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OFFICIAL REPORT
(HANSARD)

Friday, November 24, 1995

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Friday, November 24, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BANK ACT

Hon. Douglas Peters (for the Minister of Finance, Lib.) moved that Bill C–100, an act to amend, enact and repeal certain laws relating to financial institutions, be read the second time and referred to a committee.

He said: Mr. Speaker, it is a pleasure to launch second reading debate on Bill C–100. The legislation offers concrete, well considered measures to further enhance the safety and soundness of Canada's financial system.

These measures are the culmination of an extensive consultation process. I take this opportunity to extend the government's thanks to the many industry participants and other stakeholders who provided constructive insightful advice and to the Senate committee for its extensive hearings and report. As well I express appreciation to the Standing Committee on Finance for its decision to hold advance hearings on Bill C–100 during the summer parliamentary recess.

The presentations received by the committee were invaluable groundwork for effective clause by clause review of this wide ranging package. It will ensure that the legislation we approve will fulfil the best interests of consumers, financial institutions and their stakeholders, as well as the Canadian economy.

There is no question that sound, secure financial institutions are a fundamental requirement for national economic well–being.

Canada is blessed with a world class system. The financial sector is very much a part of a world of dramatic, accelerating change driven by new technology, by surging globalization, by new consumer demands and by heightened competition. That is why we are introducing the legislation now rather than waiting for the mandate in the 1997 review of financial regulations.

As I said in many forums, we are acting now not because the system is broken, and it surely is not, but to maintain a dynamic, competitive system. We must do our part to help it evolve with market trends and respond to recent experiences. That is why Bill C–100, dedicated to safety and soundness, responds to our experiences with financial institutions that have recently failed.

The changes in Bill C–100 are not patchwork nor band–aid measures. They flow from a series of basic principles outlined in the white paper we issued last February. They include that the ownership of a financial institution is a privilege and not a right, that it is preferable to have early intervention and resolution of institutions experiencing difficulty, that financial institutions must operate with sufficient incentives to solve their problems in a timely manner, and that there must be appropriate accountability and transparency in the system.

The first principle, that ownership of a financial institution is a privilege and not a right, is virtually a given, but good principles are worth reiterating from time to time. More important, we believe the principle leads to an important corollary. In certain circumstances it may mean that the interests of depositors, policyholders and creditors will take priority over the interest of shareholders.

This is why we believe it is necessary to provide the Office of the Superintendent of Financial Institutions, OSFI, with the new powers needed to resolve a troubled firm's problems early on. Financial institutions need incentives to manage their risks adequately. When an institution fails to manage its risks and experiences financial difficulty, it is then to the advantage of depositors, policyholders and creditors of the company to have the situation resolved promptly.

This would not necessarily mean that the institution would be closed. For example, the institution could develop a plan to implement changes that would solve its problems. The simple fact is that early resolution is likely the best way to prevent substantial losses to depositors, policyholders, creditors and potentially shareholders.

The legislation stakes out the clear position that if an institution is facing difficulty owners do not have the right to continue in business until they hit the brick wall and cannot pay liabilities as they come due. This leads to another closely related point. Our regulatory approach must recognize that the failure of a financial institution does not in and of itself represent a failure of the supervisory system.

In a vibrant, competitive marketplace firms can and do fail. No system can forestall every institutional failure unless it is given the authority and the resources to oversee all management decisions and unless institutions are severely restricted in the loans and investments they can make. Canada could not afford the price of such a failure safe system, even if it did work. My experience of almost 40 years in financial institutions clearly indicates to me that it would not. However, even if it did work, the result would be to strip the industry from contributing to the dynamism, growth and evolution of the economy.

One final principle is the need for transparency of the supervisory system. It is important that financial institutions understand the steps authorities could be expected to take if the financial condition of an institution deteriorates. Furthermore the supervisor must have a clearly defined role.

• (1010)

A new legislative mandate for OSFI notes the importance of OSFI taking prompt action to deal with institutions in trouble. The guide to intervention we have also set out clarifies the actions that could be expected and the role of OSFI and CDIC.

I have highlighted the key principles underlying our proposed legislation. Let me now turn to some of the specifics of Bill C–100. The legislation includes amendments to what are collectively referred to as the financial institution statutes including the Bank Act, the Trust and Loan Companies Act, the Insurance Companies Act and the Co–Operative Credit Associations Act.

A key thrust of the new regime as highlighted is to allow the superintendent, where circumstances warrant, to take control of a troubled institution earlier than at present including the authority to close an institution before its capital is depleted.

The function of the Minister of Finance will also be affected. He or she will no longer have to come to an independent view of the solvency of an institution. The legislation places this responsibility more appropriately in the hands of the regulator involved with the day to day activities of the instutition.

Other changes are being made to move responsibility for approving matters of a more technical, supervisory nature from the minister to the superintendent. The minister, however, will continue to play a key controlling part in the process with final responsibility to determine whether or not it is in the public interest to close an institution.

Increasing OSFI's scope for early intervention provides an incentive for problem prevention, not just a means of resolution. Under the proposed legislation troubled financial institutions will understand that OSFI will take action if its concerns are not dealt with promptly.

Another important element of Bill C–100 deals with information, which is a critical commodity for effective public and regulatory decision making. That is why we are amending the statutes to facilitate the release by federal financial institutions and by OSFI of more information on the financial condition of institutions. I do not, however, believe that financial institutions or OSFI should disclose information regarding regulatory actions. Doing so could create self–fulfilling prophecies with detrimental consequences for the institutions.

I emphasize that OSFI's role is not and cannot be to micro manage financial institutions. Nor do we deploy an army of examiners to scrutinize federal financial institutions. That is why we must place constant emphasis on corporate governance. The boards of directors are on the frontlines ensuring problem prevention and good management. Bill C–100 takes important steps to strengthen the effective, independent corporate governance that is a vital part of strong, prudential framework.

First, the legislation proposes that the superintendent will have the power to designate certain directors as affiliated for purposes of the requirement that one–third of directors of an institution be unaffiliated.

Second, the legislation proposes changes that will prevent the board of a financial institution from being identical to an unregulated parent firm. This will help ensure there are directors of a regulated institution who will focus primarily on the institution's interests.

Third, the legislation will empower the superintendent to veto the appointment of directors and senior officers of troubled institutions.

Legislative amendments are being made for insurance companies so that the superintendent can employ the services of an external actuary at the company's expense in certain circumstances. There will also be a separation of the function of corporate chief actuary from certain other executive positions to avoid potential conflicts. OSFI will have the explicit authority to develop standards of sound business and financial practices for insurance companies.

Now let me turn to the amendments that Bill C–100 makes to the Winding–up Act. As part of the early intervention policy these amendments will provide additional grounds for obtaining a winding–up order for a financial institution.

• (1015)

The act is also being amended to provide more flexibility to restructure, under court supervision, the affairs of insurance companies in liquidation. As a result of these provisions a liquidator will have greater scope to enhance the value within the estate and improve recovery of assets disposed of by the liquidator, all of which will go to the benefit of policy holders.

The principal changes are designed to provide for earlier closure of problem federal financial institutions in cases where this would reduce the loss to consumer stakeholders.

I will touch on a third area of action under Bill C–100, the amendments to the Canada Deposit Insurance Corporation Act, or the CDIC act. This is another aspect of our emphasis on the principle of incentives for timely problem solving. The act is being amended to allow the CDIC to develop a system of varying premiums on member institutions based on the risk rating of specific firms, reflecting the risk they could bring to the deposit insurance fund.

The risk rating would provide a clear signal from the CDIC to the company's board of directors and management concerning the level of risk. More important, such an approach will recognize firms for good management.

As well, the government is making changes that will allow the CDIC to act as receiver of an unhealthy member institution's assets and to sell those assets along with a package of liabilities to a healthy institution. This should permit CDIC to obtain more value than it would if the institution was liquidated and its assets sold.

I want to turn to a final important area of change proposed by Bill C–100, which is one dealing with transactions between financial institutions here in Canada and with the rest of the world.

Through this legislation we are proposing a new act, the payment clearings and settlement act. It is designed to ensure that major clearing and settlement systems for financial transactions are designed and operated properly.

By the term ''properly'' we are addressing two clear concrete objectives. The first objective is to reduce or eliminate systemic risk to the Canadian financial system by ensuring that the failure of one participant in a clearing system will not lead to a domino effect by bringing down other members of a group. Second, it will enhance the international competitiveness of Canada's clearing and settlement systems.

The key components of the legislation are as follows. They will give the Bank of Canada explicit powers in the oversight of clearing and settlement systems that are potential sources of systemic risk. Again I emphasize systemic risk. Systems designated by the bank would be subject to bank oversight.

Second, they will provide the Bank of Canada with the capacity to participate in aspects of these clearing and settlements, such as the large value transfer system, or LVTS, as well as to serve special functions, such as guaranteeing settlement.

Third, they will give statutory recognition to netting arrangements in payments and other clearing and settlement systems in order to ensure that Canadian participants in derivative markets have greater certainty that their transactions will close. This will ultimately mitigate systemic risk.

I want to dispel concerns raised by the Quebec government last August. Systemic risk is an issue internationally and it is the central banks that have led in the development of measures to deal with systemic risk concerns in various fora, such as the Bank for International Settlements, the BIS.

Let me be very clear. The proposed federal legislation is not aimed at, nor will it result in, the regulation of securities markets. The focus of the Bank of Canada's oversight role is very different from that of the provinces. It does not in any way infringe on any province's jurisdiction.

● (1020)

I have talked at some length because this legislation covers much ground and deals with important issues. I believe Bill C–100 will help Canada's financial sector preserve and improve its world class stature to the benefit of all stakeholders and all Canadian citizens.

The measures we have proposed strike a critical balance between on the one hand, protecting the rights of depositors, policyholders and creditors and, on the other hand, facilitating innovation and growth in economic activity.

Canadians expect the government to ensure that their hard earned savings and investments will be well protected. The legislation will ensure we have the best and most efficient regulatory system, one that recognizes the interests of policyholders, depositors and creditors as well as one that promotes dynamic economic growth.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to rise on the subject of Bill C–100, an act to amend, enact and repeal certain laws relating to financial institutions. Permit me first to say that the Bloc Quebecois disagrees with three aspects of Bill C–100.

The objectives of the bill are highly laudable, particularly the one aimed at reducing the potential for systemic risk—the creation of the domino effect—within financial circles. For those who are not familiar with these financial terms, there is potential for systemic risk when one financial institution is unable to meet its obligations and drags the entire financial sector along with it. It is a sort of domino effect where one institution is unable to pay another, the other cannot pay the next, and so on. In short, we end up with a financial catastrophe such as we saw recently in western Canada.

Reducing the potential for systemic risk is highly laudable. However, when it serves as a pretext to slip through the back door into exclusive provincial jurisdiction, and specifically that of Quebec, it is no longer acceptable. I refer here to the securities sector. Securities do not escape from the application of the new provisions on financial institutions. Under subsec-

tion 92(13) of the Constitution Act, 1982, jurisdiction over the securities sector is a matter for the provinces, for the Government of Quebec.

This jurisdiction, based on the Government of Quebec's exclusive powers over property and civil rights, was confirmed by the case law of the Supreme Court of Canada, which added provincial regulation of the securities market to property and civil rights. It has been clear since 1982. Now the bill is directly targeting the field of securities.

This is strange. We are barely over a constitutional debate, a referendum campaign, in which our colleagues opposite argued: ''Yes, we will make certain changes to the system. Yes, we will respect Quebec's jurisdiction. Yes, we will have a good understanding in the future''. This is what they told Quebecers, they said: ''If you vote no to Quebec sovereignty, things will go well, you will see''. A few weeks after the result, Quebec is being treated with arrogance and cynicism with the tabling of a bill such as Bill C–100.

What is more, this bill, in addition to invading Quebec's exclusive jurisdiction, accords unheard of powers to the Bank of Canada and the Department of Finance.

• (1025)

I am referring to the provisions on pages 117 and 118 of the bill, which stipulate that the Bank of Canada may enter into an agreement with a clearing house or a participant, or both, in respect of: netting arrangements; risk sharing and risk control mechanisms; certainty of settlement and finality of payment; the nature of financial arrangements among participants; the operational systems and financial soundness of the clearing house.

In addition, the Directives section of the bill provides that, and I quote: ''Where the Governor of the Bank is of the opinion that a clearing house or participant is engaging in or is about to engage in any act, omission or course of conduct that results or is likely to result in systemic risk being inadequately controlled—the excuse of systemic risk, or—that the designated clearing and settlement system in respect of the clearing house or participant is operating or is about to operate in a way that results or is likely to result in systemic risk being inadequately controlled, the Governor may issue a directive in writing—not a proposal or suggestion but a written directive—to the clearing house or participant requiring it to cease or refrain from engaging in the act, omission or course of conduct, and perform such acts as in the opinion of the Governor are necessary to remedy the situation''.

Do you know what this means? It means that the Governor of the Bank of Canada could issue directives not only to clearing houses but also to participating institutions telling them how to conduct their business. It means that, if the institution is a participant, as specified in this provision, the Governor of the Bank of Canada could tell this institution what to do; it makes no difference whether this institution is a provincially chartered bank or a player in the securities industry.

Under this bill, the Governor of the Bank of Canada may issue directives to a clearing house or a participant. This means that he could—he has the authority to do so—issue directives to an institution like Fiducie Desjardins, Lévesque Beaubien Geoffrion and Leclerc, and Desjardins' central branches for example. These are all provincially chartered institutions in the securities industry. Such an invasion is unacceptable.

I would say that this invasion is even worse than the recent federal invasion in the area of manpower training for example. It is worse in the sense that it touches one of Quebec's sacred cows. It touches an area under the exclusive jurisdiction of the Government of Quebec, as recognized in the Constitution imposed on us by the current Prime Minister in 1982.

It takes a great deal of self–righteousness and cynicism to do something like that.

Mr. Boudria: Thank you for your generosity.

Mr. Loubier: I can hear my Liberal colleagues, and the Liberal whip in particular, scoff at the arguments we are putting forward.

Mr. Boudria: Not at the document, at you.

Mr. Loubier: I would tell the hon. member that his friend Daniel Johnson, in Quebec, Daniel Johnson himself took offence at this federal invasion. Daniel Johnson himself wrote to the Minister of Intergovernmental Affairs, because he found appalling that a bill has been on the table since last year to invade one of Quebec's areas of jurisdiction.

So, Mr. Speaker, when even strong federalists like Daniel Johnson, like the government whip who scoffs at the arguments we put forward, take a stand similar to ours, this goes to show that there is major consensus on this issue in Quebec.

It is a unfortunate that the people across the way show this kind of an attitude. Instead of listening to our arguments and amendment proposals concerning the bill, they poke fun at us. Such an attitude is unacceptable in this House, and it has been going on for about a month, since the end of the referendum campaign.

I do not know if you can do something about it, Mr. Speaker, but I would really like our friends opposite to listen to what we are suggesting instead of acting like they are this morning, throwing arguments without substance at us and mocking us.

Can you call for order, please, Mr. Speaker? He is making me lose my concentration.

The Acting Speaker (Mr. Kilger): Sometimes the House gets somewhat animated and that is understandable. However, following the request made by the hon. member for Saint–Hyacinthe—Bagot, I am asking for the co–operation of the House, so that members who have the floor can speak in an atmosphere of mutual respect.

• (1030)

Mr. Loubier: Thank you, Mr. Speaker. It is rather unusual to see a whip get involved at this stage.

I was mentioning the powers given to the Bank of Canada regarding clearing and settlement houses. Let me quote the brief recently submitted by the Quebec securities commission: ''The powers given to the Bank of Canada regarding the clearing and settlement system would constitute an infringement on the authority given by the Quebec legislator to the securities commission. Most of the powers given to the Bank of Canada are a replica of those delegated to the Quebec securities commission more than 10 years ago. The only difference is that the Bank of Canada's authority, as provided in the schedule to Bill C–100, is based on a desire to control the systemic risk by invoking the national interest, while the authority of the commission relates to the overall market regulations''.

If we look at the bill, we see, given the schedule and the new powers delegated to the Bank of Canada, that the bank, through its authority to give directives to a clearing house and a participant, does exactly the same as the securities commission. For example, under Bill C–100, the Bank of Canada would exercise powers which are an integral part of the authority given to the securities commission, such as giving clearing houses and their participants directives akin to an order to do or not do something. Such power is given to the Quebec securities commission through its incorporating act.

''Since the Bank of Canada should be informed of any change in the internal regulations and rules of operation of the clearing houses, this means that it exerts a supervisory power over these changes. The Commission des valeurs mobilières also has the power to approve these modifications. Finally, the Bank of Canada is empowered to inspect clearing houses, which duplicates the power assigned to the Commission''. This is a quote from the Commission des valeurs mobilières.

Not only, then, is there encroachment on an area of jurisdiction that belongs exclusively to Quebec, but they have also taken the luxury of creating duplication and overlap in times of austerity budgets, after all we have heard from across the way in that connection. After hearing the Minister of Intergovernmental Affairs, the Prime Minister himself even, saying that action will be taken to reduce duplication and overlap, now we are presented with a bill that does exactly that, creates a double structure, a double role, that encroaches on an area of Quebec jurisdiction, that makes institutions such as the Bank of Canada duplicate the work of others. It is inadmissible and nearly unbelievable on the one hand, and on the other it creates flagrant inefficiency through overlapping of resources in the area of financial institutions.

