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OFFICIAL REPORT
(HANSARD)

Thursday, March 28, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, March 28, 1996

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CANADA HEALTH ACT

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.) moved for leave to introduce Bill C-251, an act to amend the Canada Health Act (conditions for contributions).

He said: Mr. Speaker, the need for this bill arises out of the lack of a nationally organized and managed protocol for notification of infectious diseases. Although Health Canada did issue a protocol for notification recently, it is purely voluntary in nature and therefore inadequate.

I am extremely concerned about the federal government's lack of action on this important issue. With each passing year the federal politicians fail to move on this vitally needed plan and more and more lives are being put in unnecessary danger.

Canada's emergency response personnel such as firefighters routinely risk their lives to keep our communities safe, and yet government has not yet extended the courtesy of providing further protection for these workers in the course of carrying out their duties.

Emergency response personnel may come into contact with a variety of contagious diseases in the course of carrying out their duties.

As a result, a procedure is needed that allows hospitals to quickly inform these personnel when patients they have handled in a vehicle rescue or any other type of situation carry a communicable disease such as hepatitis or AIDS.

Knowing essential facts like this quickly and efficiently is the first step in preventing contact with a communicable disease from turning into something worse. Notification procedure allows for testing and early treatment of communicable diseases.

My bill advocates a notification system that is similar to corresponding American legislation recently passed in Washington which addresses concerns about formalized disease notification procedures for emergency personnel.

To ease concern about patients' invasion of privacy, my bill incorporates confidentiality safeguards.

The Acting Speaker (Mr. Kilger): We are not about to enter into a debate on this bill. The practice is to give a brief explanation of the bill. I wonder if the member could bring his intervention to a conclusion.

Mr. Gouk: Mr. Speaker, I will. The last Conservative government was opposed to the passage of this bill for a variety of reasons but the Liberal opposition was staunchly in support at least in principle. I am hopeful that I can secure—

The Acting Speaker (Mr. Kilger): Clearly we are engaging into debate here and not an explanation of the bill. I will continue.

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

* * *

CRIMINAL CODE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.) moved for leave to introduce Bill C-252, an act to amend the Criminal Code (mines).

He said: Mr. Speaker, I am pleased today to reintroduce my private member's bill calling for a ban of the import, export and use of land mines and anti-personnel devices. These devices kill and maim over 25,000 people around the world every year. They are primarily designed to kill civilians.

The primary argument against this has been the military argument. That is being shattered today by the International Committee for the Red Cross which is releasing a document dispelling those military myths.

I hope we can work across party lines to support this important humanitarian bill and save thousands of lives every year.

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

ACCESS TO INFORMATION ACT

Mr. Bill Gilmour (Comox—Alberni, Ref.) moved for leave to introduce Bill C-253, an act to amend the Access to Information Act (crown corporations).

He said: Mr. Speaker, this bill would make all crown corporations subject to the Access to Information Act. At present, crown corporations such as Canada Post are exempt from the Access to Information Act even though they are subsidized through Canadian tax dollars.

Canadians are paying for these services and have a right to know that they are getting good value for their money. Last October the auditor general published a scathing report on the operation of crown corporations.

This bill will open corporations to the public and make them more accountable to taxpayers. Many Canadians are demanding these changes and I am hopeful the House will recognize the will of the people and support this bill.

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

* * *

PETITIONS

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I present two petitions to the House today. The first is on taxation of the family.

This petition comes from Penticton, B.C. The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

● (1010)

They also state the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill and the aged.

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

ALCOHOL CONSUMPTION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition comes from Edmonton, Alberta.

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

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

CFB CHILLIWACK

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I continue to receive petitions from time to time from the people of British Columbia who are still very upset about what is happening to CFB Chilliwack. Because new buildings are still opening and infrastructure is continuing there, they feel it is very much a waste of money for the government to close that facility completely. This petition addresses that concern.

PROVINCIAL EQUALITY

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the second petition is one for our new Constitutional minister to take note of. The petitioners call on Parliament to ensure the equality of all provinces by refusing to designate one province a distinct society because such a designation confers special status or powers not enjoyed by all provinces. I hope the government and the minister are listening.

TAXATION

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I am pleased to table a petition from my constituents in Abbotsford, Aldergrove and Langley, British Columbia, which calls on Parliament to refrain from implementing a tax on health and dental benefits and to put on hold any future consideration of such a tax until a complete review of the tax system and how it impacts on the health of Canadians has been undertaken.

I table this with my full concurrence.

GASOLINE PRICES

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, I am pleased to present two petitions, duly certified, dealing with gasoline prices.

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QUESTIONS ON THE ORDER PAPER

The Acting Speaker (Mr. Kilger): Shall all remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

AGREEMENT ON INTERNAL TRADE IMPLEMENTATION ACT

The House resumed from March 27, 1996, consideration of Bill C-19, an act to implement the agreement on internal trade, as reported from a legislative committee, and of Motion No. 3.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, it is again my pleasure this morning to talk to Bill C-19, an act to implement the agreement on internal trade, and especially to Motion No. 3 that I moved to the House.

During the referendum in Quebec, we talked a lot about economic partnership with the rest of Canada, which was part of our main project. We think this agreement on internal trade is a step in the right direction that will allow to speed up somewhat the concluding of this partnership agreement between Quebec and the rest of Canada.

I will deal with the role of the minister of industry. He plays a very important role with regard to economic growth, productivity, competitiveness and employment. There are regulations, and this bill on the agreement on internal trade seems very positive to us as far as productivity, competitiveness and employment in Quebec and in Canada are concerned.

A lot of regulations these days seem to make trade between the provinces sometimes more difficult than trade with the United States, which is totally unacceptable. That is why we find this bill interesting.

• (1015)

Deregulation sometimes causes adjustment problems, and that it why, in our Motion No. 3, we are asking the government not to go too fast in deregulating in certain cases.

It could have a destabilizing effect on some very specific internal trade areas. Bankruptcies and job losses could result. Long term planning and a slightly longer time frame might help prevent this kind of problem, all these bankruptcies, job losses and so on.

Motion No. 3 deals specifically with transportation. The transportation industry is very important in Canada. Various goods are shipped. There is a high volume of activity and the level of business is very important. The industry ensures that our interrelated industries receive their supplies on time. It plays a major role in our economic development and in fostering enhanced productivity in our small and medium size businesses.

Motion No. 3 relates more specifically to bulk shipping by Quebec small businesses. I explained earlier to a government member how important this part of the regulations was. I met with officials of the bulk hauling association, which represents small family companies. By family company, I mean that the father owns a truck, which is used for very local transportation purposes within the rural community, to haul gravel, grain or what not, but only in Quebec and within a very short radius.

In Quebec, we already have regulations governing this kind of transportation. We are of course in favour of liberalizing the transportation industry in general, but this is a very specific activity, in Quebec in particular. In many cases, this activity supports an entire family and these people contracted loans of up to $100,000 or $125,000 to buy a truck. Those who just bought a truck are really worried at the thought that, in the future, a carrier could obtain a federal permit but not have to comply with Quebec's bulk transportation regulations.

This would mean that transport tariffs would not apply to them. There are several regulations, which I shall not list here, governing this sector of activity. And there are four main principles. As far as this very particular mode of transportation is concerned, Quebec does not issue a permit for the company, but for the truck. There is one permit per truck. This means that we are really talking about a one person one truck business. And the trucking activities must be carried out whithin a very short radius.

In bidding for contracts with municipalities or to build roads in the region, there is a floor price set for hauling this kind of stuff, but under the new arrangements, someone could hold a federal permit and not have to play by the same rules.

Essentially, what we are asking for is an exemption period. We are asking the minister to extend the time frame to two, three or even four years. Perhaps then more precise calculations could be made to help these very local small businesses adjust, so that they are at least not confronted with unfair competition because of other types permits being issued locally.

• (1020)

This, we think, is very important because these small family businesses run the risk of going bankrupt. This would cause some major economic disruptions in remote regions, villages and small towns. This plays a rather significant role with regard, for example, to the maintenance of these trucks, and people living off this small business are very concerned. The economic consequences could be disastrous.

All we are asking the minister through Motion No. 3 is basically this:

> —to eliminate inconsistencies between the provisions of the Internal Trade Agreement and Quebec's laws and regulations respecting bulk trucking.

We want the law to recognize this type of business, which is very specific to Quebec. I think this would not hurt the liberalization of interprovincial transport in any way. This is directly linked to those

people who provide transport services on a very local basis. We feel that, in this respect, the motion is very important for this kind of business.

If the government does not understand how important it is, we are asking the minister to at least consider allowing for a transition period of two, three or four years before really enforcing the act, so that these small businesses can survive for a while.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I wish to say a few words today on the proposed amendment by the Bloc to Bill C-19, the bill which implements the agreement on internal trade.

The motion the Bloc has put forth really is not unlike the amendment put forth by the Liberals on the Reform Party's motion which said that a parliamentary committee should study the allegations of sedition against the Bloc. The amendment the Liberals brought forth on that motion struck all the words before ''that'' and all the words after ''that'' and really left nothing of the original motion.

The Bloc by putting this amendment forward is saying: ''We do not really want to pay any attention to this agreement for internal trade which we have signed'' or: ''We do not trust the dispute settlement mechanism''. It is one or the other. Either way it is saying that it wants to ignore the agreement or bypass the dispute settlement mechanism and have new negotiations with the federal government in the area of bulk trucking.

This indicates to me that the Bloc has absolutely no faith in the original agreement or it does not trust the dispute settlement mechanism. I can understand some of the Bloc members' concerns with that. The dispute settlement mechanism has no teeth and it could be a very long procedure. However, it is the mechanism that was agreed to when they signed the agreement and I think it is worth giving it a try. This mechanism has not been tried yet. It really cannot be fully tried until the legislation that this motion amends is passed. Bill C-19 will implement the agreement on internal trade. There is so much leeway given in the dispute settlement mechanism that it should be more than enough to protect the trucking industry which this motion deals with.

In the agreement there is a list of legitimate objectives that a province can have which will allow the province to really get around honouring the intent of the agreement. These legitimate objectives are based on public security and safety; public order; the protection of human, animal or plant life and health; the protection of the environment; consumer protection; protection of the health, safety and well-being of workers; and the affirmative action program for disadvantaged groups.

• (1025)

Any of those so-called legitimate objectives could be presented, in this case by the province of Quebec in regard to its bulk trucking industry, and examined by a panel. Surely the Bloc should trust that the panel would examine the legitimate objectives and determine that one or more of the legitimate objectives would allow the panel to tell the industry that it can continue to operate in a way which is different from the rest of the country, or to tell it that there is no reason for it to be given special treatment in this area.

The Bloc motion is really an attempt to disregard the agreement and to get around the dispute settlement mechanism. The dispute settlement mechanism, after this legislation is passed and implemented, will allow five panellists chosen from a pool of 65 panellists to decide in this case whether the trucking industry in Quebec should honour the intent of the agreement or whether it should have special protection.

Two of the panellists will come from the federal pool, two will come from the provincial pool, from a province other than Quebec, and those four panellists will choose a chair. There will be five panellists from the federal and provincial governments and a chair who will determine the issues.

I challenge Bloc members to demonstrate why they do not have any faith that this process would deal with the problem which their amendment is trying to deal with today.

We have to give the process which has been put forth a chance to see if it will work. Granted, a lot of parties, think tanks and people who have examined the agreement do not have a lot of faith in the dispute settlement mechanism as presented. I have grave doubts that it will work, but let us give it a chance. If we find that it does not work, then we should tighten it up very quickly and give it some teeth.

If the Government of Quebec is concerned about the way this agreement will deal with its trucking industry, then it should take it to a panel. When the legislation is passed it could put it through the dispute settlement mechanism. It could put it through the negotiation process first. If that did not solve the problem, it could submit it to a panel and have the issue decided in that manner.

The Reform Party will not support this motion. It really is a motion which disregards the agreement and the dispute settlement mechanism. I do not think it is worthy of being supported by the House.

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Mr. Speaker, having listened to the proposed amendment of the hon. member from the Bloc, I can indicate that this amendment

would have one effect. That effect would be to tie the government's hands in fulfilling its commitments under the agreement on internal trade. The amendment would in effect unilaterally change the provisions which were agreed upon by all provinces and the federal government.

This is but an implementation bill. The proposed amendment would prevent the federal government from honouring the obligations that were agreed to by all parties. In fact the proposed amendment is intended to respond, I would suggest, to pressure from those within Quebec who have indicated that they wish to keep certain barriers in place.

• (1030)

In presentations to the industry committee, the Association des cammionneurs artisans du Québec made it clear that it wished to retain current measures that restrict trucking of bulk commodities in the province. Those measures are based on Quebec legislation which depends on part III of the Motor Vehicle Transportation Act for its effectiveness. The federal government in the internal trade agreement has agreed to repeal this provision. It is interesting to note that the Quebec government agreed to this provision being repealed in the Motor Vehicle Transport Act when the agreement was signed.

The Bloc is trying to have it both ways. It cannot agree to remove barriers on one hand and insist on keeping them on the other hand. That is the effect of the BQ amendment.

Further, the amendment would, for practical purposes, require that the federal government not fully comply with the agreement on internal trade. It would not be acceptable for the government to go back on its agreed obligations to suit the convenience of a single interest group that wants to maintain internal barriers.

If it was the desire of the Quebec government to change the agreement on internal trade, which it has already agreed to, then it would have to take that matter up with the 12 other parties to the agreement, not just with the federal government.

Trying to amend this bill to avoid meeting the obligations of the agreement is, simply put, not an acceptable way to proceed. For that reason, the government is not in favour of the proposed amendment.

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

[*Translation*]

The Acting Speaker (Mr. Kilger): The recorded division on Motion No. 3 stands deferred.

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

Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the recorded division on the question now before the House stands deferred until 6.30 p.m. Monday, April 15, at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

• (1035)

[*English*]

BANK ACT

The House proceeded to the consideration of Bill C-15, an act to amend, enact and repeal certain laws relating to financial institutions, as reported (with amendments) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): There are 13 motions in amendment standing on the Notice Paper for the report stage of Bill C-15, an act to amend, enact and repeal certain laws relating to financial institutions.

[*Translation*]

Motions Nos. 1, 2, 3, 5, 6, 7, 9 and 10 will be grouped for debate but will be voted on as follows: the vote on Motion No. 1 applies to Motions Nos. 2, 3, 5, 6, 7 and 10; Motion No. 9 will be voted on separately.

[*English*]

Motions Nos. 4 and 8 will be grouped for debate. A vote on Motion No. 4 applies to Motion No. 8.

[*Translation*]

Motions Nos. 11, 12 and 13 will be grouped for debate but will be voted on as follows: the vote on Motion No. 11 applies to Motion No. 13; Motion No. 12 will be voted on separately.

I will now put Motions Nos. 1, 2, 3, 5, 6, 7, 9 and 10 to the House.

[*English*]

MOTIONS IN AMENDMENT

The Acting Speaker (Mr. Kilger): Group No. 1, Motion No. 1. Mr. Peters—

Ms. Catterall: Mr. Speaker, if you seek the unanimous consent of the House, you might find it agreeable to deem the motions in Group No. 1 to have been read.

The Acting Speaker (Mr. Kilger): If I could have more clarification, would you also say read and seconded?

Ms. Catterall: Yes.

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

Some hon. members: Agreed.

Hon. Douglas Peters (for Minister of Finance) moved:

Motion No. 1

That the French version of Clause 41 of Bill C-15 be amended by

(*a*) striking out lines 28 and 29 on page 39 and subsituting the following:

''une fusion de celle-ci, ou l'a forcée à le faire, à la protion de la''.

(*b*) by striking out line 2 on page 40 and substituting the following:

''dans les circonstances, à''.

Motion No. 2

That the French version of Clause 45.1 of Bill C-15 be amended

(*a*) by striking out lines 23 and 24 on page 47 and substituting the following:

''reçues ou détenues, la date déterminée est prise en compte, que le droit ait'';

(*b*) by striking out lines 30 to 33 on page 47 and substituting the following:

''sant de prolonger la durée du dépôt aux taux d'intérêts fixés au moment où les sommes ont été sollicitées ou reçues, la date ultérieure est prise en compte,''; and

(*c*) by striking out line 37 on page 47 and substituting the following:

''veler ou de réinvestir les sommes aux''.

Motion No. 3

That the French version of Clause 70 of Bill C-15 be amended by striking out line 38 on page 61 and line 1 on page 62 and substituting the following:

''qui suit soit la prise de contrôle de la société soit l'entrée en vigueur du présent article, la der-''.

Motion No. 5

That the French version of Clause 76 of Bill C-15 be amended by striking out lines 8 to 10 on page 64 and substituting the following:

''que les fonctions des deux postes seront bien exercées et que les fonctions du poste d'actuaire seront exercées de façon''.

