadly based population.

We recognize that implementing this new mandate as a complementary lender will require nothing less than a cultural revolution. The bank is developing a corporate plan that will give effect to this new mandate. We expect that the new Business Development Bank of Canada will become recognized in Canada and around the world as a leader in developing new financial instruments for small business. The example set by the new bank will show the major banks that small businesses are worth their time and effort and will inspire them to greater participation in small business financing. Access to financing remains an important issue for entrepreneurs. However, development of a business climate that encourages growth and job creation is equally important.

We are determined that the business framework laws shall be part of Canada's comparative advantage. We are seeking to forge new partnerships among the innovative players in the economy to ensure a vibrant small business sector. We recognize that support for innovation must be sharply focused on the commercialization of science and technology. We are concentrating our efforts in two key areas: building partnerships between all players, especially innovative small businesses, and improving strategic access to information.

We have launched a Canadian technology network that will help small business acquire and manage new and complex technology by putting them in contact with the Canadian research community. We will provide business with rapid access to information on domestic technology.

We have established the technology partnerships program to promote collaboration between Canadian universities and small and medium size businesses to turn university technologies and ideas into new and improved products, processes and services. It will bring together universities and businesses in cost shared efforts to demonstrate, develop and market promising technologies.

Perhaps nowhere is there greater opportunity for innovative businesses to realize their full potential than through the information highway. The federal government is moving quickly to develop an information highway strategy that will build on national strengths in telecommunications, information and information technologies to create jobs through innovation and investment, to reinforce Canadian sovereignty and to cultural identity, and to ensure universal access at reasonable cost.

We established this commitment to small business in the Liberal Party's red book because we recognized that it is the engine of Canadian economic growth. We put this commitment into action by announcing proposals designed to help small business grow. We furthered this commitment with the measures contained in the last budget. We will continue to maintain this commitment to ensure the health and prosperity of Canadian small businesses.

We brought forward Bill C–99 to enable the completion of the process of modernization that moved the SBLA program to full cost recovery. This renewal will relieve the financial burden of the program on Canadian taxpayers while enabling the SBLA to continue to provide its benefits to small business.

I emphasize the importance of what can be accomplished when we work together in partnership as Canadians. Earlier I talked about some of the innovative and dynamic things happening in my riding as a result of people working in partnership and co–operation.

• (1555)

The United Nations recognizes Canada as the best country in the world to live in. We accomplished this by living and working together. We created the environment, economically, socially, politically, and the opportunities for all Canadians to empower themselves and in turn contribute to society. It is through these actions that we will also fulfil our promise of creating jobs and prosperity for all Canadians.

The north is no different. As proud Canadians in the north, we too want to contribute to society. We too want to contribute to the overall economy and well–being of our country. It is through an innovation like this that perhaps those opportunities and those doors of opportunity become more available.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I thank the member for Western Arctic for participating in this debate, for supporting the bill and talking about the importance of small business, especially in the north.

I would like to ask a question that arises from an experience I had three weeks ago when I was travelling in Austria. I met some Austrian businessmen who had travelled to the north on tourism trips to hunt and to enjoy the beauty of the Arctic. They felt there was tremendous potential and opportunity for tourism in the north, especially if there were more extensive promotion in Europe. They also thought there was an opportunity to develop a tourism infrastructure in the north.

I wonder what the member's experience has been when she talks with the small business men and women in her community who are tourism operators, who have incredible potential with the resources of the north. What has been the experience of those small business entrepreneurs with the financial institutions in this country? Do they find the financial institutions are becoming much more progressive in their thinking and are supporting these small businesses with loans to build those businesses so they can promote these opportunities? What has been her personal experience as a member of Parliament serving the tourism operators in the north?

Ms. Blondin–Andrew: Mr. Speaker, I am very pleased the member for Broadview—Greenwood has brought forward this question. If there was ever an industry that would be next to the resource industry in the north, it is the other resource industry, tourism.

We do need the infrastructure. I suppose one of the dreams we have as politicians and one of the things I often refer to as an infrastructure requirement would be the completion of the Mackenzie Valley highway. That would open up a tremendous potential and complete the loop of having to come down to travel the Trans–Canada highway right into the north, go right up the Mackenzie Valley and travel along 1,800 kilometres of river on a highway. It would allow the resource industry that is there to have access to the Mackenzie Range and the Nahanni National Park. It would open up a tremendous amount for Canada to see. That is what makes this country so wonderful. That is what makes this country so beautiful. It makes us appreciate all parts of this country.

The Reform Party laughs. When we talk about our individual areas we tend to appreciate and respect each other, not laugh at each other. The hon. member has been to my riding. It is really important for members to see that beauty, to see that vast expanse which says this is part of Canada. This is what we are debating today. We cannot describe how wonderful and beautiful our country is. As Canadians we have the opportunity to build on it, to continue to expand and make it even better than it is by building that infrastructure.

• (1600)

The financial institutions my colleague referred to have provided this opportunity with the revamping of the Business Development Bank of Canada. It is going to open the doors of opportunity to those small businesses and tourism operators to do what was suggested and make it accessible.

There is an influx of European tourists from Germany, Austria and Japan. They are going to see the pristine north, to see the flora and fauna species which are not available in their own countries. That resource is worth sharing with Canada and the world. The way to do that is by making these institutions and resources more accessible by changing the Small Business Loans Act.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I want to clarify some of the accusations that came this way. We were not laughing at the minister. What we were laughing at is the fact that the Liberals have frittered that infrastructure money away on all kinds of pork barrel operations. Now when a highway needs to be built, there is no money left.

I would like the minister to comment on why that infrastucture money was not used for true infrastructure.

Ms. Blondin–Andrew: Mr. Speaker, I appreciate the back handed compliment from the Reform Party. It is unfortunate it could not just be an up front compliment.

I understand what Reformers are saying. In terms of the infrastructure, all projects the infrastructure money has gone to are priorities set by the people in the north. We gave them the money and they decided what they wanted to do.

For building a highway, in 1984 it cost $1 million a kilometre. Simply put, Canada does not have that kind of money. There are a lot of kilometres of road to be built and we do not have that kind of cash.

I am happy the Reformers are lobbying for a road in my riding. I would welcome them to transfer their infrastructure money to help us build the MacKenzie Valley highway. That would be great. It is a tremendous investment and even though I would like the government to make that commitment, it cannot do so at this time. In light of deficit reduction, we must be realistic in all the priorities we set. It is a long term goal, a dream of mine and a dream of northerners. It is something I appreciate the help of the Reform Party on.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I had the good fortune to visit my hon. friend's constituency this past summer. I concur that it is one of the most spectacular parts of the country.

I visited a number of business people in her constituency. One runs a small hotel or lodge and has been trying to sell it for about 15 years. He would find a potential buyer and they would try to arrange financing. He found the difficulty was that he lived in an environment that often was rather vague in the minds of southern bankers. It is dark for half of the year and has an unusual

tourist season. It was not clear what the season was, whether it was summer or winter, and consequently, the individual could not get financing.

My question in a sense is a take–off from my hon. friend for Broadview—Greenwood. When it comes to financing, particularly with respect to tourist related enterprises in the north, does the hon. member agree it is a major area and that financial institutions simply do not have the financing mechanisms in place to meet the demands and needs of the emerging northern economy?

Ms. Blondin–Andrew: Mr. Speaker, there is no dispute of the fact that certain operators and owners of businesses, be they big game hunters, lodge owners or whatever have had trouble because the economy has not allowed for people to buy into those opportunities. There has been some difficulty in accessing those resources.

● (1605)

Changing the Small Business Loans Act will make these resources more available. Some of the Canadian banks are developing partnerships with aboriginal communities. There is more cash available now since we have settled land claims. Potential partners are speculating and looking at new opportunities. Things are actually getting better, but there are no magic solutions.

We were very lucky. If I might compliment my colleague, my riding was made more beautiful by his presence as a tourist. I welcome more people to the north.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I am delighted to have the opportunity to say a few words regarding Bill C–99, an act to amend the Small Business Loans Act. At second reading stage the assumption is that we are talking about the principle of the bill. On that point I want to register a deep disappointment with this initiative.

We have heard thoughtful presentations from all sides of the House regarding the value of small business, the importance of small business and the critical nature which small business has taken on in the changing economy. If this is any indication of how the government plans to react to these needs, to this new sense of dynamism in the country, it is pathetic.

My hon. friend from the territories indicated that this is a major step forward. This is not a major step forward. Quite frankly, this is a little technical housekeeping which will build total cost recovery into the legislation. Actually, it will probably make it a bit tougher for people to obtain a loan because of the loan guarantee being decreased to 85 per cent from 90 per cent. That will cause the banks to be a bit more wary in terms of lending.

Then there is the provision that through order in council the government can make changes to the legislation. I have seen changes in my short time as a member of Parliament. At one time there was a 100 per cent guarantee. Then it decreased to 90 per cent. Now it is being decreased to 85 per cent. It is fair to say that if this trend continues, we will soon see the guarantee being decreased to 75 per cent, 50 per cent, or whatever, which would essentially make it a non–program.

I am concerned about the influence which, behind closed doors, cabinet will have to change this crucial piece of legislation. I happen to think it is a good piece of legislation. However, I do have a deep concern that this is the only initiative which we are discussing.

Let me put this into context. I am one of many members who believe that the small business sector is the crucial job creating sector in the country today and will be even more so in the future. As a result of both government and private enterprise downsizing, the role of the small operation, the independent operator and entrepreneur has become more important than ever.

We are visited regularly in our constituency offices by young people who have sent out 200 resumés, who have filled out 100 job applications or who have knocked on 50 doors trying to find employment. Often these young people are well educated and well trained. They have marketable technical skills and good research abilities. They are self–starters and so on. Yet they are having difficulty finding a job using the traditional process for finding a job.

The young people of the future who will be employed will be those who actually create their own enterprise. They will realize that they will not be working for a firm. They will not be working for an accounting company. They will not be working in a small manufacturing firm. It will be up to them to actually start their own enterprise from scratch. They will be the ultimate entrepreneurs, able to take a concept, see an opportunity and put that into play.

● (1610)

Today we see two different types of small business operators. One type is the small business operator who finds himself attempting to start a small business or is looking for ways of starting one. He has very little experience in the world of business and probably never thought he would actually start a business.

Because of the layoffs in the private sector and the downsizing in the public sector people like him simply find themselves out of work and the only solution they see is to start an enterprise. One of the areas where government could help would be to find ways and means to enable those men and women to obtain the necessary skills to start a small business and to run it successfully, or to upgrade their skills or obtain retraining.