As for systemic risk, as I have said, we agree with the objective of reducing it. It is a most praiseworthy objective and one shared by all nations throughout the world. It is, however, a false pretext for giving such a broad and powerful mandate to the Bank of Canada, particularly in an area of jurisdiction that belongs exclusively to Quebec, securities.

All that the government could do to reduce systemic risks would be to improve what is called the large value transfer system, by putting into place an electronic clearing system which will ensure the final character of the clearing transaction, and will make it possible to pay out, perhaps not immediately, but within the day. If the Secretary of State is familiar with such a system—and I am not convinced that he is all that familiar with it, judging by the responses he gave to the finance committee, but let us assume his familiarity—this was specifically one of the recommendations by the internationally renowned group of 30. This was precisely what they said in 1989, that it was necessary to implement and perfect a large value transfer system, so as to reduce the systemic risks on the financial market.

• (1035)

This recommendation by the Group of Thirty was so good that the Governor of the Bank of Canada, speaking to members of the financial community this summer before he appeared before the finance committee on August 15, acknowledged that it was enough to improve the large value transfer system in order to reduce, and in fact, if I remember correctly, he did not say reduce, he said eliminate, in referring to the most ambitious risk taking that went on, more ambitious than most people are prepared to undertake. In other words, to eliminate systemic risks, all we had to do was improve the large value transfer system.

There is no need to intrude on the jurisdictions of the Government of Quebec. There is no need to give the Governor of the Bank of Canada extraordinary powers to issue directives to provincial chartered institutions involved in the securities sector. There is no need to create unnecessary friction between the federal government and the Quebec government. All we have to do is improve the large value transfer system. That is all.

So why does it again boil down to encroaching on one of Quebec's jurisdictions? Why give the Governor of the Bank of Canada considerable powers and take away from the Government of Quebec its power to control the development of the securities sector? Why?

Again, I put this question to the Governor of the Bank of Canada on August 15, but I did not get an answer. I asked him about the difference between the speech he made before the

finance committee and the one he made this summer, when he said: ''I do not need additional powers; all I need is a better large value transfer system''. The debate became very political, and I agreed with the Governor of the Bank of Canada that his role was not that of a politician. However, I think everyone realized that the federal government was again trying to centralize all powers, including prerogatives explicitely recognized under the Constitution Act, 1982.

In fact, as I pointed out earlier, this is not sovereignists against federalists, it is simply a matter of common sense and of respecting the prerogatives of Quebec as conferred on the province by the Constitution. So much so that on February 16, 1994, when the federal government's intentions with respect to financial institutions were already known, and the bill was already on the table, not the bill as such but the proposals to invade the securities sector, Daniel Johnson, the Premier at the time who was to be Premier for a short while yet, wrote to the President of the Privy Council and the Minister of Intergovernmental Affairs, the hon. member for Hull—Aylmer, to tell them that he disagreed with the bill.

With your permission, Mr. Speaker, I will quote what he said: ''Perhaps I may remind you, first of all that the Government of Quebec has never supported an expanded federal role in the securities sector, which is the exclusive responsibility of the provinces''. This is not Mr. Campeau or Mrs. Marois but Daniel Johnson when he was Premier of Quebec. I will continue: ''In fact, it has regularly indicated it was opposed''—strong language for Mr. Johnson—''to federal initiatives in this respect, as were several other provinces regarding the recent reform of federal legislation on financial institutions, which came into force in June 1992''.

I will continue this quote from Mr. Johnson's letter: ''In the quinquennial report she tabled in the National Assembly last December, the minister responsible for finance reiterated Quebec's concerns about the federal bill to regulate the securities sector which would be part of this legislation. She stressed that federal regulations would be inappropriate, both constitutionally and from the point of view of efficiency''. This still according to Mr. Johnson, a staunch federalist, who in this letter warned the federal government against meddling with the securities sector, which is Quebec's exclusive responsibility.

To continue with the letter from Mr. Johnson, who is still a federalist today: ''Such regulations would mean duplicating both existing regulations and the supervision involved and would inevitably add to the administrative and financial burden on issuers, investors and intermediaries''. Mr. Johnson goes on to say the following: ''If the purpose is to reduce duplication and improve efficiency, it seems to me it hardly makes sense to create a new structure and additional regulations''.

As I said before, if the Bloc Quebecois and Daniel Johnson agree, it is because a broad consensus exists in Quebec.

• (1040)

The federal government must amend its bill in order to withdraw from the area of securities, which is a field of exclusive jurisdiction for the Quebec government. This is the unanimous feeling in Quebec. It must not invade this area. It must not give the Governor of the Bank of Canada and the Minister of Finance new powers to issue directives not only to clearing houses, but also to participating institutions or establishments.

It must not give the Governor of the Bank of Canada powers to issue directives to the Fiducie Desjardins, for instance, or Lévesque Beaubien Geoffrion and Leclerc, or the Caisses centrales Desjardins. This is none of its business. This is the Bloc's position in this matter.

The Quebec finance minister is still waiting for an answer to a letter he sent the Minister of Finance on August 15. No abuse. The Quebec government does not need the kind of abuse it got from the Minister of Finance the day after he received the letter. All the Quebec government wants is explanations, assurances and changes to Bill C–100.

To this day, these basic requests have remained unanswered by the federal government. This is not normal, especially since federalists claim to be open to reforms and willing to foster greater harmony between Quebec and the federal government, and eliminate inefficiencies and duplications. Between words and actions, there is a big gap, not to say a huge discrepancy.

There are two other aspects of the bill which annoy the official opposition. The second aspect of Bill C–100 with which Quebec has a serious problem is clause 133, the clause dealing with the Winding–up Act. The notion of insolvency is broadened—we acknowledge that it is an area of exclusive federal jurisdiction—but by broadening it once again the federal does not take into account the role of a major player in Quebec, namely the inspector general of Quebec financial institutions.

I can hear them laughing and mocking on the other side. This is the kind of reaction we have been getting for the last month whenever we tell the truth. the pretence of wanting to increase stability and reduce uncertainty in the financial sector, they added a player and thereby added the possibility for dispute by institutions which could be found wanting by Quebec's Inspecteur général des institutions financières.

That opens the door to disputes which could go all the way to the Supreme Court. Let me give you an example. If the inspector general sees that an institution is not fulfilling its obligations and issues directives that it must follow, and then the institution, with the new bill, the new provisions respecting the Winding–up Act, decides to ignore these directives, it may do so because the bill adds some ambiguity, it adds another player whose objec-

tives and powers are exactly the same as those of the Inspecteur général des institutions financières.

Therefore, they say they want to increase the predictability of the financial market, they want to eliminate uncertainty and reduce systemic risk, but they are adding another element, which could interfere with the decisions and the orientations of Quebec's Inspecteur général des institutions financières.

If this is what they mean by reducing uncertainties, increasing stability, we are no longer on Earth. We are on another planet. With this bill, the federal government is stretching the notion of insolvency, it is creating uncertainty on the financial market and ambiguity in the evolution of institutions in the financial sector, which could adversely affect the proper operations of these institutions.

This will not improve anything, this bill does not propose improvements. What the bill proposes, I tell you, is quite harmful. At a time when financial institutions, as everybody knows, need stability and certainty, a federal bill is adding uncertainty to the market. It is adding a nebulous provision, which will deny the Quebec Inspecteur général des institutions financières his exclusive role; his directives will no longer be exclusive. Which directives will financial institutions abide by? Those of the Quebec inspector general or those issued by the federal government under Bill C–100?

• (1045)

The financial sector can do without such ambiguous situations. It is hard enough to manage in this sector without possible challenges over the role of the Quebec Inspecteur général des institutions financières and without added uncertainty.

There is also a third aspect of the bill which raises questions, and this will be my last point. It is on page 11 of the bill where it says: ''from now on, premiums payable to the Canada Deposit Insurance Corporation will be based on a risk factor assessed by the institutions''. The principle may be excellent, but once again, they are disregarding a Quebec institution in the area of securities called the Régie de l'assurance–dépôt du Québec, which did not consider necessary to implement this kind of system and was never consulted on the rating system that the federal government is trying to implement through the Canada Deposit Insurance Corporation.

We have mixed feelings about this new rating system, which will set the rate which will apply to a given institution following a risk analysis. Let us take for example Fiducie Desjardins; it is just an example, but let us take this one. About 95 per cent of its deposits are from Quebec and only 5 per cent from the rest of Canada. With this bill, the Canada Deposit Insurance Corporation would be empowered to give Fiducie Desjardins a bond rating on 5 per cent of its deposits on a Canadian basis. It would issue a rating on only 5 per cent of its deposits.

By issuing a rating on 5 per cent of deposits, this rating becomes a signal for all financial markets, including in Quebec. This signal can be as private as the one given by ratings from agencies such as Moody's, Standard & Poor, Dominion Bond Rating and Canadian Bond Rating. If this rating becomes public—and there is a risk that it will—, that would mean that Fiducie Desjardins, which would have been rated according to the risk associated with 5 per cent of its deposits, would be given this rating for all its deposits. In other words, that would become a risk signal for 100 per cent of Desjardins' deposits. And this risk is very real.

These are the three aspects I wanted to underline and for which we did not get a satisfactory answer from the government when Bill C–100 was tabled this summer. We hope that the analysis that the official opposition has just made will result in valuable answers from the government and that, when Bill C–100 is examined clause by clause, the government will propose amendments to assure us that, first of all, Quebec's exclusive jurisdiction, that is its securities sector, will be respected.

Second, no extraordinary powers must be granted to the Governor of the Bank of Canada just to reduce the systemic risks of issuing guidelines to the clearing houses and the participating institutions. So, no new powers must be granted that would directly infringe upon the powers of the Quebec Securities Commission.

We must also eliminate the new role given to the Deposit Insurance Corporation, which could lead to an increase in financial market concentration and also to a rating that would apply to all deposits made in Quebec institutions, but not just to the deposits made elsewhere in Canada.

Third, the broadening of the concept of insolvency must not be used to circumvent the role of the superintendent of financial institutions in Quebec.

So, these are the three provisions that bother us, and we will try hard to urge the government to amend them. We hope that the government will respond to these three objections made not only by the official opposition, but also by the Government of Quebec and even the leader of the opposition at the National Assembly, Daniel Johnson.

• (1050)

If the government does not apply these amendments, we shall propose, during clause by clause consideration of the bill, amendments to Bill C–100 that will meet respond to these objections.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the expressions of the Bloc member are an absolute classic example to the House and to all Canadians that Her Majesty's Loyal Opposition fundamentally represents or thinks that it represents 25 per cent of the people resident in Canada.

I took particular note of the fact that the prairie provinces, British Columbia, Ontario and the Atlantic provinces somehow were completely apart from any concern of the so–called official opposition. I find that exceptionally unfortunate.

For the duration of this Parliament the Reform Party has been the national opposition. I will be responding to the bill in light of our concern on behalf of all Canadians no matter where they live, including in the province of Quebec.

I should like to put on the record the Reform Party understanding of the bill. It brings amendments to the Bank Act, Co–Operative Credit Associations Act, Insurance Act and Trust and Loan Companies Act dealing with first, the disclosure of information; second, the elimination of appeals in relation to certain matters; third, the disqualification of persons from becoming officeholders in an institution; fourth, the taking of control of an institution by the Superintendent of Financial Institutions; and, fifth, changes to the duties of the superintendent.

There are also amendments to the Winding–up Act respecting, first, the circumstances and procedures for winding up an institution and, second, a revised part III dealing with the restructuring of insurance companies. There are also amendments to the Canada Deposit Insurance Corporation Act. It is this area that I will be addressing in the balance of my speech.

Continuing with our observations, the amendments to CDIC concern, first, the business affairs of the corporation; second, the restructuring of institutions by means of vesting of shares and the corporation becoming a receiver; third, the assessment and collection of deposit insurance premiums; and, fourth, the enforcement of the act.

As I mentioned, the amendments to the Canada Deposit Insurance Corporation Act is the primary concern of the Reform Party. The bill is as a result of the government's review of the safety of financial institutions. It follows upon failures of a number of financial institutions and is the government's response to concerns regarding financial institutions. We also note that the bill is a prelude to the Bank Act review scheduled for 1997 that promises to be much wider in scope.

I have been approached in my office by a number of people with respect to the Bank Act review. There is much concern on the part of businesses with respect to the encroachment or the potential further encroachment of the chartered banks into the insurance business. I look forward to the review in 1997.

As I noted at the start of my speech, the Bloc Quebecois is being irresponsible in its position as official opposition in that it is very myopic in taking a look at the concerns of only 25 per cent of Canada's citizens, but I would be remiss if I did not make some comments about the government.

The bill we are speaking to today is important. It concerns the fundamentals of controlling money or at least the affairs surrounding money. Money as the medium of exchange whether it be in Canada or around the world must have government control. We respect that the act is of some value. However, in the context of all other legislation or non–legislation the government has been bringing forward and the way it keeps taking us as parliamentarians through a void of any meaningful legislation, the act although important to Canadians is yet another way of getting around the fact that we should be getting on with other affairs that are important to Canadians rather than simply wasting time on housekeeping issues.

• (1055)

I do not suggest that the act is a waste of time. I am just saying that it falls into the context of avoiding any review of UI, for example. There are all sorts of leaks to the press about what will be happening with UI and about items promised by the government over the last two years about which nothing has happened.

Speaking specifically to the bill, there is a very little difference between the thought processes of the Liberals and the Conservatives. Liberal, Tory, same old story. The same kind of thought processes would come from either of the old line parties. The Liberals are trying to engineer results of the gain. With the act, particularly as it relates to the Canada Deposit Insurance Corporation, they are continuing to attempt to interfere in the natural process in the marketplace. Liberals, as was the case with the Conservatives, want to engineer the results of the gain. They want to make the rules of the game such that they can ensure what the results will be.

Basically this imposes external and extraneous pressure on an international commodity such as the trading medium of money. It brings values into the marketplace that would not be there if it were not for blatant government interference, as is shown in its proposals relative to the CDIC.

It makes me think a lot of the way that the Liberals and their predecessors, the Tories, have gone about interfering in the marketplace in the area of regional development and regional development grants. There is an absolute parallel between regional development and the way they are looking at the CDIC amendments.

In regional development we see countless Canadian dollars going into marketplaces under western economic diversification, FORD–Q, ACOA or any other program. The Canadian taxpayers' money squandered through these programs basically ends up distorting the marketplace. Why? It is because most frequently they end up supporting non–competitive companies that cannot make it on their own. There is no natural cleansing process to the marketplace. The biggest problem that creates is distortion or disadvantage for the firms that are competitive.

It is tremendously ironic that the competitive, healthy firms are paying the taxes. Their taxes are being taken in by big government, by the Liberals, and in turn are being put into firms that are less competitive, thereby creating competition for the firms that are competitive. The bottom line is that it costs taxpayers lots and lots of money.

The Acting Speaker (Mr. Kilger): I hesitate to interrupt the hon. member, but it being 11 a.m., pursuant to Standing Order 30 the House will now proceed to Statements by Members pursuant to Standing Order 31.

The hon. member for Kootenay East will have his remaining time after question period and daily routine of business.

STATEMENTS BY MEMBERS

[*English*]

LEGISLATIVE ASSEMBLY OF NORTHWEST TERRITORIES

Mr. Jack Iyerak Anawak (Nunatsiaq, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

This week the newly elected members of the Northwest Territories Legislative Assembly selected their government leader and cabinet. Of the eight–member cabinet, four are from the Eastern Arctic and four are from the west. There is one female, and there is Inuit, Dene, and Métis representation in the cabinet.

Congratulations to veteran MLA and former cabinet minister Don Morin as the new premier of the Northwest Territories. I congratulate as well John Todd, Kelvin Ng, Manitok Thompson, Goo Arlooktoo, Jim Antoine, Charles Dent, and Stephen Kakfwi as new cabinet ministers.

On behalf of the Government of Canada, I wish the new territorial government well. There are many challenges ahead of us leading up to the division of the territories in 1999. We look forward to working closely and co–operatively with the new government.

* * *

NATIONAL UNITY

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, we learned this week that the leader of the separatists will soon be leaving the House to become the anointed premier of Quebec. Constituents in my riding will be happy to see his anti–Canada rhetoric exiting the House.

Meanwhile, the other 52 Bloc members appear to be in for the long haul. After all, they did vote in favour of the MPs pension plan and they are very comfortable sitting here receiving their federal salaries and their federal perks at the expense of the Canadian taxpayers.

Most Canadians are sickened at seeing the separatists continue to sit in the House. They have every right to feel that way, because the Bloc is committed to the destruction of Canada.

If constituents in my riding had their way, Bloc members would be dragged kicking and screaming from the House and charged with treason.

The Speaker: Colleagues, we cannot use words taken from another source and repeat them in the House. We have to claim them for our own.

I would like the hon. member to please withdraw the last line of his statement and I would ask him to do so right now.

Mr. Harris: Mr. Speaker, I apologize. I was reflecting the thousands of comments I have heard. If I was out of order in the House, I do withdraw that.

The Speaker: I thank the hon. member, and I would encourage all members of the House to stay away from this type of language, either in statements or in questions. I appreciate very much the hon. member's withdrawing. I do not think it does us any good in the House to use these types of terms.

The hon. member for Victoria—Haliburton.

* * *

PAGE PROGRAM

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, in each session of Parliament I offer a challenge to the pages who serve us in the House of Commons. The current group was given the challenge of producing a picture of their home area. The contest included a box of Crayola crayons, which are produced in my riding of Victoria—Haliburton in the town of Lindsay, and a single piece of white paper. The contest was judged by Hélène Monette, a security guard in the lobby.