Motion No. 6

That the French version of Clause 95 of Bill C-15 be amended by striking out line 39 on page 72 and substituting the following:

''l'ordonnance permettant à la société de''.

Motion No. 7

That the French version of Clause 115 of Bill C-15 be amended by striking out lines 31 and 32 on page 88 and substituting the following:

''qui suit soit la prise de contrôle de la société soit l'entrée en vigueur du présent article, la der-''

Motion No. 9

That the English version of Clause 157 of Bill C-15 be amended by striking out lines 13 to 22 on page 108 and substituting the following:

''this section, the onus of proving

(*a*) that the company was not insolvent lies on the directors and the shareholders of the company; and

(*b*) in the case of the directors, that there were reasonable grounds to believe that the company was not insolvent when a dividend was paid or shares were redeemed or purchased for cancellation or that the payment of a dividend or a redemption of shares did not render the company insolvent lies on the directors.''

Motion No. 10

That Clause 165 of Bill C-15 be amended by striking out line 2l on page 120 and substituting the following:

''-ing the 2nd Session of the 35th Parliament,''.

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, with respect to the motions that have been grouped for debate, being Motions Nos. 1, 2, 3, 5, 6, 7, 9 and 10, I would like to speak very briefly to inform the House these are technical changes and clarifications intended to ensure consistency between the two versions of the bill.

As I look over the various motions it is clear they are merely of the nature I have described and I do not think they require any extensive discussion in the House this morning. Members will note these motions ensure consistency between the English and French versions. They are merely technical, clarifying and would probably only be of interest to practising lawyers.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): So soon, Mr. Speaker? I knew that the government had little to say, but taking only two minutes to propose ten amendments is rather short.

At 9.15 this morning, barely one hour before the beginning of the debate on the amendments to Bill C-15, we learned that the government had decided to propose a series of ten amendments to its own bill.

• (1040)

We deplore this way of doing things, which has almost become the norm with the government, and which consists in tabling, literally at the last minute, a series of amendments to create confusion in the debate. This has happened before. This morning, we took a very serious look at all the amendments to make sure that the government was not trying to pull a fast one on us. It is unacceptable on the part of a responsible government to resort to such tactics, especially in the case of a measure like Bill C-15, which concerns financial institutions and which is of vital importance to the future of that sector, particularly securities.

I wonder who the Secretary of State and the ministerial assistant think they are. I have the impression that they think they are a bit like Moses, but with ten amendments instead of ten commandments. The difference is that we are in Parliament, where democracy is to be respected, where public information and transparency must prevail. If it had not been for my colleagues' alertness and our research service's technical support, we would have been at a loss with the new amendments being systematically dumped on us.

Let me recall, and this is something we discussed last year, that Bill C-15, previously Bill C-100, directly affects an area over which provinces have exclusive jurisdiction, that of securities, which includes liquid assets, shares, bonds and debentures.

This is an area over which provinces have exclusive jurisdiction under two sections of the Canadian Constitution. The first one is Section 92.13, which provides for property and civil rights in the province. The second one is Section 92.16, dealing generally with all matters of a merely local or private nature in the province.

From the beginning of this debate on the bill relating to financial institutions, we have received only half-answers and half-truths when we asked how it happens that the bill clearly infringes upon an exclusive provincial jurisdiction.

Bill C-15, notably by implementing across Canada a system for the clearing and settlement of payment obligations, infringes on powers already exercised, for example, by the Quebec Securities Commission—the same applies to Ontario and British Columbia—, and by the Quebec inspector general of financial institutions.

This situation results in costly overlaps for taxpayers. Liberals have become masters at it. They add overlap, particularly in the area of securities. Who is paying for that? The taxpayers. The Liberals are adding not only costly overlaps but also administrative inefficiencies, because Quebec financial institutions will be subjected to dual controls.

Why end up controlling an area which is already very well controlled and which has been under Quebec's exclusive jurisdiction for a long time? Why is the federal government showing that much paternalism? Why does the federal government want to monitor the various provincial institutions, particularly the Quebec ones?

We have deplored it, we deplore it today and we deplore most of all the fact that, in these Moses' ten commandments or rather the ten amendments put forward by the secretary of state and assistant to the Minister of Finance, there is nothing that deals with the official opposition's requests and nothing that responds to the criticisms of various provinces with regard to this encroachment by the federal government.

With regard to securities more specifically, the second concern that is not dealt with in Bill C-15 nor in the amended version put forward by the government with these ten amendments is the fact that this is not a partisan issue, an issue of sovereignty versus federalism, but a fundamental issue in Quebec.

Even Daniel Johnson, in a letter dated February 16, 1994, when he was premier of Quebec, stated that it was out of the question for the federal government to encroach on the area of securities—for the federal government was already expected at that time to try to encroach on that area—and that the Government of Quebec would refuse to accept it and would fight tooth and nail to keep its prerogatives in that area.

• (1045)

Daniel Johnson said so, and he is an ally of the people opposite, and too unquestioning an ally at times. He wrote to the intergovernmental affairs minister of the day to remind him of the Quebec consensus—because there is a consensus—on this exclusive jurisdiction over securities. But the government does not even care to respond to its own allies, and it is blatantly ignoring specific sections of the Canadian Constitution.

Besides jurisdictional issues, a third difficulty, as I said earlier, is that financial institutions and even investors in Quebec will suffer from this duplication created by the federal government. Costs will rise, and the securities market will lack the consistency it requires. Let us not forget that all agents on the securities market, like all other financial markets, need clarity and consistency of rules and stability. Everybody knows that financial markets need stability.

Instead of introducing the consistency and stability all financial markets throughout the world require, the federal government comes in clumsily with Bill C-15. It sets out to create its own institutions and let the Bank of Canada and the Canadian superintendent of financial institutions interfere in the securities sector. Such an attitude cannot be accepted.

Last August, the secretary of state for financial institutions appeared before the finance committee. To all our questions on the federal government's infringement upon the securities industry, a field of exclusive provincial jurisdiction especially in Quebec, the secretary of state will have to acknowledge today that he answered

just about anything. He said just about anything. We even had the feeling that the secretary of state did not even know his own bill.

When we referred to specific sections, we got the feeling that the secretary of state had senior officials draft this legislation and was simply providing us with a summary. Every time we told him that the federal government intended to get involved in the securities industry, he said no. Every time we told him that the federal government was paving the way for systematic infringement upon this field, he said: ''Come on, where do you see that in the bill?''

However much we referred to specific provisions—

[*English*]

Mr. Campbell: Mr. Speaker I apologize for interrupting my colleague with a point of order, but I am somewhat confused.

We are debating a series of motions which have been grouped by the Chair for debate, which are merely technical to clarify and to ensure consistency in nature. My hon. colleague has referred to there being 10 motions but there are only eight so his math is not very good. However, he is engaging in a debate about the general thrust of the act without referring to these motions at all. I understand that some of his concerns are the subject of motions which are grouped for that purpose which we will be debating a little later this morning.

Perhaps the hon. member could clarify this.

The Acting Speaker (Mr. Kilger): I would hope you would be sympathetic to the Chair when I express that being it is a bill which is technical in nature, it would be difficult for me as your Chair occupant to apply the rules of relevance. I know the member for Saint-Hyacinthe—Bagot of course has spoken often on behalf of his party on financial matters. If it is a matter of good faith on the part of the Chair, so be it. I would be hard pressed to say if there was or was not relevancy in terms of what the member has been speaking to on the motions grouped in the earlier ruling I gave to the House.

[*Translation*]

So, as far as the rules of relevancy are concerned, I am not in a position to determine if the comments made are relevant or not to this very technical bill, but I rely on the good faith of the hon. member for Saint-Hyacinthe—Bagot, who has been closely following these financial issues for many years now.

● (1050)

Mr. Loubier: Mr. Speaker, I want to speak on the ten amendments which were put forward and divided in three groups by the government's representatives, because there are ten of them—I do not know how the hon. member came up with the number eight, maybe because we are debating the first eight—but there are ten amendments before the House.

What I want to point out, on behalf of my colleagues, is that not one of these amendments answers the many issues we have been raising for almost a year now. Indeed, it has been almost a year now since the problems surfaced, since the bill was introduced and the secretary of state in particular was unable, in August, during the finance committee's hearings, to answer our questions. Every time we asked him questions on some of the issues we raised and which remain unsolved—

[*English*]

Mr. Grubel: Mr. Speaker, I rise on a point of order. I am very disturbed. I am following the discussion and I am prepared to speak on Group No. 1, Motions Nos. 1, 2, 3, 5, 6, 7, 9 and 10. I have counted them three times; there are eight. On what is the hon. member speaking?

The Acting Speaker (Mr. Kilger): Again, you are really putting the Chair in a very difficult position in terms of the relevancy of the motions on a bill that is very technical. I am sure if the member should so choose, the Chair will recognize him to engage in this debate on the appropriate motions.

I would ask that we give the remaining time to the hon. member for Saint-Hyacinthe—Bagot, which would be approximately two minutes given the interruptions that we have had on points of order, according to our procedures.

[*Translation*]

Mr. Loubier: Mr. Speaker, I would suggest to my colleague from the Reform Party that if he wants to understand what we say, he only has to listen. I think this would be a good thing, since he does not often listen to our arguments because he is too busy preparing his while we develop ours. And this has been going on for the last two and a half years.

Thus, I repeat that the amendments put forward by the government do not in any way correct the deficiencies of the initial bill, that is, Bill C-100, which has been renamed Bill C-15, and that the secretary of state told us tall tales when he appeared before the committee. The secretary of state told us that his government did not intend to infringe upon the securities industry. Since then, we have been able to refine our analysis. Bill C-15 was even compared with the old Bill C-100. Then, there was the speech from the throne which spoke clearly of restoring a Canadian securities commission.

So, this is my conclusion on the ten amendments. We will reject these amendments because they do not meet any of our expectations. These purely cosmetic amendments only add up to commas and periods and were put forward this morning with only one hour prior notice to try to destabilize the opposition and the debate on

this bill and create confusion in the population and also force us to concentrate our comments on these ten proposals that are rather trivial considering the seriousness of the bill.

[*English*]

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, there are indeed 10 motions, but they are grouped into Group No. 1 and Group No. 2. The hon. member who constantly said there were 10 motions obviously was putting the two groups together. I will however follow the direction set by the Chair and simply discuss the motions in Group No. 1: Motions Nos. 1, 2, 3, 5, 6, 7, 9 and 10. I had a good look at them.

All except for one concern changes in the French translation of the English text. While I do understand and read French, I am not sufficiently expert in the legalese that is involved in here. I have every confidence in the competence and integrity of the writers of this bill in the Department of Finance that this is in order.

Therefore, I express the Reform Party's support for these amendments. I hope we can get on with debate and get through this business. This is an expensive time to be held up at this stage and talk about things that are not relevant to the motions. We will have a chance when third reading of Bill C-15 comes up to have our fundamental objections to the bill registered. I hope we can expedite the passing of these motions today.

● (1055)

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): The recorded division on the motion stands deferred. The recorded division will also apply to Motions Nos. 2, 3, 5, 6, 7 and 10.

The next question is on Motion No. 9. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

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

We will now proceed to Group No. 2 which includes Motions Nos. 4 and 8.

Hon. Douglas Peters (for Minister of Finance) moved:

Motion No. 4

That Clause 70 of Bill C-15 be amended by adding, immediately after line 6 on page 62, the following:

''(5) Subsections (2) to (4) do not apply with respect to a person or entity that was carrying on business in Canada under a reserved name on the day immediately preceding the day on which those subsections come into force.''

Motion No. 8

That Clause 115 of Bill C-15 be amended by adding, immediately after line 43 on page 88, the following:

''(5) Subsections (2) to (4) do not apply with respect to a person or entity that was carrying on business in Canada under a reserved name on the day immediately preceding the day on which those subsections come into force.''

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, as I listened to my colleague opposite, the member for Saint-Hyacinthe—Bagot, I was tempted on moving to this second grouping of amendments to tell the House of a story I once heard about lawyers who were arguing a case. One lawyer stood up and argued for several hours and the other lawyer stood and said: ''I will follow the very fine example of my colleague and make no argument''.

These two motions which are grouped for debate deal again with a fairly technical matter. The act would prohibit the use of the words ''trustco'' or ''lifeco'' by an unregulated parent of a regulated institution. This is to avoid certain confusion within the public and to ensure that the public is not misled concerning whether or not a financial institution is in fact federally regulated.

After representations which we heard before the committee and in consultations held in the department it was pointed out to us that to flat out prohibit the use of such words by entities that had long used them would be costly to the companies involved and quite confusing to the public throughout this country. Therefore certain

grandfathering provisions were included and Motions Nos. 4 and 8 further clarify these grandfathering provisions.

I am sure the member opposite will now stand and engage in this debate and launch into a discussion of the overall thrust of the bill, which is interesting, but we have discussed it at other stages.

• (1100)

I see we have a third grouping coming up which consists of resolutions they have just dropped on us suddenly. Everything that he has said about the government's motions, just getting them with no time to prepare, apply to his Motions Nos. 11, 12 and 13 grouped for debate later on.

Lest I cross over the line of relevance I will not get into his motions until we are there.

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, in Group No. 2, two motions have been added. In Motion No. 4, the Minister of Finance proposed:

That Clause 70 of Bill C-15 be amended by adding, immediately after line 6 on page 62, the following:

''(5) Subsections (2) to (4) do not apply with respect to a person or entity that was carrying on business in Canada under a reserved name on the day immediately preceding the day on which those subsections come into force''.

The parliamentary secretary says this is only a technicality.

Then, in Motion No. 8, the Minister of Finance proposed:

That Clause 115 of Bill C-15 be amended by adding, immediately after line 43 on page 88, the following:

''(5) Subsections (2) to (4) do not apply with respect to a person or entity that was carrying on business in Canada under a reserved name on the day immediately preceding the day on which those subsections come into force''.

We are dealing with the same thing, here. Again, the parliamentary secretary says this is only a technicality.

Mr. Speaker, through you, I would like to ask the parliamentary secretary this: Why has the government waited until this morning to add in these technicalities? Why did it not do this before, when Bill C-15 was introduced? In the first session, this bill was introduced as Bill C-100.

Considering that the finance department has hundreds and hundreds of employees at its service, why were these so-called technicalities not introduced at that time? How is it that the parliamentary secretary or the department came up with these amendments around 8.30 or 9 a.m., as my colleague from Saint-Hyacinthe—Bagot pointed out? We were informed of these amendments when we arrived at our offices this morning.

Once again, the Liberal government is not taking its responsibilities seriously. It is doing a sloppy job. Its goal is not to better inform the public, to bring forward specific technical amendments to improve the bill. Its only goal is to try to destabilize members of the official opposition at 9.15 a.m., in order to avoid being severely criticized by them.

This is a very important bill we have to discuss and, suddenly, the government decides to move ten amendments. Then, realizing that he cannot respond to the objections raised by the official opposition, the parliamentary secretary tells us that they are not important amendments, that we should not worry about that, that they are just technicalities. Then why were they not included in the bill when it was introduced?

I would also like to add that the amendments proposed by Liberals this morning do not respond to the repeated requests made by the Bloc Quebecois. Where in the second group of motions, Motions Nos. 4 and 8, as in the eight previous motions, can we find a reduction in governmental regulations? Where can we find the elimination of duplication and overlap that the official opposition has been complaining about for two years?

For several months now, the official opposition has been asking the government to let Quebec's legislation play its role. But, once again, the federal Liberal government prefers to increase its interference in areas under Quebec's jurisdiction. In the end, as my colleague from Saint-Hyacinthe—Bagot pointed out, these two amendments, like the previous eight, are nothing but cosmetic amendments.

This morning, my colleague from Saint-Hyacinthe—Bagot also talked about Moses' ten commandments. I think he was very generous in comparing these amendments to the ten commandments because at least, in the ten commandments, there was a lot of wisdom, shrewdness and insight, which I do not see in the parliamentary secretary's amendments. If the parliamentary secretary had a minimum of decency, he would withdraw his amendments.

[*English*]

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I find that a strange interpretation of the way democracy works. It shows a lack of appreciation for how complex some of the technical matters are regarding financial bills of this sort.

There are all kinds of things wrong with the bill, but there is criticism on it on the basis that the government has shown its willingness to respond to public concern about a proposal. To me it shows the government is listening. We have a society which takes into account the people who are specifically affected by legislation. I praise the government for having made these modifications.

The bill is not very good. However, with respect to these two clauses I commend what the government has done. The registration of names, names which have already been registered, was an item of contention. We heard about it in the finance committee and I am persuaded that this is a good move. It is for this reason that the Reform Party will support the two amendments placed in Group No. 2.

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): A recorded division on the motion stands deferred. The recorded division will also apply to Motion No. 8.

● (1105)

[*Translation*]

We will now proceed with Group No. 1, that is Motions Nos. 11, 12 and 13.