I appreciate there are programs in place now. I am thinking in particular of some of the work done by the Business Development Bank of Canada and others. This is one area where government can provide some service to encourage the development of these, let us say, incubator centres.

The other type of business people are the individuals who have wanted to be in business all their lives. Simply by their nature, instinct and character they are business people. They have developed the necessary skills or perhaps have them innately and have enrolled in programs or courses to bring themselves up to speed to be successful business operators.

These two types of operators are now becoming increasingly more familiar on the economic landscape of the country.

In Kamloops we are in the process of celebrating Small Business Week. I heard the definition of a small business person the other day and I thought it was very apt. I realize that when it comes to the Canadian Federation of Independent Business and other business organizations, economic organizations, banks and other financial institutions, they all have their own definitions of what a small business operation is.

The one this person came forward with was that a small business person is one who works 18 hours a day, seven days a week for the equivalent of about an eight hour daily wage. In today's economic environment that pretty well sums it up. These people are dedicated and committed to their enterprise. They are prepared to dedicate literally their entire lives. It becomes a lifestyle to see a new business start up or an existing business to continue to expand. These are the people we need to encourage in all ways.

How do we encourage them? What can we do? I have wrestled with this for many years. I sent out a questionnaire to the small business operators in my constituency a while back. I asked them to help me with ideas as to how they thought the government could help them.

They said three things: ''Get out of our way, get out of our way, get out of our way. We will take care of ourselves. We do not actually need help. If you could allow us to more easily spend time on developing a new enterprise, new technologies, new processes, new marketing programs, that is what we need to do. We need to spend time on that as opposed to filling out countless forms''. Mountains and mounds of red tape confront the typical small business operator. There is a lot of truth in that.

Underlying all of this is the recognition of the hated GST and what that has done and continues to do particularly to small businesses. I look across the aisle at my Liberal colleagues and do look forward to the day when that GST is replaced. I do not mean that the name be replaced; I mean that the actual tax be eliminated and we come up with a system that is less cumbersome and more fair for the small business community.

There are three good features we have seen developed over the last number of years. On the top of my list in terms of support, assistance, encouragement and nurturing for small business operators is community futures. I do not know what other people have had in terms of experience with community futures but I want to mention what I have experienced.

In the Kamloops area we set up a community futures called Thompson Country Community Futures Society. Over the last number of years hundreds of new businesses have resulted from that government program, but not the government program per se. Obviously individuals who had the ideas, the energy and the dedication to see these businesses through to completion were the critical ingredient.

• (1615)

However, the community futures program was able to provide start up funding in two ways. One program working in co–operation with Employment Canada enabled people to continue receiving unemployment insurance while they started up a new enterprise. It has been very helpful and very successful. Everyone would acknowledge that the chance of a person starting up a small business getting into a profit making situation in the first few weeks or months is very remote.

The program enabled individuals who had lost their jobs and were eligible for unemployment insurance to continue receiving unemployment insurance for a number of months while they started their new enterprises. That made the difference. That gave them a leg up, a small opportunity to provide for their families at the same time as they were starting their new enterprises.

Another program attached to community futures was the one where small businesses with good business plans could apply for up to $75,000 in funding. The decision is made by successful local business people who know the region, know the area and perhaps even know the individual. They have a very sound appreciation for what businesses are successful, what businesses have a good chance at being successful and what risky areas should be watched. They evaluate business plans put forward often with help from the Thompson Country Community Futures Society and make decisions.

They are loans, not grants, with modest interest rates attached to them with often generous payback programs that are rather creative in terms of paying back the money being borrowed. They are provided to new firms, particularly the ones that do not qualify easily in terms of usual categories for bank funding, particularly people who are trying new market areas, new technologies or creative new age businesses that do not have a lot of inventory to use as collateral in the traditional approach to lending of financial institutions.

The Business Development Bank of Canada is playing a more positive role now than it has in the past. Over the last number of years to say that I have been disappointed with the role it has played would be understating my concern. I looked at the old FBDB operation and compared it to the Royal Bank of Canada, the Bank of Montreal or whatever. It seemed that it was the most conservative lending institution on the landscape and was certainly of little help to small business when it came to lending. When it came to case counselling and so on it was another matter. That has changed somewhat and I appreciate the thrust of the new legislation is a step in the right direction.

As my friend from Western Arctic indicated, banks and other financial institutions are changing slightly. They are moving slightly in the right direction. A lot of credit goes to members of Parliament, other individuals and organizations that have mounted pressure. They pointed out that banks were simply not fulfilling their roles or were not being helpful to this growing and creative sector.

There have been significant movements in terms of bank policies with the creation of a small business trouble shooter all banks now have in place. It is somebody to phone, to complain to or to ask questions about why a loan was turned down. There is much greater sensitivity in terms of funding women entrepreneurs, women business persons and aboriginal borrowers.

It is not that I think banks are not particularly creative themselves. They are responding to public pressure. They now realize these are areas they have to move into. Perhaps a little less altruistic, they are responding to the fact that as First Nations peoples settle land claims vast amounts of money may be involved. I suspect some banks are looking forward to getting involved in that operation as a financial growth possibility and perhaps have more of an interest in funding aboriginal enterprises. Nevertheless, in reality there is positive movement in all those areas.

● (1620)

I point out what I think is a particular problem area. Again I acknowledge there have been some improvements in the last little while. The government's procurement programs have assisted a number of small enterprises in my own constituency. A variety of programs assist small businesses to develop new technologies. Hopefully we are looking forward to the information highway strategy. It is not only necessary but will be helpful in the development of small enterprises.

There is a need for more flexible financing, particularly in some critical areas of growth in the country such as the tourism or hospitality business. One situation that brings this to mind in my own constituency is an operation called Mike Wiegle Heli–Skiing Operations. It has been in operation for many years. It is a very successful heli–skiing operation that caters almost exclusively to overseas skiers from Europe who come for a week or two to ski down the glaciers of the mountains in central British Columbia. It is superb skiing. To set up a major resort in an isolated area far from airports or population centres and to obtain financing arrangements that allow some flexibility is extremely difficult. The Western diversification fund was helpful in the start–up period, but if we are to assist businesses to expand into new areas and if we are to be successful, we have to find ways to be more creative, and I aim these comments particularly at financial institutions.

The legislation is pathetic. I will not say much about it. Enough has been said. It will go to committee. It is a continuation of the same. It is certainly helpful. The SBLA has been helpful to many small business operators across the country including the Kamloops region, but there is much more we could do.

Let me summarize by indicating a critical initiative we need to take. When I say ''we'' I do not mean as a Parliament or as a government; I mean as a country. We all acknowledge that for a business to be successful or perhaps even for an individual to be successful there has to be some kind of plan, strategy or blueprint. There has to be a flexible business plan that acknowledges changing times and so on.

We need something similar as a country. We could call it the business plan for Canada. We could identify areas where obvious growth potential exists and where we would be putting our special efforts as federal, provincial, regional and local governments, financial institutions, business organizations, investors and entrepreneurs.

We can look around the world at countries that have been more successful than ourselves when it comes to economic development and job creation. It tends to be countries that have a business plan in place which everyone acknowledges. Maybe they do not agree with it but at least it is acknowledged. It sends a signal to banks of the direction of the country for the next decade. It signals entrepreneurs and investors of a direction, whether it is in pharmaceuticals, agri–business, tourism or whatever.

Some kind of national Canadian business plan would be appropriate. Then we would have to find out where we fit into it. What role would the federal government play, if any? What role would the provincial and regional governments play, if any? I suspect there would be significant roles. With that plan we would be much more successful.

Granted, this is most successful with smaller countries in which it is a lot easier to come up with a consensus in terms of direction and development. We are the second largest country in the world geographically and it causes problems that we are experiencing virtually as we speak. It is something we must look at, and it would be a business strategy for the country for the next decade or two.

I will take leave and look forward to committee work and to debating the bill at third reading.

* * *

● (1625)

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Kilger): Before proceeding to questions and comments following the hon. member for Kamloops, I have a statement to make concerning private members' hour for tomorrow, Friday, October 27, 1995.

I have received written notice from the hon. member for Fraser Valley East that he will be unable to move his motion during private members' hour tomorrow.

[*Translation*]

Since it was impossible to arrange for an exchange of positions in the order of precedence, pursuant to Standing Order 94, I ask the Clerk to drop this item to the bottom of the order of precedence. Pursuant to Standing Order 94, the hour for private members' business for tomorrow shall be suspended, and the House shall continue with the business before it at that time.

* * *

[*English*]

SMALL BUSINESS LOANS ACT

The House resumed consideration of the motion that Bill C–99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, one of the great things the member for Kamloops brings to the House is his ability to remind the Liberal Party from time to time when it tends to move a little too far to the right. The Reform Party influence is pretty obvious in the bill, but we have to focus on some of those matters.

The bill will go to committee. Contrary to what the member said, the bill cannot be amended by regulation. We will make that amendment in committee. Hopefully all members will continue in the same spirit we have had in the committee to amend the bill.

The member alluded to an idea in the first part of his speech about young entrepreneurs needing access to start up capital. It was a very important insight into a very important issue all of us in the House must address. Even Reform Party members would agree. I notice they are agreeing.

I also noticed something in my own community. I ache when I see some young talent that has just finished engineering school or university and the old institutions or the larger corporations that used to be there to provide their first jobs are no longer hiring young people. Many of them are frustrated, and we have not addressed the issue head on in terms of providing entrepreneurial support systems that are required if they are to get going.

I am thinking aloud. When we go into committee I would be interested in the member's views or thoughts on looking at the whole list of criteria in the Small Business Loans Act. Should we look at the notion of including a clause in the bill that deals with young entrepreneurs? The bill could be a tool used by banks to make them a little more sensitive. Obviously the bill will help bank managers take the extra risk they probably would not take on their own.

What would the member for Kamloops say about possibly looking into that area as a way of altering the bill to look after young entrepreneurs?

Mr. Riis: Mr. Speaker, we acknowledge that in the early days SBLA was intended to be a mechanism to provide encouragement for bankers to lend money to small businesses. In the same spirit, there is a new concern out there which the hon. member has described well. It may be an opportunity to encourage the banks to take advantage of the SBLA to provide necessary funding to these newly emerging group of entrepreneurs.

● (1630)

A mechanism is about to be put in place to track the lending of financial institutions and to see where the loans are going and to what extent the banks are responding to the new needs in society. It is a useful step.