This session's winner is Katheryn Lyons of the Montreal–Kirkland area. Congratulations to all the pages who took part in the contest with such enthusiasm.

If members wish to view the art work, it is on display in the government lobby. The prize is an assortment of Crayola products and a certificate to prove the bragging rights that go with winning any contest.

* * *

LINCOLN AND WELLAND REGIMENT

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I am sure you will be pleased that a clerical oversight that deprived the Lincoln and Welland Regiment of two World War II battle honours has finally been corrected.

● (1105)

Regrettably, the regiment failed to receive honours for the unit's final two battles when scrolls were presented to Canadian military units in 1951. The oversight was recently detected, and scrolls citing exceptional conduct and courage at the Battle of Kusten Canal in April 1945 and the Battle of Bad Zwisehenahn in May 1945 were presented at a reunion for veterans.

Seventy–two men of the regiment died and approximately a hundred more were wounded in these two campaigns. These two scrolls recognizing the regiment's efforts in these two very intense battles during the closing days of the war are proudly placed on the armoury wall beside sixteen others.

Peace and freedom were purchased for us with the sweat, toil, tears and blood of those like the Lincoln and Welland Regiment who walked the road before us. My congratulations go out to the Lincoln and Welland Regiment for this well deserved honour. My sincere appreciation goes out to veterans everywhere.

* * *

HANS DAIGELER

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, I rise in the House today to pay tribute to Mr. Hans Daigeler, who tragically died on November 9, 1995, at the young age of 50 years.

Hans represented the provincial riding of Nepean from 1987 to 1995. He was a very special man, whose basic goodness impacted on all of us who knew him. His loyalty to the riding of Nepean and its people was legion. This commitment permeated his community, his province, and his country through all his interventions in the Ontario provincial legislature.

I knew Hans well. He was both my friend and my provincial Liberal colleague. His memory will live on through the dignity, compassion and justice that he so personified. To his wife Beverly, his son Christopher, and daughters Elyssa and Amanda, I offer my heartfelt sympathy.

We will miss you, my friend.

[*Translation*]

CP RAIL

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, CP Rail's move enlightens us on the lack of ethics shown by the no side during the referendum campaign. They told Quebecers that a yes vote could lead to a move by CP Rail when the decision had already been made for business purposes only. And two days ago, the Prime Minister added insult to injury when he blamed sovereignists for the move of CP Rail's head office.

To have the Prime Minister tell us that Quebec's economic problems are caused by the sovereignist movement is an insult to all Quebecers who work hard to build a strong Quebec.

The Prime Minister should stop playing politics on the back of Quebecers and support them by addressing the real problems. After all, he is the Prime Minister of all Canadians, including the 49.4 per cent of Quebecers who voted yes in the referendum.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, yesterday the government spoke with pride about what a great price it is getting for CN Rail shares and how selling them in foreign countries helped to increase that price. What really helped to increase the share price was the amount by which the government reduced CN's debt.

In committee the government talked about reducing CN's debt by approximately $1 billion and that very little if any would actually come from the Canadian taxpayer. In reality, the government reduced CN's debt by $1.4 billion, and all of it came from the taxpayer except for what can be realized from the sale of non–rail real estate assets with a book value of $235 million and no appraisal to the contrary.

This pay–down may well have contributed to the enhanced share price. However, if the government is going to use Canadians' tax dollars to enhance the value of shares, should it not have offered the first chance of those shares to Canadians? As it now stands, 40 per cent of those shares are being sold outside of Canada, despite the fact there appears to be sufficient interest inside Canada. If this government is going to continue to run huge deficits, at least let Canadians be the beneficiary of that debt.

* * *

FORESTRY

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, the management of forest resources in Yukon has been one of the most mismanaged federal issues I have ever seen in my years in Yukon. The lack of a comprehensive forestry policy has resulted

in sit–ins, week long demonstrations, and lawsuits. Surely this has to be a wake–up call that all is not well.

The only positive thing that can be said about the federal government's handling of this issue is that its ineptness has managed to unite the politicians of all parties, First Nations, loggers, and a very large percentage of the population. It should do so well on national unity.

Northern affairs has managed to introduce casino logging by calling three lotteries for timber permits and then cancelling them. It has not instituted the promised forestry advisory committee on reforestation and has caused unnecessary expenditures by both First Nations and taxpayers for failing to foresee the possibility of legal action.

The minister of Indian and northern affairs must take charge, do a full review of the management of northern affairs in Yukon, and institute immediately a full and public review of forest policy.

* * *

• (1110)

CANADIAN SPORTS HALL OF FAME

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, last November 9, six Canadians were inducted into Canada's Sports Hall of Fame: Bob Gainey, who played with the Montreal Canadiens for 16 years and was a key part of five Stanley Cup winning teams; Paul Henderson, who scored the winning goal for the Canadian hockey team in the series of the century against the Soviet Union in 1972; Kerrin–Lee Gartner, who won a gold medal at the 1992 Albertville Olympics in downhill skiing; Mark Tewksbury, who won a gold medal in the 100 metre backstroke event at the Barcelona Olympics in 1992; Paul Dojack, a Canadian Football League official for 24 years, involved in 550 games, including 14 Grey Cups; and Debbie Muir, head coach for our national synchronized swimming team from 1981 to 1991, who shared in the success of Carolyn Waldo, Sylvie Frechette and many others.

Congratulations to the six new members of the Sports Hall of Fame and best of luck to all up and coming athletes, coaches and officials.

* * *

SMALL BUSINESS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, recently the industry committee and Canada's major banks agreed to a set of small business lending standards that will benefit all Canadians. This represents progress for the small business men and women in this country. It is an example of what can be accomplished when industry officials and federal politicians work together to achieve change.

Small business constituents can now insist their lenders adhere to a code of conduct. They can take advantage of an alternative dispute resolution system. They can take complaints to an internal ombudsman, and if they are still not satisfied they will now have access to an independent industry–wide ombudsman as well. Finally, every three months parliamentarians will see the banks' small business borrowing statistics. These standardized statistics will be our tool to monitor progress.

To paraphrase a famous quote, this is not the end of ensuring that the banks will live up to their responsibilities. It is not even the beginning of the end. But it is perhaps the end of the beginning. There is much to be accomplished.

* * *

ENVIRONMENT

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, I wish to congratulate the residents of Beaches—Woodbine, in particular Mr. Michael Liebson, for their perseverance in helping to prevent offshore dredging in Lake Ontario. The residents of the Toronto Beaches area are pleased that the Ontario Ministry of Natural Resources has turned down an application to dredge in Lake Ontario.

Bedrock Resources Inc. put in a proposal to the Ontario Ministry of Natural Resources to dredge sand in Lake Ontario off the shores of my riding. The health and environmental issues raised by this proposal were critical. In its correspondence, Environment Canada stated that the quality of the material makes it acceptable for on–land use as aggregate, but it is not acceptable for open water disposal. The proponent will be separating and saving the larger grain size material, while discharging the fine silts and clays back into Lake Ontario. In our view, this is open water disposal. Environment Canada also found that the sediment plume modelling, as conducted by the proponent's consultants, was inadequate.

In addition, the Department of Fisheries and Oceans stated in its correspondence that dredging will result in the harmful alteration, disruption and destruction of fish habitat. As well, in the opinion of the—

* * *

[*Translation*]

PRIME MINISTER

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, during the referendum campaign, the Prime Minister of Canada promised Quebecers that his government would recognize Quebec as a distinct society and give the province the right to veto

any constitutional change. He even repeated this promise a few days after the referendum.

But, once again, it was just an empty promise. The Prime Minister, trying to buy time or to make us waste ours, decided two weeks ago to create a phoney committee that has absolutely no substance to it.

The Prime Minister is so troubled by the criticism expressed with regard to this puppet committee that he is now claiming that he never promised anything and that Bloc members are liars. Take some rest, Mr. Prime Minister, and try to regain your memory because you can be sure that Quebecers have not forgotten and will never forget.

The Speaker: My dear colleague, maybe it would be preferable not to use the word ''liar'' even though it is applied to oneself. I would ask you not to use this word in the House.

* * *

[*English*]

FISHERIES

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the fisheries minister said that he consulted the industry when he dreamt up his new tax, but he sure did not listen. Here are just a few of those who wrote in protest to the minister: the Eastern Fishermen's Federation, Southwest Nova Fixed Gear Association, the Fisheries Association of Newfoundland and Labrador, the South West Nova Tuna Association, the New Brunswick Fish Packers' Association, the Fundy Weir Fishermen's Association Inc., the Ontario Fish Producers' Association. The list goes on: the Atlantic Herring Co–op, the Fisheries Council of British Columbia, the Canadian Council of Professional Fish Harvesters, the Alliance des pêcheurs professionnels du Québec, Fishermen Food and Allied Workers, the Prince Edward Island Fishermen's Association, and many more.

• (1115)

They all said no new taxes. Fishermen are not going to let the minister off the hook. If he does not back down he is going to be done like dinner.

* * *

[*Translation*]

MONTREAL ECONOMY

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, the Prime Minister of Canada is rejoicing at the bad news affecting Montreal. Just this week, he applauded the move of CP Rail's head office. Ottawa is making no real effort to ensure sustainable economic recovery in Montreal. What is the minister responsible for the Federal Office of Regional Development—Quebec doing?

It is no wonder that FORD–Q is reported, in the document tabled this week by the auditor general, as not seeing itself as a strategic organization in terms of development policies. If the minister responsible for regional economic development in Quebec cannot even ensure that federal policies reflect Quebec's interests, what good is he? This is another example of how sharing responsibilities with Ottawa can only lead to a weakening of the economy in Montreal and in Quebec as a whole.

* * *

PUBLIC FINANCES

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, the federal government and the hon. Paul Martin have taken upon themselves to put their fiscal house in order.

[*English*]

The Speaker: I would ask the hon. member not to use a person's name, just a title.

[*Translation*]

Mr. DeVillers: I stand corrected, Mr. Speaker. The Minister of Finance. Since federal transfers to the provinces account for nearly 20 per cent of federal expenditures, they cannot be ignored. On the other hand, these transfers account for only three per cent of the provinces' revenues.

We made deeper cuts to our own expenditures on goods and services than to transfers to the provinces. Saskatchewan and New Brunswick have been able to balance their budgets while taking into account the new federal transfer payments. The Quebec government is lagging behind, because of all the energy it is putting into separation plans and referenda. In view of the fact that the transfer cuts contemplated amount to only a few percentage points of provincial revenues, is it fair to say that actions taken by the federal government are solely responsible for provincial cuts to come?

[*English*]

The Speaker: Colleagues, we are going into question period immediately. Over the last little while I have found that the preambles to questions are getting a little longer and the answers are sometimes getting a little longer.

May I ask today before we begin that hon. members cut back a little on the preambles to questions in the hope that more hon. members can ask questions during the question period.

Of course I will help in this respect if it is needed.

ORAL QUESTION PERIOD

[*Translation*]

COMMITTEE CHAIRED BY MINISTER OF INTERGOVERNMENTAL AFFAIRS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the phoney committee that was set up in a mad rush to save the face of a government that is incapable of keeping the Prime Minister's promises, this phoney committee headed by the Minister of Intergovernmental Affairs has now started its work and apparently has sent a progress report to the Prime Minister's office.

Since this report is supposedly essential to the survival of Canada, does the Minister of Intergovernmental Affairs who chairs the phoney committee intend to release this report, so that Canadians can look at the recommendations?

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 delighted with the interest the hon. member for Roberval has shown in this committee, which is of course a contradiction of his preliminary remarks since, as I said before, the ultimate phoney committee is the regional commissions that were set up in Quebec for the benefit of partisan members only.

In this case, we have set up a committee of ministers who report to the Prime Minister and whose statements are confidential. If the Prime Minister feels it is appropriate to publish the recommendations, he will do so.

• (1120)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, here is my supplementary.

Are we to understand that the minister refuses to release any recommendations or clarifications of any kind with respect to the proceedings of this committee? Perhaps he prefers not to embarrass his friends on the No committee, the provincial Liberals who are meeting in Quebec City on the weekend and who would otherwise realize that the minister and the government have strictly nothing to offer Quebecers.

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, last Tuesday, the Leader of the Official Opposition was asked this question:

[*English*]

''Is it even theoretically possible that premier Bouchard could sign any deal which would see Quebec remain in Confederation?''

[*Translation*]

Mr. Bouchard replied: ''No, that is impossible, I am a sovereignist''.

In that case, I fail to see why the official opposition or the hon. member for Roberval would ask about the ways in which we are trying to deal with the current problem, since they have already said that, in the circumstances, they are not interested and that their only objective is to destroy the federation.

The Speaker: Again, my dear colleagues, I would ask you to use the title of the member to whom you refer during question period.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, it is so obvious. A cabinet minister tries to explain why they should not keep the promises made by the Prime Minister, and it is not their fault. I have never seen anything like it.

Is it not true that the purpose of the phoney committee headed by the Minister of Intergovernmental Affairs is merely to play for time so that the government can slowly but surely downgrade its commitments to Quebec and ultimately make them compatible with the interests of its Canadian friends?

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, we must recognize the facts. The Prime Minister repeated in the House what he said in Verdun, and I mentioned both statements yesterday to show they were consistent. However, it is also time to realize that the Leader of the Official Opposition and the members of the official opposition are neglecting the duty they have, as the official opposition, to defend the interests of their constituents. They have now stated they do not intend to co–operate with the federal government at all, and consequently, their only goal, as their leader has said, is to achieve sovereignty. Their only goal is to destroy Canada and consequently, their questions no longer have any credibility because they are not trying to improve the way the government operates but are only trying to achieve their goal, which is to destroy Canada.

Mr. André Caron (Jonquière, BQ): So, Mr. Speaker, we can say we are protecting the interests of our constituents when we ask questions of the government in order to discover its intentions toward Quebec.

What they want to know, precisely, is the federal government's intentions with respect to commitments it made less than a month ago, in the last days of the referendum campaign. It is obvious that the deliberations and recommendations of the phoney committee are a well kept secret.

Can the minister at least tell us whether, in the interim report he sent to the Prime Minister, the option of a simple House of Commons resolution on the distinct society is the one favoured by that phoney committee?

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 feel obliged to repeat once again what the Prime Minister said, which is that to ensure the change and modernization of Canada, no change is excluded. And what he said in the House on Wednesday, which is:

> I said we were going to make changes to the federation, constitutional changes, if necessary.

Thus there is no contradiction between the two statements. What we are doing in the unity committee is preparing a series of recommendations for the Prime Minister. The recommendations the group of ministers make to the Prime Minister are confidential, as they must be, because the person who makes decisions on behalf of the government is the Prime Minister. Once those decisions have been made, he will make the announcement.

• (1125)

Mr. André Caron (Jonquière, BQ): Mr. Speaker, can the minister at least confirm to us that one of the hypotheses selected by the phoney committee regarding administrative decentralization is based on the principle set out by Pierre Elliott Trudeau two weeks ago, namely that no decentralization toward the provinces is possible without an equivalent transfer to the federal level, which would mean increased centralization of economic powers at Ottawa?

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, to use the same vocabulary, this is a phoney question, clearly void of content.

We repeat what we have said: the Prime Minister's promises are correct. And as long as the opposition continues to ask phoney questions like this one, when its goal is the destruction of Canada, it does not deserve an answer.

* * *

[*English*]

PEACEKEEPING

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, we are pleased with the recent peace agreement signed between the governments of Bosnia, Croatia and Serbia. This is a welcome step toward peace in that troubled region.

Some hon. members: Hear, hear.

Mr. Frazer: Yesterday the Prime Minister stated that Canada would commit troops and also promised a debate in the House to acquire Parliament's approval.

To date however the government has paid only lip service to the principle of consultation. On September 21 last year the debate was only nine days before the renewal. This year on March 29 the debate was only two days before renewal and then the commitment was extended by two months without any reference to Parliament.

Will the government commit this time to having the debate on Canadian forces deployment to the former Yugoslavia after the details are known and before any cabinet decision is taken?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the Prime Minister signified yesterday that it would be his intention for Parliament to debate the potential deployment for the NATO force. That debate will be scheduled in the next week or so after consultation between House leaders.

This is a further example of how the government has restored Parliament's role in the debate of major foreign engagements.

The hon. member has criticized only the matter of timing of these debates. The fact is that members of Parliament have been able to express their views before commitments have been made and that is the course that will be followed.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, that is all very interesting but in my previous question I asked if we would debate after the details are known. I suspect they will not be known next week and we will not know what we are debating.

The Minister of National Defence yesterday stated that because the successful formation of the NATO force will depend on American troops being committed, we will have to await the decision of congress. It is reported that the Americans are talking of a commitment of one year.

Does the minister think the mission will be accomplished in one year and will he consider proposing a specified period for any Canadian commitment with a declared intention to withdraw Canadian forces at the end of that period?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, with great respect, these are all questions and ideas that should be raised in a parliamentary debate.

The government would be quite interested to know from the Reform Party and other members the degree of commitment we should make, the numbers that we should be sending and in what proportion. All of those questions really are matters the govern-

ment will be interested in before the government makes its final commitment to NATO.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, it seems that the government will not commit to having a realistic debate on the commitment of Canadian forces.

Some hon. members: Oh, oh.