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

Motion No. 11

That Bill C-15, in the Schedule, be amended by replacing line 26, on page 124, with the following:

''ment of foreign ex-''.

Motion No. 12

That Bill C-15, in the Schedule, be amended by adding after line 30, on page 127, the following:

''(2.1) A directive may not be issued under this section in respect of a participating institution that is a member of a system for the clearing and settlement of securities transactions by clearing houses.''

Motion No. 13

That Bill C-15, in the Schedule, be amended by adding after line 2, on page 136, the following:

''PART III
CLEARING AND SETTLEMENT SYSTEMS FOR SECURITIES TRANSACTIONS

24. Sections 1 to 23 apply to systems for the clearing and settlement of securities transactions and to clearing houses operating a clearing and settlement system to the extent that such clearing houses clear and settle payment obligations.

25. The powers provided for in this Act may be exercised, with respect to systems for the clearing and settlement of securities transactions or with respect to clearing houses operating a system for the clearing and settlement of security transactions, only for the purpose of monitoring the operation of the clearing and settlement of payment obligations or preventing systemic risks in respect of the clearing and settlement of payment obligations.''

He said: Mr. Speaker, I am very pleased to debate real amendments after having discussed a series of cosmetic amendments.

As I said in my first speech, this bill systematically infringes upon an exclusively provincial field of jurisdiction, securities. This field is strictly defined in the Canadian Constitution, in section 92.13, on property and civil rights in the province, and in section 92.16, which includes generally all matters of a merely local or private nature in the province. These things are under provincial jurisdiction.

We fought against the first bill, Bill C-100, because it was a deliberate attempt by the Liberal government to encroach upon a provincial field of jurisdiction, thus creating duplication and overlap. The three amendments we are proposing, whether the Reform Party likes it or not—and let us not forget that the Reform Party did not do its job during the last session, it did not examine and criticize Bill C-100—our three amendments pertain to the clearing system and the settlement of payments. Their aim is to stop the federal government from encroaching upon an exclusively provincial field of jurisdiction.

● (1110)

In other words, through these three amendments, we say as clearly and simply as we can in legal terms, that the federal government should mind its own business.

The first amendment strikes, in fact, the word ''securities'' from the original clause, so that federal jurisdiction does not extend to that provincial jurisdiction. The second amendment, Motion No. 12, seeks to exclude from the application of federal guidelines institutions participating in clearing houses for securities.

The first amendment takes away from the federal government the power to create a clearing house, and the second amendment takes away the power to regulate provincial clearing houses. This is exactly what we want, that is to remove from this bill any invasion of provincial jurisdiction.

The third amendment relates to the system for the clearing and settlement of securities. This amendment limits federal regulatory

power to payment settlement activities, as opposed to institutions that are likely to carry out such activities.

Furthermore, the federal government can take action only for reasons of management of systemic risks, as the Superintendent of Financial Institutions and the Minister of Finance claimed, and for no other reason. That is what we opposed from the beginning, when we argued against the bill. That is what has become of Bill C-15.

So, these are the amendments, and I would invite members of this House from the three parties to support these amendments that would be beneficial, in particular for federal-provincial relations.

[*English*]

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, my, my, my. It is incredible. When we debated the first eight motions grouped by the Chair, the hon. member for Saint-Hyacinthe—Bagot was full of indignation over amendments being tabled at the last minute with no chance to absorb them.

That is the way it works around here. He knows that and he followed those exact rules and procedures in tabling his own very technical motions without any advance notice for us to understand them. Then, as he accused the government in an earlier debate, he stands up on these very technical motions which have been grouped for debate and speaks for about three minutes. I guess the saying goes that sauce for the goose is sauce for the gander. Did I get it wrong?

An hon. member: What is lost to Moses is lost to Judas.

Mr. Campbell: We had all kinds of talk about the ten commandments but I will not get into that in this debate. Fortunately for the Secretary of State for International Financial Institutions he does not have to worry about religion on top of all his other concerns.

Let us talk about specifics. Let me respond with some substance to these amendments proposed in this group by the opposition which which we will not support.

If clearing and settlement systems are not properly designed they can result in considerable systemic risk; that is, the risk of problems experienced by one financial institution will spread to other institutions and destabilize the system as a whole. In an increasingly global marketplace in financial services that risk exists. If our systems are not properly designed problems occurring elsewhere may spread to the Canadian financial system.

The hon. member opposite can rail all he wants but this is an appropriate role for a central bank and it is not an appropriate role for a securities regulator.

Bill C-15 establishes a framework for proper risk proofing that is effectively designed and competitive in terms of the spread and cost with which payments are cleared and settled. This will enable Canadian financial institutions to compete more effectively. The proposed clearance and settlement legislation makes sense and has several key functions. It gives the Bank of Canada an explicit role in overseeing clearing and settlement systems that pose systemic risk. The bank already plays a key but informal role in ensuring that such systems are designed in a way which controls risk.

The proposed clearing and settlement legislation provides formal responsibility for the bank to oversee these systems, as it exists throughout the world. However, the legislation aims only to supervise those system that pose a risk to the financial system. It does not seek to regulate any associated financial markets. It is quite properly within federal jurisdiction. Equally important, it is what the safety, soundness and security of our financial system demands and what all Canadians would expect of the federal government. The oversight role for the bank is consistent, as I said earlier, with the role being played by central banks elsewhere.

• (1115)

Second, Bill C-15 gives the Bank of Canada the powers it needs to participate in clearing systems and contribute to their safe, efficient and cost effective operations. These powers will be important in the context of the large value transfer system being planned by the financial sector with the Bank of Canada. This may ultimately replace the large value component of the paper based system with a system that will facilitate the electronic transfer of large values.

The Bank of Canada does not currently have the power it needs to send and receive payments on what will be known as the LBTS. Under Bill C-15, the bank will be given powers allowing it to contribute to the operation of the system in several ways.

There is a level of risk containment that will allow Canada to meet internationally agreed upon standards and contribute to the global competitiveness of our financial institutions. It also reinforces what I believe is an important role of the government, establishing a framework so that financial institutions have the ability and incentives to recognize and control the risks they face.

Another example of a clearing and settlement system which will directly benefit from this risk proofing is the new system for clearing transactions of government debt securities known as the debt clearing service. It was implemented by the Canadian depository for securities and incorporates risk containment features accepted by federal and provincial authorities. Eventually placing all government debt on this system will reduce the cost for the government as issuer as well as for other participants in the systems.

A third key function, and the last one I want to comment on in this important legislation, is to strengthen the enforcement of netting arrangements under bankruptcy and insolvency law. Clearing systems rely heavily on netting of payments to reduce credit exposures between participants and reduce systemic risk.

Without legal certainty, netting arrangements can be called into question when they are needed most when a participant fails.

Confirming that netting arrangements are legally valid and unsaleable in a liquidation or restructuring is an essential part of this legislation.

My time is almost up. I emphasize that this aspect of the legislation is very much about ensuring efficiency and stability of the financial system and contributing to its international competitiveness and meeting our international obligations in regard to system soundness and security.

Therefore, I urge members of the House to reject the ill-advised amendments proposed by the opposition.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, it is a pleasure to elaborate for a few moments—not delay the business of the House—on the remarks just made by the hon. parliamentary secretary.

Most people in Canada do not really understand what happens when they write a cheque and send it to an uncle a few provinces away, how the bank gets the money and how it is transferred. It is all done on what one could compare to a super highway that connects all the banks, dealers and others who have access to it. The debits and credits flow back and forth at the speed of electronic signals.

The arrangements which guide the traffic on this highway have to be updated periodically in light of technological innovations, changing economics and the development of new instruments, development of problems like bankruptcy and so on. These developments are taking place in the rest of the world and if Canada wants to be competitive it has to do the same thing.

Essentially, we set rules and standards for the vehicles that are travelling that road. We set traffic signs that guide whatever is going on. It is quite clear that at the end of such a highway the business which takes place in no way is influenced by the rules guiding the traffic on the highway. The entire system is like a public good, it has to be protected.

● (1120)

The Bloc is proposing that the setting of the rules which increase the efficiency of that highway and the flow of information back and forth is an interference with national sovereignty and an encroachment on the rights of provincial governments. I do not think this is correct. It is like having one highway stretching across the country. The culture developing at either end is not impeded by having a highway that functions efficiently and safely.

In the same way I believe the financial institutions that are developing in each province have the opportunity to maintain the local characteristic to be regulated and to be encouraged. That is up to the provincial government. This bill does not deal with these issues and I would be the first to argue against any encroachment by the federal government on provincial rights with respect to what is going on in the financial sector at the access points on this highway for clearing financial obligations within Canada.

Therefore, the Reform Party opposes these amendments and will vote accordingly when the vote comes up.

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, the parliamentary secretary has criticized my Bloc Quebecois colleague for having spoken only three minutes on our three very technical amendments tabled, as were his, at the last minute this morning. I will attempt during the next ten minutes to provide further clarification to the parliamentary secretary so that he may better understand our three amendments.

Bill C-15 before the House today is a sort of omnibus bill, a collection of scattered measures, the sole objective of which is to tighten control and regulation of the financial services field in Canada. Generally speaking, the bill amends a number of Acts governing financial services and repeals the Investment Companies Act.

We are not opposed to the principle behind the bill but to some of the measures proposed, because they are an outright intrusion in provincial areas of jurisdiction. In order to eliminate this intrusion, the Bloc Quebecois is proposing three amendments to the bill.

The proposed amendments have to do with the system for payment clearing and settlement. Their purpose is to bar the federal government from this provincial area of jurisdiction. The first amendment proposes:

> That Bill C-15, in the Schedule, be amended by replacing line 26, on page 124, with the following: ''ment of foreign ex—''.

This amendment thus removes the words ''securities transactions'' from the original clause, so that the federal government's jurisdiction does not extend into this provincial area of responsibility.

The second amendment also concerns the schedule to Bill C-15 and proposes adding after line 30, on page 127, the following:

> ''(2.1) A directive may not be issued under this section in respect of a participating institution that is a member of a system for the clearing and settlement of securities transactions by clearing houses.''

The purpose of this technical amendment is to remove from the application of federal directives institutions participating in clearing houses for securities transactions. The first amendment, in fact, takes away the federal government's power to create a clearing

house and the second amendment takes away its power to regulate provincial clearing houses.

The third amendment amends Bill C-15, in the Schedule, by adding, after line 2, on page 136, a part III which sets out the fields of application of a system for the clearing and settlement of securities transactions and in which regulatory power is also limited. This amendment limits the power of the federal government to regulate payment settlement activities.

● (1125)

Moreover, the federal government can take action only for purposes related to systemic risk management, and for no other reason. So, the objective of the last amendment is to control more strictly the clearing and settlement systems for securities transactions.

Why did we propose these three amendments? Because Bill C-15 brings about changes that are totally unacceptable to the provinces, and, from our point of view, to Quebec.

The most important of those changes would widen the Bank of Canada payment mechanisms to include securities. That action would duplicate the clearing mechanisms already regulated by the Commission des valeurs mobilières du Québec and would open the door to federal interference in securities regulation, which is under provincial jurisdiction. So, Mr. Speaker, we oppose it vigorously.

With Bill C-15, the Canada Deposit Insurance Corporation could base its participation premiums on the risk posed by a financial institution, including Quebec chartered institutions which are already regulated by the Régie de l'assurance-dépôts du Québec, which uses the value of the deposits in the institution to assess its premiums.

There would therefore be two standards for evaluation, and the one linked to risk might place Quebec institutions at a disadvantage because they are relatively small—larger institutions often being considered less risky—and because Quebec has its own deposit insurance, premiums for which are not determined by risk.

A third major change is that the Superintendent of Financial Institutions would have increased powers, enabling him to wind up Quebec-chartered institutions. We can just imagine all the conflicts between the various provincial and federal bodies that will ensue.

Bill C-15 modifies nine important laws that are currently in effect: those governing financial institutions (banks, trust and loan companies, insurance companies and associations of credit unions), those governing winding-up and restructuring, the Office of the Superintendent of Financial Institutions Act, the Canadian Payments Association Act. As well it does away completely with the Investment Companies Act.

Quebec is already involved in the clearing system via the Commission québécoise des valeurs mobilières and the Inspecteur général des institutions financières. Schedule I of Bill C-15 creates new overlaps, by placing Quebec's financial institutions wholly under the directives and orders of the Bank of Canada.

Under the pretext of controlling systemic risk, Bill C-15 is allowing Ottawa to meddle in this area. The governor of the Bank of Canada reserves the right to issue directives, not just to clearing houses, but also to participating financial institutions, regardless of their charters.

Many essentially Quebec institutions, such as la Fiducie Desjardins or the brokerage firm of Lévesque, Beaubien, Geoffrion, may be directly affected by the Bank of Canada's orders and directives.

With Bill C-15, the federal government is demonstrating more of a desire to grasp hold of new powers than any wish to ensure the mobility of financial institutions and the safety of investors.

Once again, with this bill, Ottawa is letting its centralizing dynamic show through. Bill C-15 constitutes an unacceptable interference in the securities field, something that has even been denounced by Daniel Johnson Jr. in February 1994, as my Bloc colleague has already pointed out this morning.

These new prerogatives of the governor of the Bank of Canada are therefore in complete contradiction to another of Quebec's traditional demands. Even above and beyond the areas of provincial jurisdiction, Quebec's financial institutions and its investors will be the victims of the double supervision Ottawa plans to impose. The result of this will be additional costs, administrative inefficiency and a system that lacks cohesion.

● (1130)

To conclude, in order to minimize all of these risks in a system that is already too unwieldy and over regulated, in these times when balancing budgets requires less regulation and fewer resources to apply it, when all taxpayers need a chance to catch their financial breaths a bit, and when all of Canada's and Quebec's financial institutions, and business in general, need more flexibility, I would invite the members of this House, the Parliamentary Secretary included, to show good faith and to support the three amendments tabled by the Bloc Quebecois this morning.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I would also like to speak about the three amendments proposed by the Bloc Quebecois. We know that Bill C-15 before us today, even if it is not a major bill like others tabled in the House, still brings many amendments to the whole series of existing acts, as my colleague said earlier.

Even though we have no objection in principle to this bill, which actually aims to increase regulation of financial services in Canada, we have a lot of concerns and the amendments we introduced today reflect precisely these concerns.

This bill is not a reform of the legislation governing financial institutions. This reform will come later on, because, as we know, a white book is in the makings. We believe the bill before us today is actually a step forward. It prepares the ground for the control of securities in Canada.

What are the amendments we are proposing? My colleague has read some of them and I will repeat them in a few words. The first amendment proposes to delete the words ''securities'' in a text. By deleting this word, we are taking ''securities'' out of federal jurisdiction. We believe that this is strictly a provincial jurisdiction and that the act, as it presently stands, should apply to everything else but not directly to securities.

The second amendment, which we have added, aims at excluding from federal guidelines institutions already participating in securities clearing houses. What purpose would it serve? Duplication, of course. This already exists in provinces.

The third amendment limits the federal government's regulatory power to the settlement of payments and not to the institutions involved. As my hon. colleague pointed out, we want it limited to the management of systemic risk and not used for other considerations.

Why exactly did we table these motions? I will go over some of the arguments so it will be very clear, given that the text is highly technical. A Canadian clearing system is currently being developed, set up and implemented and will eventually come under the control of the Bank of Canada.

This is part of our concern, as Quebec is already involved in this sector through the Commission québécoise des valeurs mobilières and the Inspecteur général des institutions financières, like the other provinces. Schedule I of Bill C-15 will create costly new duplication, by subjecting Quebec financial institutions to orders and directives from the Bank of Canada.

Bill C-15 uses the pretext—it is quite common for pretexts to be used, and I will come back to this at the end—of systemic risk control to allow Ottawa to meddle in this area. The governor of the Bank of Canada acknowledged, last June 20, that this risk was no longer a problem because of tighter control over the large value transfer system. In addition, under clause 6 in Schedule I, which will implement a Canadian clearing system, the Governor of the Bank of Canada retains the right to issue directives not only to clearing houses, but also to participating financial institutions, regardless of their charter. Thus, Bill C-15 will enable the governor to issue orders and directives to institutions such as the Fiducie Desjardins.

Secondly, they are using this bill to amend the prerogatives of the Superintendent of Financial Institutions and the Winding-up Act. Bill C-15 also gives more powers to the Superintendent of Financial Institutions, and, as we have pointed out since our arrival here, in almost all federal bills, power is being concentrated more in the hands of those who have it—be they ministers or the Superintendent of Financial Institutions.

Expanding the prerogatives of the federal Superintendent of Financial Institutions will mean costly duplication and inefficiency.

• (1135)

Indeed, in Quebec the inspecteur général des institutions financières already exercises some control over chartered banks, which means that the new powers given to the federal superintendent will overlap existing powers at the provincial level. This overlap is costly for the Quebec taxpayers—as we are well aware, since it is constantly being raised in the House—and for the Quebec chartered banks faced with insolvency problems.