It is time to look at new mechanisms and I will very briefly mention one. Some states in the United States had a vehicle called agri–bonds, that were somewhat like Canada savings bonds, to provide agricultural funding. These were set aside for agricultural use only. Farmers and ranchers were encouraged to invest in agri–bonds knowing that the money would go back to assist hard pressed farmers in their state. That is a bit of a generalization but it summarizes the point.

Troublesome areas, such as tourism related businesses, where it is difficult to find funding for new tourist related projects, should be identified. Could we not consider the development of a ''toury'' bond as opposed to an agri–bond? Investors would put their money into a toury bond, knowing that the money would go to help new Canadian hospitality related businesses to expand or be created. It would be a way to direct money to tourism, as opposed to the old favourite of much of the money, the RRSP, a certain percentage of which is being invested overseas or in other countries. I would like to see a little more channelling of some of these funds into troublesome areas such as tourist or hospitality related industries.

It is another idea on which my friend from Broadview—Greenwood could respond at some later time. The Canadian toury bond could be a take–off on the U.S. agri–bond.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I would like to tell the member for Kamloops that I found his speech very interesting. I share his enthusiasm for small business and realize the importance of it. I am concerned about one particular item, community futures. I would like to have his expertise on this.

Taxpayers' money is being used by community futures. Granted, some of the businesses that apply do very well and have some excellent results. However a high rate of those businesses do not succeed and, at least in the ones I happened to scrutinize, there does not appear to be any accountability for losses. This is the taxpayers' money and I am sure taxpayers feel they should know how it is being spent. The Privacy Act seems to get in the way when we inquire about accountability.

I wonder what the member for Kamloops feels regarding losses in the community futures program and does he feel there should be some accountability?

Mr. Riis: Mr. Speaker, I appreciate the question. Of course there needs to be more accountability built into the program. That is one of the continuing areas of concern with the community futures program.

In my estimation and my experience the value of the program depends on the personnel who manage it and the expertise of the individuals who decide who gets a loan and who does not.

In Kamloops we have had a very high success rate. But there will be losses, just as there are losses with bank loans and other kinds of loans. Even if there was a certain loan loss, it might be an indication of some success. The role of community futures seems to be to provide funding for those relatively high risk business ventures that cannot, for whatever reason, obtain funding from more traditional lending sources and therefore appeal for support from community futures boards.

If I may use this opportunity to mention a shortcoming of the existing system, individuals who have submitted business plans and have what appear to be good business ideas and are encouraged to continue, but when they are rejected it often seems to be just luck. They are just rejected. The client walks away after spending many weeks or months preparing a thoughtful, careful business plan only to have dreams and hopes shattered. We must have a better system of appeal or a follow–up educational program to indicate to those men and women where they may be a little in error in their planning. This is another shortcoming.

• (1635)

Of all federal government programs of which I am personally aware and have some understanding of their use and value, this community futures program is far the best.

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, before I was listening closely to the member for Kamloops. I know of his interest in the banking industry, of his lengthy experience here in the House and I believe on the finance committee.

In his remarks he used words such as deeply disappointed and pathetic and other kinds of language. However, in Toronto recently with the Standing Committee on Industry we heard from the banks. I believe the testimony was in July or August. In the promotional material from either the Royal Bank or the CIBC, in which the hon. member had spent six weeks, it was using comments of his praising the banks. I was disappointed to see that.

It gives me pleasure to speak to this bill. The provisions of the bill are the result of consultations with leading Canadian business people such as the Canadian Federation of Independent Business. Equally if not more important to the undertaking was the report of the Standing Committee on Industry ''Taking Care of Small Business''. I had the privilege to sit on that committee as a government member from western Canada.

The legislative measures introduced in Bill C–99 are ultimately about access to capital for small business. Following the recession which began around 1990 small businesses in Canada had undergone unprecedented restructuring for a new and emerging global economy. These challenges have been more difficult because of the impediments and constraints to access to much needed capital.

Bill C–99 through amendments to the Small Business Loans Act will provide a more predictable relationship between the banks, the Government of Canada and the business community. I will not reiterate here the specific provisions of the SBLA but will merely state its intent and purpose is to enhance that financial environment and relationship between borrowers or small business and the Canadian financial institutions.

Stated very simply, the Government of Canada agrees to stand with small business and where the banks have refused to take the risk on new or expanding businesses, the government will partner and stand with small business to ensure small business loans are available to those who need it the most.

It is instructive to state that legislative changes are, in addition to reacting to the recommendations of the business community, in keeping with the government's belief that small business wants this government, and indeed all governments in Canada, to reduce their expenditures including those which include direct and indirect subsidies to small businesses.

In recent years the SBLA program has cost taxpayers almost $20 million to $30 million a year. However, the loan loss coverage for the year 1994–95 is estimated to run at close to $100 million, threatening the sustainability of the program itself.

Of equal importance is the fact that 40 per cent of the loans covered by this insurance program would have been made regardless. We are told by outside experts analysing the loan applications made through the banks that 40 per cent of those loans would have been made anyway. They did not need this expensive coverage that government was providing.

● (1640)

Without the high cost of the subsidy these firms would now be seeking financing at a much lower cost than under the provisions of this bill. Furthermore, this will allow those firms that really need financing to have those 40 per cent move out into the traditional lending areas and those new small businesses will occupy the space at the bottom or the top of the lending priorities and we hope creating new jobs.

During the presentations made to the committee on industry the witnesses told members that they would be willing to pay higher premiums, for instance, in the knowledge based industries if they could get the capital needed. Repeatedly the 60 interveners and witnesses that we saw and an equal number the presentations that were submitted to the committee were saying to us that they did not mind paying 1 or 2 per cent more on a loan because if they have a knowledge based industry they are prepared to pay that kind of money to the financial institutions if they are willing to take a risk on them. The point spread was not the real issue.

It is interesting that small business community people continually talk about the importance of the cost of borrowing money. They were so convinced of their product, so convinced of their market access, so convinced of their success in those small businesses, that they did not mind paying another point or two. They needed an opportunity and somebody to stand with them to take a risk on those businesses.

I would like to talk for a moment about western Canada and in particular of my riding of Provencher in Manitoba. Farming and small business is really the backbone of that constituency. Increasingly I am told by finance officials in the department of finance in Manitoba that small business in the agricultural sector is going to increasingly in the 21st century provide the cash receipts for the finance department as well.

This reflects the fact that in western Canada the number of people employed in small businesses is almost 40 per cent. What is really striking, and a lot of folks perhaps do not realize it, is that in Ontario it is only 32 per cent. These statistics are quite revealing and demonstrate clearly to me, as a member from Manitoba, the importance of small business in western Canada and in the next five or ten years how important this sector will become in our area.

During the first quarter of 1994 in Manitoba, for example, companies with up to 50 employees accounted for almost 20,000 jobs, far in excess of those larger companies with 300 employees or more. In 1994 companies with less than five staff also accounted for many of the growing small businesses in Manitoba. I am told 4,737 new business name registrations were filed in Manitoba in 1995.

A profile of these is very important. I speak to this issue as a member from rural Canada, from rural Manitoba. A profile of the start–up businesses in western Canada demonstrates that a typical new firm, 87 per cent, have less than five employees and for the most part, 57 per cent, are located in rural areas and run out of the homes of the operators. In other words, most of the small business growth is probably a young or middle aged couple who have started a small business out of their home, are looking for a loan, probably less than $25,000 to start. This is what we are told in the data we have received from the banks. These small businesses are creating the jobs in rural Manitoba and indeed in my riding of Provencher. There have been great gains made in terms of the start–up of companies. In 1990 there were almost 600 registered bankruptcies in Manitoba. In 1995 there have been 96. That demonstrates quite clearly what is happening. The economy and the dynamics of capitalism are restructuring. Larger companies are laying off people but young entrepreneurs are stepping up to the plate, trying to get access to capital in order to start a small business.

● (1645)

Here we see a profile of the 21st century entrepreneur who is younger, working out of the home and more likely to be involved in agriculture related small business.

What is the federal government doing? In addition to the changes to the SBLA and the Small Business Development Bank of Canada, what other kinds of measures is the government employing, particularly in western Canada, to help these people?

Through the auspices of the Department of Western Economic Diversification the government will provide a fund of $30 million for debt capital. These resources will be directed toward biotechnology and agri–biotechnology with loans ranging from $50,000 to $500,000. There is also an innovative 10–year program creating a $100 million capital pool to assist Canadian agricultural value added processing firms through patient debt capital. The government will partner these agreements.

The banks have complained both publicly and to the standing committee that in responding to the needs of the business community the government was bank bashing. I want to make it clear this was never the intention of the committee. It was merely to prod the banks, as the hon. member for Kamloops suggested, to open up their gates for small business to have access to capital.

Congratulations to the banks for doing that. The Royal Bank of Canada and the Canadian Imperial Bank of Commerce have joined with the western economic development fund to provide this patient debt capital and they should be applauded for that. However, there is a lot of work to do and a long way to go.

What the government is prepared to do through these public and private instruments is reach to the small business community, to stand with it and encourage it to take the necessary risks.

There have been a number of recent initiatives in my riding which are important and give testimony to the growth in the agricultural and small business sectors. There is a great change going on not only in the small business sector. As we have heard many times, the government is cutting back on its expenditures. That is what the Canadian people have asked it to do. The government has made changes to the Western Grain Transportation Act and those subsidies to business pursuant to its obligations under the WTO.

What has been the outcome of these programs in western diversification? Recently I had the privilege with the Minister of Western Economic Diversification to join with 25 farmers from the Altona region of southern Manitoba, where we produce some of the best durum wheat in the world, to provide them with a $1 million loan for a pasta plant.

These are the initiatives young farmers are asking the government to undertake with them. They intend to build a $5 million plant. They will put in $1.5 million of their own money and hopefully there will be a financial institution, perhaps in southern Manitoba, which will step up to the plate and say it believes in the process as well. It will create jobs in the community of Altona and St. Jean.

It is vital to not only ship our raw resources out of the country but to keep them within our borders, to create the value added, to create the jobs, to keep the wealth and the technology in Canada. This is increasingly important.

• (1650)

Recently there was an announcement by McCain of a $55 million expansion of its potato processing plant. I had the privilege of joining with some private sector investors and my colleagues in the province of Manitoba, the provincial government, to make an announcement for a $55 million canola crushing plant.

Farmers, rather than paying $800 to ship their canola to the west coast or through Thunder Bay, can now drive their trucks 50 or 100 miles down a two lane highway to deliver that product to that plant. The jobs and the wealth from the value added of that product will stay with those farmers.