Mr. Frazer: I am concerned that Canadian troops have already been stretched past the limit by their commitments in the former Yugoslavia. Some soldiers are in their fourth and even fifth tours of duty and this is cause for great concern.

I recently read a report from a chaplain who wrote: ''We do not know the emotional ramifications of psychological layers being built up by these repeatedly rapid deployments''.

Will the Prime Minister consider other options, such as offering NATO an air squadron rather than a land unit, in order to lessen the burden on our under equipped and over taxed land forces?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we have been discussing with our NATO allies the requirements for this kind of a force. Next week at the Defence Planning Board meetings in Brussels these commitments will be examined in greater detail.

I will take the hon. member's comment as a representation that Canada should offer air support. That will be very interesting. Other members may have a different view but we want to hear the views of all members before we decide.

● (1130)

The hon. member also talked about the overstretching of Canadian forces. He knows that was a legitimate argument to make 18 months ago. As a result of the deliberations of the committee of which he was a member, the white paper signalled an intent to put more people into the sharp end of the army. We are now recruiting so that we have more people available for such duty.

I also underscore the fact that with the pullback from Croatia, Canada now has significantly fewer people in the field than we had six months ago. The criticisms the hon. member has been making this morning are not fully justified by the operational facts today.

* * *

[*Translation*]

BRONFMAN FOUNDATION

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

The recently published public accounts reveal that the Minister of Canadian Heritage awarded a grant of $5 million to the Bronfman Foundation to fund ''Heritage Minutes'' on Canada's heritage for television broadcast. His own officials recommended a grant of only $1 million.

How does the minister explain his decision to give the Bronfman Foundation five times the amount his officials recommended, when he is cutting subsidies to francophone associations outside Quebec and everywhere in the area of cultural development?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, it is not clear in my colleague's question whether he feels these heritage minutes were badly done and did not warrant funding. In my opinion, they provide an excellent look into Canadian history, which may be of no interest to him, but which interests me.

Mr. André Caron (Jonquière, BQ): Mr. Speaker, the minister is not answering my question. We are not talking about product quality, but, rather, the fact that it cost $5 million when it was supposed to cost $1 million.

As my supplemental, I would like to know whether the minister's sudden generosity was intended as an unobtrusive injection of several million dollars worth of propaganda on the eve of the recent referendum campaign?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, if our colleague believes Canada's history is propaganda, he should not be sitting in this House. Our history is our history, our roots are our roots, and we may be justifiably proud of them.

* * *

[*English*]

COMMUNICATIONS SECURITY ESTABLISHMENT

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, Canadians were justifiably shocked to learn that the Communications Security Establishment is eavesdropping on Canadian citizens.

In response, the defence minister said that he would not comment on issues of national security. The Deputy Prime Minister clearly stated that CSE did not have a mandate to spy on Canadians. Not surprisingly, the Prime Minister said that he did not know what CSE was doing.

Does the Minister of National Defence know what CSE is doing and who gave CSE authority to invade and violate the privacy of Canadians by intercepting private communications?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as the member knows from my previous answers in this place, I certainly know what is going on in the department and especially at CSE.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, two former employees of the spy agency have publicly stated that CSE has spied on Canadians.

The law is clear. Any interception of communication of Canadian citizens is an offence under part VI of the Criminal Code. How dare the government spy on its own citizens?

Has the minister's department reviewed the allegations of former CSE employees Frost and Shorten? Is he prepared to have charges laid against those CSE agents who have broken the law?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I fully reject the premise of the hon. member's question, but with respect to recent comments that have been made by a third party, the government is certainly looking into them.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

In announcing budget cuts, the President of the CBC explained that between 600 and 1,000 positions would be eliminated before March 1996. According to him, the exact number of jobs to be cut will depend on whether or not the federal government decides to contribute to the funding of Radio Canada International.

• (1135)

Can the Minister of Canadian Heritage confirm that his government has decided to stop funding Radio Canada International?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, as our colleague must know, the international component of the CBC's mission is outlined in its current mandate.

We will review the CBC's entire mandate, including this component, in light of the mandate committee's recommendations. The whole mandate will be reviewed, and the status of Radio Canada International will be determined at that time.

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, since Radio Canada International is Canada's international showcase—

Ms. Copps: Are you interested?

Mrs. Debien: Since Radio Canada International is Canada's international showcase and helps promote Canadian culture abroad, does the minister not feel that it would be irresponsible to stop funding this service, and can he give us advance notice of his intentions in this regard?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, allow me to correct the preamble to our colleague's question. Radio Canada International is a vehicle that promotes Canada around the world. I just got back from TV5, through which francophone Canada has gained international renown. Radio Canada International is not the only broadcaster to further our country's interests.

In response to her question, I would add that we should not put the cart before the horse. We have to make a decision on the CBC's mandate and its international component will be part of this decision.

* * *

[*English*]

CHILD CARE

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Deputy Prime Minister.

Thousands of people are demonstrating today across Ontario because of the intention of the provincial government to cut child care services and subsidies.

In our red book there is a promise calling for the creation of 50,000 new child care spaces each year following a year of 3 per cent economic growth.

Does the government intend to address this acute social need and alleviate a crucial problem faced by so many Canadians?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I thank the hon. member for raising a very important question on an issue that is very close to the Liberal government.

We are strongly committed to child care. We have already made progress in a number of areas such as the $72 million program to establish or improve a total number of 6,000 spaces within First Nations and Inuit communities over the next three years. We have also invested $6 million annually for a child care vision.

The Minister of Human Resources Development last week met with his provincial counterparts to discuss ways of finding new financing arrangements so that the red book commitment could be honoured.

There is no question the focus would be on enhancing and expanding child care services. Our position is crystal clear.

* * *

JUSTICE

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, blatant Liberal pork barrel patronage by the revenue minister rewarding Liberal law firms on Vancouver Island is going on and on and on, in spite of six months of feeble assurances to the House by the

justice minister. Yet again on Wednesday of this week, when a drug trafficking case was called in Victoria no federal crown prosecuting lawyer even turned up for the case.

How many more drug cases will be fumbled, lost or dropped before the justice minister exhibits some competence in getting the revenue minister's cronies in line?

• (1140)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member knows perfectly well that the Minister of Justice has made outstanding appointments in every appointment he has made.

If the hon. member would simply praise the minister occasionally instead of constantly harping and carping, he might find that he gets better service in his constituency.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, what a joke. Speak of praising, I have had personal conversations with the justice minister about this issue over a six–month period. I have a fat file on it. One patronage appointed lawyer is unprepared and the charges are dropped. Another patronage appointed lawyer does not show and the charges are dropped. Another patronage appointed lawyer mishandles the charges and the charges are dropped.

How far does this have to go? The Parliamentary Secretary to the Minister of Justice last time said—

The Speaker: I ask the hon. member to put his question.

Mr. Abbott: If the firms are not incompetent, if the justice department is not incompetent, if the justice minister is not incompetent, why do we end up with all these cases screwed up on Vancouver Island?

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Minister of Justice has had all his appointments screened by officials before they were made and he is confident that these are very competent lawyers. The confidence is reflected in the fact that 22 of the 42 firms appointed in B.C. are reappointments. Half the agents were appointed by the previous government.

There have been isolated difficulties on Vancouver Island. The minister admits that fact. Preliminary reports suggest that the failure of certain former agents to co–operate with the new appointments may have contributed to the problem. The hon. member should be encouraging the former agents to co–operate with the new ones instead of carping and yelling in the House every day about the odd failure that occurs. These people are competent and they will do their jobs.

[*Translation*]

IRVING WHALE

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, my question is for the Minister of the Environment.

Last summer, the federal government wasted several million dollars in a failed attempt to refloat the *Irving Whale*. We are currently unable to get from the environment department the exact amount spent on that botched operation.

How can the minister justify her department's refusal to reveal the terms of the contracts and the amount spent on the failed attempt to refloat the *Irving Whale*?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the operation did not fail. It is underway and will be completed next year, following the recommendations made by the former Bloc Quebecois critic for the environment, who said that the *Irving Whale* was like a time bomb for the environment and had to be refloated.

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, does the minister not realize the public is concerned that, in opting for the cheapest solution under the circumstances, without any regard for the safety of the operation, she started a process which could end up costing taxpayers a lot more than expected because of the bad decisions she made?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the total costs of the operation will be borne by the private sector. Moreover, the hon. member and his colleagues should have heeded the advice of the Magdalen Islands RCM board, which is asking the federal government to assume its responsibilities and not fail like the former environment minister, the member for Lac–Saint–Jean, who received letters from Magdalen Islands fishermen but never bothered to answer them.

We, at least, have taken our responsibilities and are following the unanimous recommendation of the Magdalen Islands RCM to proceed with the operation, so as to get rid of this time bomb for the environment, as the former Bloc member called it.

* * *

[*English*]

INDIAN AFFAIRS

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, a few bad apples on the Stony reserve west of Calgary have resumed illegal tree cutting. Grassroots natives have shut down the logging trucks the minister of Indian affairs said he would shut down.

Who will stand on the government side today and justify this environmental mess?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the minister of Indian and northern affairs indicated in response to an earlier question by the member that the government expects the law to be respected both on and off the reserve, and it will be respected.

● (1145)

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the minister made a promise in the House, a promise he has failed to keep. Rank and file natives have kept that promise for him while the minister, his officials and band and council on the reserve sit in their ivory towers. Once again, who in this weak–kneed government is going to stand up and stop this environmental pillage?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I find it hard to believe that the member accuses the Minister of Indian Affairs and Northern Development of not being close to the grassroots. In fact, over the last two years he has met with more band members, more chiefs and more aboriginal people than certainly has the entire caucus of the Reform Party.

I would underscore that the Minister of Indian Affairs and Northern Development has the full confidence of the aboriginal peoples unlike their view of the Reform Party which is certainly not their greatest ally.

* * *

[*Translation*]

IRVING WHALE

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, it would appear that the Minister of Environment has finally seen the light on the *Irving Whale* issue.

Last week, she showed some common sense when she announced an investigation by the RCMP into possible criminal activities, as well as a new environmental impact review.

Can the minister assure us that the public servants and other individuals who are being investigated by the RCMP will not take part, either as witnesses or as commissioners, in the new environmental assessment she has ordered?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, obviously, the government rreferred this issue to the RCMP so that it can investigate at every level.

This being said, the PCB assessment will take into account everybody's public testimony and, obviously, those who are being investigated will be excluded from the process.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, would the minister not agree that, now that she has recognized the existence of criminal activities surrounding the refloating operation of the *Irving Whale*, the only way to give credibility to the process would be to strike a totally independent expert panel, one that has no connection with her department?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the member's allegations are false. Moreover, if he wants the investigation to be conducted properly, it must not be interfered with.

But if he means that an investigation should be conducted independently from the Canadian government, Environment Canada has the responsibility to carry on environmental impact assessments, and we do not want to avoid our responsibilities, we want to take them the same way we did when we became the first government to tackle this ecological time bomb.

I would like to point out that the RCM of Îles–de–la–Madeleine, the fishermen of the Magdalen Islands—

[*English*]

The fishermen of Prince Edward Island, of Atlantic Canada, support the position of the government. I only wish the Bloc would help us to rid ourselves of this ecological time bomb.

* * *

[*Translation*]

PUBLIC SERVICE

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, my question is for the President of the Treasury Board and is about the public service.

[*English*]

Reports indicate that the early retirement and early departure incentive programs have been so favourably received by public servants as to cause a larger expenditure than expected.

[*Translation*]

Will the President of the Treasury Board assure the public servants and the Canadian public that the government does not intend to lay off employees or cut services to compensate for the overspending under these programs?

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, first of all, we will be true to our fiscal commitments and operate within the established targets.

True, more people than expected indicated that they wanted to take advantage of the government offers. This simply shows that there will be more spending in the beginning, but we will be able to make up for all that. True, this could amount to almost

$2.3 billion, but at the same time, this will be offset by savings of $4.2 billion. Thereafter, $2.2 billion will be saved each year.

● (1150)

[*English*]

Concerning the public service, I am convinced we shall continue to have a service that reflects the needs of Canadians. Members well know that as a result of the program review we have had to reduce it, but we will continue to have a competent and committed civil service that will respond to the needs of Canadians.

* * *

NATIONAL REVENUE

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, when the Minister of National Revenue amalgamated Canada customs and taxation he claimed the department would become more efficient and more effective. The auditor general disagrees. In his report last week the auditor general points out that taxpayers are now waiting 26 days longer for disputes to be resolved and that Revenue Canada missed collecting $17 million in interest charges on overdue accounts.

How can the minister claim this reorganization in his department has been anything but a failure?

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Minister of National Revenue answered that question when the auditor general's report came out.

If the member looks closely at the report, he will see the auditor general acknowledged the changes the Minister of National Revenue introduced and the savings that have been realized. Naturally, the time period is not of sufficient length for the auditor general to draw any conclusions. If the member reads the report very carefully he will see that at the moment the auditor general is being complimentary. He encourages the department to continue and it will continue in this manner.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, with all due respect, I believe the parliamentary secretary is out of touch with this department.

Over the last couple of months I have received evidence that there are questionable management practices. There is evidence of racism. The morale is low and there is a lack of fulfilment in the department.

The minister of revenue and taxation has to do a better job of controlling the department. Tax time is coming up. Budget time is coming up. We know the friction between taxpayers and Revenue Canada collectors.

When will the people responsible for the department improve the image of national revenue and taxation?

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe the member did not have a supplementary prepared and just went on a rampage of making allegations. If the member has evidence of specific cases of wrongdoing by people working in the department, he should come forward and give them to the minister and make them public. Then the minister will definitely look into the matter.

Since 1993 when this government took office we have made the necessary changes in the department. Canadians are receiving their tax refunds faster than before. The amalgamation of the two departments has created savings in the millions of dollars and this will continue.

* * *

[*Translation*]

BOOKSELLERS

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, my question is for the heritage minister.

Yesterday, David Peterson, a former premier of Ontario, submitted a brief to the heritage committee, on behalf of the Canadian Booksellers' Association. Mr. Peterson predicted that the impending arrival of two mega–booksellers from the United States, Borders, and Barnes and Noble, would have disastrous consequences on the book market in Quebec and Canada.

Before the Minister of Industry allows American booksellers to invade the Canadian market, will the Minister of Canadian Heritage undertake to set up a committee of experts to assess the economic and cultural impact of the arrival of these two booksellers on the Canadian market, like it did for *Sports Illustrated*?

[*English*]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, let me advise the member clearly of what the existing book policy is of the government.

The policy prohibits the establishment of a new retail book selling business by non–Canadians. Non–Canadians may only engage in book retailing as minority investors in Canadian controlled joint ventures. Any proposed joint venture that may be brought forward will be carefully examined under the existing powers under the Investment Canada Act to ensure that control in fact is exercised by the Canadian investors.

● (1155)

We do not contemplate in any way softening or weakening that policy in favour of any proposed investment. I believe the interests of the Canadian booksellers will thereby be truly protected.

[*Translation*]

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, it does not seem as though Mr. Peterson feels all that reassured. Would the government's eagerness to close that deal have anything to do with the fact that the Canadian partner of the giant American Borders corporation is Heather Reisman, a member of a well–known Liberal family, as reported by the *Globe and Mail*?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, first of all, I want to thank the Bloc member for her interest in Canadian heritage.

[*English*]

As for the rest of her question, I will not dignify it with a reply.

* * *

FUR INDUSTRY

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, about 72,000 Canadians are registered fur trappers, about half of them being native or Metis. Another 30,000 work on trimming, storing and creating garments with fur and selling them.

As a former trapper myself, I would like the Minister of International Trade to explain now that native trappers have convinced the European Union to postpone for one year its ban on furs caught with leghold traps, how will the government use that one year reprieve to ensure that an EU ban on Canadian wild furs never takes place?

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, we are aware that we have one year within which to work out the proposition. We are quite encouraged by the European Union decision to grant us the extra year. We are going to work with the industry, the provinces and all of the interested parties. We hope to be able to come up with what is believed to be a proposition which is in the best interests of everybody, including the people who are benefiting from trapping in Canada.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, it is not as if this is a new problem. The European Union now buys about 75 per cent of Canadian fur.

Will the Minister of International Trade explain what action he is taking to broaden the market for Canadian wild fur and reduce our dependence on the European buyers?

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, we are quite concerned about this issue. Thousands and thousands of people depend on trapping for their survival.

I take this opportunity to congratulate Canada's aboriginal community which worked extremely hard with our government, as well as with governments in Europe, to ensure that our position is well known to Europeans and others abroad.

I assure the member that whatever we do on this issue is going to be in the best interests of the aboriginal people and the best interests of the Canadian industry.

* * *

CHILD CARE

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, in 1993 the Liberal Party promised to expand child care in Canada by 50,000 spaces each year that follows a growth of 3 per cent. Last year real growth was just over 4 per cent and still the government has not lived up to its commitment. It has broken its promise to Canadian families.

The parliamentary secretary responded to an earlier question that the government is working on this matter. I therefore ask the Deputy Prime Minister, exactly how many child care spaces—and I presume it will be at least 50,000—will the government create this year to maintain its promise?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I thought I answered that question earlier on. I will take the opportunity to outline other measures the federal government has taken to not only address child care, but to also address the issue of child poverty.

Campaign 2000 recently released a report card which did not take into account some very positive news which occurred last year. Last year for the very first time in a long time, the average family income increased by almost 2 per cent. This speaks to the fact that the jobs and economic growth agenda the Liberal government has introduced over the past year is not only creating jobs, but is helping the issue of child care and child poverty.