Bill C-15 may lead to contradictory signals from provincial and federal authorities—this too has been pointed out ever since we came to this House. In this respect, let us remember that competition between governments will never be cost effective for the public. As for manpower training—an issue on which all stakeholders in Quebec have clearly been in agreement for a very long time, and which is not yet resolved—at least $250 million a year is wasted on this. The extension of the prerogatives of the superintendent may also lead to legal wrangling between Ottawa and Quebec, while the financial institutions facing problems and the people who have invested money will be forgotten.

In summary, if this bill does not take into account the amendments proposed by the Bloc Quebecois, there will definitely be—and I repeat the two or three points I made—overlap with provincial jurisdiction—and even the federalists in Quebec recommend that the Government of Canada not do this—costly duplication and overlap, and the system will, of course, be less efficient.

We can only lament the fact that, in most bills introduced in the House, we are always led to condemn the same things. The government uses all kinds of means to try to centralize ever more. All kinds of reasons are raised—market globalization, systemic risks, international competition. Technological inventiveness was just raised as a reason, implying that, for technological reasons, we will now have to centralize ever more. It is extremely sad to see that, at a time when the government claims publicly it is possible to reach settlements with provinces, it is doing exactly the opposite in the legislation. In Ottawa, greater centralization is the order of the day.

In conclusion, I want to reply to my hon. colleague from the Reform Party, who said that this highway being constructed must be more closely regulated and further centralized, and that, at both ends of that highway, culture will not be affected. Culture starts with the full control of all the economic levers. If Quebec gives up that much each time a bill is passed in the House, if there are no tools to protect Quebec's traditional positions, even within the constitutional limits, culture will eventually disappear.

[*English*]

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

[*Translation*]

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt Motion No. 11?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): The recorded division on the motion stands deferred. The division will also apply to Motion No. 13.

The next question is on Motion No. 12.

● (1140)

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

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

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

Call in the members.

And the division bells having rung:

The Acting Speaker (Mr. Kilger): The recorded division on the question now before the House stands deferred until 6.30 p.m., Monday, April 15, at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

[*English*]

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

The House proceeded to the consideration of Bill C-11, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts, as reported (with amendment) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): There are 17 motions in amendment standing on the Notice Paper for the report stage of Bill C-11, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts. The motions will be grouped for debate as follows.

[*Translation*]

Group No. 1, Motions Nos. 1, 2, 4 and 6.

[*English*]

Group No. 2, Motion No. 3.

[*Translation*]

Group No. 3, Motion No. 5.

[*English*]

Group No. 4, Motions Nos. 7, 8, 11, 12, 13, 14, 15, 16 and 17.

[*Translation*]

Group No. 5, Motions Nos. 9 and 10.

[*English*]

The voting patterns for the motions within each group are available at the table. The Chair will remind the House of each pattern at the time of voting. I shall now propose Motions Nos. 1, 2, 4 and 6 to the House.

MOTIONS IN AMENDMENT

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.) moved:

Motion No. 1

That Bill C-11 be amended by deleting Clause 4.

Motion No. 2

That Bill C-11, in Clause 5, be amended by deleting lines 6 to 9, on page 3.

Motion No. 4

That Bill C-11, in Clause 21, be amended by replacing lines 17 to 21, on page 6, with the following:

''21. The Minister may authorize the Commission, any other body or member of a class of bodies, or a person, or member of a class of persons to exercise any power or perform any duty or function of the Minister.''

Motion No. 6

That Bill C-11 be amended by deleting Clause 37.

She said: Mr. Speaker, in speaking to my proposed amendments to Bill C-11, I will address them in their groupings and begin with Group No. 1. Reform's amendments, Motions Nos. 1, 2, 4 and 6, all address the new position of minister of labour and his or her department.

With respect to Reform's Motion No. 1, clause 4 of the bill allows the Prime Minister to appoint a minister of labour. We oppose this clause. The only reason we have a minister of labour is that the Prime Minister felt he needed to find a place in cabinet for the hon. member for Saint-Henri—Westmount.

The government found it unnecessary for the first two years of its mandate to have a minister of labour. In effect there is no need for this position. This clause allows the Prime Minister the pleasure of appointing or not appointing one. Quite simply, this new ministry is expensive and unnecessary. The responsibilities could be maintained within the human resources development department.

● (1145)

I am aware that there have been ministries of labour in the past. However, cabinets have been huge. Today Canadians want to see less government, not more.

Motion No. 2 refers to clause 5(3). Our amendment is to delete subclause (3). This subclause allows for a deputy minister of labour, an unnecessary position if there is no need for a minister of labour.

Moving to clause 21, which is Motion No. 4 of Group No. 1, the amendment would remove the minister of labour from the clause. There is no need for the minister of labour to be mentioned at all in the bill. There is certainly no need to give the minister of labour the power to act in the place of the minister of human resources.

I propose that clause 21 be amended to read as follows: ''The minister may authorize the commission, any other body or member of a class of bodies, or a person, or a member of a class of persons to exercise any power or perform any duty or function of the minister''.

In keeping with Motion No. 1, given that we oppose the creation of the ministry of labour, we oppose such a minister's having delegatory powers.

Group No. 1 contains Motion No. 6. This clause provides for cases when no minister of labour is appointed. The said duties are redistributed by this clause.

If there is no need for a minister of labour, there should be no explicit need to reallocate the minister's responsibilities. They should normally be absorbed by the department without being included in the enabling legislation.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I enter this debate to talk a little about Bill C-11 and what it means for the government's labour programs.

I will deal with it right off the bat because the main thrust of the Reform Party's amendments is that there is no need for a minister of labour, that the role of a minister of labour in the Government of Canada and in the overall lives of people in the country who relate to federal jurisdiction is not important.

Members have probably heard me say this bill will allow us to take giant strides in helping Canadians with the employment challenges the entire country currently faces. It will combine the human resource functions of several departments under one roof, the Department of Human Resources Development.

There is the Minister of Human Resources Development at the helm to control and lead the new department. It might seem puzzling to some that there also needs to be a minister of labour. After all, the department of labour is one of the departments being integrated into HRDC.

Let us look at the duties of the Minister of Labour before we suggest or accept the amendments proposed by the Reform Party. These duties are described in clause 4 of the bill: ''A minister of labour may be appointed by commission under the great seal to hold office during pleasure''. Clause 4(2) states: ''The minister of labour will be given all the powers, duties and functions related to labour matters under federal jurisdiction''.

This means that one of the main responsibilities of the minister is the Canada Labour Code. The code governs industrial relations, occupational safety and health and labour standards, but only in those areas under federal jurisdiction.

The code is an important part of Canada's economic fabric. It affects the working lives of 1 million Canadians. It applies to train engineers—I have to include conductors in that because that is what I was in my previous profession—longshoremen and truckers, to grain handlers and telephone operators, to the persons who cashed people's cheques at the bank today. These people turn to us for stable industrial relations, for safety and health and for fair and productive workplaces.

Applying the Canada Labour Code is an important responsibility but the Minister of Labour also has other pieces of legislation. One of these is the Canadian Centre for Occupational Health and Safety Act. The centre produces and disseminates occupational health and safety information and helps to protect the lives and health of Canadian workers.

● (1150)

There are many different pieces of legislation that fall under the responsibility of the Minister of Labour, acts which deal with security, justice, equity and other matters. All of this was under the old department of labour. Not much has changed there. Except for the program for older worker adjustment, the Minister of Labour holds on to all the same responsibilities and might even add a few.

Everything the Minister of Labour needs to do, the job can be found within the framework of restructured, unified and effective organization. This keeps costs down without depriving the Minister of Labour of services or facilities needed to tend to important matters. Remember, these matters include the Canadian union movement, labour management relations, conditions in the workplace, equity for all workers and many more.

That is a lot for anybody's plate but the Minister of Human Resources Development has an even fuller plate. Therefore it makes sense to have somebody dedicated full time to such a tightly defined set of issues. This bill sets those definitions and makes those distinctions.

If anything, the past year has shown that there is more than enough work there to keep the Minister of Labour very busy. The minister is working to better harmonize federal occupational health and safety legislation and regulations with those of the provinces and territories. The minister has also been very active on industrial relations.

Last May the minister appointed an industrial inquiry commission to study industrial relations in longshoring, grain handling and other federally regulated industries on the west coast.

In June the minister established a task force to review the part of the Canada Labour Code which deals with labour relations. This is part I, but the minister also wants to modernize the other two parts of the code, and work is continuing in that regard.

The minister is reviewing the labour program so that it works better and is more cost effective while at the same time working on a North American agreement on labour co-operation.

As members can see, the restructuring has not interfered with the labour program. I would argue that the restructuring has energized the labour program. We have seen a healthy continuity between the new and the old. We have also seen how an integrated approach can lead to improvements in the economic and social well-being of Canadian citizens: industrial relations, job creation and training. All of these issues are related and all should be considered within the same holistic framework.

Removing the labour program from HRCD would therefore be a very serious mistake. After all, the Department of Human Resources Development has been with us since 1993 and we know it works. We also know the labour programs work. The department saves money. It offers a cohesive vision of Canada's human resources needs. At the same time, when technology changes almost everything we do, we need that kind of vision more than ever.

I am not asking my colleagues to leap into the unknown when I ask them to support this bill. Instead, I ask them to believe the evidence before their own eyes. I am asking them to understand the importance of a minister of labour in the overall scheme of things.

It is a very shallow argument by the Reform Party that because the government did not have a minister of labour for the first two it obviously did it for political reasons. My argument is that after two years it realized, as governments do, that it made a mistake and it did need a minister of labour because that area of expertise is very specific and needs to be looked after on a daily basis by an individual whose main job is to look after the rights of workers in the federal jurisdiction.

I applaud the Prime Minister and the new Minister of Labour. We now have gone back as far as the 1900s to one of the first four departments created by the government, the labour department. We have recognized over the years that labour is very important. We recognize that a minister is very important.

I recommend to members that they reject out of hand the opposition's suggestion that there is no need for a minister of labour in the Human Resources Development Department.

● (1155)

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I was provoked into speaking on this group of amendments by the thought that someone wanted to eliminate the position of minister of labour.

I want to speak to the tremendous qualifications of the individual who presently holds the position. I am sure all Canadians will be impressed.

I have to ask myself why one would want to remove the position of the minister responsible for the working people? Why would we not want to have a minister of labour? Let us look at the issue.

This amendment, if passed, would eliminate the representation of the working people of Canada from the cabinet table. Think of the impact of that. This is a proposal from the Reform Party, the party that says it is grassrooty, that it comes from the salt of the earth and represents ordinary, working Canadians. It depends on what day we speak to those members. They pretend to represent a variety of things. At least on occasion they pretend to be the party of the average person.

What are those members proposing to the House today? What are they asking Parliament to do? They are asking to eliminate the position of the minister responsible for working people, the person who sits at the cabinet table to represent them. I hope all workers in the next election campaign get copies of this amendment and distribute it widely.

Whether a person is unionized or otherwise, the principle is the same. They are trying to eliminate that representation from the cabinet table. Whether working for a railway under federal jurisdiction, an airport, a TV station, a radio station, a crown corporation in any position, the Government of Canada or the wheat pool, the member from Kenora will know that all these people are covered by acts of Parliament as opposed to provincial legislatures. The Minister of Labour is the representative of all these people at the cabinet table.

I know the hon. member spoke cannot speak again on her amendments, but perhaps others in her caucus who have assisted with the drafting of these amendments can enlighten the House on why it is appropriate and desirable to abolish the position of minister of labour, the representative of the working person at the cabinet table. I have some difficulty with that.

They also want to remove the provision whereby cabinet could decide to have a deputy minister of labour. That is optional. It is not compulsory. It is an option the government has. They want to restrict or remove that option in addition to abolishing the position of the minister.

I do not know how long the Reform Party had to think about all this. I suspect it was probably done on the back of an envelope with not much thought. I say this respectfully. I ask all hon. members in the House why they would want to eliminate the position of the minister of labour, to deprive the working people of Canada of a voice at the cabinet table.

[*Translation*]

I wonder if workers from all over the country who voted when byelections were held a few days ago knew that the Reform Party wanted to remove their representative from the cabinet table. And when they do become aware of this fact—and they will certainly find out when they hear about the amendments being debated today—I wonder if those few who were tempted to vote for the Reform Party will still be inclined to do so, knowing that their representative would no longer sit at the cabinet table. Imagine making the member for Saint-Léonard—not the person but the position—disappear; the Reform Party would want to see the Minister of Labour dropped from cabinet and not be replaced.

• (1200)

Workers would not be represented by anyone. Zero representation, that is what the Reform Party wants. Does that make any sense like the member says? It is appalling.

[*English*]

Let us take a minute and look at the extremely good and well qualified individual that presently holds the position, the hon. member for Saint-Léonard.

[*Translation*]

Until recently the member for Saint-Léonard was Secretary of State for Parliamentary Affairs. He has very extensive experience. He studied at the Sir George Williams campus of Concordia University and had a career in accounting. He is a chartered accountant. He also had a very elegant and interesting political career. He was a school trustee and was president of a very large school board. He was elected as member of Parliament in 1984, re-elected in 1988 and also in 1993. And now, they would want that person removed from the cabinet table. As I said before, it is not the member himself they want to get rid of, but his presence in cabinet.

I can hear some hon. members heckling from the other side and I am almost tempted to answer myself this proposition of the Reform Party to make the hon. member from Saint-Léonard disappear from the cabinet table. No, it is not done, and it will not be done, fortunately, because workers in Canada, when they hear later today or early tomorrow, that Reform members want to do away with the position of Minister of Labour will call Reform members to order.

When Reform members board their plane to go home this afternoon, tomorrow or whenever, I am sure that airline employees will greet them a little less warmly, knowing that they want to do away with their representative in cabinet.

This is what the Reform Party wants to do and it is a shame. I tell you it is a shame. From one end of the country to the other, people will rebel against this suggestion, especially since Canadians hold the member responsible for this portfolio, the hon. member for Saint-Léonard, in such high regard, as he is very qualified and elegant. They would like to remove this great speaker in the House of Commons, this great defender of workers, from cabinet. Can you imagine that. It is a shame and Canadians will never accept that we do away with their representative in cabinet, especially someone with the qualities of the hon. member for Saint-Léonard.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I feel it is important, as we start considering the

amendments to Bill C-11, to remind the House of the initial purpose of the bill, which is to create a Department of Human Resources Development. Incidentally, this department has already been in operation for three years, but the government went ahead without parliamentary approval and we are now trying to regularize the situation.

What is important to know is that this bill will, in short, formalize systematic encroachment in the areas of education and manpower and will, for the first time, make it possible for the federal government to legally interfere as much as it wants in all areas that have long been recognized as provincial jurisdictions.

● (1205)

Second, this department is, I believe, a bureaucratic monster that will encompass very different sectors. One may be a little surprised by the amendment put forth by the Reform Party, since not appointing a Minister of Labour would bring about this bureaucratic world. This, I think, goes against Reform policy, against giving members of Parliament and ministers more say in what the government does. Because of the size of this department, the minister must very often rely on the positions advocated by senior officials.

The best proof of this is the department's stubborn determination to go ahead with a UI reform no one in Quebec and Canada wants. After being told stories by bureaucrats and perhaps also by other groups that would benefit from a deterioration in people's working conditions, we must now deal with today's reality. We must not make the problem worse. I think the Reform amendment should be rejected.

Let us consider the consequences of no longer having a Minister of Labour. Let us not forget that some emergency situations may require special legislation, as when the government felt we needed a special law in the area of rail transport. Not having a Minister of Labour per se could create some very difficult situations. The Minister of Human Resources Development cannot spend all the time needed on those activities. There must be some independent thinking on issues that are closely related.

The Department of Human Resources Development deals with pension issues. The Minister of Labour often has to appoint people as negotiators or conciliators to intervene in labour conflicts involving this kind of situation, and he could be placed in a conflict of interest position. It would therefore be better for the government to appoint a Minister of Labour.

Another major reason to proceed like this in the future is that we must go ahead with the reform of the Canada Labour Code that has been promised for so long and on which the government is dragging its feet. If passed, the amendment put forward by the Reform Party would just give the government one more excuse to delay amending the labour code for another six, eight, twelve or eighteen months. But if, on the other hand, there was someone in cabinet who was identified as responsible for this, we could check with this person, in April, May or June, if indeed the consultations under way will result in changes to the labour code. Will anti-strikebreaking legislation covering federal areas of jurisdiction finally be introduced, yes or no? Only a minister can answer this kind of question.

If the responsibility rests with someone else in cabinet, this could be will just one issue among others and any delay, like those experienced in amending the labour code, will seem more normal or acceptable.

Let me give you another example. In the past weeks, a bill authorizing nuclear industries to be subject to provincial labour laws, if need be, was considered in committee.