The pasta plant provides such a dramatic example of that. Farmers last year were getting about $160 a tonne for durum wheat used for pasta. Astoundingly, Canadians had imported 77,000 tonnes of pasta, packaged, at a price of almost $1,600 a ton. It is a great idea that the Government of Canada would stand with those 25 farmers and say: ''Instead of shipping your product to the U.S. where it is being processed and shipped back to Canada, we will provide you a loan, not a grant, not a giveaway, a loan''. Through that loan and working with those people that $1,600 will stay in our communities. That is a good thing, a positive thing.

We are expecting within a few months, after the announcement of the changes to the Crow, close to $500 million of investment in Manitoba alone. The banks have a role to play in this. The government cannot repeatedly be the instrument and the primary catalyst for these kinds of undertakings. The banks have a fiduciary responsibility, having the privilege of banking in this country, to act and react and join in partnership with small business. This is the one of the key areas they have forgotten.

I conclude my comments on a recent initiative in my riding of Provencher, again through the auspices of the minister responsible for western economic development, with the francophone communities in Manitoba. The francophone communities have developed a francophone chamber of commerce with ten different communities, six of which are in my riding.

We have said we are willing to stand with those communities and work with them to utilize their capacities of their French language, their entrepreneurial skills, their low labour costs, their style of living which is outside of Winnipeg in wonderful communities. If they choose they can send their children to an English school or to a French school. There are both there. We have stood with these mayors and reeves and people in the French communities to provide funding of up to $1.5 million over five years to work with them.

We hope and believe that people from across the country and indeed the world will invest in those French communities and capitalize on their capabilities in precisely the same way that Mr. McKenna in New Brunswick has been doing over the last two years.

This is a clear example of a French community in western Canada, in rural Manitoba, whose origins are from the St. Maurice valley in Quebec, Lagimodière and the first settlers who came from the St. Maurice valley and settled in the west, whose descendants are Louis Riel, the first member of Parliament for Provencher, the seat I now occupy.

I am here to report to the House that these French people I service and have the privilege of servicing in the riding of Provencher in rural western Canada are doing very well indeed.

They have their French language. They have their French culture. They have their French communities.

● (1655)

They are not asking to remove themselves from Canada. They are not asking to tear themselves apart from the people of Manitoba. They are telling me to tell the House they are doing very well and that they are joining with the Government of Canada in these kinds of initiatives.

They are not abandoned. We are with them. The Government of Canada is with them and I believe all Canadians are with them.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I was enjoying the speeches of the hon. member and the hon. member for Kamloops.

One certainly has to agree and be thankful and glad for individuals being successful in the member's riding on these new enterprises. The help they got is great.

The difficulty was mentioned by the speaker from Kamloops when he talked about a survey he did in his riding. He talked about what we can do to help enlighten the ideas of new enterprises and help them begin and grow; not just for new entrepreneurs but for older ones who may change careers from time to time.

All of that is very important. It is especially important when one hears his response when they say get out of the way, get out of the way.

In the early part of the 1990s in my area of Wild Rose, which is likewise rural and small towns, many small businesses through the first two or three years following the GST went into receivership. In many of the cases they declared the GST was the straw that broke the camel's back.

They were struggling. They were having a tough time. Along came the GST and that really brought the final crunch. That was not the case in all of these. I am sure every member would be able to find some enterprise that flopped specifically because of the GST.

People say to the governments get out of their way, stay off their backs, stay out of their pockets and they will make it. Give them that initial boost they need. I certainly support that idea.

I carry with me in my briefcase the red ink book, the book of broken promises. It says the Liberal government will replace the GST with a system that generates equivalent revenues—I worry where that equivalency will come from—is fair to consumers and to small business and minimizes disruption to small business, all very key statements and very important.

I also read of the mandate of 12 months for this to happen. We are now in the 25th month and nothing has happened with the GST. It would not be fair of me to ask the hon. member why the deputy minister has not resigned with the promise of doing so within this 12–month period.

I wonder if the member could enlighten the House in any way as to what small business has to look forward to beyond being able to get started. That is the first step. Will we achieve things to help them continue and get out of the way and not be disruptive?

Will we see the GST replaced? How long will it take? Obviously it will take longer than this book says.

Mr. Iftody: Mr. Speaker, I thank the member for his question. He raises some valid points and concerns. It is no small secret that the Canadian business community is very concerned about the goods and services tax. It was concerned about it when it was announced and of course it still is. However, that never did the government or the Prime Minister or the Deputy Prime Minister say that we did not need the revenue. In its previous form as the manufacturers' sales tax in 1984 of 9 per cent and then moving up, I believe, in 1992–93 to about 13 per cent or 14 per cent, prior to being changed to the GST, the Government of Canada has been dependent on those revenues and will continue to need them.

● (1700)

The difficulty is the structure and the nature of the tax. The member is quite correct when he states that the imposition of the GST had an inflationary effect and stalled purchases. For example, someone may want to build a home in the riding of Wild Rose or Provencher. That person would order a $100,000 of materials and then there would be labour involved. When taking that lumber out of the yard that person would be stopped at the gate and charged another $7,000. That, of course, is going to kill investment and purchases. I think people have been painfully aware of that.

The government has made it quite clear, particularly leading up to the next budget that we will be addressing the matter. The parliamentary secretary has spoken about the GST only in the last couple of days and mentioned that we are equally concerned about it on this side of the House.

I ask the hon. member from Alberta to speak to his provincial counterparts and ask them to join with the other provinces and with the Government of Canada to work out some reasonable solutions to deal with a harmonized tax which will be in the best interests of all Canadians and therefore the Canadian economy.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, it is appropriate at this time to recognize the member for Provencher for all the work he has done in our industry committee during the last two years.

When we started the debate on how we could improve access to capital a lot of people thought we would have one or two meetings, bring the banks in and they would probably give us a good public relations speech which would take our eyes off the ball and we would then lose focus on the issue.

I acknowledge the member's courage, commitment and support in keeping a rigid focus on making sure the whole bank attitude toward small business really changed. It was not just a PR show then put on the back burner. It is something we have stuck with over the last two years. The member for Provencher has made a fabulous contribution to the industry committee. I know all members from the Reform Party and from the Bloc Quebecois would certainly support the view I express here today.

My question for the member has to do with the great story about the past operation in his riding, the value added. That was an exciting story for me to hear. I felt like I wanted to rush out to Manitoba. It sounds like there is more action there than in a lot of the regions in the country. I salute the member for that.

I want him to tell me why those entrepreneurs got so excited and moved from exporters of raw products into taking the risks of turning themselves into manufacturers, taking a raw product and going to the finished packaged good? How was that done?

Mr. Iftody: Mr. Speaker, I appreciate the question. Basically, the praise for this particular initiative rests not with the member for Provencher but with the Prairie Harvest farm group from Altona which came up with the idea.

● (1705)

The role of the Government of Canada throughout this whole process has been one of facilitator. These kinds of innovative ideas with respect to secondary processing of our natural resources, which the World Bank has just said that Canada is number two in the world, have been there for quite some time.

I point out our trade difficulties with the U.S. and the cap on durum wheat which was unfairly placed on us by the Americans. The Government of Canada responded to that unfair trade action by going through the office of the Prime Minister to the minister of agriculture and indeed the minister of western economic development to say: ''If we cannot ship our durum over the border, let us be really smart and keep it in our own back yard. We will process it and sell it to Canadians and Americans''.

The short answer is that the Prairie Harvest group out of Altona came up with an idea, approached the Government of Canada for some help and we were glad to act as a lever on this important project.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I did not intend to speak on this bill but there are some things that have concerned me for some time about small business and this is an opportunity to say a few things.

Bill C–99 gives access to capital for small businesses in Canada. My concern is basically if it is really looking at small business, the value of small business to our country and just what small business needs. That is where my concern stems from, where the banks have refused to take a risk. I contend that the banks should have taken a risk in the past. We do have the Federal Business Development Bank which was in the past supposed to be the bank of last resort. Often this has not been the case and somebody else has had to come up with the funds.

If we are talking about other programs for small business, like community futures, it really does depend, as the member for Kamloops said, on the expertise of those that run those programs. I have had some experience with it and I have found that perhaps that is one of the reasons why some of the losses are a little greater than they should be.

Of course there is risk involved. There is a risk involved for anybody going into a small business and we expect some losses. However, we do not expect the amount of loss to be higher than normal businesses would have going through the banks.

There have been some successful businesses through the community futures. Some good ones are still running right now in my community. However, the difficulty with the community futures program is that some of the businesses that are successful could have been funded by the Federal Business Development Bank which is the bank of last resort. It should have been funded there, not with the taxpayers' dollars in another program.

What I am trying to say is that community futures has to be accountable. There is no bottom line. We have a Privacy Act and we cannot access that information. That is not acceptable to the Canadian taxpayers. I found the rate of losses higher and, being unaccountable, therefore unacceptable to me as an MP responsible for taxpayers' dollars.

I felt that the people going into the community futures program were protected so that perhaps the incentive to succeed may not be as great if one knows one does not have to worry if one has a loss. In small business there is always a challenge and a risk. Those people who go into a small business are usually

entrepreneurs who have some wonderful talents and expertise. We usually see good results. Unfortunately, often in community futures we do not see this because the accountability is not there. Wherever we do not have accountability we have a future problem of breakdown.

The purpose of the Federal Business Development Bank is that it is a bank of last resort. It is supposed to be the money lender of last resort.

The member for Kamloops said it very well. He said that small businesses just want the government to get out of their way. Being in small business myself I can say that this is exactly true. We need a healthy marketplace if we are in business. We need to have fewer burdens on us.

● (1710)

The tax structure is far too heavy today to encourage anyone to go into small business. The first couple of years are difficult. In the past if businesses had troubles the Federal Business Development Bank was not always there to back them up but often put them into receivership at a time when all they needed was some support to get through. I would suggest the Federal Business Development Bank has not always done its job in the past.

Small businesses want less government interference. They need some incentive. We are talking about younger people coming into the marketplace. I have often mentioned this in my community and I have talked to small businesses in my community about this. There is a program in Europe where small businesses apprentice a younger person coming out of a college, a technical school or whatever. If our small businesses apprenticed a young person for a year, they would be providing a training program built into the most natural area possible. It would be built into the marketplace, the economy, into a natural spot in the economy, in a working spot in the economy.

When speaking to small businesses this is an avenue we could travel. Considering small business supplies about 80 per cent of jobs, I feel this is an ideal opportunity for our young people that are unemployed with nowhere to go to get the training they need if they do not have it.

Why is the small business person going to do this? There would obviously have to be some incentive. Perhaps a tax break in some area would help as small business is overtaxed already. They have the fewest tax breaks. Big business seems to qualify for them where small business does not. I would really like to see the government take a look at some serious ideas for helping small business in this area.