• (1200)

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, my supplementary question for the Deputy Prime Minister will be very brief.

Exactly how many child care spaces will be created by the federal government this year in keeping with its promise?

Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, in the same way that we have honoured our job creation program, that we have lowered unemployment, that we have increased exports, that we have increased the gross domestic product, we will continue to honour all the commitments made in the red book.

[*Translation*]

CANADA PENSION PLAN

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I have a two–part question for the Minister of Finance.

[*English*]

We have heard more and more concerns about the Canada pension plan. Last week a leading actuary maintained that we are unable to pay even the pensions of those already retired.

Can the minister tell the House if the Canada pension plan is in danger and what he intends to do about it? The second part of my question is what does he think of the Reform plan?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the chief actuary did indeed raise a number of very important concerns relative to the Canada pension plan. The departmental officials from the federal government and from all the provincial governments, because this is a joint responsibility, are indeed meeting to address those plans.

The Canada pension plan is not in danger, but it does require modification, it does require change. We will bring those changes in to ensure that the Canada pension plan is there for young Canadians when their time comes to retire.

The fundamental flaw in the Reform plan is that while there are interesting things in the margin, it makes sure that the rich are richer in retirement and the poor are poorer in retirement. This government will never accept that.

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 table, in both official languages, the government's response to four petitions.

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COMMITTEES OF THE HOUSE

INDUSTRY

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I have the honour to present the 10th report of the Standing Committee on Industry, on Bill C–99, an act to amend the Small Business Loans Act, with amendments.

[*Translation*]

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 102nd report of the Standing Committee on Procedure and House Affairs regarding the membership and associate membership of some standing committees.

● (1205)

With leave of the House, I intend to move for concurrence in this report later this day.

* * *

[*English*]

BANKRUPTCY AND INSOLVENCY ACT

Hon. John Manley (Minister of Industry, Lib.) moved for leave to introduce Bill C–109, an act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act, and the Income Tax Act.

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

* * *

CRIMINAL CODE

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.) moved for leave to introduce Bill C–358, an act to amend the Criminal Code (consecutive sentences).

He said: Mr. Speaker, I am pleased to rise today to introduce my private member's bill. The bill would see consecutive sentences imposed upon those convicted of multiple violent crimes against a person. I believe such an amendment should be supported by all MPs. I know the changes would be welcomed by the millions of Canadians who have lost faith in the operation of our justice system.

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

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

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

I move:

That the 102nd report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

PETITIONS

DETENTION ORDERS

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, in response to the outcry of Canadians for this government to take a more serious stand on dangerous offender legislation, I am adding 1,770 names of Canadians who are asking Parliament to enact legislation against serious personal injury crimes being committed by high risk offenders by permitting the use of post–sentence detention orders and specifically by passing Bill C–240.

* * *

[*Translation*]

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 stand.

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BANK ACT

The House resumed consideration of the motion that Bill C–100, an act to amend, enact and repeal certain laws relating to financial institutions, be read the second time and referred to a committee.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I know that with the wonderful words of wisdom I was expressing to the House prior to question period, the Speaker will recall that I was speaking about the fact that the Liberals and Tories all seem to enjoy the process of interfering in normal natural processes within a marketplace. The proposed bill is a classic example of exactly that.

The Liberals have an opportunity under the Canada Deposit Insurance Corporation Act to make some substantive changes that would continue to protect Canadians while giving Canadians a responsibility for their own lives, their own affairs.

• (1210)

It makes me think a lot of an occasion when I was in my constituency in the town of Invermere a few weeks ago. There was a gentleman who was the park warden from Glacier National Park in the United States, which I am sure members will recall is considered to be part of the Peace Park. It is right across the border from Waterton Lakes National Park. They have a wide swath cut from mountaintop down through the valley up to the other side of the mountain approximately 60 feet wide to designate the border.

The superintendent was saying it does not really make any sense for us to have this wide swath out in the middle of the wilderness. Here we are talking about this being a peace park, about how there is this desire on the part of Canadians and Americans to come together in the Peace Park, so why do we have this 60–foot wide swath? He was going to be proposing to the powers that be that this wide swath be permitted to simply regrow. What it would mean is that no longer would there be vegetation–destroying chemicals put into the area. It would save money. Above all, it would make sense.

At that point I put up my hand at the back of the room and he acknowledged me. I told him he had a serious problem: you are proposing to the governments of the United States and Canada something that makes sense and saves money; you do not have a chance of this passing. Unfortunately, in spite of the fact that I said that with tongue in cheek, it is exactly this kind of problem we have with the old line parties, with this government. If it saves money and makes sense we can count on the fact that the Liberals are going to reject it.

What am I referring to specifically? We propose a different way of handling the Canada Deposit Insurance Corporation. We call it, as it is called in the industry, co–insurance. This bill rejects deposit co–insurance.

Since the introduction in 1967 of 100 per cent deposit insurance, that is up to the maximum value, 30 financial institutions have failed, with 20 failures in the last 10 years. This has cost the CDIC about $5 billion as of March 1994.

Before 1967 there were no bank failures. Governments over the years have exhibited a reluctance to institute market based measures of reform such as co–insurance instead of opting for more regulation and oversight.

The use of the market through the implementation of co–insurance and market based criteria as early warning signals would alleviate the problem in the financial system in a less costly yet more effective manner than proposing further regulatory change. Regulatory attempts to mimic the efficient results only achievable by the free market will always be more costly for all parties involved and will rarely, if ever, achieve the same quality of results.

Under the proposed system, depositors are only encouraged to seek out the best rate, regardless of the risk profile of the institution in question, since they know that they will be fully compensated by the CDIC in the event of a failure. This facilitates the entrance, growth and eventual failure of risky and recklessly managed institutions. It also discriminates against healthy, strong, financial sector players who minimize risk by conservative lending and borrowing policies. The act does set the stage for risk based CDIC premiums.

It makes me think a lot, in terms of the government interference the Liberals and Conservatives have always practised, of a Canada Cup hockey game between Team Canada complete with Wayne Gretzky and all the rest of the superstars against Team Jamaica. The government would not set the rules for the game. It would set the rules for the result. It would probably make the Canadian goal the goal line, that is from side to side on the ice, and make the Jamaican goal the size of a shoebox. That way we could know what the results of the game were going to be. That is the attitude that has consistently, without fail, been the approach of both the Liberals and the Conservatives in the way they have governed Canada.

• (1215)

We have to realize that money is a medium of exchange. Money has no morality nor does it have nationality. We must restore balance in the marketplace, which is what this bill is about.

I am referring to making the depositor take some responsibility because what is going on right now is that the solid financial institutions are being basically penalized. The people investing in those solid financial institutions are being penalized by people who know they can invest up to the limit covered by CDIC and bear no risk as long as those deposits are guaranteed by CDIC.

The 100 per cent coverage creates a situation parallel to the situation I described with regard to regional development grants, in that it shifts the responsibility away from the depositor and on to the backs of (a) the larger, more responsible financial institutions that have a long track record and (b) ultimately the taxpayer.

Let us get government interference in the marketplace under control. Maybe that is too much to expect from the Liberals. We can only hope. But above all, I ask the members of the government side to consider this. Canada has to be prepared to compete in the real world. This issue of the Canada Deposit Insurance Corporation is just one small indicator of the kind of government interference that is distorting an orderly marketplace. It is reflective of the real world and of that marketplace. As long as we continue to shift responsibility ultimately from the people in that marketplace, we are not doing anything to create any health, vibrancy or cleansing within the marketplace.

It is for that reason, the fact that the government refuses to consider the prospect of co–insurance, that we will be voting against this bill.

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, it is a pleasure to participate in the debate today on Bill C–100. I am pleased to have the opportunity to express my support for this legislation which will enhance the safety and soundness of the Canadian financial system.

I would like to focus on the issue of early intervention when an institution is experiencing financial difficulties. It is an area where Bill C–100 establishes a dramatic shift or enhancement in the philosophy of financial institution regulation. It is a reform that I believe all consumers should applaud.

As the hon. secretary of state pointed out earlier, the logical underpinning for early intervention in problem situations begins with the principle that ownership of a financial institution is a privilege, not a right. This reflects the absolute vital role in terms of economics and public confidence that such institutions play in an open market economy.

The legislation before us takes this principle to a natural and essential conclusion. It recognizes that when a financial institution is experiencing difficulty, the owners do not have the right to continue business until the bitter end. In other words, the obligations of management include a duty to depositors, policyholders, creditors, as well as shareholders. This means that an institution's owners do not have a natural authority to carry on in the hope of some miraculous turnaround, until capital is depleted or they cannot pay liabilities as they come due.

• (1220)

Bill C–100 translates this view into concrete measures. It makes clear that if early intervention in and resolution of institutions experiencing difficulty need to occur it can occur. This is specifically recognized in a new mandate for the Office of the Superintendent of Financial Institutions. This mandate is given bottom line reality to changes in the statutes to permit this institution to obtain a winding–up order for problem firms earlier than this is warranted.

I should point out that this new mandate represents an important clarification of the mission statement of OSFI. Prior to Bill C–100, this institution was guided very informally by the objectives to maintain public confidence in the Canadian financial system.

However the bill provides the regulator with a detailed, legislative mandate which recognizes OSFI should contribute to public confidence. It will do so by recognizing the interests of depositors, policyholders and creditors of Canadian financial institutions.

Prescribing such a mandate more formally in legislation is an important step. This will give the regulator greater accountability for its actions. It also lets institutions and other stakeholders know that the regulator will deal with them in an expeditious manner should problems arise.

Greater transparency with respect to the role of the regulator provides all financial institutions, healthy or troubled, with a greater incentive to monitor their affairs more prudently.

I firmly believe the very fact that the early intervention is a clear and concrete part of the OSFI mandate is in itself an incentive for better management.

Bill C–100's mandate for this institution extends beyond simply requiring the regulator to take immediate action with institutions experiencing financial difficulty. OSFI has a broader responsibility to promote the adoption by senior management of financial institutions of sound policies and procedures to control their risks. After all, financial institutions must bear a greater responsibility to their stakeholders for managing their exposure to risk adequately. This is consistent with the principle that ownership of financial institutions is a privilege and not a right.

Supervisory systems must be designed in such a way to create an incentive for corrective action by financial institutions themselves to set right and salvage firms where possible.

However, earlier resolution alone cannot ensure that a troubled financial institution will not fail. In an open market environment, especially in today's increasingly competitive global arena, firms may fail. Therefore it is extremely important, when closure of a financial institution is imminent, the supervisory system be prepared to shut down an institution in a manner that protects the interests of all stakeholders.

In this regard, Bill C–100 provides the regulator with sufficient scope to close down a troubled institution before the value of the firm has been fully depleted.

The legislation includes amendments to the winding–up and restructuring act which provides OSFI with additional grounds for obtaining a wind–up order for a financial institution. The act is also being amended to provide more flexibility to restructure, under court supervision, the affairs of insurance companies in liquidation. This should provide protection for stakeholders if closing down is required. The liquidator will have greater scope to enhance value within the estate and improve recovery on assets disposed of by the liquidator to the benefit of all policyholders.

● (1225)

Again, the interests of financial consumers stand to be recognized under Bill C–100 revised closure policy. I believe this legislation acts on the aspects of good regulation and good management, fairness and openness.

In other words, there is a fundamental need for transparency of the supervisory system. If we are to encourage the most positive attitudes and behaviour within institutions, it is essential that they understand the steps that the authorities can take if the financial situation deteriorates. We must be prepared to deal with situations where firms make mistakes and face difficulty.

We must have a more transparent system in place so that messages to the company management are clear. That is why the secretary of state is proposing a guide to intervention that clarifies the actions that can be expected, a guide that clarifies the role of OSFI and the CDIC, the Canadian Deposit Insurance Corporation.

This guide sets out four stages of intervention. Each stage makes clear to institutions what type of regulatory action will be taken. It includes a number of fairly technical supervisory measures that may be measured and used by OSFI in recognizing the interests of stakeholders.

It also spells out actions by CDIC in fulfilling its legislated objectives to control risk to the deposit insurance fund and minimize its exposure to loss.

These regulatory actions range from the initial stage–one situation, where the regulator takes a number of small steps when the institution is experiencing difficulty. At this stage, OSFI could require the external auditor to expand its work. If the company continues to decline, there are two other stages of more direct action that can be taken by the regulator, where a more hands–on approach is taken. By stage four, firm action is required because insolvency is imminent.

The institution approaching this stage will have warning that unless it improves its situation it will be shut down. Bill C–100 provides that in such a scenario, OSFI could seek a winding–up order while the institution still has positive capital.

This is clearly to the benefit of the depositors, the policyholders, the creditors and other stakeholders. It is consistent with the institution's mandate.

The legislation before us is largely technical in content. It does not have the drama of some other high profile issues, but this should not obscure its vital importance, nor its real benefits to our economy and to the security of millions of Canadians.

Consumers have come to expect that regulatory authorities take prompt action to deal with the problem of financial institutions. A sound, dynamic financial system is important to all Canadian consumers and an essential component to economic strength, the strength that ultimately, as we know, produces jobs.

The legislation enhances the soundness that Canadians expect from their financial system. A sound, dynamic financial system is a fundamental foundation for personal financial security and public confidence. The legislation before us will ensure that such confidence is fully justified.

I urge all hon. members to approve this legislation. It is in the interest of all our constituents and our nation as a whole.

• (1230)

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased to rise in this House as a member of the Bloc Quebecois to address Bill C–100, an act to amend, enact and repeal certain laws relating to financial institutions.

I listened closely to the previous speakers' speeches, especially that of the parliamentary secretary to the Minister of Finance, who explained a number of guidelines followed by the government in the drafting of this bill.

First of all, he told us that the purpose of the government was to regulate in the best possible way certain aspects of the financial system in Canada, certain financial institutions, so that Canadians who put their trust in these financial institutions and deposit money in them will not have their trust betrayed because of a shortcoming in the regulations or abuses by the financial institutions themselves.

Following this line of reasoning, any Canadian or Quebecer would think that the federal government is fully justified in introducing the bill now before us.

The parliamentary secretary also mentioned global issues, changes in the overall financial system, new technologies, the diversification of financial needs, competitiveness, everything that makes up globalization. He told us Canada must act to make sure that our financial system will react appropriately, should financial institutions have problems that could put money deposited by Canadians and Quebecers at risk.

If we accept this argument, we would think that all is well, that the government must indeed take action. Later on, I listened to the official opposition financial critic, my colleague from Saint–Hyacinthe—Bagot, who stressed other aspects of the issue. He said that, yes, the government was justified in taking some measures but that, while doing so, it must respect the provinces' jurisdictions. I would say that the hon. member clearly underlined different aspects of the bill which infringe upon the jurisdiction of provinces such as Quebec.

During his speech, I was looking at government members and thinking that they were elected to the House of Commons to represent their constituents. In a sense, they are forced to listen to arguments which tend to become repetitive, because, no matter what bill is being debated in the House, the official opposition will criticize it in terms of federal and provincial jurisdictions. Of course, it can be tiring for hon. members, who are elected to represent their constituents honestly, to see all their bills attacked from a particular angle by Bloc members.

I understand that, but they must also recognize the position of members from Quebec, and here I am speaking of members from Quebec generally. I was reading a letter sent by Mr. Johnson, the former Quebec premier to a federal minister concerning the bill, in which he was using essentially the same arguments presented by the hon. member for Saint–Hyacinthe—Bagot. In other words, he was arguing that Quebec's jurisdiction should be respected. So it is not just a sovereignist member's point of view that has been put forward, but the point of view of a member from Quebec who wants to represent his constituents well, as is proper under the constitutional traditions of Quebec.

• (1235)

Once again, at the risk of displeasing some colleagues, I will tell you why a piece of legislation like this one, which at first glance appears perfectly appropriate and normal under the circumstances, is questionable.

It is questionable, first of all, from the standpoint of the Constitution. It is all very clear in the Canadian Constitution that private property and the Civil Code are under the Quebec government's jurisdiction. It is clear and it is there for all to read. This means that any laws or moves the federal government makes to regulate to some extent private property or items covered by the Civil Code are, in and of themselves, unconstitutional. It is with some hesitation that I use the word ''unconstitutional'' because it is a fairly strong word, but the fact remains that those laws or moves are intrusions by the federal government into another level of government's jurisdiction.

The Quebec government is not alone in saying this, as we saw last summer, when the chairman of the Ontario Securities Commission made the same argument, saying that the draft legislation put forward at the time—it was being considered by the committee—flew in the face of provincial jurisdiction over securities regulation.

Of course, when the representative of the Ontario Securities Commission showed up before the committee which was examining this bill last summer, he had changed his mind and said: ''Look, maybe it is important that the federal government legislates in this area''. At that time, we were about to embark upon a referendum campaign, and the people of Canada who sincerely believed that Canada should not be divided and should remain united after a referendum were sticking together. That is why he changed his tune a little bit.

But you have to understand that, at the outset, he had examined his powers and provincial jurisdiction and had noticed that this bill would infringe upon this area of provincial jurisdiction.

This all goes to explain why this is the first concern of hon. members from Quebec—and I am not only talking about sovereignist members of Parliament—when they examine a bill. Of course it may not cross the mind of the members from the Yukon, from British–Columbia or from Ontario when they examine a federal bill. But it is a reflex that we, the politicians of Quebec, have developed over many decades. We have done so since Confederation, under the governments of Duplessis, Lesage, Lévesque, and the Johnsons, both father and sons. The elected representatives of the people of Quebec have always

been especially careful to remind the federal government that it must respect the various areas of jurisdiction.