If there were only one minister responsible, it would be more difficult to get things done, like having a sub-committee look into a matter. Should we need the minister to appear before the human resources development committee and the labour committee at the same time, it would be physically impossible for him to be at both places at the same time. This goes to show that the proposed amendment would have a very negative effect on labour relations in Quebec and Canada. I do not think that we will be able to support it.

Why is the Minister of Labour important? Why is it necessary to have one all the time and to be able to appoint one when the government sees fit? To make sure that action can be taken. The anti-scab legislation I referred to earlier is a very important issue in our society. There are two realities. There are workers who are covered by provisions ensuring that their labour relations with their employers are much healthier and on a more equal footing. The are also workers who have no protection in that respect.

Unless the federal government takes a strong stand, clearly showing his commitment to resolving this problem and actually resolving it, this will result in a repetition of situations like the dispute at Ogilvie Mills.

● (1210)

Remember the strike, not the one in 1920, but in 1995. Workers on the picket lines had to contend with bullies hired by the company to let non-union workers go in. Such a deplorable situation—the use of scabs—is very bad for labour relations. The malaise persists long after the signing of a collective agreement, sometimes forever. This type of situation greatly affects labour relations. If we do not have a labour minister who is accountable, it will be even harder to settle such conflicts.

What is the purpose of the Reform Party's amendment? It may simply be a matter of reducing costs. However, we have to make sure that it is indeed the case and that we are not in fact killing investments. If we come to the conclusion that there is no need for

a labour minister, we will also conclude that this is not an important sector.

There may another reason behind this amendment. Perhaps the Reform Party realized that—and the government is partly to blame for that—after the new human resources development minister took office, the first person appointed as labour minister was someone who was not a cabinet member. That person was to be responsible for the referendum issue, and we had the impression that the government had created this position strictly to allow her to come on board.

This left a very negative impression. That person has since been replaced. It goes without saying that, during the months when she was in charge of the labour portfolio, the former minister spent most of her time working on the referendum. Several issues that should have been taken care of were left untouched, and it may be that the Reform Party feels that the same situation could happen over and over again, and that we will never have someone who will put all his energy into dealing with this issue.

I feel that we will be better able to solve the issue by working in this House, asking questions and criticizing the labour minister's performance. If, in fact, the current minister is spending the bulk of his time on political organizing because he is the minister responsible for electoral organization in Quebec for the Liberal Party of Canada, then we will be able to judge whether he has devoted more time to the political organization of his party than to workers, who will have to look at his performance and see whether he has been effective.

Not just workers, but employers as well, because we are increasingly realizing that for Canada and Quebec to be competitive, it is important that there be more joint action, more pooling of ideas with respect to objectives in order to be able to secure a good position on world markets and keep up with the competition.

For these reasons, it seems to me that the Reform Party amendment, however good the intentions behind it, does not correspond to the needs of Quebec and of Canada because we need a labour minister, and in the short term, we need a reform of the labour code and new anti-scab legislation.

[*English*]

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Madam Speaker, I am from Windsor which is a union town. The people of Windsor are watching the Reform Party very closely. Of course it does not have much hope there. It received about 4,500 votes in my riding in the last election. However, I heard by the grapevine that Reformers think they may have an opportunity there. Let me tell them that in the next campaign the Liberal members from Windsor will be sure to tell our citizens that the Reform Party wants to eliminate labour's only representative at the cabinet table.

I do not know why anyone should be surprised. The Reform Party stands opposed to most of the goals of organized labour.

Organized labour wants better conditions for working men and women. The Reform Party is opposed. Organized labour wants employment equity. The Reform Party is opposed. Organized labour, indeed all working men and women in Canada, want parity for men and women in the labour force. The Reform Party is opposed. Organized labour would like some form of protection during strikes, some form of anti-scab legislation. The Reform Party is opposed.

● (1215)

Reform just does not limit itself in its opposition to issues of specific concern to labour but issues of general concern in our society where labour has taken a lead. On the Canada Health Act and the principles of the Canada Health Act, Reform is opposed. On gun control, which Canadian labour spoke out clearly on, Reform is opposed. On Canada pension plan reform, Reform is opposed; it wants to eliminate CPP. On employment insurance reform, the Reform Party is opposed. On human rights amendments, the Reform Party is opposed. On humane and careful deficit reduction, Reform is opposed to that as well.

These guys, and most of them are guys, remain opposed to almost everything that this government has tried to do for the working people of Canada. Indeed we ought to change the name of their leader from leader of the third party to Dr. No when it comes to labour related initiatives.

I have a message for Dr. No. Working men and women in Canada are watching him. Indeed, working men and women in Windsor are watching him very closely. This motion is simply a symptom of the greater disease in the Reform Party, the disease I call the ''I'm all right Jack'' syndrome. What happens with this syndrome is they say: ''I've got mine, I did okay and I am not responsible for anyone else''. This government does not operate that way and it is just not good enough for us.

This government wants labour to have representation at the table when cabinet decisions are made and when policy initiatives are taken. It is important to this government to have someone there who has had experience in labour, who understands working men and women and who wants to do the best for them. It is important that this government has someone there particularly during this crucial period who will consult with and bring the views of labour to the table.

Who better could have been chosen but the former Minister of Labour and the present Minister of Labour? My colleague, the chief government whip, indicated some of his qualifications. One of the things he left out was that this minister's first job when we came to Canada was as a union organizer in the garment district in

Montreal. What better person could we have to speak for the working men and women of Canada at the cabinet table than this minister?

The human resources development department is one that I and others became familiar with during the last session of Parliament. I sat on that committee. It is a huge department. Frankly, it requires more than one hand at the tiller. It seems to me that when the Prime Minister took a hard look at the development of that department and how it was moving along, he was wise to single in on labour as the one area that needed special attention. As a result of that we now have this minister who has established himself well within the labour community and who is going to move forward with the kind of labour code and other initiatives that we require.

The powers of the Minister of Labour are not changing in terms of program statutes that existed prior to the human resources development act. The Minister of Labour will continue to be named in federal labour legislation, such as the Canada Labour Code, the Fair Wages and Hours of Labour Act, the Government Employees Compensation Act and the Non-smokers' Health Act which is part of that mandate.

The human resources act requires as well that the minister make use of services and facilities within the human resources development department and that he use employees from that department. This is not a case of the government creating a new department. This is a case of the government making sure that there is someone there, someone who is dedicating his attention full time to the concerns of the working men and women of Canada.

Why would Reform oppose that? I do not know. I suppose it was Dr. No's idea.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I thought I should get up and answer a few of the more preposterous things that are coming from the government whip and some of the other members on the other side of the House. They would know that the reason we proposed our amendments is that we are concerned about wasteful government spending and we are trying to save the Canadian taxpayer some dollars. That was the basis of our argument and our motion on the position of minister of labour.

• (1220)

I must say that we in the Reform Party have absolutely nothing to learn from the federal Liberal Party and the government when it comes to labour relations and how to treat people. Our policies clearly state that we recognize the right of workers to organize unions, to strike peacefully, and to carry out the business of collective bargaining. We fully understand and recognize that. It is in our policies. Any words to the contrary are words dreamed up in the minds of the Liberal spin doctors.

What we are getting at today is that the position of the minister of labour was left vacant in the first cabinet of our Prime Minister. He put together a cabinet with no post of minister of labour. The reason was clear. It had been eliminated previously by Kim Campbell and had been seen as part and parcel of human resources development and of managing that portfolio. Suddenly the Liberals needed someone from Quebec supposedly to run their unity campaign. So they created the post and stuck a person in there in order to give them a profile and a position to supposedly fight the national unity campaign.

By the looks of how that went, I would suggest it was a double barrelled failure all around but still, they muddled through that. That is why the post was created. It was strictly a political post created to give a newcomer to the House a position, some way to get them close to cabinet and give them a profile in Quebec.

On the general issues of how the government is behaving or handling the labour relations side, has it improved since they got the position of minister of labour filled? As I mentioned, there is something to learn here, but there are no positive lessons about labour management relations from the government. If ever there was a government that speaks out of both sides of its mouth on the issue, this government has raised it to a new level.

I would like to know how many members opposite campaigned on a promise to cancel the workforce adjustment directive for public service workers. I wonder how many over there campaigned on a promise to lay off 45,000 federal civil servants because they cannot get their ducks in a row as far as the debt and deficit are concerned. I wonder how many of them campaigned on that promise.

I wonder how many said: ''You have the right to a collective bargaining process but as soon as there is a strike in the port system, we will legislate you back to work. In other words, you have the right, but of course we will not let you use it''. I wonder how many Liberals campaigned on that.

I wonder how many people in the labour movement know that the Minister of Human Resource Development will not even talk to the head of the Canadian Labour Congress. He says: ''We have nothing to discuss so take a powder Bob''. I wonder how many people in the Liberal Party campaigned on that in Windsor. I wonder how many of them go to Hamilton and say: ''I am proud to say that our minister will not talk to the head of the Canadian Labour Congress''.

It is just a little far fetched to say that the Reform Party is anti-labour. The Reform Party says it needs to find solutions to work together to find ways to make the collective bargaining system work well. As we all know, there are places in Canada where the strike system does not work, where there are essential

services, where there are no checks and balances and where neither the workers nor the Canadian taxpayers are protected.

We have proposed binding final offer arbitration for those areas. We are up front about that. It is far better to be up front about that than to say: ''We will let you bargain, then at the last minute we will come in with the heavy hammer of the federal government and legislate you back to work. So you have no rights and even the rights you do bargain collectively for, we will cancel them when we want to''.

The government has a dismal record on labour issues. It is pitiful.

• (1225)

When the government says that the people in organized labour are clamouring for employment equity it probably may be true that the head of some of those organizations are. If the Liberals got off their high horse, got their heads out of the upper echelons of the theoretical, got down to the grassroots and asked the people there how many they thought should be hired on the basis of the colour of their skin, their gender or to fill a quota of certain categories in the workplace, how many would say that? The answer is hardly anybody. Certainly people who are in the affected categories will not even say that is a good thing.

It is a case of the government saying it will listen when it wants to. It has very selective hearing. That is part of the problem when you are in Ottawa for too long: your ears go numb and your tongue starts flapping. The government has been guilty of that time and again. The government has not listened well to what Canadians really want on labour issues. Instead it plays the charade, talks out of both sides of its mouth and tries to blame the Reform Party for what is a very weak record on labour issues.

This motion to eliminate the position of the minister of labour is not because the position of labour is not important. Of course labour issues are critical to the economic success of our country. The ability to work well together, to look after grievances in the workplace, to be able to put forward things of importance to the grassroots in the workplace, by all means these are good things. But to say that none of this can happen unless we have another ministry with all the hangers on and the money that goes with it is just not true.

As a matter of fact the very first cabinet the government brought in did not have a minister of labour. What happened then? Did the world collapse? Did the labour movement suddenly come under the jackboot of authority? It is just not true. That position is not necessary. It can save considerable money. It can save another political appointment position. It would not hurt the Canadian labour movement at all to know that its concerns on health, unemployment insurance, all these issues were being looked after by the minister who administers those programs.

What we have now is a minister in HRD who says he will not talk to the president of the Canadian Labour Congress. What is the other minister supposed to do? Ask him please to talk? It is his job to talk. One wonders where the Liberals are coming from on this. It seems to me that they must have more positions to fill, more favours to hand out than they have positions available and so they created another.

In order to look after the labour movement it is not necessary to have that position. That is why our proposal would eliminate it. It would save the taxpayers considerable dollars and would still allow the labour market to function very well.

Mr. George Proud (Parliamentary Secretary to Minister of Labour, Lib.): Madam Speaker, I want to set the record straight on an issue that was raised a moment ago by the hon. member across the way that the Minister of Labour will not meet with the president of the Canadian Labour Congress. The Minister of Labour has met on many occasions with the president of the Canadian Labour Congress. In fact this morning they met at 8 a.m.

Mr. Strahl: The minister of HRD.

Mr. Proud: That is on a different issue.

It is ridiculous that a party in this House would stand up and say that 750,000 workers in this country should not have a minister designated to administer the act that they come under. This has always been the case. In recent times we did not have a minister but I cannot understand anybody getting up in this House and saying that these people do not deserve to have a minister to represent them.

The Ministry of Labour has existed for a long time. It has now been rolled in with Human Resources Development Canada. We have other organizations in this country that have ministers and departments responsible for them.

The reason for the minister is that the department was one of the four founding departments which helped create human resources development in 1993. Until the first minister, the member for Saint-Henri—Westmount, assumed the office, the human resources development minister acted in that capacity.

• (1230)

I believe that under the Canada Labour Code, which has been reviewed just recently and to which changes are imminent, a minister of labour must be on the scene to look after things. Situations also arise from time to time in the stevedoring industry, the rail industry and the airline industry that are best handled by individuals dealing directly with those situations as they arise.

I find it hard to believe that people would suggest that this is a waste of money. I do not believe it is. The matters being dealt with in this specific case under the Canada Labour Code are working conditions, safety and health and the jurisdiction of labour negotiations. With a such large group of Canadians, it is really irresponsible for parties to recommend that this ministry should not exist.

With the proposals that will be coming forward dealing with amendments to parts I, II and III of the Canada Labour Code, the ministry will be very busy over the next number of weeks and months. As well, other situations might arise.

If one looks today at the number of contracts that are expiring and the negotiations that are going on in various industries which fall under the jurisdiction of the Minister of Labour, one would find that some problems will exist before the year is out where the services of the department will be needed. It is very important when there are situations like this that the leaders of both sides can sit down with a minister designated for that specific department.

This is very necessary. I do not know the full reason behind what the members of the Reform Party are saying. It appears that they are seeking to eliminate the post but the rationale for it seems somewhat unclear. The member who just spoke a moment ago was referring to our ability to create good labour relations. The Liberal Party has been in power for many years over the last century and labour relations in this country have not suffered greatly because of that.

I do not think I need to take any lessons from the party across the way on how to administer labour legislation. I am sure that any time any of the labour unions in Canada want to hear my voice on any of the issues that are before it I have never ever failed to speak to it and I will never do that as long as I am in public life.

I have served in government for the last number of years and have never been anti-labour. I have certainly helped to bring people together in whatever capacity I was in. I served in another jurisdiction as minister of labour. I happen to believe that by continuing to work with these parties, situations can be brought to final solutions. It probably would not happen if it was a huge department and the minister had many other areas to look after.

Therefore, I think a very necessary thing came about when the Prime Minister appointed a Minister of Labour last year. We have to continue to keep that and build on it. Probably some days I would argue for a specific department. However, with the situation the way it is now with the amalgamation of the four departments into one, I am still quite confident that we can go forward with the ministries in place and the people, the assistants, the deputy ministers and the staff to make this a very workable and great administration for the Canada Labour Code. To me the Canada Labour Code is very important legislation.

• (1235)

The Sims report was recently given to the minister and there will be consultations across the land in the not too distant future on what parties believe needs to be changed or if any changes need to be made. When things have been around for a long time some think they should be changed. Sometimes they have worked so well that it may not be necessary to make any major changes.

It is necessary to have a minister of labour. That has been proven in the past number of days with the legislation put through the House. It was a good effort on the part of the three parties involved in it. That was brought forward by the minister. This must continue. The people under this legislation need an individual, whomever he or she may be, to see to air their problems, their situations and their suggestions as we move forward.

Labour management at the best of times is mostly confrontational. That is the way it is. There is no other way to put it. We all talk of ways to change it to make it more compatible. Usually when it comes down to the nuts and bolts of a contract or a dispute of whatever magnitude, it does become very confrontational. These are the reasons for ministers, these are the reasons for conciliation officers who are responsible to that minister.

I have said enough on this issue. For the life of me I cannot see why any party in the House would say at this time that this ministry is not needed. It is a very important ministry which should be continued and built upon.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, when we saw Bill 96—which became Bill C-111—for the first time, we were very concerned, because this bill, which sets up a new department, the Department of Human Resources Development, in fact institutionalizes the overlap with all of the provinces, including, of course, Quebec. The way it is done makes it extremely difficult to amend this bill.

The Apostle Paul said: ''For the letter killeth, but the spirit giveth life''. It is extremely difficult to amend this legislation, because the words in it translate a spirit, which is the Department of Human Resources Development, but without defining it, give a minister of the federal government jurisdiction over all human resources development in Canada, when, as we know, the Constitution of 1867 made it the general responsibility of the provinces, which was then amended very precisely to provide for old age pensions, family allowances and an unemployment insurance scheme.

Apart from these three constitutional amendments, provincial responsibility remains intact. The effect of the bill then is to wipe out the responsibility of the provinces and enable a federal

minister to take it over with everybody's money. So the problem with Bill C-96 is not that the Minister of Human Resources Development may designate a minister of labour. No, the problem is the Minister of Human Resources Development. The Department of Human Resources Development is a Conservative holdover.