The banks have not always lived up to their responsibilities. They are there to encourage small business and they are there to do it in a realistic way.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I have enjoyed today's debate because it clearly illustrates the different philosophies of the different parties. We on this side believe the role of government is to act as facilitator, to aid small businesses, to give them the types of tools required not only in the financial sector but also in the development of human resources.

The hon. member who has just spoken cited some of the areas in which she would like to see an improvement. She was referring to the concept of developing an apprenticeship system which might give some tax breaks to small business and providing the sorts of incentives that would result in the development of the type of workforce that may be more in tune with the economic reality of today's marketplace.

The federal government has initiated a number of programs in co–operation with the private sector which speak to the issues raised by the hon. member.

I had the pleasure on August 28 to be in the province of Quebec with the president of Chrysler Canada, the CARS Council and a local school board to engage in the type of partnership that will lead to approximately 1,000 jobs for young people. This is done through the youth internship program in co–operation with the National Sectoral Council.

I would like to speak about these initiatives because they address the human resources planning that a modern, developed nation should be addressing. In fact, surprisingly, the minister of education from the Parti Quebecois was present and co–operated with the federal government in kicking off this initiative.

● (1715)

What does this really mean? It means that we on this side of the House have realized we cannot have a program for every challenge we face. The answers are really found at the community level, at the industry level. Our role as a government is to bring about the meetings of the minds around the table, so that we can institute programs which deal with the challenges of the ever changing nature of the workforce.

At that announcement, Chrysler committed itself to provide an internship program for 200 young people. The sectoral council initiative committed itself to a cumulative number of 1,000. That means these young people will go through an internship program and will have a job waiting for them at the end of their one year or nine months worth of training.

This federal government initiative has been extremely successful. Under our red book commitment we originally stated that 24,000 young people would participate in this program. To date, 27,000 young people are participating. They are participating in programs I am certain will bring about positive changes in their lives.

Equally important is that for the very first time all sectors of our society, the educational institutions, industry, labour and management, together are addressing standards for the industry. They are addressing issues and concerns that have blocked the progress of a particular industry.

Whom are we linking these industries with? We are linking them with Canadians who are willing to learn a profession or trade so that they will have the type of skills required in the ever changing Canadian economy.

Why are we excited about these prospects? We are excited because we see our role as a facilitator to be a very important one in setting the parameters of economic development within our country. That is one initiative which has worked very well. We have linked our initiative not just to any industry, but we have linked our initiative to industries that provide jobs with a future.

For example in the automotive industry, gone are the days when there were mechanics. Those are jobs of the past. My father was in the trucking industry for a number of years. He would have the local mechanic look at his truck and the mechanic would put his ear near the engine to hear the noises. That is gone. Computer chips are now a very important part of the engine. The job of a mechanic is obsolete. What do we do? We have to retrain people to become auto technicians, to give them the tools to understand how the new engines work.

I give that example because I think it is a fundamental one. It clearly illustrates how quickly our country and our economy is changing. In the same way we cannot fix a 1995 car with a 1965 car repair manual, we certainly cannot fix the challenges we face in 1995, whether it is labour market strategy or small business initiatives, with 1965 programs.

• (1720)

This is very important to this government. It is for this reason that we have taken up the challenge to modernize Canada's social security system. This is the reason we are reviewing all our training programs. This is the reason we are promoting innovative programs and effective and strategic partnerships that speak to a modern economy.

How does this translate to the local reality where I live in my riding? What does this all mean to the residents of Aurora, Woodbridge, Maple, Richmond Hill, Oak Ridges, King and Nobleton? What does it mean to the over 260,000 people I represent in the House of Commons? How do I as a member bring about this vision of how we modernize and become more innovative in real terms? How do I make the translation from this beautiful Chamber of the House of Commons on to where the people live, play and work?

Yesterday was our anniversary as elected officials here. I have spent the past couple of years building the partnerships required to have real change occur at the community level. Last year I began planning and setting priorities for my area. I developed the York North technology strategy. Today I take this opportunity to outline some of its major principles.

Along with the residents of York North, I have realized quite clearly that in order to succeed in the new economy we cannot fear technology. We cannot fear technology infusion in the workplace. We cannot fear that in certain cases technology may reduce employment opportunities in old economy industries.

Instead of fear, the response I received from the residents of York North was one of excitement. Change in a society brings about two emotional responses: one either gets anxious about change or one gets excited. The people of York North decided that there was no great happiness in being anxious about change and technology and that we should not only absorb the technological revolution which is occurring globally but we should also find ways in which we could lead the way in our area.

I called a meeting of local stakeholders in my community, mayors, business representatives, members of labour unions. I called local school boards and people from the Career Foundation, the foundation which brings all these people together. I said that perhaps we should begin to experiment to find new ways of dealing with the technological changes that were occurring.

On September 11, 1995 we announced a major local economic development strategy, the York region strategic alliance. For now, it is a pilot project. What does it do? It gives the businesses in my area an opportunity to place their business in a database which can be accessed worldwide. We are not happy with just being able to access it within Canada. We understand the potential for export. We also are fully committed to building worldwide strategic alliances in order for business in my community to prosper. This is what some of the partners have said about the initiative.

• (1725)

Steve Quinlan, president of Seneca College, said that Seneca College, York region, the federal government and other partners have co–funded and developed a strategic alliance partnership to strengthen opportunities for jobs and growth. This initial research is a valuable resource, using information systems technology to rapidly assess regional needs in response to a changing global economy. This initiative is a pilot model to show how business, government and education can in fact work together.

Eldred King, chair of the Regional Municipality of York, stated that the strategic alliance initiative is an important component of the region's visions and plans for the 21st century. The region must provide leadership if change is to occur. He said that their plans strike a balance between economic growth, healthy communities and sustainable development.

Mayor Lorna Jackson from the city of Vaughan said that she was very excited that Vaughan was chosen as the test site. Not only is it one of the fastest growing cities in Canada, it is a bastion for industry. She stated: ''I have no doubt that we will serve our country proud''.

The reason I bring these names to the floor of the House of Commons is to clearly illustrate to Canadians that partnerships at the local level can work. Government, business and labour can come together to create the type of environment in which jobs flourish. This partnership is not just found in the riding of York North, it is found in every single community in Canada.

Hon. members should return to their ridings and engage local stakeholders to take charge of the future of the community. They should excite people about the new economy. There are great opportunities.

If there is one thing about the information highway, if there is one thing about the new economy, it is that they have redefined time and space. They have made geography less important. Now we are linked by satellite. The information highway will link us to the world. This is something we should be getting excited about.

We need to give people the tools. That is why I am happy with the commitment of the federal government to establish the Canadian Business Development Bank, which is providing people with the important capital to start their businesses.

That is why I am happy that on October 2 of this year I was able to establish the Vaughan Technology Enterprise Centre where 60 young people will be taught entrepreneurial studies. They will be linked with small business people in the community in a mentorship program. They will acquire the skills which are so important in creating jobs.

That is why I am so happy that the federal government has a program called self–employment assistance which has enabled 34,000 unemployed Canadians to create their own businesses. Better still, not only have they created businesses, they have created over 68,000 jobs.

That is the type of transition we want. We want people to get off the unemployment rolls of the country and onto the payrolls of this nation. It is happening in every single community.

I have a very clear message that we on this side of the House understand the important role small business plays. We want to clearly reach out in as many ways as possible to bring about positive change, jobs and healthy communities throughout this land.

The Acting Speaker (Mr. Kilger): I would like to inform the House, particularly the parliamentary secretary, that when we resume debate on Bill C–99 he will have approximately five minutes remaining, should he so choose, when the bill comes back to the House for debate.

Private Members' Business

It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

PROTECTION OF PERSONAL INFORMATION OBTAINED BY CERTAIN CORPORATIONS ACT

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.) moved that Bill C–315, an act to complement the present laws of Canada that protect the privacy of individual with respect to personal information about themselves obtained by certain corporations, be read the second time and referred to a committee.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, it is a pleasure to speak to the House today on the issue of personal privacy and specifically on Bill C–315.

Canadians are living in a world that seems to get smaller with each passing day. The distances that separate us from our families and friends are becoming easier to traverse. It has become easier to communicate with our families and with others around the globe. Sometimes, though, it feels like these same distances are becoming a little too short and the rest of the world is getting a little too close.

What has led to this dramatic change in our society? The answer is simple: the industrial and technological revolution that has so dramatically changed the face of Canada over the past 100 years. The telephone has brought friends and family from hundreds of miles away to within earshot of our voice. The car and the aeroplane have reduced long distance trips from months to a matter of hours. The computer has put volumes of information at our fingertips. The Internet has provided a gateway for the free flow of information to a knowledge hungry world.

Each of these changes has brought convenience to our daily lives. With each change came a loss of some small piece of our personal privacy. Historically our laws and traditions have responded to some aspects of the loss of our personal privacy. Trespassing laws and exclusion orders, for example, keep those we do not want to associate with at a distance.

Recent telephone innovations like call display and call blocking help us see who is trying to contact us and help us prevent unwanted calls.

Where we as a country fall short, though, is in our response to the growth of computer technology. This technology has the ability to retrieve, store and send vast amounts of information. The information age has brought a booming industry, creating a $300 million per year industry in the buying and selling of personal information.

Ontario's assistant commissioner for privacy recently exclaimed that privacy as we know it may not exist in the year 2000. The Privacy Commissioner of Canada, Mr. Bruce Phillips, agreed when he stated earlier this year that Ottawa should consider protecting the right to lead a private life and that in the next year or two is really going to tell the tale. Mr. Phillips clearly believes it is time for action in protecting personal information.

The Privacy Commissioner of Canada is not the only one who believes the time is now to protect privacy. The information highway advisory council, created by the Ministry of Industry, reported last month: ''Manipulation of data may occur without the consent of the individual from whom it was collected. Moreover, the information is often used for purposes unrelated to those purposes for which it was originally collected. Because of the enormous potential for abuse there is a need for effective privacy protection. Only Quebec has enacted specific legislation governing its private sector. The council believes strongly that there should be national legislation to establish fair information practices on the information highway''.

• (1735)

A recent Gallup poll conducted for Anderson Consulting, a private financial consulting firm based in Toronto, found similar concerns about privacy and the information highway: ''Notwithstanding strong interest in the information highway, Canadians have a high level of concern as to how it may affect their privacy. Asked to indicate their level of concern for their privacy because information about them might be collected by companies involved in the information highway, 83.7 per cent described themselves as very concerned or somewhat concerned''.