Again today, the elected representatives of the people of Quebec, as the official opposition, want to remind everyone of this basic rule of the Canadian federal system, which is the existence of various levels of government, with different areas of jurisdiction under the Constitution that ought to be respected.

On the very face of it, this bill does not respect the Quebec government's power to exercize jurisdiction over securities, because securities are private property. If private property and the Civil Code come under provincial jurisdiction, then securities also fall under provincial jurisdiction.

• (1240)

What is the purpose of Bill C–100? It grants the Bank of Canada jurisdiction over securities clearing houses, which, as I amply demonstrated—I believe—at the beginning of my speech, are already regulated by the provinces. The bill gives the federal government powers which go beyond its jurisdiction under the Canadian Constitution.

It even goes as far as giving a power to issue directives to clearing houses and their participants. Therefore, for a Quebec representative, this is not right, this is unacceptable. That is why we are condemning it.

The second aspect mentioned by my colleague had to do with the whole issue of so–called systemic effects. This referes to a situation where a financial institution that is in difficulty because it is unable to meet certain obligations would endanger another institution, creating a kind of domino effect where a weaker financial institution can doom other financial institutions perhaps better administered or more prosperous. A schedule was added to this bill for the purpose of controlling this phenomenon.

It is clear that, in the context of globalization, governments must closely monitor such phenomena. We read from time to time in the newspapers that the problems of a bank in Hong Kong can affect another bank in England, which happens to have interests in Canada. This situation can in turn create problems for that bank's branches and institutions in Canada and in Quebec. I understand that those things have to be regulated.

But under the pretext of having to regulate such situations, Bill C–100 encroaches once more on provincial jurisdictions, in areas which are presently regulated by the Commission des valeurs mobilières du Québec. This agency has opposed passing of the bill in its present form precisely because it saw that the federal government, mainly through the Bank of Canada, was encroaching upon the mandate it received from the Government of Quebec.

Indeed, the schedule of the bill dealing with clearing and winding up empowers the Bank of Canada to issue directives to clearing houses and participant institutions, without regard for the charter of the institution. As we know, some institutions have federal charters. We can understand that the federal government must regulate such institutions, but there are also institutions with provincial charters. Quebec has many. There are ten trust companies, 25 personal insurance companies, 60 damage insurance companies and 1,300 credit unions with a provincial charter in Quebec. That is a lot.

It is a lot and credit unions are a special concern to Quebecers. You are all familiar with the success of the caisses populaires Desjardins in Quebec. They gave Quebecers from humble backgrounds the opportunity to found institutions based on co–op principles, so that there are now 1,300 caisses populaires throughout Quebec. These institutions were built in parishes and villages and really represent a major achievement for Quebecers.

We can see that, through this bill, the federal government is giving itself some powers over these provincially chartered institutions. We are against this.

• (1245)

We are not opposed to the fact that we must protect ourselves against systemic risk that an institution could endanger another at some point. We disagree, however, with the federal government's approach. Instead, the government should have fine–tuned the large value transfer system, as a group of international experts, the Group of Thirty, proposed in 1989. The Governor of the Bank of Canada admitted as much last summer when questioned on the issue of systemic risk in the financial sector.

Of course, by the time he appeared before the finance committee last summer, the Governor of the Bank of Canada had changed his tune, as did the Chairman of the Ontario Securities Commission.

We think that he changed his tune for political reasons. That is not surprising. I can appreciate that, given the situation last summer before the Quebec referendum, those who believe in federalism and want to maintain this system in Canada may have agreed to certain things and qualified their previous proposals or statements so as to avoid embarrassing the federal government.

But the fact remains that, had the proposal to improve the large value transfer system by streamlining it been approved by the federal government, the government would not have felt compelled to give itself powers I would describe as outrageous over Quebec financial institutions which are well managed.

Not one single financial institution in Quebec has declared bankruptcy in the last ten years. Some insurance companies have merged in the interest of their shareholders and policyholders, but there has not been any bank failure among Quebec credit unions, trust companies or major insurance companies in over ten years.

Of course, there have been problems in Canada. There have been problems in Western Canada and the government had to intervene. It thinks it probably did what was best for the people of Canada and Quebec at the time, but, just the same, the federal government cannot justify invading one of Quebec's areas of jurisdiction by saying that, over the past ten or twenty years, Quebec has not been assuming its responsibilities with respect to regulating the securities industry or financial institutions.

Again, this is seen by members from Quebec as typical of the kind of insensitivity Canada has displayed toward what could be called Quebec's unique view of federalism.

When I spoke in this House yesterday on Bill C–96, establishing the Department of Human Resources Development, I put forward the same arguments. It is all fine and well for the Minister of Human Resources Development to ensure that the moneys spent for communities and individuals in Canada are spent as efficiently as possible. But this is one more intrusion—let us say it as it is, a federal intrusion—in areas of provincial jurisdiction: occupational training, manpower, and so on.

Today, the Bloc Quebecois would like to once more condemn the federal government's approach in regulating financial institutions. Rest assured that, in committee, our members will do their utmost to ensure that these clauses, which obviously are not in keeping with a harmonious federal system, are deleted from the bill.

• (1250)

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, first I want to thank the hon. member for Jonquière, who in my estimation made a good analysis which, along with the one made this morning by another Bloc member, clearly illustrates the problems with Bill C–100. There are several problems which affect Quebec but, more importantly, this bill is yet another example of federal interference in an area of exclusive provincial jurisdiction.

The hon. member pointed out that, almost every time a bill is introduced in the House, Bloc Quebecois members rise to condemn the fact that it infringes on an area of provincial jurisdiction. This is a rather recent phenomenon here. Indeed, in the last 15 or 20 years, there have been Quebec MPs in this House who were not Bloc members but who rarely got up to condemn federal interference in areas which come under Quebec's jurisdiction.

This is explained by the fact that, whenever Quebecers were represented here, it was by Conservative or Liberal members who were in a minority position and who had to toe the party line within their caucus. Since their caucus was formed by a majority representing the rest of Canada, they had to defend the interests of Canada before those of Quebec. This applied even when there was an obvious consensus in Quebec, that is when federalists and sovereignists of all political colours were of the same opinion.

The hon. member just mentioned the fact that Daniel Johnson sent a letter to the minister, in which he described our position precisely. Therefore, there is obvious consensus on Bill C–100, among federalists and sovereignists alike in Quebec, with respect to this intentional intrusion on matters of provincial jurisdiction, and I hope that the government will take this into account.

Another obvious example of consensus in Quebec being ignored by the government is the fact that manpower training and everything connected with manpower training should be handed over to Quebec. Every political party and all of the stakeholders in Quebec, be it management or labour, obviously agree on this, yet the federal government is not responding. We in the Bloc Quebecois have every right to defend these positions.

It is a well known fact that movements such as the Parti Quebecois and the Bloc Quebecois were born as a result of the realization that we were a political minority. And when we played the power game, whether within the Conservative Party or the Liberal Party, we remained a minority and, as such, had to defend Canada's interests. This the origin of the emergence of the sovereignist movement in Quebec; we realized that we were caught in an ongoing process of being reduced to a political minority.

My question to my colleague, who has studied several pieces of legislation similar to Bill C–100, is: does he not realize that, for several years now, we have tried to explain to our fellow citizens what being a political minority means, and that, to a certain extent, being a political minority leads to becoming an economic minority, and that, when we deal with Quebecers, we should add this dimension to our debate?

Mr. Caron: Mr. Speaker, I thank the member for Anjou—Rivière–des–Prairies for his question.

It is obvious that politics has an impact on the economy. Indeed, I mentioned at the beginning of my speech that the Parliamentary Secretary to the Minister of Finance had partly justified the introduction of this bill by the government by putting it in the context of some sort of globalization.

He spoke of global issues to justify that the bill is written in such a way as to regulate or influence securities throughout Canada and to insure that Canada has a single voice among other

nations with regard to securities regulation, in order to avoid negative impacts from outside the country.

• (1255)

If we, in Quebec, are not careful, the arguments of globalization, of competitiveness, of the need for the economy to adapt to the global context will be presented every time that the government wants to make Canada stronger, more visible, more efficient and more aggressive at the international level, bacause to be strong, efficient and aggressive, we must speak with one voice.

Faced with this reality, Canada wants to speak with one single voice. However, Canada forgets that there is a major voice in Canada, albeit a minority voice, as my colleague has remarked; there is Quebec's voice, which has represented a nation, a people, since the beginning of the Canadian Confederation. This voice has always made itself heard. Today, considering the globalization of economies and the fact that Quebec feels somewhat threatened by this globalization from the economic viewpoint, and not only from the viewpoint of its culture and its language, the economic argument becomes an important one for nationalists in Quebec.

In the past, we wanted to achieve sovereignty in order to maintain our language and our culture. That is fine, and that is still the most important reason, at least as far as I am concerned. However, in the last ten years or so, we have come to realize that the economic argument is gaining increasing importance. Quebecers realize that they too must speak with one single voice if they want their people, their nation, to continue developing in a global context.

I agree with the representatives of Canadian federalism that, in the global context, we must speak out loud and clear, with a single voice, and that timing is a major consideration. It is also one of the reasons why sovereignists in Quebec have been saying for many years that sovereignty should not be achieved only to preserve our language and our culture, but also to give Quebec the economic health and vitality it needs to maintain its place in the international community.

I thank my colleague for his question. It allows me to demonstrate, although I recognize the merit of our federalist colleagues' arguments from a Canadian viewpoint, that the sovereignists' arguments are also of an economic nature. I hope that some day, in a newly defined partnership with Canada, we will be able to accommodate both sides so that both Canada and Quebec can get what they want economically as well as play a leading role in the world economy.

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, in this debate concerning Bill C–100, once again we see the separatists grabbing at an opportunity to attack a Canadian bill, not because it is a poor one, but simply because it is one that would be good for Canada. In other words, if a bill is good for Canada, they are going to attack it.

What they have told us today is that Bill C–100 is an encroachment on provincial jurisdiction, in other words one more intrusion by the federal government. But that is not true in the least. What is it? This is not a bill aimed at regulating co–operatives in Quebec or elsewhere in Canada. It is a bill that will reaffirm the vital role played by the Bank of Canada in protecting all Canadians and all Canadian institutions against systemic risks that may originate anywhere in the world.

• (1300)

We have witnessed the collapse of Barings Bank, which could have caused many problems in our country. What we are proposing in this bill is to give the Bank of Canada the power to guarantee transactions between financial institutions, either in Canada or elsewhere.

This means that if a Canadian banking institution or even a credit union had received a cheque, say for $100 million drawn on Barings Bank and had deposited that cheque, but Barings Bank had gone bankrupt before the cheque cleared, while in the meantime, counting on the $100 million, the institution had paid some of its debts, that institution would have sustained a heavy loss.

What we need to do from the time a cheque is received by a Canadian institution, is to be sure that it can be counted on. But they do not want this. Why do they not want a system which would entitle all Canadian institutions to certainty when financial transactions are concerned?

[*English*]

The fact that the Bloc members are complaining about an intrusion in their constitutional domain is typical of what they will do with every bill we see in this House that is for the good of all Canadians, including Quebecers. They are going to try to find some way to knock it down so that they can say that Canada does not work. Their agenda is not the better working of Canada, it is the destruction of this very country. Canadians are not going to be fooled; Quebecers are not going to be fooled.

Let us get down to some of the essences of Bill C–100. Part of the genesis of it was the failure of Confederation Life which shook all Canadians. We had not expected it; a great financial institution went down.

The insurance industry put in place an institution called CompCorp where it contributes funds to protect the policyholders when there is a failure of an insurance institution. The government was concerned that perhaps there was not enough federal regulation in terms of CompCorp, that maybe some of the interests which we needed to have on the table, acting for all Canadians, were not going to be there.

The minister proposed a new type of institution using the insurance companies but also having a greater federal presence. The insurance industry came back to us and said it did not like our federal proposal, but it recognized that there were some improvements it had to make in the way CompCorp was run. The industry said it would make the changes in order to respect the needs of all Canadians.

This was a remarkable process. The minister put out a challenge and the industry responded on its own. The government is not involved in yet another program that could cost it funds, but the industry has assumed this responsibility in a way that will even strengthen the protection available to policyholders.

I commend the industry for coming up with this solution. It is the way we have to work. It was the spirit in which all of the measures in Bill C–100 were addressed.

One of the other issues which came before the committee was addressed by my colleague from the Reform Party. His party will not be supporting the bill because it believes we should not have Canadian deposit insurance which covers every last cent owed to a depositor up to $60,000. Reformers want a system of co–insurance so that if someone deposits funds in a financial institution which is regulated by the federal government, the depositor cannot be guaranteed 100 cents on the dollar to the first $60,000 he or she deposited.

• (1305)

There is a rationale for what the Reform members say and it does have some merit. The merit is that if I as an individual am responsible for part of the risk on that $60,000, I will be more prudent in selecting the institution in which I deposit my funds. I will investigate whether it is credit worthy. I will look around with due diligence before I make that deposit.

In theory that makes a lot of sense but in practice I wonder whether it would really work for the vast majority of Canadians. How many of them have the opportunity to investigate on their own whether a financial institution is really solvent, whether it is really solid, whether it is going to pay back their deposit within five years if it is a term deposit for that amount of time?

Can we really look five years down the road if we are making a term deposit, even if we have access to all of those financial documents? I am not really sure it is reasonable to expect everyone who deposits in a bank or a financial institution to do that, and most people do have deposits. Is it reasonable to expect all Canadians to undertake this with due diligence? Even if they do undertake it, is it reasonable to expect that they can look five years down the road when their deposit is to mature?

I like the idea of Canadians taking a greater role in looking at their returns and not just going for the highest return. If somebody is paying more than the going rate, perhaps there is a reason for it. Perhaps they are desperate for the funds and they will take them at any price. I suspect that what we have to do as a federal government is make sure through our federal institutions that the deposit taking institutions are solvent. Through the Superintendent of Insurance and other federal agencies we have undertaken that greater role of making sure those institutions to which we have given the privilege of taking deposits will hopefully be safe in the future.

This is why I believe it is important in order to protect the vast majority of individual Canadians that we continue to maintain the full level of deposit insurance. This does not mean we cannot look at this issue in the future and perhaps look at other ways in which we can achieve the same results.

I want to go back to the process by which we looked at Bill C–100 and how it evolved. It can serve as an example for other federal legislation.

The Secretary of State for Financial Institutions put out a white paper last spring. He gave the industry about three months to respond to it. The industry studied it and came back with its considerations. The minister took those considerations into mind when he introduced the bill which came down last spring.

The finance committee sat in the month of August and heard testimony on the bill. The committee did not wait for the House to give it this reference. The bill has not even achieved second reading yet. It had just been tabled in June but we thought it important to get feedback from the industry again.

The finance committee held two very intensive days of hearings here in August. About 15 recommendations for modifications to the bill were made. The industry was very enthusiastic that we had accepted what it had proposed for CompCorp which was the major issue, to try to protect policyholders of our insurance companies in the future.

• (1310)

The industry came back with some concrete and constructive suggestions as to how Bill C–100 could be improved. We have noted those suggestions. The vast majority of the recommendations made at the hearings were very constructive.

We are now at the stage that even before the bill has been officially given to the committee by the House, we are looking at the recommendations made by industry. We are having discussions with officials, and we are continuing discussions with members of the industry. I am sure by the time the bill sees the light of day again it will have a number of constructive amendments attached to it. The amendments will not be arrived at through confrontation nor by saying: ''Here it is; take it or leave it''. It will be through the constructive, co–operative efforts of those of us here in Ottawa, of the officials who are knowledge-

able and of those from the industry who are concerned with achieving a proper legislative result.

I commend the minister for this approach. I commend the industry for the very constructive role it has taken. There is only one sour note we have seen in this whole bill.

[*Translation*]

It was when the committee sat during the month of August. The separatists tried to attack the bill on the grounds that it was a federal intrusion in a provincial jurisdiction. That was not the case at all. It would have been ultra vires for the federal government to do so.

What we did was give the Bank of Canada the power to provide better protection for all Canadian institutions, including the caisses in Quebec and all the co–ops and banks, against major risks, the systemic risks in the financial system as a whole.

The separatists themselves asked to keep the Canadian dollar. So would they prefer to ignore a better way to protect financial institutions and the dollar? Even if Quebec were an independent country, it would be necessary to protect the large value transfer system and prevent systemic risks.

However, they do not want it now and never will. We all know that the Bloc strategy, the separatist strategy is to attack us every time we do something good for all Canadians.

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, I note our hon. colleague has just said, and, very much to the point, I think, that the aim of the bill was never to invade Quebec's jurisdiction, and I believe him. I do not think the ministers opposite and our Liberal colleagues spend their time trying to think of ways to create bills to invade Quebec's jurisdictions.

That is absolutely true. I think their aim is probably to come up with good bills that will apply to all Canadians, in Canada's best interest. I am not questioning this, but the effect of the bill is to invade Quebec's jurisdictions—there is no way round it. Even Daniel Johnson, a Quebec federalist, agrees.

All this, because, on the whole, Canada is pursuing an orderly and intelligent course of development, which obliges it to centralize its powers. Mr. Trudeau recently stated that Canada cannot be decentralized any more than it is, because it is the most decentralized confederation.