• (1240)

I know that not many of our colleagues across the way or beside us will admit it. But without Kim Campbell, whose government that lasted about 100 days decided to merge several departments for the avowed purpose—which cost her dearly—of carrying out a general reform of social programs, something the Liberals swore they would never do, I am convinced there would never have been a Department of Human Resources Development because it was a major upheaval.

Yet, the senior officials who submitted this proposal to Ms. Campbell are still there. I would like to tell my colleagues on this side, who are now on my left—this is but one way of referring to them, otherwise it would be improper—that the fewer ministers there are, the more senior officials lead the way; we must be very clear on this.

I think there is a very clear link between what came out in the last days of the Tory government and what the Liberal government came up with. I am sure the Conservatives could have done the same thing with social program reform, except that the Liberals, had they been in opposition, would have been vigorously opposed because this reform is totally unacceptable.

Let us look at the Department of Labour. There is a Canadian Department of Labour. Even if the Minister of Human Resources Development were not allowed to appoint a Minister of Labour, the Prime Minister could appoint one. In my opinion, this amendment would only prevent the Minister of Human Resources Development from appointing a designated minister. This is the only effect it might have. It would not prevent the Prime Minister from appointing a Minister of Labour.

Let us look at the Department of Labour, which is also the result of history. Federalists should perhaps be reminded that, had the London Privy Council not returned labour relations to provincial jurisdiction in 1925, labour relations would now come under federal jurisdiction. Fortunately, it is not the case, except for those employees who, without getting technical, work for the federal government or for organizations whose function is considered of national interest and therefore extends beyond the confines of a single province.

From a social point of view, Labour Canada is lagging behind now. We have no problem with there being a Department of Labour and no problem with there being a Minister of Labour, but we do have a problem with the positions she has taken. In the rail dispute, the Minister of Labour could have seized the opportunity to boost ideas of joint labour-management action.

Instead, she preferred boosting labour relations based on the primary interest of employers. Too bad, but just the same, it is sad. It is sad because Canada will never get out of the situation it is in right now if the current Minister of Labour and the government as a whole, including the Minister of Human Resources Development, do not stop displaying the attitude they have been displaying recently regarding employees.

• (1245)

This attitude is unworthy of a so-called Liberal government, but above all it is counter-productive if what their goal is indeed to improve the social and economic situation.

It is important to have a labour minister provided the minister sees to it that labour relations in organizations falling under his jurisdiction abide by rules allowing a certain power relationship between the parties. To replace the words ''power relationship'', we could talk about the ability the parties should have to talk to and listen to one another.

When one side, that is when employers are so strong that they do not care about workers—because the reverse is very rare—it is always dangerous, including from an economic point of view, because workers can resort to a measure that can have terrible consequences. Let us not forget that, while workers can be forced to work, they cannot be forced to work well. They cannot be forced to use all their imagination and motivation.

And without that imagination, that motivation and that commitment from workers, any economy is bound to suffer. In Canada, the Minister of Labour, the Minister of Human Resources Development and the government should be much more concerned about ensuring that workers have decent working conditions and social security, precisely to promote that socio-economic productivity.

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, as a member of the human resources development committee and a member of the official opposition, I oppose the amendment brought forward by the Reform Party. This amendment seeks to abolish—as the government whip pointed out—the position of labour minister. It seeks to eliminate the possibility of appointing such a minister.

Through magic or a simple amendment, an important position would thus disappear. The hon. member for Mercier mentioned all the things that a labour minister in Canada could do to settle certain disputes. She alluded to the role that the former labour minister could have played in the railway conflict. In my riding, there are 500 CN employees working at the Charny yard. They were very dissatisfied with the performance of the then labour minister.

However, this does not mean that we should eliminate that position. If you exclude the amount that is used to pay interest, almost half of the federal government's budget goes to the Department of Human Resources Development. The human resources minister already has enough on his hands without having to assume the duties of labour minister.

If we eliminated the position of labour minister and transferred the responsibilities to the Minister of Human Resources Development, the latter would sometimes find himself in awkward or difficult situations.

• (1250)

The human resources development minister manages not only money, but also human resources everywhere in Canada, as well as financial resources which are allocated to organizations and businesses. The minister might not find himself in a conflict of interest situation, but it would put him in an awkward position.

It is good and also important to keep the position of labour minister separate. This is what I had to say on the issue.

The Acting Speaker (Mrs. Ringuette-Maltais): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Ringuette-Maltais): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Ringuette-Maltais): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Ringuette-Maltais): Call in the members.

And the division bells having rung:

The Acting Speaker (Mrs. Ringuette-Maltais): The recorded division on the motion stands deferred.

We now go on to Group No. 2, Motion No. 3.

[*English*]

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.) moved:

Motion No. 3

That Bill C-11, in Clause 20, be amended by replacing lines 8 to 16, on page 6, with the following:

''20. For the purpose of facilitating the formulation, coordination and implementation of any program or policy relating to the powers, duties and functions referred to in section 6, the Minister may enter into an agreement with an agency of a province, after obtaining the approval of the lieutenant governor in council of the province, and may enter into agreements with a province or group of provinces, financial institutions and such other persons or bodies, other than an agency of the province, as the Minister considers appropriate.''

She said: Madam Speaker, we are now on group no. 2, Motion No. 3, an amendment to clause 20. The clause as presently written gives the federal government the power to bypass provincial governments, giving grants and so on the emanations of these governments, without first seeking approval of the provincial governments. This is unacceptable. The minister should not be able to circumvent provincial governments.

If this government believes in decentralization, as it says it does, it should be willing to consult with provincial governments rather than be involved in asking for legislation which allows it to give provincial governments the bypass.

Under such a clause the minister may choose to privatize or to contract out certain human resources department services. If this is to happen it should happen in direct relation to provincial governments, not leave open a door to go to some other agencies. Power should go directly to provincial governments and not through a roundabout route to one of these agencies as the bill would allow.

• (1255)

Therefore my amendment would change clause 20 to read:

For the purpose of facilitating the formulation, co-ordination and implementation of any program or policy relating to the powers, duties and functions referred to in section 6, the minister may enter into an agreement with an agency of a province, after obtaining the approval of the lieutenant governor in council of the province, and may enter into agreements with a province or group of provinces, financial institutions and such other persons or bodies, other an an agency of the province, as the minister considers appropriate.

I believe this amendment is a reasonable compromise. Is it not? The federal government has direct input into the lieutenant governors of each province. Surely consulting them is not too much to ask. I believe again this is more than a reasonable compromise.

I also believe the government is misleading Canadians and not dealing honestly with the provinces. I remind the government of a recent visit by the new minister of human resources to metro Toronto. The minister bypassed the provincial government, went straight to an agency or a group and announced a $4 million grant to child care. What is the federal government saying to the provinces? ''We will give you less in transfer payments, but we still

want to look like the good guys so we will independently bypass provincial governments and play Santa Clause. Rather than work with our provincial governments, we will portray them in a very poor light. We will portray them as Scrooge''.

Even worse, the appropriate minister involved in the Ontario government, Mr. Tsubouchi, did not even know about this. He read the announcement in the newspapers.

The government is always making great noise about how it works with the provinces, how it gets along so well and how it discusses things. I wonder if Mr. Tsubouchi would agree.

This clause, which allows the minister to bypass negotiating with the provinces for services delivery and enables him to deal with lower level agencies, should be changed. We are not asking for anything unreasonable from the government. The lieutenant governor is very closely associated with the federal government. This is most reasonable. This a compromise we could work together.

The Reform Party wants to work with the government when it can. If the government has legislation we feel is good, we will work to pass it. If it is legislation we feel needs to be amended, we will work to amend it and still pass it. The government must show that it too is willing to work with the elected representatives of the people of Canada. To date we have not seen that in the House.

As it stands, this clause amounts to a federal tax grab, a power grab, if you will. We believe power should be left in the hands of the provinces. This clause allows the government to avoid dealing directly with provincial governments, especially those that may not be sympathetic to some federal initiatives. Therein lies the problem. I do not think the government is being honest. If there is a problem with some governments, and it knows ahead of time that the governments may opposed federal initiatives, this is one way it can get around that problem. I do not think that is being honest. It is something we should address and the compromise addresses it.

If the government is adamant that it does not have this intention and that they are more than willing to work with all provincial governments, not worried that some provincial governments may disagree with it and therefore not go ahead with the legislation, all it has to do is go along with the Reform Party on this good amendment. Go along with the compromise and show provincial governments that it does trust them and that it does want to work with them and that it will not attempt to bypass them in such a shoddy method.

● (1300)

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, it is a pleasure to have the opportunity to speak to this motion.

I will start out by asking where the member has been. She must have been away for the last number of weeks since the speech from the throne and the budget which outlined the commitment of the government as it relates to negotiations with the provinces in areas of provincial jurisdiction, for example in training and education. Not too many days ago we sent every member of Parliament a copy of a letter that we sent to every province which indicates what we would like to get into negotiating about as it relates to these agreements which help men and women get back to work.

It seems passing strange that the Reform Party presented the previous amendment under the first grouping which dealt with the issue of trying to save money. Its argument to get rid of the Minister of Labour and the Deputy Minister of Labour was that they were a waste of taxpayers' money.

Under the next amendment, the Reform Party wants to create a whole new bureaucracy under the lieutenant governor in council. This means that some committee or group of bureaucrats being paid by the provincial governments will have to get together to review every single agreement, which are in the thousands, by the human resources development department that we enter into with agencies in provinces across the country.

I am not quite sure I understand where the Reform Party is coming from. That party believes in the elimination of duplication and overlap. That party asks why it is taking so long. Reformers keep telling us: ''You take so long to do anything no wonder we do not get anything done''. The Reform Party wants us to be very quick about what we do and then it presents an amendment that would take us months and months to try to get any discussion going on an issue. Obviously, this adds another step to the process and I hazard a guess it would be a very lengthy one to negotiate certain agreements on almost every issue. The member should clarify this.

We said in the speech from the throne, and the Minister of Human Resources Development has been very clear in his letters to the provinces, that we will be entering into framework agreements. These framework agreements would be for those who are not in the labour movement and who may not have had the opportunity to enter into an agreement that has a broad general consensus of the provinces and the federal government to deal with issues and either transfer the responsibility to the province or to allow the federal government to enter into an agreement with agencies on an ad hoc basis based on a particular framework agreement.

That is what we are proposing to do. That is how we save money. That is how we allow governments to work more efficiently. If the member and other members of her party are suggesting that we will create a whole new bureaucracy and a whole new level of duplication because of somebody's mystical belief that the federal government is trying to shaft the provinces or does not care, that it

is trying to get political mileage out of an issue, I do not think they have been listening to the debate.

I really want to emphasize that I am having difficulty today listening to the Reform Party's arguments. As mentioned before, the first amendment said that we should get rid of some of the costs and the Minister of Labour, that he does not do anything. We know how important he is to the overall workings of government and to the Canadian men and women who fall under federal jurisdiction.

Then we get an amendment that suggests we should put a whole pile of money into a process which there is no need to have. Once we are finished negotiating with the provinces—and we agree that each province will be different and we accept that—then we will get on with the job we have been given, which is to help people get back to work, to give them the tools and abilities to be successful.

● (1305)

I want to emphasize that we enter into literally thousands of agreements every year in every province with different agencies. Imagine the kind of bureaucratic nightmare the Reform Party is suggesting we create with this amendment. I suggest we totally reject the amendment.

The fact remains that the speech from the throne and the letters that have been written by the Minister of Human Resources Development to the different provinces speak for themselves as to the intent of the federal government in regard to its relations with the provinces. We do not need another level of bureaucracy to help us do that job.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, the Reform's amendment is not so much intended to create a nightmare situation, as has just been suggested, but rather to maintain an existing nightmare. If we look at it carefully, the first part appears worthwhile; they want the minister to be able to enter into an agreement with an agency of a province after obtaining the approval of the lieutenant governor in council of the province. One's reaction is: ''Fine. That will respect provincial jurisdictions, and the jurisdiction of Quebec''.

But then comes another part, ''may enter into agreements with a province or group of provinces, financial institutions and such other persons or bodies, other than an agency of the province, as the Minister considers appropriate''. This, then, is an agreement aimed at concretizing the current muddle that exists where manpower training is concerned. All is does is offer a snapshot of what the federal government is already doing. It is a somewhat useless amendment.

Now, for some concrete examples. This would mean that an organization such as the Société québécoise de développement de la main-d'oeuvre, a public provincial body, could not enter into an agreement with the federal government without the authorization of its province. This can perhaps be defended, but it also means that a financial institution, such as the Bank of Montreal or the Mouvement Desjardins, or any other, could also sign this type of agreement without necessarily having Quebec's agreement.

This would recreate exactly the situation that currently exists. All kinds of organizations get involved in training, with more or less recognition, with criteria, paying more or less attention to the objectives of the education department. This creates the chaos that we have now with two levels of government being involved. The government responsible for manpower training and education does not have control over how training is provided.

Some people arrive on the labour market with a senior matriculation in office technology, for instance, while others have taken a course of one name or another that is not officially recognized by the department of education. When these people arrive on the labour market with their credentials, they are often in for a shock. They were told they were getting an education that would give them access to the labour market, but all of a sudden they discover that something is missing. Since they do not have the training required by the department of education, they cannot get equivalent certificates or diplomas, which creates all kinds of problems.

This is exactly what the Reform Party is proposing with the amendment before us, especially where it says: ''financial institutions and such other persons or bodies—''.

Nothing would prevent the federal government from signing a contract with an individual, whether or not the training to be provided is in line with the priorities of a Quebec region regarding manpower development. Such is the situation now. Quebec set up manpower committees to plan manpower requirements in each region, with a view to maximize job creation.

By contrast, under the current situation, which would be formalized under the Reform Party's amendment, the federal government can award training contracts to people in a given region, even though this initiative may not be in line with the priorities set by the region's stakeholders.

This will result in the useless spending that currently exists in that sector. A federalist minister from Quebec, as well as the Quebec Liberal government that preceded the Parti Quebecois in office, both recognized that $250 million are wasted in this fashion. This money is lost because two different networks are set up to train people for the same labour market. The result is that, in the end, we train people who have no jobs.

• (1310)

Everybody acted in good faith, including the people who purchased the federal program and those who received the training. The latter attend classes for a year full time and when they try to find a job they are told: ''It is unfortunate, but we have decided to give priority to other applicants who completed three years of vocational training.'' The opposite is also true, but many times we have provided training for people who, in the end, have no job opportunities.

This is today's harsh reality. There are so many jobs available and people out of work, but we do not seem to be able to match them. According to a study made by the OECD, an international organization which enjoys a certain credibility when it comes to employment, Canada does not have a good manpower training system. This is one of the main reasons why we have a lot of trouble competing against other countries.

In our day-to-day lives, we also have to face this situation. If you go to an employment centre and say that you are unemployed and wish to get some training, you are invited to join a group of people with the same goals. You register, attend classes for a year and, in the end, find yourself in a dead-end because the training you got did not give you the qualifications you need to re-enter the labour force.

This also leads to undue competition between workers. This is why it is important to find another way to deal with this situation. The type of amendment put forward by the Reform Party will not solve the problem. The problem could have been solved if the current federal government had accepted the referendum results and come to understand what even the Director General of the Conseil du patronat du Québec told them, which is that the federal government should withdraw from manpower training and realize that Quebec's federalists and sovereignists all agree that the provincial government should be the only one responsible for any proactive employment measure and the only one empowered to act in this field.

So, we will need more than this kind of amendment to solve the problem, especially since this amendment only reflects what we have already. This is why we will vote against this type of amendment which is only a smoke screen. We would ask the government, instead, to reconsider its position and finally recognize the consensus in Quebec in terms of manpower training, to realize that the only efficient solution is to have the government closest to the people provide the appropriate training so that, in the future, we will no longer make a difference between welfare recipients and the unemployed, between those who get a government cheque and those who do not, but we will have instead an overall proactive employment policy.

The first thing to do is to ensure that we do not have two levels of government involved in the same jurisdiction. This is why we will vote against the Reform amendment.

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, I want to echo the very relevant remarks made by the member for Kamouraska—Rivière-du-Loup because what we are studying today is the bill that officially creates the Department of Human Resources Development.

I have to remind members that this bill has been around for quite some time, since it was before the House last fall as Bill C-96. Today, because of the prorogation, it is Bill C-11. In fact, it is an old bill that has already been discussed in Parliament. Members will recall that, halfway through its mandate, the government wanted to give the impression that it had new projects, new programs to offer to Canadians.

It shuffled the Cabinet, came in with a new speech from the throne and made a lot of noise to create the illusion of a change when in fact there is nothing new in the bills we have been discussing since the beginning of the new session. They are all old bills. The one now before us has even gone through clause by clause study in committee—and I remember it well since I am a member of the human resources development committee.