Bill C–315 responds to these calls for privacy protection. I should put forward a definition of the term personal information. The definition of personal information used in crafting Bill C–315 refers to data on an individual that are recorded. This could include name and phone number, business address and phone number, any identifiable physical characteristic, religion, national or ethnic origin, age or any information about education or financial history.

This information is recorded in many ways, including electronically such as on a floppy or hard disk, manually on paper or microfilm, or virtually as in computer memory or an electronic network.

Historically there are several sources that reaffirm the right to personal privacy. There is the right to privacy as guaranteed in both Bill C–62, an act respecting telecommunications, and in the 1989 case of the Queen v. Dyment, when it was established that the right to privacy does exist in Canada, that it existed before the charter of rights and freedoms and that the charter has not diminished that right. The CRTC has been vigilant in protecting this right especially with regard to junk faxes and messages.

There is the right to anonymity as determined by Telecom decision CRTC 92–7. In other words, all Canadians have the right to be left alone and the right to remain anonymous as they go about their daily activities.

In addition, the Organization for Economic Co–operation and Development, of which Canada is a member, has established a set of basic principles to help define and support the protection of personal privacy. These principles share a common theme that the collection of personal information should be open, accountable and limited to the purposes intended.

Canadians are often surprised when they learn how information is being collected and where it ends up. Personal information on Canadians is being collected in a wide variety of ways. Credit card applications, contest forms, polls and surveys, warranty cards, magazine subscriptions and other means are all used in one form or another to collect personal information.

By combining these individual client lists a detailed profile of an individual can be made without the knowledge of that individual. Firms in Canada and around the world are able to have multiple lists, cross referenced, and create a remarkably accurate portrait of an individual.

Allow me to quote from a recent consumer report study: ''By overlapping the data available through thousands of information systems it is now possible to create a remarkable picture of anyone. That picture could include your age, income, political party, marital status, the number of children you have, the magazines you read, your employment history and your military and school records. A database might also know what kind of breakfast cereal you eat, the make of the car you drive and even the brand of diapers your children wear''.

A recent article in ''Telecommunications Policy'' entitled ''Will My House Still be My Castle?'' added to this concern: ''In the future things will be very different. It will essentially be one stop shopping for the data gatherer in the digital super highway. Information gathering, analysis, correlation and dissemination can all be automated, depersonalized and made inexpensive. The time to establish coherent public policies and safeguards is before such systems are in place and adverse precedents and vested interests become established''.

• (1740)

Currently Canadians enjoy very little personal privacy protection. The current Privacy Act, Bill P–21, is limited to information held by the federal government and certain federal institutions. Similar laws exist in eight of our twelve provinces and territories.

In the Northwest Territories, the Yukon Territory, Prince Edward Island and Alberta action has not yet been taken to protect personal information held by these provincial and territorial governments.

When it comes to controlling information held by the private sector the picture is far less promising. Only Quebec has taken the bold step of limiting the sale and access of this personal information.

Through bill 68, the province of Quebec has given its citizens the power to say no to the sale or exchange of their personal information. No other provincial government has acted as decisively as Quebec in this important area. I applaud Quebec for its initiative here.

Even Quebec's law, though, is far from complete. Many areas of business such as banking, cable television and numerous transportation companies are beyond the reach of Quebec's bill 68. This leaves Quebecers as vulnerable to privacy breaches in the federal jurisdiction as their counterparts in the rest of Canada.

Private industry, in a bid to avoid further federal and provincial control, has tried to address these privacy concerns. The Canadian Direct Marketing Association has created a bureau to deal with client list complaints and circulates the names of individuals who do not want their names on any member lists. However, individuals must repeat the request several times a year to ensure their names stay off the computer lists. As well, not all direct marketers are members of the CDMA, making privacy protection a hit or miss exercise.

Recently the Information Highway Advisory Council called on the Canadian government to regulate the flow of personal information. The Canadian Banker's Association has also created a set of voluntary privacy guidelines. According to a director with the office of the privacy commissioner, though, these guidelines are wide enough to drive a logging truck through. The bank guidelines are so ineffective that the Royal Bank of Canada admitted in 1993 that it sometimes included client card numbers, names, ages and addresses to market research firms without the client's knowledge.

We have to face the facts. Self–policing is not working. I have seen case after case in which guidelines and bureaus have turned their heads when the corporations break the rules or, at the very best, have given them a very light slap on the wrist. Industry has clearly failed Canadians in this area and it is time for Parliament to take action.

With this in mind let us turn our attention to Bill C–315. The bill stems from the concerns of a constituent of mine, expressed to me when he learned he had ended up on some questionable mailing list through which he had received advertisements for explicit pornographic material. After doing some extensive research I learned the federal government has yet to seriously address the issue of personal privacy.

Bill C–315 is the first step in addressing this serious oversight. The bill was designed to work in harmony with provincial privacy laws such as Quebec's bill 68 and to respect provincial jurisdictions as outlined in the Constitution. At the same time, it sends a tough message to companies around the country that the misuse of personal information is a concern and that the privacy of people has to be respected.

Bill C–315 would require all companies covered by the Canada Labour Code to abide by some very strict privacy protection guidelines.

● (1745)

Before selling any list containing an individual's personal information, the person shall be sent a notice stating, first, that personal information about the individual as listed in the notice is held by the company; second, that permission is needed to keep the person's name on the list; and, third, that the person shall be told his or her name can be removed at any time at no cost to the individual.

At the same time any corporation using purchased lists shall send each individual on the list a notice containing, first, the source of this information; second, a description of the information held; and, third, a statement outlining how the individual can have that personal information removed from the list at any time and at no cost to themselves.

Companies receiving a removal request must comply within 10 days and confirm with the individual that his or her request has been acted on. Breaking this law would be classified as a summary conviction. For a first offence a company or individual breaking this law would face a fine of up to $5,000. A repeat offence could double the maximum to $10,000. Charges would have to be laid within one year of the offence.

I will be the first to admit that these are tough measures. In my view they only reflect the importance people place on their own privacy. Polls have shown time and time again that Canadians feel their privacy is at risk and action must be taken to reverse this trend.

Interesting enough, the criticism I have received concerning the fine limits is that the proposed fines are not high enough, that for large institutions affected by the bill the suggested fines would merely be a nuisance or a slap on the wrist.

The Canadian public wants to have more control over personal information. A national privacy survey published in 1993 discovered that 71 per cent totally agreed that privacy rules should apply to both government and business. Sixty–six per cent believe that the government should be working with business to come up with some guidelines on privacy protection in the private sector.

The Privacy Commissioner of Canada estimates that the average Canadian has his or her name crunched through various computers across the continent perhaps five to ten times daily. He further estimates that in the private sector alone $300 million a year annually changes hands in the buying and selling of client lists.

This industry is growing at an incredible rate as technological information becomes more widespread. The privacy commissioner thinks that now is the time to take action in the protection of personal information and I agree with him wholeheartedly. The rights to anonymity and privacy are constantly being threatened in the pursuit of information. It is time to restore a balance and return to Canadians their right to have some control over their personal information, privacy and anonymity.

Let us respect this right by supporting Bill C–315 when it is brought to a vote.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I appreciate having the opportunity to speak on Bill C–315, a private member's bill put forward by the member for Cariboo—Chilcotin.

I came into the House not as supporter of the bill initially when I read it. However after listening to the member's speech I became more and more convinced that he had the basis of a solid piece of legislation.

I cannot stand here today and make a final decision on what the government will decide in terms of voting on the legislation, but as a government we will have to look at the bill to see if there is some way to get it into committee.

Basically I support the aim of the bill. I want to make it perfectly clear that the way to achieving that aim should be modified. Some views have been put forward indicating that the bill is unduly burdensome on the industry and that it has a narrow focus when broad based measures are needed to ensure a level playing field for industry while protecting the privacy of Canadians.

• (1750)

Let us deal with the issue of it being unduly burdensome. The bill, and I am not saying it cannot be amended, would require that each time a mailing list is sold would necessitate notification and individual consent. More flexible approaches have been suggested such as the one using a combination of general principles and legislation coupled with industry self–regulation.

Another concern that has been put forward is about the focus of the bill being too narrow at this time. As the bill is written now it applies only to the sale of lists containing personal information when in reality the normal business practice is the rental of such lists. The bill focuses narrowly on lists when a vast amount of personal data can be blended and put together from the consumer transactional data currently exchanged between firms or within a large organization. The definition of personal information provided in the bill is unduly narrow. It is more restrictive than the definition of personal information found in the federal Privacy Act.

Also the bill only applies to corporations when mailing list information is often transferred between individual proprietorships and partnerships that are not organized into corporate forms. That can be fixed also.

Bill C–315 applies to the narrow range of corporations engaging in a federally regulated activity. As used in the bill, federally regulated corporations would include, most notably, those firms operating in the interprovincial and international transportation sectors: broadcasting, telecommunications and the banking industry. Needless to say, many corporations and sectors are exchanging personal data that fall outside these delineated categories.

The effect of the bill is to protect consumers in a narrow range of circumstances from a narrow range of commercial actors in a burdensome fashion without any co–ordination or harmonization with other current or proposed privacy initiatives. If passed in its current form, the result would not be a level playing field of the clear and consistent privacy rules applying to all sectors but a patchwork quilt of uneven privacy obligations from sector to sector, firm to firm, and jurisdiction to jurisdiction.

Other initiatives currently under way might provide a better approach. At least we can listen to some other initiatives. We are currently studying the options, as the hon. member knows. Most notable is the Canadian Standards Association model privacy code ratified in September by a committee consisting of a broad cross section of consumer, private sector and government representatives including Industry Canada's office of consumer affairs, Spectrum Information Technologies and telecommunications units.

Three years in the making the model code sets out 10 principles governing how personal information should be collected, retained, kept up to date, used and disclosed by the private sector. Adoption of the code by firms using mailing lists would tend to ensure that consumers are informed of the existence of such lists and are given the opportunity to consent to their use and to verify their accuracy.

• (1755)

The code is voluntary in nature but a number of different parties have suggested that it could become the basis for flexible framework legislation, leaving it to industry sectors to determine how they would meet the CSA, the Canadian standards.

The CSA code provides a clear example of the commitment and ability of consumer groups, the private sector and governments to work together to develop privacy protection solutions. As the member mentioned in his speech, the Information Highway Advisory Council recommended a broad based, flexible privacy framework legislation drawing on the CSA model code as a basis. We have also received a recommendation from the Canadian Direct Marketing Association urging the creation

of a flexible national privacy framework legislation using the CSA model privacy code as a basis.