• (1315)

Clearly, in order to become a strong country, Canada must centralize its powers in Ottawa, and this is in fact what the government is doing.

The effect of this centralization of powers in Ottawa is to rob Quebec of its powers. This is Canada's big problem. We have two sets of jurisdiction pursuing different interests for the most part. This has not been so obvious until now, because the Quebecers we sent to the House were lost in parties like the Conservative or the Liberal Party, where they were in the minority and where they were entitled to speak in the House only to toe the party line.

Now there is the Bloc Quebecois, which truly represents the interests of Quebecers and is truly in keeping with Quebec's history. This position is being defended not only by the sovereignists, but has been defended by events in Quebec since 1950 and earlier. The position has been defended by Quebec's premiers, whatever their political stripe—federalist or sovereignist.

There was Maurice Duplessis, who said, on Quebecers' behalf, ''Rendez–moi mon butin à Ottawa'', calling for the return of the province's powers, and he got them too. There was Jean Lesage, who started the Quiet Revolution, and talked of ''Maîtres chez nous''. What did he mean? He realized we lacked some of the tools we needed for our development. Then there was Daniel Johnson, Sr., who said ''Égalité ou indépendance'', and yet he was not a sovereignist. Toward the end of his term of office, he realized that it was absolutely necessary for Quebec to retain its powers and—if possible—obtain new ones for its economic and political survival. In this ever–changing political environment, René Lévesque managed to launch the sovereignist movement. This movement is still influential; it has led to the presence in this House members of the Bloc Quebecois, which is representative of Quebec.

Of course, there are representatives of Quebec within the Liberal Party. But these are isolated cases. Quebec is represented by the Bloc quebecois. I know that Canada needs to centralize its powers. I would like to ask my colleague a simple question. Does not he think that it is time—I know that the Prime Minister has said or at least implied, maybe not to us, but to Quebecers, that he might decentralize Canada or some minor services, when we know perfectly well—

Mr. Bryden: No, no.

Mr. Pomerleau: Yes, as a matter of fact. Well, there will be no decentralization, but the fact remains that the Prime Minister indicated to Quebecers there would be some decentralization.

Does my colleague not agree basically, if we consider the situation in a simple and rational manner instead of an emotional manner, that Canada needs to have all his powers in Ottawa, that Quebec feels that its powers should be centralized in Quebec City, and that any attempt to transfer powers from Ottawa to Quebec is bound to fail?

Mr. Peterson: Never, Mr. Speaker, will we give the provinces power over our monetary system.

The Bank of Canada's powers are based on its responsibilities for guaranteeing large value transfers, to create a safer, more responsible system for all Canadians, including Quebecers.

Why decentralize? Destroy what? Our monetary system, the Bank of Canada system? That would be stupid, and the hon. member knows it.

Why, during the referendum campaign, did they ask for the right to use the Canadian dollar? Were they afraid of using another monetary system? Of course they were. Why did they spend so much money to support the Canadian dollar when the markets were almost predicting Quebec's separation? They were afraid. That is why the Bank of Canada must be able to control and guarantee transfers as provided for in Bill C–100.

• (1320)

I will not get into a debate on the other powers that could be devolved to the provinces. There is certainly a great deal of overlap and duplication in powers. Our Prime Minister said that it would be better to work together with all the provinces to better serve Canadians in reducing spending, red tape and duplication.

As far as manpower is concerned, almost a year ago, the minister wrote the Quebec government in an attempt to negotiate something in the sector mentioned by the hon. member. He never received an answer. This shows the hypocrisy of the Bloc in this House. They want to get powers, money and independence without contributing to the debate affecting all Canadians. They will continue to do so, but we will not be fooled. Even without the Bloc's co–operation, we will continue to build with all the other members of this House a more effective, more profitable, more generous, more prosperous country. And we will do so in spite of the separatists.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I applaud the comments of the member for Willowdale. I agree completely with everything that he said. The opening comments of my speech on this issue were reflective of that.

Getting to the issue at hand, co–insurance is very important. It is important because there has to be accountability in the marketplace and a responsibility if we are going to have monetary controls, if we are going to be able to give people any sense of comfort.

We must end in a way with the small depositor in particular, having some form of protection. As I pointed out in my speech, the difficulty of having 100 per cent protection and not having co–insurance is that the government then has to step into the monetary market to an extent that the small investor is absolved of responsibility for his or her investment decisions.

That is bad because money is not moral, money is not national. Money is neither of those things. Money is a way of exchanging value within the entire world community. To isolate depositors to federally controlled institutions from the reality of that is to introduce into Canada a system of insulating us from the reality of trading money.

I point out that there is an almost universal consensus for co–insurance. In spite of diverse interests, the banks, the insurance industry, both the present and the past superintendents, the chairman of the CDIC, the Canadian Institute of Actuaries, academics, including most recently the Public Interest Advocacy Centre which studied the issue from the consumer's point of view and the Senate banking committee, have supported co–insurance.

In light of this virtual universal acceptance of the idea of co–insurance, would the member who is the chairman of the Standing Committee on Finance support an amendment put forward at report stage by the Reform Party to seek co–insurance, instead of what is currently proposed in this bill?

• (1325)

The Acting Speaker (Mr. Kilger): Much to the regret of the House, the hon. member will not be able to respond because the time for questions and comments has lapsed. As much as the member for Willowdale might like to reply, time has run out.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I welcome the opportunity to add my voice to those of my hon. colleagues in the government in support of Bill C–100.

The government has taken the position that the state and its officials should not try to do what others can do better. This is particularly true when it comes to the world of business and when it comes to making sure that we do not stand in the way of private sector dynamism. Furthermore, never in Canada's history has it been so important to control the cost of government. Our fiscal situation demands it and so do Canadians, who are suffering from tax fatigue.

I raise these points because they represent important underpinnings for some of the measures before us: specifically, the actions that Bill C–100 will implement regarding corporate governance.

Underlying the changes to the governance framework is a very basic assumption. The simple fact is, no system can forestall any financial institution failure unless it is given the authority and resources to oversee all management decisions and unless institutions are severely restricted in the loans and investments they can make. However the price of such a failure safe system, even if it did work which I doubt, would be to strip that industry from contributing to the dynamism, growth and evolution of our economy.

This is where the issue of cost also raises its head. To try and implement greater micro–management of the financial sector

will require a veritable army of additional auditors and regulators. This is the approach used in the United States. However, at a time when governments must downsize, I do not see this as an option anyone here wishes to embrace.

The alternative is to take a governance oriented regulatory approach by putting greater onus for the well–being of financial institutions on the management and the board of directors of financial institutions. This is an approach employed by the United Kingdom regulators.

Whether either approach could be characterized as a more efficient system of governance is difficult. Each system functions at opposite ends of the spectrum and it would be difficult to advocate that one approach was somehow foolproof in preventing failure, or better than the other, given the global environment in which institutions must operate.

As the Secretary of State for International Financial Institutions has argued so well, and I concur, our supervisory and regulatory systems cannot be positioned as a mechanism or regime dedicated to preventing an institutional failure. If we tried to do that, we would limit the potential well–being of the financial sector and its ability to serve the economy and Canadians. Rather, any specific supervisory approach should be built around the fiscal, business and economic environments. It is important that the regulatory tools be responsive to changes in these environments.

The changes in Bill C–100 to the governance for financial institutions strike a balance. They are not intrusive. Rather they clearly recognize that the role of the Office of the Superintendent of Financial Institutions is not, and cannot be, to micro–manage financial institutions. They give OSFI due authority but not excessive authority to intervene in the governance of financial institutions but only when circumstances warrant.

I should also highlight that the changes in Bill C–100 build on and enhance changes introduced in the wide ranging reform of financial statutes of 1992. It was during the 1992 reforms when the statutes were revised to require that no more than two–thirds of the directors could be affiliated with a financial institution. In other words, at least one–third of the directors would have no relationship with the company and as a result, would not in any way be beholden to management.

The 1992 reforms also implemented the requirement that important board committees, such as the audit committee, be comprised of a majority of unaffiliated directors. These were valid and valuable changes, but they left some unfinished business that Bill C–100 will complete. They enhance the balance which would place onus on management and directors for their own governance and yet allow the regulator to intervene where circumstances warrant.

The Acting Speaker (Mr. Kilger): I regret to interrupt the hon. member, but it being 1.30 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*]

MEMBERS OF PARLIAMENT

Mr. Derek Lee (Scarborough—Rouge River, Lib.) moved:

That, in the opinion of this House, the Parliament should adopt specific measures to enable and ensure access by members of Parliament to all judicial, quasi–judicial and administrative hearings held under the provisions of the Immigration Act, the Young Offenders Act and the Corrections and Conditional Release Act.

He said: Mr. Speaker, the motion exhorts the government to put in place measures that would allow members of Parliament access to what are now closed door procedures under three separate federal statutes. The exhortation is for access, not a procedure for making submissions or representations. It is merely for access, presence or entry into procedures which deal with the rights and liberties of Canadians behind closed doors.

I have three short anecdotes gained from my several years of experience as a member of Parliament where, as have all of us in the House, I confronted barriers to access for members of Parliament when fulfilling our duties.

The first anecdote has to do with an Immigration Act refugee hearing about five years ago. Someone came to me to ask for my assistance in gaining a visitor visa for a brother. I did what I could. In the end after two or three interventions and a lot of work a visa was issued. The brother came and in complete disregard of all that had happened and the good faith of the family, he made an application for refugee status. I knew the man was a liar. I also knew he had put forth false information. I knew that the applicant would be presenting that false information at a refugee hearing.

Therefore I followed it very closely, particularly because what had happened was an abuse of my office and collectively involved the offices of all members of Parliament. I owed a duty to my constituents and to Canadians to make sure that my MPs office was not abused.

I went to the hearing where to my surprise I found that it was a closed door hearing and I could not be admitted. As things turned out, the hearing was adjourned. I made an application for access and it was granted. I was allowed to be present at the

hearing but in the end I did not have to present evidence. The application was denied and the man was deported. Under a federal statute a hearing can take place and under a law enacted by the House MPs do not have access. That case worked out reasonably well but it caused me concern.

• (1335)

There were two subsequent cases, one involving the prosecution of a young offender charged with murder under the Criminal Code. In that case I did not need to have access at the time, but I did take note of the provisions of the Young Offenders Act that can exclude individuals or groups from young offender hearings. A little light went on and I thought it was not healthy to have a statute enacted by the House excluding members of Parliament not specifically but generically. That was another case.

A third case involved parole hearings. Under current legislation there is no provision for access by any of the public to those hearings. In one particular Parole Act statute, and I do not know when it was repealed, MPs and senators were given access to parole hearings. Under the current Corrections and Conditional Release Act there is the absence of any provision to provide access to MPs or to allow the public access to those hearings.

I was at the Warkworth Institution about four years ago and had the benefit of attending a hearing, thanks to the decision of an inmate and his solicitor. It was useful to walk through the process at the time. There is hardly a member of Parliament in this place who will not be called upon at some point in his or her career to address issues involving hearings under the three statutes. My motion raises the issue for consideration by the House.

We are accountable to our constituents for the effectiveness and fairness of every procedure under all federal statutes. We are responsible to ensure the collective rights and liberties of our constituents are protected and are not abused by the procedures. We enact the laws and we are accountable to our constituents for them.

We are legislators but as history has evolved members of Parliament are also ombudsmen. That second role means that we must have as much access and freedom as an ombudsman in any provincial government, in any municipal government or at the federal government level. At the moment in the three federal statutes there are barriers to that access.

To the extent that MPs are unable to access the procedures, we run the risk of impairing our role as ombudsmen. The purpose of the motion is to get us all thinking a bit about our roles in particular under the three statutes. We must consider what we do when we enact statutes in the House and roll back to some degree the present barriers.

For the sake of the record I will cite the sections of the three statutes. In the Young Offenders Act it is subsection 39(1) and subsection 39(3). In the Corrections and Conditional Release Act it is subsection 140(5). In the Immigration Act it is subsection 69(2).

I wish to make a few comments about how the role of members of Parliament has evolved over the years. I have mentioned the legislator role and the ombudsman role. Parliament has evolved over the years, but in terms of the newer role of ombudsman it has not evolved sufficiently. Our ombudsman role is carried out in part based on the privileges of members of Parliament which are fairly well articulated, constrained and referred to directly and indirectly in the Constitution, in the Parliament of Canada Act and in the common law handed down to us when Parliament was created 128 years ago.

• (1340)

I do not have to go over them but I will point out that in every session of Parliament it is important for MPs to resubmit our request to the Sovereign for confirmation of our privileges in the House of Commons. The words read somewhat archaically but in a real way:

> We humbly claim all of our undoubted rights and privileges especially that they may have the freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

As obscure as some of those words are, they are the request for the body of privileges and rights we collectively have in the House of Commons. We need them for the most important modern roles we have as members of Parliament, legislators and ombudsmen.

I was somewhat shocked about two months ago to read a legal opinion submitted to a committee by a body created by the House for the purpose of assuring Parliament and Canadians of the rights and liberties of Canadians in a particular field. The opinion was essentially that the body appointed by a statute enacted in Parliament did not have the obligation to answer questions put to it by members of Parliament at committee. It is a very serious issue for members of Parliament and has been for hundreds of years.

The legal opinion appeared to me to be completely ignorant of parliamentary law, which as I stated earlier is part of the Constitution. It verged on being contemptuous of parliamentary law. I simply put that on the shelf and say that hopefully there will be more on the issues of privilege and disclosure to parliamentarians in the new year.

There are two ways to address our role as ombudsmen. First, we could expand our privileges. Some of us believe that is not a great way to go, that there are more effective ways of addressing the problems. However we need to ensure our rights and privileges are vital, responsive and evergreen in what we need to do in our job as members of Parliament. Second, we can be

vigilant when enacting legislation to ensure that our role as MPs is not impaired in connection with procedures under the statutes. The motion before us today is attempting to roll back barriers that we have placed in the statutes.

• (1345)

Canadians want to know that their MPs are equipped, fully aware and conversant to deal with all of the procedures under federal statutes. We enacted them, so we had better know what is going on under those procedures. In order to know fully what is going on on behalf of our constituents, I say that access is fundamental.

When I say access I am not saying that we have to change the procedures to allow MPs to make representations, submissions, arguments and get involved in the process; I am simply saying access. We should not close the door to ourselves in fulfilling our work as MPs.

I ask my colleagues, the officials of government and the ministers to take note of this important issue.

I will not close without putting on the record what should be to all of us in this place self–evident. In our system of government the ministers sit in the House. They have burdensome responsibilities. I am sure they live 26–hour days. However, in doing their work they would be more likely to be ministers of government and less likely to be parliamentarians working for Parliament. Their job as ministers is to work for the government. They sit in Parliament. I suppose that most of them are good parliamentarians, but in terms of addressing the parliamentary agenda, very few of them would take the initiative to address matters directly on behalf of Parliament. That is somebody else's job. Whose job is it? It is not the ministers', it is the parliamentarians' job. It is the job of every member of Parliament and every senator who sits in Parliament.

In dealing with this issue we must not look to government. We must not look to ministers. We must look to ourselves. Hopefully the ministers will acquiesce in the constructive, positive things we do for Parliament.

Everything we do for Parliament will be handed down to our children and their children. We must not let this place atrophy. We must ensure that Parliament and its procedures are responsive to and vital for Canadians. It is our job to do that.

I leave this motion with the exhortation that it is our job to do this. Hopefully there will be support for this type of initiative, not just in this motion but as we pass legislation in the future.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I want to speak today to Motion No. 39, moved on January 18, 1994, by the hon. member for Scarborough—Rouge River, which reads as follows:

> That, in the opinion of this House, the Parliament should adopt specific measures to enable and ensure access by Members of Parliament to all judicial, quasi–judicial and administrative hearings held under the provisions of the Immigration Act, the Young Offenders Act, and the Corrections and Conditional Release Act.

This motion refers to three acts. As a general rule, court hearings are public. In camera hearings are the exception. It is not very hard to understand that confidentiality may be required when the life, freedom or security of a person could be put at risk by public hearings.

In immigration matters, the court that rules on refugee status claims is the Immigration and Refugee Board, the IRB.

• (1350)

The IRB is made up of three divisions: the Refugee Division, where proceedings are normally held in camera; the Appeal Division, where normally proceedings are public; the Adjudication Division, where normally proceedings are public also.

Section 69(2) of the Immigration Act provides that: ''Subject to subsections (3) and (3.1), proceedings before the Refugee Division shall be held in the presence of the person who is the subject of the proceedings, wherever practicable, and be conducted *in camera* or, if an application therefor is made, in public''. This is the provision the member's motion deals with.

Subsection (3.1) adds that: ''Where the Refugee Division considers it appropriate to do so, it may take such measures and make such order as it considers necessary to ensure the confidentiality of any hearing held in respect of any application referred to in subsection (3)''. The legislator has therefore established the confidential nature of hearings before IRB commissioners, since refugee claimants may have to give details about their life and the dangers they had to face. Sometimes, as is the case with rape victims, they have to describe intimate situations and circumstances that the public does not have the right to know.

On the other hand, confidentiality is not needed in appeal cases dealing mostly not with facts but points of law. Thus, sections 80(1) provides that ''Subject to subsections (2) and (3), an appeal to the Appeal Division shall be conducted in public''. This is the general principle.