We, in the official opposition, had fought hard at that time because we felt the government was taking the opportunity to make official its new Department of Human Resources Development, which brings together services that existed previously in other departments and which will manage half of the available budget once the interest on the debt has been paid. The Department of Human Resources Development is huge. What is worse, and the reason why the opposition criticized it, is the increased government meddling in areas of provincial jurisdiction. The Reform amendment reflects part of our objective but not enough, because it leaves the government with the possibility of yet again meddling in provincial affairs.

• (1315)

I am the training and youth critic, so the educational sector interests me. We know that vocational training is the subject of a big discussion in Quebec, and especially of a consensus. There is nothing in this bill, however, even with the proposed amendment, to prevent the Minister of Human Resources Development from intervening in vocational training. As the bill says: ''—may enter into agreements with a province or group of provinces, financial institutions and such other persons or bodies—'' and then they talk about ''agencies of provinces— as the minister considers appropriate''. It still gives the Minister of Human Resources Development too much latitude to intervene in areas of provincial jurisdiction, especially in vocational training.

So, of course, we expended a lot of energy during clause by clause consideration and we are continuing to do so today, because these amendments give us the opportunity to discuss this issue and to tell the people of Quebec clearly that we must object. For us, education is of the utmost importance, as is training, and we realize that, if these debates drag on and excuses are found to waste time, a kind of lassitude will set in. People say that it is always the same debates, always the same things. We let time go by, and, in the end, people get tired; they get fed up with this sort of debate.

However, this is vital. We do not want to talk constitution, and the government said the Bloc just wants to talk about the Constitution. But by presenting this bill, by continuing to work for its passage, the government is drawing us into a constitutional debate, because it wants the support of Parliament and the House of Commons to meddle further in provincial affairs. We oppose that.

Recently, someone took stock of the vocational training programs. Altogether, there were 108 different ones—both federal and provincial. Thousands of people are waiting for vocational training courses. Because resources are dispersed, there are people who may not be entitled to vocational training, because the money available in a province, in Quebec, in a sector or in a region has dried up.

In the meantime, the federal government is continuing along opposite. Despite the fact that there are those who are excluded or who fall between the cracks. The present system is a double system. The federal government wants to cut the number of UI recipients. It then looks at vocational training or job readiness programs to get people off unemployment insurance without guaranteeing them a job.

● (1320)

During this time, the provincial government saw the consequences of cuts in unemployment insurance, to name just one area, which lead to an immediate increase in the number of people on welfare. As a result, the government finds itself performing a sort of balancing act. It must come up with training programs that will get employable welfare recipients off welfare. Sometimes this helps them to find a little job, something part time, but then they find themselves back on unemployment insurance. This is what happens in many cases.

A constituent in my riding told me of his personal experience over a period of five years, how he was caught in an endless cycle of job training, unemployment insurance, welfare and uncertain employment. That is one thing.

There are also those who now fall between the cracks, between the various levels of government, and do not qualify for assistance. I am thinking here of women who want to get back into the labour force, after staying at home for years with young children, who have had two or three children and, in their forties or earlier, would like to return to work. Not having drawn unemployment insurance benefits latterly, they are not eligible for these courses.

The system excludes many people. Once again, we in the official opposition are fighting for something that is extremely important. We are trying to explain to the people of Canada, to government members, that they should not go so far, that the government should not keep trying to interfere in something that does not concern it, because it is not in the Constitution, and then go directly against the Prime Minister's promises. At the time of the referendum, he said he was withdrawing from manpower training.

Despite what we saw last week, not only the members of the National Assembly, but important representatives of the socio-economic sector at the Quebec City summit, despite the people representing the Conseil du patronat—the motion was even presented by Ghislain Dufour, the president of the Conseil du patronat—despite all that, the federal government continues along its merry way, counting on the lassitude of Canadians and of the media, who are giving this debate less attention. It thinks that, over time, people will be lose interest. It is just as dangerous for the future of Quebec.

That is why we in the official opposition are joining forces and we hope that organizations will express their opposition to this, while there is still time. Despite the efforts of the Reform Party, the amendment will not reduce the federal government's meddling. On the contrary. The federal government has just said, through those of its members who spoke earlier, that it intends to continue in this area by making the Department of Human Resources official. In my opinion, it is almost a monster. It includes vocational training along with employment services; it has a say in old age pensions, child and family benefits and day care services. It is considerable.

[*English*]

Mr. Jay Hill (Prince George—Peace River, Ref.): Madam Speaker, quite frankly I find it incredible that the Bloc is opposing this motion.

Reform members have looked at this clause and feel that our motion is very appropriate and quite reasonable. I will go back over this clause so that the people back home who are watching can understand exactly what it is we are talking about. Clause 20 states:

> For the purpose of facilitating the formulation, co-ordination and implementation of any program or policy relating to the powers, duties and functions referred to in section 6, the Minister may enter into agreements with a province or group of provinces, agencies of provinces, financial institutions and such other persons or bodies as the Minister considers appropriate.

• (1325)

On the surface it would seem quite reasonable to allow the minister to have that type of power and authority. However, as has already been articulated by my hon. colleague, we felt—call us a bit gun-shy or perhaps call us paranoid at times—we would like to see, especially in areas like this, as the Bloc has been articulating, that these are primarily areas of provincial responsibility. There has to be a proper check and balance put into place.

My hon. colleague has proposed a quite reasonable amendment to this clause merely by inserting ''after obtaining the approval of the lieutenant-governor in council of the province''. That is all we are talking about, not some lengthy legalistic mumbo-jumbo but just a very basic amendment that would see the government held in check by the provinces. I might add it is the provinces that the government is always saying it is consulting and in ongoing discussions, and with which it has excellent working relationships.

My party has difficulty with that. Unlike the member for Kenora-Rainy River, Reformers have very strong recent memories of some of the bills that this government has enacted over the course of the 35th Parliament, just one of which is Bill C-68, the gun legislation.

I would question whether the government had the support of the provinces when five of the provinces and both territories were very outspoken against that legislation. I need not remind the House that legislation is going to have a direct impact on the financial well-being of the provinces when they are called on by the federal government to enact the registration scheme for all long guns in this country.

That type of program has a very strong and definite economic impact on the provinces. Yet the government just arbitrarily declares it law and forges ahead. That is our fear in this area as well. The minister, when he runs up against some resistance from certain provinces, may just by-pass them and just forge ahead, putting the programs in place expecting the provinces to pick up the administrative costs or what have you.

Another incident of note for members of Parliament from British Columbia is what happened last November and December. This government decided to bring forward a constitutional veto for the regions of the country. In its wisdom it decided, arbitrarily once again, on very short notice that British Columbia did not constitute a region. The government was just going to lump British Columbia in with the three prairie provinces, in with the west, when it was doling out this constitutional veto.

Therefore, the provinces are more than a little gun-shy when it comes to these types of clauses, clauses that on the surface seem quite reasonable. Reformers feel that some appropriate check is necessary. We do not understand in this particular case at least why the Bloc Quebecois would not support it.

This is the party that is always concerned about the provinces having some authority. This amendment would see that before the minister could forge ahead and enact certain programs that would have a definite impact on the provinces, the minister would have to clear those programs with the lieutenant-governor. Obviously it would have to be cleared with the lieutenant-governor of Quebec where that program would be a bilateral agreement between Quebec and the Government of Canada. Yet a couple of members from the Bloc have indicated they are going to be voting against this amendment. Quite frankly I find it amazing that a party that is always seeking to have more control for its province is going to vote against an amendment that would do exactly that.

• (1330)

Mr. George S. Baker (Gander—Grand Falls, Lib.): Madam Speaker, I have a couple of words concerning this amendment and the assumption that the Reform Party of Canada is the party that will protect provincial rights, that it will promote the non-intrusion of the federal government into provincial rights.

It is very strange to hear the Reform Party of Canada chastising the Liberals and chastising the Bloc on this question. In its policy it interferes with provincial jurisdiction. Reformers are the ones who claim in their bible, in their budget of last year, that not only would the air and airports be privatized, not only would the ocean, the seaways be privatized, but also roads and bridges. If that is not provincial jurisdiction I would like to know what is. That is not only an intrusion into provincial affairs but an intrusion into Canadians' affairs.

Imagine, as they suggest in black and white, having large businesses build highways; they would have to be large to build roads. Then we would have to pay to drive on those highways. That is their policy.

The party that says it does not want the Government of Canada intruding into provincial jurisdiction is the same party that suggests in its policy booklet to cut equalization by 35 per cent. Imagine, coming from Atlantic Canada, what kind of intrusion that would be to the provincial governments; that 35 per cent cut in the bible of the Reform Party of Canada, in its so-called taxpayers budget.

Imagine the cut of 34 per cent the Reform Party advocates to the Canada assistance plan. Is that not an intrusion into provincial jurisdiction? That is the plan the provinces use to pay for their own programs, 50:50. The Reform Party of Canada says slash that by 34 per cent and slash equalization by 35 per cent.

That is not all. Look at the intrusion into provincial jurisdiction when Reform Party members attack our medicare system. We know what words they use on medicare. The words used in reference to Reform Party policy are ''intolerably expensive and unnecessary''. Those are the words used in its policy booklet, in its

so-called taxpayers budget, its bible, not the authorized version but the unauthorized version because nobody apart from the Reform Party would authorize it.

Is it not an intrusion into provincial jurisdiction to be telling the provinces that medicare, the very thing we depend on, is intolerably expensive and unnecessary? Is that not an intrusion into provincial jurisdiction, then to say misrepresentation? That is in its policy booklet, the taxpayers budget. I look at it almost every day. I have it right here.

Reformers say they would have private enterprise build the roads and the highways and charge the public for it, build the bridges and charge the public for it. Is that not an intrusion? They would cut equalization by 35 per cent and CAP by 34 per cent. They say our medicare system should be thrown out the window because it is intolerably expensive.

Then they turn around and do what? What do they approve of? What they approve of are all the big tax breaks they can give to the biggest corporations operating in the country.

• (1335)

They jumped up and down with joy when the Senate sent a bill here recently which talked about a 50 per cent tax cut for the largest foreign controlled multinationals in the country. They jumped for joy when there was a 30 per cent tax cut on interest that flows out of the country across the border. They said: ''Come on, Senate, give us some more because we love this. We loved to do away with the royalties on all the taxes that go out of the country''.

Here they are cutting things from the provinces, cutting things in provincial jurisdictions. Then they stand up in the House of Commons and say this bill is really an intrusion into provincial government jurisdiction. They should go back to their own handbook, to their own policies. They should have a little charity when they think about Canadians.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, the Reform Party's amendment is surprising. I would have supported it if it had preceded any agreement drawn up by the Minister of Human Resources Development with respect to a province. This is not the case.

This bill is an illustration of what ails Canada. Canada suffers from the application of more than one strategy to the same people and the same areas of the country. There is a human resources development strategy, a development strategy period, because there can be no development unless human resources are developed. Quebec has one strategy and Canada has another for the same group of people, and that does not work. This is no surprise. You cannot have two separate strategies involving the same people and the same objectives.

A business with two different strategies would not last long. A public body with two strategies is doomed to failure. A couple using two different strategies to raise their children will also run into insurmountable problems and is guaranteed to fail. You cannot have two different strategies.

The bill before us further institutionalizes these two conflicting strategies, each with the same objectives for the same people. How can we sort out these powers the minister assumes for himself, by using an expression that is not defined anywhere, that encompasses human resources development? Human resources means people, as long as they are considered to be resources, that is as long as they contribute to development.

The Minister of Human Resources Development is giving himself jurisdiction over the development of human resources in Canada with the objective of enhancing employment, encouraging equality and promoting social security.

What is left for Quebec? Nothing. The minister is giving himself all related powers, the power to develop policies, to make regulations, to delegate responsibilities to whomever he wants, and to extend his ability to enter into contracts with any organization or any financial institution in the pursuit of these objectives.

• (1340)

The Minister of Human Resources Development becomes the minister of total human resources development. He leaves no room for anybody else. He is the one who will negotiate. And his main instrument of negotiation is the fact that, with the cuts he made in the unemployment insurance program, he has accumulated a surplus which, by the way, without Bill C-12, will be $10 billion next year. However, he has made cuts in education, health and welfare programs, which will force the provinces, including Quebec, to make drastic cuts this year and next year.

It is no surprise that the minister, using his powers, through the UI reform project, plans to get involved in providing assistance, training grants, what we call active measures, to self-employed workers, and do people who have already been on UI for three years. This broadens his client base. In five years, let me tell you, this will involve a large proportion of people needing UI, and so his jurisdiction will keep on spreading out.

What is involved here is not a little squabble between levels of government but, far more tragically, those governments' inability to attain their objectives. That is where the real problem lies. The

real problem lies precisely in what action the federal government considers it should be taking.

The federal government does not trust the provinces. That is obvious, and because of that lack of trust, it is trying to take over from Quebec. In Quebec, however, the consensus on a large number of issues, and the will of the majority on a large number of others, is that we are far from trusting the federal government to attain our objectives for us.

On October 30, as you well know, we came very close, within 52,000 votes, to attaining Quebec sovereignty. For a large number of Quebecers, the reason they wanted sovereignty was the necessity to organize ourselves so that, for once, all of these resources needing only to be developed, all of these people with needs, will have the means of doing so.

This bill is, unfortunately, the expression of an inability to adequately divide the work up for the well being of the people. The federal government decides it is going to do something or have the final say and at what cost and in what way. The Government of Quebec, with the people behind it, feels that, as a people and a nation, it must decide these things and how they are carried out.

I would have hoped that, after October 30, the government would understand, regardless of what the future brings, that the welfare of the ordinary folk and the people as a whole, in Quebec, requires that limited resources be put to good use.

• (1345)

For them to be put to good use, there cannot be two strategies for their utilization, because it would mean significant waste, waste in terms of public servants. They may have to administer programs that run at cross purposes, that go in different directions. They can waste an enormous amount of time just getting things co-ordinated, instead of having money help people and provide them with clear support.

I would have hoped this would be possible, regardless of the outcome. I would not think that the Government of Canada could play with people's welfare in order to give precedence to political and constitutional imperatives. Unfortunately, what has happened with this bill has shown me that government cynicism is widespread and that government decisions come before the welfare of the people.

[*English*]

Mr. Monte Solberg (Medicine Hat, Ref.): Madam Speaker, it is a pleasure to address Motion No. 3 on Bill C-11. In particular, I wish to discuss the Reform Party proposal that would allow the provinces to continue to have a say in how things are administered at the provincial level when particular policies issue forth from the federal government.

I also wish to discuss and answer some of the concerns from the member for Gander—Grand Falls who made some rather hysterical remarks about the Reform Party and what it would propose to do should it become government. I feel we must set the record straight in addressing Bill C-11.

The hon. member and many members from Atlantic Canada are frightened after the showing of the Reform Party in the recent byelections, and they have good cause to be. They saw a party that had little support there in the 1993 election and now all of a sudden it is threatening the members across the way in their seats. They have good cause to be concerned because the people in Atlantic Canada know very well the system has not served them well. They are tired of having 20 per cent and 25 per cent unemployment. They are tired of not having prosperity. They are tired of not having the infrastructure enjoyed by the rest of the country.

The member for Gander—Grand Falls stood up and talked about how the Reform Party wanted to put tolls on all the roads. That is an absolute fairy tale. I think he is getting mixed up with trolls under the bridges.

What our party has said is that the people in Labrador should have a decent road. Instead of sending money to countries around the world so that they can build roads, we are saying the people of Labrador deserve a decent road between their two biggest centres. We are saying that the federal government should not spend money on sky boxes in hockey arenas, that it should not be building bocci courts for ministers in downtown Toronto. We are saying that when we have infrastructure money we should spend it on infrastructure. That is not so radical.

I want to set the record straight on some of the remarks the member for Gander—Grand Falls made with respect to the Reform Party approach to reducing spending. The hon. member said we would gut health care. Let me remind the House and the hon. member that the government is cutting four times as much out of health care as our party ever said it would cut. The government is cutting $3.2 billion in health care. It is closing hospitals and hospital beds across the country today because it did not have the nerve to act in its first budget and reduce spending. Had it, we would have a much healthier economy today. We would have sustainable social programs.

• (1350)

I also want to address the issue of higher education. Not only would the government cut far deeper in health care but far deeper in higher education. It would cut six times as much as the Reform Party when it comes to higher education, 600 per cent.

In our taxpayers budget in 1995 we said we would cut $200 million. The government is cutting $1.2 billion. That is unbelievable. Again it points to the cost of delay. Had it attacked the deficit more aggressively, it would not have to make those cuts today.

Now people across the country are paying the price in a very heavy way for its delay.

I also want to address what the hon. member for Gander—Grand Falls has said recently about banks. We had a debate about that this morning. He touched on that issue. He talked about the need to hold financial institutions accountable.

Why did he not mention that he has sat idly by while his party took $250,000 from the banks? Why did he sit idly by when that was being done? I do not recall his speaking out against his own party's taking all that money. Where is his sanctimonious attitude when that happens? I did not see it.