The essence of both recommendations is the recognition of the need for coherent national privacy standards, protecting the consumer while providing the private sector with a flexible and level playing field.

The member has done a lot of terrific work on the legislation. We have heard him put forward many good ideas in his speech. Over the next while we will have to review the bill to see if there is some way to make some of the necessary amendments.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I rise to speak on Bill C–315, entitled the protection of personal information obtained by certain corporations act, sponsored by my colleague from Cariboo—Chilcotin. The bill seeks to enhance the protection of every citizen's right to privacy. Each and every citizen has a right to privacy that protects any confidential information.

Personal information is much more than data, much more than a simple product. It is the essence of who we are and defines our uniqueness. It not only describes the facts but the nuances of our life patterns and our choices. The importance of the right to protect that individuality is a measure of the importance of the individual in society.

The right to privacy is well established in our constitutional and legal history. It is recognized in our common law and has been recognized to be included in the charter of rights and freedoms. In Canada we value privacy to such an extent that we established a Privacy Commissioner of Canada in 1983. There are also provincial and territorial privacy commissioners including in my home province of British Columbia.

The importance of privacy for individuals and Canadian families is shown in that through 1994 and 1995 the federal office of the privacy commissioner processed over 1,300 investigations and dealt with over 10,000 inquiries from the public.

I should like to focus on the relationship between privacy, family and our current laws. Family is the fundamental building block in our society. It is the family that provides the social cohesion necessary for stability and prosperity in society. Many things are needed to promote and provide stability for families. Privacy is one of the essential elements needed to ensure inviolability of the home.

Increasingly, though, the family home is being subjected to intrusion from a number of sources. The age of contemporary information technology has meant that personal and confidential information has entered into the public realm with little or no safeguards established to protect the use and distribution of the information. With technology, data collection and assimilation become easier and less subject to scrutiny. Information from a multitude of sources can be accumulated, cross–referenced, and misrepresented with increasing facility and speed. While the public becomes increasingly conscious of uncontrolled information flow, they worry that the knowledge may lead to manipulation and intervention into their lives.

• (1800)

There is increasing public unease over the issues surrounding privacy. Almost 90 per cent of Canadians recently replied that they are concerned about their privacy. There is a mounting public pressure to initiate greater control to prevent abuse.

Of course the single largest collector of information on people is the government itself. We have legislation in place to attempt to control that information through the Privacy Act. A quick look at the statistics from the privacy commissioner is meaningful. According to the 1994–95 privacy commissioner's annual report, the number of complaints increased over 38 per cent from the previous year. The number of inquiries has risen from just over 1,000 in 1985 to nearly 10,000 in 1995.

The use of the multiple information database can construct a complete information profile on an individual or that individual's family. It can contain everything from their name to their age to their political affiliation, military service, and even information about related family members. As my colleague mentioned, it can contain the stores you shop at, the kinds of food you eat, and perhaps even your medical history.

The privacy commissioner has estimated that the average Canadian's name is processed through a computer five to ten times on a daily basis. I believe it is crucial for us to take the measures that are necessary to safeguard the privacy of individuals and their families. I believe Bill C–315 will do much to assist that.

Under the federal Privacy Act only government departments, ministries of state, and certain federal institutions are covered. This bill would expand those privacy laws by increasing protection to include federally regulated institutions. This bill would require that those companies that fall under the jurisdiction of the federal Canada Labour Code notify an individual whose personal information will be sold as part of a list to another corporation or client. It would also require that the individual concerned give their permission if they want their name on the list. This notice would outline the source of the personal information, a description of the information held, and a statement that the individual can have their name removed from the list at no cost to them. If an individual requests that his or her name be removed from the list, then the company concerned will be required to comply with that request within ten days and send a confirmation of that removal to the individual concerned.

This bill expands protection by amending section 2 of the Canada Labour Code to include banks, radio broadcasting companies, air transportation companies, any shipping lines that operate between provinces or between Canada and another country, any company involved in the railway, canal, telegraph, or other industries linking provinces, and any work identified under the Canada Labour Code or deemed for the general advantage of Canada. All these fall under federal jurisdiction and are federally regulated.

The dilemma of privacy issues has been all too common in our news lately. The news stories illustrate the tension that exists between cost efficiencies and the protection of the integrity of information for the protection of the individual.

For example, in my province of B.C. the provincial jurisdiction of privacy limits was recently tested with the introduction of a database on prescription drug usage. This program was introduced in the name of cost efficiency in the ever–diminishing health care system funding and for the health benefit of preventing incompatible or dangerous prescription overlap. However, there was a huge public outcry that the privacy of citizens would be threatened by the potential misuse of this database. The government did set about to dispel those fears and in fact has come up with some instructive examples of safeguards for a shared database.

I want to draw to the attention of the House a statement by the B.C. privacy commissioner, Dave Flaherty, who said that too many people have too much access to too much information on the computer system. That pretty well sums up much of the problem of all the world as we proceed with this privacy debate.

The banks are probably one of the largest non–governmental processors of private information and are also one of the strongest resisters to privacy legislation. They maintain that their voluntary code should be sufficient. There have been noteworthy attempts in all sectors to voluntarily protect the privacy of information. In addition to initiatives by the banks, in 1993 the Canadian Direct Mail Association adopted a compulsory code of conduct for its members.

● (1805)

I commend those in the private sector for voluntary measures they have taken. However, it is interesting to note that one of the largest public outcries to the privacy commission was as a result of a recent Visa gold card application of the Royal Bank. Typically, banks require a social insurance number specifically and solely for the issuance of interest statements under the Income Tax Act. Unfortunately, the Royal Bank's recent request for consent was far broader. It reads: ''If I have ever given you my social insurance number you may treat it as information and use it as an aid to identify me with credit bureaus and other parties. Even if I am no longer your client or this agreement terminates, you may keep information in your records and use it for the purposes noted above.''

It is such liberties that make the unbiased and arm's length controls of information necessary. With banking institutions offering services in diverse fields of deposit taking, trust processing, securities and insurance subsidiaries, it is necessary that the interests of the consumers and the marketplace be protected by comprehensive guidelines.

Potential for abuses must be recognized both in what services are allowed and in the regulation of the privacy of the information that is collected. With legislative rules and penalties there will come a predictable and enforceable protection for citizens.

Like all government initiatives, privacy regulation involves cost. Quebec introduced privacy legislation in the private sector two years ago. The Quebec experience would seem to indicate that their new private sector privacy commissioner has generated minimal resistance, very mild activity, with only 300 complaints, and minimal cost. This would seem to indicate that there can be an ongoing affordable privacy control within the private sector.

Ideally, the federal system should be designed to be self–funding if possible. The one question I would have of my colleague's proposal is the possibility of cost recovery for the program. The penalties imposed on large institutions seem small and may not serve either as a deterrent or be cost effective.

The challenge of protection of the right to privacy is great. The growth of that challenge will be exponential as new technologies and falling international, provincial, and private borders become more and more a reality, not only in the marketplace but in our homes. Government and voluntary attention must be given to this crucial concern.

Today I urge my colleagues from all parties to support my colleague on Bill C–315.

The Acting Speaker (Mr. Kilger): Before I resume debate, there has been an oversight by the Chair. In the normal practice of private members' hour on the first round I would see if a member from each of the official parties was seeking the floor and then revert to the normal procedure of government, opposition, and so on. An oversight caused me to fail to recognize a member from the Bloc Quebecois on the first round. I will now go to the hon. member for Drummond and then I will look to the government side, if in fact one should choose to speak. That will bring us approximately to the conclusion of the first hour of debate.

If there should be any questions, feel free to approach me at the chair and I will explain it further with the appropriate time allocations that have been distributed evenly this evening.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I rise in the House today to speak to Bill C–315 standing in the name of the hon. member for Cariboo—Chilcotin.

The purpose of this bill is to complement the present laws of Canada that protect the privacy of individuals with respect to personal information about themselves obtained by certain corporations. It is part of a debate that has been going on for several years about the best way to protect personal information obtained or held by federally regulated private corporations.

In the public sector, the federal Privacy Act already protects employees and the public against abuse of this information. However, this legislation does not in any way affect the activities of private companies that are subject to the Canada Labour Code. The latter are therefore free to act as they see fit.

● (1810)

Although it is certainly not my purpose to point an accusing finger, we must admit that in some cases, this could lead to abuse both unpleasant and unfortunate.

In Quebec, as the hon. member pointed out on first reading of this bill, a number of unique legislative measures were introduced to improve the protection of personal information. In fact, Quebec's Civil Code deals with the issue of protecting individual privacy, which provisions came into force by a decision of the National Assembly in 1993.

The Commission d'accès à l'information, chaired by the former director of *Le Devoir*, is responsible for implementation of the various provisions included in the Act respecting access to documents held by public bodies and the protection of personal information. Finally, since 1994 the same commission has been responsible for implementing legislation on the protection of information in the private sector.

This goes to show that the protection of personal information, both in the private and public sectors, requires considerable co–ordination between the various acts and regulations and the activities of those responsible for compliance and enforcement. Although I did not say so explicitly, it is of course not easy to protect privacy fully and effectively. In this respect, Bill C–315 may seem to be somewhat lacking.

First, in its present form Bill C–315 regulates only the sale of lists. These lists of names containing personal and confidential information could therefore be lent or given away without breaking the law. Since these are still the same lists with the same information, it seems to me that the mere fact of passing them on to various organizations, for purposes for which they were not intended initially, should be prohibited and punished in the same way, whether or not any money changed hands.

Another aspect I think is unsatisfactory is the description or enumeration of what constitutes personal information. As we read the bill, we see that information as important as mother tongue, place of birth, sexual orientation and political affiliation is not included. Does this mean that this kind of information is not important enough to warrant protection? It would be important, in my opinion, for all information liable to trafficking, or rather to commerce, to be protected.

Another point: Bill C–315 deals with the transmission of lists containing personal information. This implies that any entrepreneur so desiring may, in total legality, sell information concerning one individual without risking any sanction. This point, in my opinion, constitutes a significant glitch in the very principle the bill is defending.

Before I conclude, looking at the sanctions set out in the bill, it will be seen that fines for noncompliance range from $5,000 to $10,000. To large companies, which generally have fairly sizeable lists, these fines do not mean much, particularly when we know the price a list containing confidential personal information can command.

There is no point here in continuing to examine Bill C–315 line by line. Merely reading its contents, plus a proper knowledge of the situation it is trying to control, is enough to understand that this bill, although well intentioned, is far from being equal to the objective it has set itself. There are many shortcomings in this bill. A number of amendments could be made to it. It seems to us that the best way of ensuring a complement to the present laws of Canada that protect the privacy of Canadians might have been to follow the same path as the new Quebec Civil Code. However, since the bill represents at least a small step forward, the Bloc will support it.