The exception is covered by subsection 80(2). It reads: ''Where the Appeal division is satisfied that there is a serious possibility that the life, liberty or security of any person would be endangered by reason of the appeal being conducted in public, the Appeal Division may, on application therefor, take such measures and make such order as it considers necessary to ensure the confidentiality of the appeal''.

As for the Young Offenders Act, it states, under subsection 39(1) that: ''Subject to subsection (2), where a court of justice before whom proceedings are carried out under this Act is of the opinion (*a*) that any evidence or information presented to the

court or justice would be seriously injurious or seriously prejudicial to

(i) the young person who is being dealt with in the proceedings,

(ii) a child or young person who is witness in the proceedings, or

(iii) a child or young person who is aggrieved by or the victim of the offence charged in the proceedings, or (*b*) that it would be in the interest of the public morals, the maintenance of order or the proper administration of justice to exclude any or all members of the public from the courtroom, the court or justice may exclude any person from all part of the proceedings if the court or justice deems that person's presence to be unnecessary to the conduct of the proceedings''.

This provision is very clear as it relates to young offenders. This piece of legislation is based on the principle of rehabilitating young offenders. While the need for punishment is recognized, the focus is on rehabilitation into the community to preserve the public peace. That is why it strongly protects the young offenders' identity, disclosure of which to the media, as well as the disclosure of any fact that could give away their identity, being forbidden.

Also, the presence of observers is controlled to ensure fair treatment to all. There is a strict procedure governing admission to hearings, and it is difficult to see why these measures ought to be changed. Once can easily imagine what impact the presence of a member of Parliament in the courtroom would have on a young offender. And what use would this information be to the member, since none of it can be disclosed in any case?

• (1355)

The third statute referred to in the motion is the Corrections and Conditional Release Act. Subsection 141(4) of that act provides that: ''The commission may, to the extent deemed absolutely necessary, prevent the communication of information to an offender, if it has reasonable grounds to believe that such communication would be against the public interest, would jeopardize the safety of a person or of the penitentiary, or would jeopardize the holding of a legal inquiry''.

Looking at the three above–mentioned statutes, I think that Parliament was right, in the specific cases that were mentioned, to allow in–camera proceedings and to protect confidentiality of files, as well as the right to privacy of individuals.

I realize that the hon. member for Scarborough—Rouge River seeks to facilitate the job of parliamentarians by, among other things, ensuring that they can attend any judicial, quasi–judicial or administrative hearing, if only to verify the administration of federal statutes.

However, there are other ways of assessing the effectiveness of a piece of legislation. Let us not forget that separating the legislative and judicial powers is a basic principle to ensure a sound democracy. In that sense, the presence of a member of Parliament, who is a symbol of political power, would not always be a good thing in the situations targeted by the hon. member's motion.

The Immigration Act best exemplifies the negative impact that the presence of an MP could have on a refugee claimant, who may never have appeared before a court in his country of origin, and who does not really know Canada's rules and policies in that regard. Such a presence could often be intimidating for the claimant. This is especially true if the claimant knows that the MP is not particularly receptive to his claim. This is sometimes the case, as in the Malik affair, which took place in Toronto, in 1991, and to which the hon. member for Scarborough—Rouge River just referred.

These three statutes all authorize in–camera proceedings or public hearings. At certain stages of the process, they require that some restrictions be applied, so as to ensure protection of, among other things, the right to privacy. Why should members of Parliament be allowed to violate these rights, and what use would they make of the information obtained?

This is the real issue. For all these reasons, I oppose Motion No. 39.

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, in my short period as a member of Parliament this will be the third private member's bill I have had the pleasure to speak to and in favour of. The first two were from the member for York South—Weston and the member for Hamilton—Wentworth.

I am happy to see a motion such as this with the common sense attached to it the Canadian people have been talking about for many years, with government not listening. I am dismayed that common sense motions that reflect the mood of the Canadian people have not been forthcoming from the government and the ministers themselves. They primarily come through private members' motions.

I am pleased to have the opportunity to speak to Motion No. 39 today put forward by the member for Scarborough—Rouge River. I understand the intent of the motion. It is a terrific motion. It is long overdue.

The motion seeks to open up judicial and quasi–judicial hearings to members of Parliament. The member is quite right

when he talks about how an MP's daily role now takes on the form in many cases of an ombudsman. We are elected to represent our constituents. The people come to us with many concerns they want us to help them with.

• (1400)

A number of constituents have asked me what is wrong with the system. Why is this person in the country when he has such a terrible criminal record in the country he came from? Does no one know about these things? What goes on in those hearings?

The case the hon. member was involved with, the Malik case, was an example. It was not, as I understand it, criminal activity, but the individual had entered Canada under pretences. I understand he applied for a visitor's visa and the member went to bat for him on it, and then when the person arrived as a visitor he promptly claimed to be a refugee. Without the knowledge of this the refugee board would have no idea about the deceptive method by which the person came to Canada.

I disagree with the member for Bourassa when he said that this person's position could have been prejudiced. Truth never prejudices anything. Truth is always what we as MPs should be looking to see prevails in every case.

In his motion the member refers specifically to such hearings held under the Immigration Act, the Young Offenders Act and the Corrections and Conditional Release Act. As members know, in our lifetimes we have been absolutely frustrated and bewildered at times by some of the decisions that have come out of these three institutions.

We ask how the parole hearings can possibly release this person into society. We may never know why some of these things happen. We would never know unless somehow we as MPs, as the ombudsmen for our constituents, had some form of access. I am sure the member is not talking about intervener status or advocacy status. I believe that in the bill he is simply talking about automatic observer access to hearings, so that when he as a member of Parliament, a representative of the Canadian people, sees that something is going on that is simply not right, he will be better able to speak about it in the House of Commons and maybe in some legislation to try to correct the wrong that is being done or the interpretation of the rules that is not conducive to what the Canadian people feel.

Certainly the three institutions the member lists are the very three I have had the most trouble with in my lifetime with regard to their decisions. I support the member's bill with regard to these three institutions.

I am aware that particular members of my own party, the Reform Party, have been involved in the process and have experienced first hand some of the barriers that face MPs when they attempt to attend some of these quasi–judicial hearings. I am referring to the members for Fraser Valley West and Calgary Northeast.

The member opposite thinks this is a joking matter. The fact is in these two instances a refugee had committed some serious crimes in Canada and the immigration people were trying to get this person out of the country. The person went before a hearing and the member for Fraser Valley West was in fact prevented from attending it. The member had personal firsthand knowledge of some of the things that may not have been brought out there. He was not allowed to present them. I understand that; that is proper. However the members of this quasi–judicial committee were not regarding this case in the fullest sense of the circumstances.

• (1405)

This was of great concern to the member for Fraser Valley West, because he had the protection of society as his first thought in mind. There was the very real possibility that if this individual had been granted refugee status he would have been a threat to the public safety of the citizens of British Columbia. He had a lengthy criminal record, including a charge of rape. However, as these MPs found out, the safety and the rights of victims are secondary to the rights of a criminal before a quasi–judicial body.

I know that the member for Scarborough—Rouge River has had personal incidents where he has run up against the same type of situation, where he was barred from attending a hearing. Motion M–39 would seek to change this situation by permitting automatic observer access to these hearings. Based on the member's own experience, I can fully understand the intent of the motion.

There are a couple of things we have to be very clear and very careful about. I am sure the member in his motion does not imply this in any way. We have to be careful that MPs are not permitted to interfere in any way with the operations and decisions of these hearings as a participant. Nor should an MP be permitted to put pressure on the people who are conducting the hearings.

I suppose the motion—and perhaps the member for Bourassa has taken this opinion—could be interpreted in such a way that an MP would have some sort of official status or presence in the hearing. I do not think that is the intent of the motion. The wording should be examined very carefully: specific measures should be adopted to enable and ensure access for MPs. The word that needs to be clarified is ''access''. This could be taken to mean a whole range of things. I agree with the hon. member for Scarborough—Rouge River that his meaning of this is very specific and narrow. However, it could be interpreted, as it was by the member for Bourassa, as being perhaps prejudicial to any of these hearings.

Time goes quickly when speaking on a bill of such importance, and so I will close. Although this bill will certainly enable the MPs to do their job as ombudspersons for the people they represent and it will go a long way to helping us, I really believe that ultimately this government will have to take a look at the legislation which covers these institutions and make major

reforms to them so that the Canadian people once again can have some confidence in these quasi–judicial bodies which are supposed to protect our society.

My party and I will support the member's motion. We wish him success in this motion, wherever it may travel from here.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am very proud to live in a country that is seen around the world as being kind, compassionate and welcoming as a nation. Over the past few decades we have opened our hearts to tens of thousands of refugees. We have been a safe haven in a world of hunger, death and tribulation.

• (1410)

A key element of our refugee determination system is the Immigration and Refugee Board. The board was established in 1989 to allow refugee claimants the right to an oral hearing. These hearings are usually not open to the public. There are a number of very good reasons for this.

[*Translation*]

A number of applicants are worried that what they say during their hearing with a view to obtaining refugee status might reach the ears of groups involved in persecution in their country of origin. Even though they are safe here in Canada, they fear that relatives and friends may be exposed to reprisals for their statements.

[*English*]

We may have difficulty imagining that possibility from here in Canada. It is sometimes hard to imagine that there are regimes where you could be arrested, tortured, or killed for your beliefs or for the beliefs of your friends and associates. We must remember this. If we want the truth, and that is what the refugee hearings are all about, we need to make sure the claimant feels that he or she has the full opportunity to be heard.

We are also concerned with having a system that is open to the public. Accountability is a vital and cherished cornerstone of our governing system. That is why we have struck a balance between the right of the public to know and the right of the claimant to protection and security.

It is a principle of Canadian law that judicial and quasi–judicial decision making take place in an open and transparent environment. The hearings held by the immigration appeals division, for example, are held in public. As I have said, sometimes there must be limits on that openness and transparency. That kind of limit is indeed even enshrined in the Canadian Charter of Rights and Freedoms in section 1, which talks about reasonable limits prescribed by law that can be demonstrably justified in a free and democratic society. The balance provided in the Immigration Act between the rights of the claimant and the rights of the Canadian public was intended to respect the competing charter concerns.

There are two ways in which an individual or the news media can gain access to the hearing: either the claimant can consent to the presence of the individual, or the hearing panel can, in response to an application, declare the hearing open to the public. In the latter case, the burden is on the claimant to establish that the life, liberty or security of any person would be endangered by a public hearing.

[*Translation*]

It would be very worthwhile for members to let their constituents know what really goes on in these hearings. It would be very difficult to understand an applicant's objecting to the presence of a representative of the Canadian Parliament, except in very unusual circumstances.

[*English*]

Is an amendment needed to achieve this level of access to the hearing process? Are lawyers and other counsel advising their clients to resist access by parliamentarians to the hearings? Are members of Parliament being left only with the recourse of litigating the issue of access before the refugee division and the courts? No, they are not.

Accountability is a hallmark of good government. The Canadian government has always held the public's right to know to be sacrosanct. It is a principle we will never abandon. Liberty, justice and freedom demand this. Sometimes the need for individual security demands privacy. An individual's right to safety and protection is another cornerstone of our society. It means we often have to strike a delicate balance. I believe our system does this.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I am pleased to rise in support of Motion No. 39. I congratulate the member for Scarborough—Rouge River for having introduced the motion.

He touches on something even deeper than what he remarked on in his own speech. That is, while we all agree that judicial processes should be as transparent as possible, this is particularly important when it comes to order in council appointments.

One of the things he failed to touch on in his speech is what we are dealing with here are boards and tribunals of a quasi–judicial nature, which may have officers of the judicial body who are appointed by government. The motion is very important in this regard, for if we have a quasi–judicial body that consists of government appointees and we do not have a mechanism whereby the deliberations of that body can always be monitored by a

representative of the elected people or by the public in some way or another, then we have a very dangerous problem.

• (1415)

I looked at the Immigration Act where it describes the conditions for in camera proceedings. I also noted the remark by the member for Bourassa who said that only the refugee status hearings were the ones held in camera. I submit that the refugee status hearings are precisely those hearings where all the action takes place. This is where we measure whether or not the quasi–judicial body is doing its job. This is where we measure whether or not the people appearing before it should be granted refugee status.

When it comes to the role of the opposition and the role of all members of Parliament in all this, I would expect that opposition members and government members would be extremely interested in how a refugee board or a parole board was performing. This is exactly what we should be doing. The member for Scarborough—Rouge River has a very good point that at the very least if we cannot open these hearings to journalists and the public at large, a member of Parliament should be able to attend them freely.

This is no worse a level of entrusting confidentiality than we would to a minister, a priest or any other person who has a particular position of confidence and importance in the public eye. Who could be more important, if I may say, in the public's eye than someone elected to represent the people?

The question that follows is whether the elected member will hear something he or she should not hear. The member for Bourassa was citing examples where there might be descriptions of personal abuse. I expect members on all sides of the House would respect the reasonable confidences of the innocent people whose testimony they may hear.

On the other hand, members hear independently the performance of the judicial board. For example, it is very important in the interests of democracy to make sure that order in council appointments are not gross patronage. We want to know that the people appointed by the government are people of quality who can do the job. How can we do that unless a member of Parliament from either side sits in on the proceedings?

In the final analysis, the MP has an important role in all of this quite apart from checking the quality of the job done by the members of the tribunal or that justice has served the person appearing before the tribunal. The member of Parliament has the ultimate responsibility because he or she is the law maker. We are the law makers. We cannot make laws unless we can see clearly for ourselves in person that the laws are working. If there is any area of government whatsoever where the law maker, the member of Parliament, cannot go in and see whether the laws are working, then we have a very serious problem.

I congratulate the member for Scarborough—Rouge River for raising this matter because it is a very large and important issue. I would suggest to the members of the Bloc that they should consider this very carefully. They are always saying they believe in the parliamentary system, parliamentary democracy and the need for transparency, and I believe them. I would suggest they reconsider this motion and give it their full support.

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, it is a pleasure to stand and support Motion No. 39 on behalf of the member for Scarborough—Rouge River. This is the second private member's motion brought forward by the member to which I have had the pleasure and privilege of speaking.

The member for Scarborough—Rouge River is once again bringing to all members of the House a problem that requires very little effort to rectify. However it may cause members of Parliament to be left in a difficult position when it comes to giving proper representation to cases involving the Immigration Act, the Young Offenders Act and the Corrections and Conditional Release Act. Members of Parliament must be allowed to represent the people who elected them to the full ability they are given under the law and to ensure that they have access to all information concerning the aforementioned acts.

• (1420)

At the present time an immigration hearing is off limits to individual members of Parliament. This is a problem particularly if the member is privy to information which may better represent the truth than the story being presented.

If a family promotes a visitor to Canada through the assistance and help of a member of Parliament and assures the member of Parliament that the person will return to their native land on a specific date, and if the visitor then applies for refugee status upon arrival and asks for welfare in the interim, that is a direct abuse of the system. It may well be that the member of Parliament is the only person aware of the original application and the promises which were made at that time. Therefore, why is the act very specific in section 69(2), which reads that the proceedings before the refugee division, et cetera are to be conducted in camera?

Members of Parliament are elected both to serve as legislators and to act as de facto ombudsmen. In cases where the member of Parliament has an interest and where he or she feels there may be an injustice, they should be allowed observer status automatically. That is not to say that any member of Parliament can attend any closed door meeting going on at any time. The member must be allowed to attend the meeting in which he or she has an interest and may be in a position to dispel some of the myths which are present at a number of these closed door meetings.

In the case of the Corrections and Conditional Release Act of which I am well aware from my experience on the parole board, the parole board may decide at its option to exclude anyone it wishes from the hearing. In other words, it may decide that no witnesses are allowed: no family, no friends or character witnesses who may help the person to gain parole or in fact lose parole. That is allowed under section 140(5) of the act.

Once again a member of Parliament is removed from the role even as observer status in a hearing which may affect the community into which the person could be released on a parole pass, even though the member of Parliament may have important knowledge of the circumstances surrounding the release of the offender.

The hon. member for Scarborough—Rouge River is not asking for a huge change in these acts. It is a change which can be accomplished with the stroke of a pen if the motion is passed. It is a necessary item of business which requires very few administrative dollars. It opens up the system and makes it transparent. It will help all members of Parliament to function in a more complete manner for the people who have elected them.

I urge the support of all members for Motion No. 39 sponsored by the hon. member for Scarborough—Rouge River. Let us open up the closed door meetings of these agencies and allow members of Parliament to further serve their electors in an effort of fairness for all.

The Acting Speaker (Mr. Kilger): The hon. member for Scarborough—Rouge River, under whose name Motion No. M–39 stands, has asked the Chair if there would be unanimous consent to grant him under right of reply one minute to close the debate. It must be clearly understood that no one can speak after his intervention.

Is there unanimous consent?

Some hon. members: Agreed.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, as we wrap up debate on this motion I would like to thank all members for their interventions.

I confirm that the intent of the motion is not to open up closed door hearings completely and not to disclose confidences of witnesses and parties to hearings. It is not to embarrass anyone. It is to facilitate the work which we all do as MPs from time to time. It is to ensure that in the future our legislation is sensitive to and cognizant of the need of members of Parliament to have access to these tribunals, to view them in operation, to see the appointees do their work and to ensure that there is fairness and efficacy in our federal system of government.

The Acting Speaker (Mr. Kilger): I thank the hon. member for his co–operation.

The time provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, the order is dropped from the Order Paper.

[*Translation*]

It being 2.30 p.m., this House stands adjourned until next Monday at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 2.26 p.m.)

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