● (1815)

[*English*]

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, I applaud the efforts of the hon. member to address a practice that is of concern to many consumers. He and I are two of them.

It is certainly true that when we speak about the problems of protecting personal information, probably at the top of the list are complaints and calls by telemarketing firms that usually call at the dinner hour and follow those calls up with unwanted flyers and advertisements.

While I agree with the spirit of the bill, I have discovered that it has its gaps. It is also cumbersome and overly restrictive, particularly in light of the more broadly based and flexible options that are currently on the table. I will get back to that in just a moment.

As part of a global economy, we can expect that cross–border consumer transactions will of course only increase, and with them a related growth in direct to home sales of the type that make regular use of mail lists in order to gain access into Canadian homes.

Mailing lists, when combined with other transaction related databases such as credit ratings and financial accounts, can be assembled into profiles of individuals. These records can cross national borders, be exchanged, resold, reused, or integrated with other databases often without consent or remuneration for purposes unrelated to those for which the data was originally collected.

In some ways this type of information sharing can be beneficial to Canadians in the sense of targeting marketing of services and products to consumers with particular interests in particular items. However, consumers are frustrated and angry when subjected to perceived intrusions by commercial interests into their personal domain.

Personal information privacy is an issue of considerable importance to Canadians. I have a copy of a survey released earlier this month, October 5 to be exact, conducted on behalf of two Canadian consumer groups, indicating that 90 per cent of consumers are concerned about personal information being shared between private firms. However, that same survey also suggests that consumers do not want any additional burdens imposed on them in order to protect their privacy.

While I think my friend across the way has presented some good ideas, and my colleague for Broadview—Greenwood has suggested that a bit of tweaking in the bill might find some favourable response, the approach adopted in this particular bill is truly highly restrictive and even burdensome.

The bill would require that an organization notify each individual on a mailing list each time the list is sold to another organization and then ensure that an individual's consent has been received. In addition, it requires that the organization buying the list also notify the same individual that their name has been obtained. Organizations would have up to 10 days to comply with the requests from individuals to have their names or certain elements of information removed from the lists. Fines for repeat offenders, if I heard it correctly, can reach $10,000 or more.

Not only is this burdensome for the consumers, preventing them from consenting to occasional mailing list exchanges between firms in prearranged circumstances, it is also burdensome to individual firms. More often than not, increased burden to firms translates of course into increased costs for products and services ultimately paid for by, guess who, the consumer.

Bill C–315 also has a number of gaps in the following areas. First, it applies only to the sale of lists containing personal information, when in reality the normal business practice is the rental of such lists.

Second, the bill focuses narrowly on the lists, when in fact a vast amount of personal data can be blended and put together from the type of consumer transactional data currently exchanged between firms or within a large organization.

Third, the definition of personal information provided in this bill is narrow and more restricted than the definition of personal information found in the federal Privacy Act.

Fourth, the bill applies only to corporations when in fact mailing list information is often transferred between individual proprietorships and partnerships that are not organized into corporate forms.

● (1820)

Fifth, Bill C–315 applies only to that narrow range of corporations engaging in a federally regulated activity. As used in the bill, federally regulated corporations would include those firms operating in the interprovincial and international transportation sectors, broadcasting, telecommunications, and banking. Needless to say, there are many corporations and sectors exchanging personal data that fall outside of those categories.

The effect of the bill then is to protect consumers in a narrow range of circumstances from a narrow range of commercial entities in a restrictive and even burdensome fashion without any co–ordination or harmonization with other current or proposed privacy initiatives. If passed the result would be a patchwork quilt of uneven privacy obligations.

The hon. member might not be aware of other positive initiatives that are currently under way. I think some of them have already been referred to by my colleague, the member for Broadview—Greenwood. I do not know if the hon. member is familiar with the Canadian Standards Association model privacy code. It was ratified last month by a committee consisting of a broad cross–section of consumer, private sector, and government representatives, including Industry Canada's office of consumer affairs and spectrum information technologies and telecommunications units.

Three years in the making, the model code sets out 10 principles governing how personal information should be collected, retained, kept up to date, used, disclosed by the private sector. Adoption of the code by firms using mailing lists would tend to ensure that consumers are informed of the existence of such lists and given the opportunity to consent to their use and verify their accuracy.

The CSA code provides a clear example of the commitment and ability of consumer groups, the private sector, and governments to work together to develop privacy protection solutions. The Minister of Industry is currently considering the recommendations of the Information Highway Advisory Council, which reported to him September 27. Among other issues, the Information Highway Advisory Council addressed the privacy

implications of interactive converging telecommunications and information technologies.

The Information Highway Advisory Council stated: "In order for consumers and users to benefit from electronic information networks, there is a need for a coherent national standard as to what constitutes effective privacy protection in an electronic environment among business, consumer organizations, and governments. The council believes that such a standard can be best achieved through legislation".

As well, the council stated that the federal government must take leadership through the creation of a level playing field for the protection of personal information on the information highway by developing and implementing a flexible legislative framework for both the public and private sectors. The legislation would require sectors or organizations to meet the standards of the CSA model code while allowing the flexibility to determine how they will refine their own codes.

The minister has also received a recommendation from the Canadian Direct Marketing Association urging the creation of flexible national privacy framework legislation using the CSA model privacy code as a basis. I am reiterating the CSA's model privacy code as the basis for these different approaches, but that seems to be the foundation for those approaches. The essence of both these recommendations is recognition of the need for coherent national privacy standards, protecting the consumer while providing the private sector with flexibility and that level playing field we have been speaking of. The CSA model privacy code represents a potential basis for development of flexible national standards.

I am in agreement with the spirit of Bill C–315 as put forward by our colleague opposite and I can applaud the efforts of the hon. member in this regard. However, because of the gaps and some inconsistency for the national perspective and some of the burdensome regulations that are addressed in the bill, I cannot support its contents.

● (1825)

All of us have characteristics and facts about us which are of interest to many people. I cannot begin talking about all the information private firms would like to have about us without also thinking of that vast array of information the government has about us. We know of some of the abuses of that information, its lack of accuracy and its inaccessibility to the individual in order to check its accuracy.

There was a very interesting case about which I will not divulge all the details. As a member of Parliament, I was approached by an individual who was caught in a cross web of government databases. Before he knew what was going on, he was having some very serious problems with the government. The government thought there was money owing on a student loan account but there was not. It took a lot of work to get that straightened out. The information was wrong. He had a lot of trouble finding out what information the government had on him. Information was missing. The government said that because it did not have that information, what he was alleging was not true. It went on and on.

The same thing is true with data which is gathered by private firms in order to know more about us. To a degree, I agree with this. There is a value for organizations like financial institutions to maintain databases. It protects us. That is if the databases are properly managed and there is accountability built into the system.

For example, I do not think credit ratings are all wrong. I like the ability of applying for a loan and receiving speedy service. That is only possible because businesses can very quickly check whether I paid my last loan. If they could not do that quickly and reliably then of course it would take them longer to check it out.

Also, as a consumer I could end up paying for more people who take loans and then disappear without paying for them. With the modern database systems it is possible to find out a person's history and consequently deny that person a loan because of his unreliability in repaying. As a person who pays interest to financial institutions I could then be spared the cost of picking up the tab for both the principal and the interest which was lost.

There is some merit to this but certainly as in many other areas, whether it is government or corporations, there needs to be accountability. We ought to look very seriously at the proposed bill in terms of the accountability and accessibility it would provide to a person who wants to find out what is known about him.

The government likes to have all kinds of data on us, income tax information, where we earned our money, how much, how much we gave to charity and all the details of our personal financial lives. These data need to be accurate. Like government, organizations like to keep census. They like to know everything about us, our religion, how many children we have. They want to know whether we own or rent our residence. They want to know whether other people live with us. On and on it goes. There definitely needs to be a limitation on business and government on how much data can be gathered.

● (1830)

In order to make this efficient there should be a procedure where individuals give consent at the time of giving the information or where they may refuse it. Although the private member's bill says the firm which proposes to sell a list needs to check with the individual on the list to gain permission, it would be much better if each database were flagged. If I indicate at the time I give information that my name is not to be passed on to another buyer of the list, it could simply be another field in the database. Then that information would not be given and it would not incur the cost the hon. member opposite was complaining about.

Certainly to mail consent forms to thousands of people on a list would be very costly. This could be done in advance and would protect individuals from having their data circulated all over.

I was able to find a few examples of people who use databases incorrectly. Many of us are now involved with the Internet. I remember when I first signed on with the firm I am using, at the top I was asked: ''Do you give permission for your name and your Internet address to be in the database that is searched by other members?'' I gave permission because I want people to be able to find me. If they look for my name in the city where I live, my name and my Internet address will come up.

There have been some serious examples of breaches of this principle. An example to which I take great offence is from New Zealand. A chocolate factory there obtained a client's list from a weight reduction clinic and used that client list to produce some personalized advertising for their chocolates. That is an unfair intrusion into a part of the population that might have a weakness in that regard. That type of thing also needs to be prohibited. Of course there have been many cases of people who have used databases for illegal purposes.

It is most important that consent be given either in advance or at some future time before the data are passed on to another firm or another business.

I had a very interesting example of my name coming up. I received a brochure that was mailed to me. It had my name and my correct address. When I opened it I was amazed to find out it was totally in French. Unfortunately I do not speak French, I wish I did. I could not understand it but I could figure out that it had to do with a contest. There was a picture of a new car. I thought: ''This has to be my lucky day. They have written me a personal letter to tell me that I have won this car''.

I wrote a letter back and apologized for not knowing the language. I also told them that clearly from what information I could gather I had won this new vehicle and I would be very willing at their convenience to show up at the specified place to collect it. I thanked them greatly for that.

That is a very dramatic way to emphasize it but I knew that I had to do something that was really spectacular in order to get their attention because of other situations where I have received information and could not get off the mailing list. I tried and I could not. I wrote a letter and the mail kept coming. It seems these data lists go from one owner to another and even though the last purchaser may purge the list of my name, the next week the parent corporation sends an update of the list and my name appears again. It is virtually impossible to find out from where the name originates because these lists are passed from one firm to another to another.

I commend my colleague for this bill. It certainly points out a need. I am not sure that in all details it totally answers the question.

I would like to see that little amendment to give a disclaimer or a refusal to pass on the information at the time of giving information. In general the principle of the bill is sound and I am glad to support it.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

It being 6.35 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.35 p.m.)

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