I did not see him standing up and speaking against the Reform Party motion the other day when we proposed to set things right in Labrador, when our party moved a motion to revisit the agreement on Churchill Falls so that the people of Labrador could enjoy some of the fruits of their own labour as opposed to sending it into Quebec.

I did not hear the member for Gander—Grand Falls then. Where was he? Why was he not standing up for the people of Newfoundland and Labrador? He claims to be somebody who defends his province. Where was he? He was absent. He had absolutely nothing to say.

On the issue of defending the provinces, the member has nothing to boast about. He has let his people down. That was reflected in Labrador the other day. It was also reflected in Humber. We are starting to see some hon. members opposite panic about the next election.

Frankly, it looks good on them. It is time people in Atlantic Canada were served well. That is not happening today. To the hon. member opposite, stand up and be counted the next time. When people come to the defence of his own province, next time vote with Reform.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Ringuette-Maltais): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Ringuette-Maltais): In my opinion the nays have it.

The division on the motion stands deferred.

We will now proceed to Group No. 3, Motion No. 5.

[*English*]

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.) moved:

Motion No. 5

That Bill C-11 be amended by adding after line 29, on page 10, the following new Clause:

''32.1 The Minister shall cause to be laid before each House of Parliament, not later than the fifth sitting day of that House after January 31 next following the end of each fiscal year, a report showing the operations of the Department of Human Resources Development for that fiscal year.''

She said: Madam Speaker, this amendment would require the Minister of Human Resources Development to table an annual report in the House.

Bill C-11 as s presented does not require an annual report to be made from the department. I am concerned that this may be just another way for the government to withhold information from the House of Commons and the people of Canada.

• (1355)

I believe it should be mandatory for all government departments to publish annual reports, and for the purpose of accountability they should be placed before Parliament.

As part of the new program review the federal government is changing the production of the estimates. It suggests that in a few years it will make the estimates more user friendly and that more useful and practical information will be included in the estimates. The government suggests that annual reports are so general that they border on being useless.

Every bill which has been introduced to create a new department has been deleted. The government has deleted the requirement for the production of departmental annual reports. Our amendment would require the government to continue producing annual reports for that department.

We are sceptical of the process for improving the estimates. At minimum, until such improvements have been made, annual reports should be continued. Until the estimates are improved, the lack of annual reports will cause the Canadian public to be in a position to receive less information from government.

We all know about the red book promises which said there would be more open government. This is open government? No more annual reports is open government? I do not think so.

Reform exists to change the government. Liberals have an opportunity to demonstrate to Canadians they are willing to open up government to allow Canadians greater access to all information about how it operates. It should not be a secret. What is the government trying to hide?

It is taxpayer money that the Liberals are spending. Canadians should know how and where their money is going. The government, by opposing our amendment, will prove to Canadians that it does not care about accountability or openness. What is it trying to hide? Again there seems to be something fishy here.

Is this just another way for the Liberals to hide their dismal failure on the deficit fight? They will not make public or even produce an annual report for this department.

This department is huge. Canadians, thanks to the Liberals, will not be able to keep track of the developments. Sure, the government says the estimates will be improved, but it said it would scrap the GST, so why should we believe it now?

Is this a case of what we do not know will not hurt us? Maybe that is why the government did not mention the debt in the budget speech. Ignore it and it will go away. The Liberals should talk about it. They should admit that they have been responsible for the growth in the debt since 1968 and honestly attack the debt problem. We are seeing nothing.

I insist we need an annual account of this department. I believe with the inclusion of the amendments the Reform Party suggested Bill C-11 will be a much better bill. The amendments will make the department more forward in its approach to problems and more accountable to Parliament.

STATEMENTS BY MEMBERS

[*English*]

SCIENCE AND TECHNOLOGY

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, excellence in the areas of science, technology and mathematics is essential to building and sustaining a more innovative Canadian economy. Canada's future depends on our ability to show innovative technology leadership.

Both the speech from the throne and the March 6 budget highlighted the importance of establishing guiding principles to improve the effectiveness and focus of the federal science and technology effort.

I believe Canada will guarantee its success in these areas if we ensure that our children are taught the skills they will need to meet the challenges.

Last month the Prime Minister announced the winners of the 1995 Prime Minister's Awards for Teaching Excellence in Science, Technology and Mathematics. The awards recognize elementary and secondary school teachers who have had a major impact on their students in these areas.

I take this opportunity to salute one of the winners from my riding of Lambton—Middlesex, Ms. Carol Browne, a grade 1 teacher at Metcalfe Central School.

* * *

LIGHT STATIONS

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, in automating B.C. light stations the Minister of Fisheries and Oceans is reducing marine safety on the west coast.

• (1400)

The B.C. coastline has long deep fiords, turbulent, dangerous waters and extensive uninhabited areas. It is unique and studies of other coastlines do not necessarily apply to B.C.

A constant flow of cruise ships, freighters, ferries, commercial and sports fishermen, tourists and pleasure boats passes through the inside passage between west coast islands and mainland B.C. More than 15,000 tankers passed through B.C. waters in 1995.

Human staff provide accurate and timely marine aviation weather reports and can observe coastal activity, while automated stations can only transmit a mechanically derived narrower range of data. Should the system malfunction or fail, which has already happened, we court loss of life and/or ecological disasters.

Spending reductions are important but unjustified when they come at the expense of available safety measures on our waterways. In time of danger there is no substitute for a human operated lighthouse.

* * *

RYERSON POLYTECHNIC UNIVERSITY

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, today in my riding of Rosedale in Toronto, Ryerson Polytechnic University is celebrating the completion of an infrastructure project which will create 47 person years of employment.

Ryerson is a special institution of learning which offers a unique educational experience to its students. It is a tremendous asset to the city of Toronto and to the country at large.

The ceremony taking place today also illustrates how the infrastructure program initiated by the government has enabled a wide range of institutions to create or upgrade needed facilities. The program which has been criticized by some for being a bricks and mortar program has proven to be much more than that. This particular example shows how the program contributes in a meaningful way to the education of the citizens of this country. The

program is also a concrete example of the constructive co-operation that occurs between the federal and provincial governments.

I extend my heartfelt congratulations to President Lajeunesse and to the entire university community of Ryerson for the successful completion of this important program.

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[*Translation*]

ELIMINATION OF VIOLENCE AGAINST WOMEN

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, this morning, the Deputy Prime Minister and Minister of Canadian Heritage announced, together with heads of Canadian broadcasting corporations, the launch of a national campaign against violence under the theme ''Violence, You Can Make a Difference''.

This campaign will last throughout the year and emphasize violence against women and children. This multimedia project is aimed at making people aware of the impact of violence on viewers, and of the means available to us to put an end to it.

This project was made possible thanks to the cooperation of a number of federal departments, radio and television networks, community organisations, and Cossette Communication-Marketing. We are pleased to be part of this important initiative, and we urge people to join us in this vast operation to stamp out violence.

* * *

[*English*]

CUBA

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, recently the group Pastors for Peace attempted to transport humanitarian aid, namely medical supplies, computers and modems from Canada to Cuba via the United States. The computers were for a humanitarian Cuban medical project, INFOMED.

Last month these goods were seized by U.S. law enforcement personnel using totally unacceptable force under a U.S. law banning trading with the enemy. Five members of Pastors for Peace have been fasting for life since February 21, including Canadian Brian Rohatyn to protest this outrageous U.S. thuggery.

I call on our foreign minister to end his silence and demand the release of these Canadian donated medical supplies, to strongly condemn the illegal and immoral U.S. blockade of Cuba and the illegal Helms-Burton Bill.

The people of Canada must stand in solidarity with the people of Cuba at this very difficult time.

[*Translation*]

AÉROPORTS DE MONTRÉAL (ADM)

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, the transport minister stated in this House that the problems of Montreal airports were not his concern since their management had been transferred to ADM. This is an easy answer to avoid getting involved.

The minister is abdicating his political responsibilities, hiding behind a management agreement he himself negotiated. However, the difficulties faced by Montreal airports are, to a large extent, due to the bad decisions Ottawa has been making on this issue since the 1970s.

In Canada, air transportation comes under federal jurisdiction. Consequently, it is this the government which negotiated and signed the present lease with ADM, thereby giving it certain responsibilities. The government must ask ADM to hold real consultations before making any decision.

* * *

[*English*]

BURLINGTON YOUTH

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I rise in recognition of Burlington youth. Our government has placed a great deal of importance on demonstrating our confidence in Canada and Canadians, especially young Canadians.

● (1405)

In the riding of Burlington I have had the honour of presenting eight graduating secondary students with an award which recognizes their outstanding contribution to their school, to our community and to Canada.

The recipients of the Paddy Torsney, M.P. Citizenship Award last fall were: Stephen Chiu, Lisa Dawn Moody, Angela Minnett, Danielle Buick, Jessica Kristina Hodgson, James Roberts, Jennifer Craig and Aimmie Halchuk.

Colleagues, please join me in congratulating these fine young Canadians. They are up to the challenge of our future. They are our future.

* * *

JUSTICE

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, much to the dismay of the Robert family of North Bay, Ontario, the Minister of Justice appointed Mr. John Desotti to the Ontario bench. The minister did so despite the fact that Mr. Desotti was still under review by the Law Society of Upper Canada.

Mr. Reginald Robert died one month before his three year old complaint against John Desotti was to be resolved by the law

society. Just 17 days before his wife, Mrs. Valerie Robert, a senior citizen was to conclude this case on behalf of her late husband, the justice minister threw a cloak of immunity over John Desotti. This newly appointed judge was removed from the jurisdiction of the law society and moved beyond the reach of the Robert family.

What did the justice minister have to say about this reprehensible abuse of his power? ''If Mrs. Robert doesn't like it, take Desotti to court'', was his reply. It is time the Prime Minister stepped in and set things right for the Robert family and dealt with the justice minister who has run roughshod over the rights of a senior citizen of this country.

* * *

[*Translation*]

TRAN TRIEU QUAN

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, Tran Trieu Quan was unjustly condemned to life imprisonment by a Vietnamese court which heard his case in less than a day. However, the Interpol investigation proved that Mr. Quan fell victim to a fraud committed by his client, Excel Cotton International. The Canadian government recognized that the Vietnamese government was making a scapegoat of Mr. Quan.

On March 11, Quebec municipal authorities unanimously adopted a motion stating that the Liberal Party had promised, in the red book, to use its foreign aid policy to protect human rights abroad, and requesting that the Canadian government immediately suspend all financial, cultural and social assistance to Vietnam, until Mr. Quan is released and repatriated.

The Bloc Quebecois supports the resolution of the City of Quebec and asks the government to take action.

* * *

[*English*]

AUTOMOBILE LEASING

Ms. Bonnie Brown (Oakville—Milton, Lib.): Mr. Speaker, the automotive industry is of critical importance to the Canadian economy. One component of that industry, the car dealers, are feeling threatened today. On average, 40 per cent of their business is based on leasing and this percentage is increasing every year.

Now the chartered banks want our approval for their entry into the lucrative car leasing business. I believe that if we permit the banks to enter we would risk jeopardizing the stability and success of the dealership network in Canada. In the long run, competition would be reduced and thousands of jobs might be lost.

I strongly urge the Secretary of State for Financial Institutions to help those who sell and lease cars by keeping the banks out of the automotive leasing business.

* * *

NISGA'A LAND CLAIMS

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, on March 22 we made history in B.C. An agreement in principle with the Nisga'a people was signed on their land, the Nass Valley, by Chief Joe Gosnell, Minister John Cashore, and the Minister of Indian Affairs and Northern Development.

It was a great event for all British Columbians and for those invited participants who attended. I was there. There was a full house. Unfortunately for some reason the member of Parliament for Skeena chose to miss the occasion.

It took the Nisga'a over 20 years of negotiations to reach an agreement. It took hours and weeks of work and talks to arrive at the signing of the agreement. It took 129 years to complete the process.

Mr. Speaker, do you not think we should all celebrate for making a historic wrong right through an honourable process? To call this apartheid, as some of my colleagues in the Reform Party are doing, does not recognize the reality that apartheid was not achieved through negotiation but by decree.

I know there are some concerns on both sides, but let us be proud of this achievement. Let us all work together as equals.

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LINCOLN FABRICS LTD.

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, it is my pleasure to inform the House on the quality initiatives of Lincoln Fabrics Ltd., an SME in my riding of St. Catharines.

• (1410)

Lincoln Fabrics are weavers of international fabrics, broad woven fabric mills, man-made fibre automotive trimmings, apparel findings and related products. Lincoln Fabrics is a supplier to many multinationals and the Government of Canada.

I congratulate Lincoln Fabrics on its achievement of the quality awards, QS-9000 and ISO-9002. It is the first fabrics supplier of this type in North America to achieve these high levels of quality manufacturing and quality management.

Congratulations to Lincoln Fabrics president David Howes, manufacturing vice-president Michael Loney and all the employees on a job well done.

S. O. 31

[*Translation*]

SEIZURE OF COMPUTER EQUIPMENT DESTINED FOR CUBA

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, on January 31 and February 17, American customs officers seized computer equipment en route to Cuba. It was being sent to Cuban hospitals under a World Health Organization program.

Furthermore, on March 21, a Canadian government representative in San Diego said he had no intention of intervening to have the equipment released. Also, for more than 36 days now, four members of Pastors for Peace and a Canadian driver have been on a hunger strike to have the material returned.

What is the foreign affairs minister waiting for before he will take a hand in the defence of humanitarian assistance organizations helping Cuba, as he did yesterday in Washington for Canadian companies engaging in trade with that country? This is just as hard to understand as it is hard to know where human compassion has gone within this government.

* * *

[*English*]

SOMALIA

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, the shredding of Somalia documents by officers at national defence is further evidence of cover-up but this is only the latest incident to plague the defence minister.

February: The minister describes his chief of staff's pronouncement that Canada is not prepared to fight as ''consistent with government policy''.

January: Somalia investigator has files stolen and is threatened with action for charging that generals who impeded the investigation acted inappropriately. Somalia commission expresses concern that DND lawyers were intimidating potential witnesses.

April 1995: Public affairs director general breaks the minister's gag order to disparage a confidential autopsy report.

March 1995: The minister replaces the Somalia commissioner Anne Doyle because of conflict of interest charges saying he should have been better informed.

January 1995: Video shows airborne soldiers making racist remarks to Somalis and engaging in hazing rituals. The defence minister ignores advice from officials and disbands the regiment in an act of political expediency.

[*Translation*]

MIRABEL INTERNATIONAL AIRPORT

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, at a time when calls for solidarity and cohesion are heard on the issue of Montreal airports, the Bloc Quebecois is displaying its political expediency and adding to the confusion about the future of Mirabel.

Yesterday, the Leader of the Opposition once again displayed his poor knowledge of political issues in Quebec when he referred to, and I quote: ''the more recent decision to build Mirabel airport, which did considerable harm to Montreal's air traffic''.

How can the member for Roberval condemn Mirabel in such a way, claiming that it has harmed Montreal's economy, when members from his own caucus have publicly expressed themselves in favour of the survival of Mirabel airport? Are we to understand from the Bloc leader's remarks that, as usual, the statement he made yesterday is simply a way to pave the way to the decision his leader, Lucien Bouchard, is preparing to announce?

* * *

[*English*]

VIOLENCE

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, violence against women and children affects all of us in our communities and as a country. I am pleased that the federal government continues to take positive steps to prevent violence, working with other sectors of society who are active partners in this effort.

The Canadian Association of Broadcasters deserves special congratulations for its launch of a new national campaign aptly named ''Violence—You Can Make a Difference''. Through co-operation between private broadcasters and several government departments, the message will reach every community across the country.

In the *Toronto Star* a recent series featuring family violence depicting real life tragedies accentuates the importance of this issue in all its aspects.

I hope these insights will encourage all Canadians to become part of a national effort to stop violence before it happens.

* * *

LAND MINES

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, earlier today I rose to reintroduce my private members' bill calling for a ban on the import, export and production of land mines and anti-personnel devices in Canada. The purpose of the bill is for Canada to take a leadership role in banning these heinous devices which have no place in modern warfare.

• (1415)

This was supported today by the International Committee of the Red Cross which released a study that examined the military use and effectiveness of anti-personnel mines. This document shatters the idea that mines are effective in military operations and concludes that the limited military utility of mines is far outweighed by the appalling humanitarian consequences of their use in actual conflicts. I congratulate the ICRC on its study.

I invite all members in the House to join with me in supporting my private members' bill which calls for a ban on these heinous devices.

ORAL QUESTION PERIOD

[*Translation*]

CANADIAN ARMED FORCES

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, when we questioned the government on May 12, 1995, on the events in Somalia, the Minister of Defence stated as follows: ''This government wants to make sure that all of the troubling accusations surrounding the Canadian forces deployment to Somalia are brought to light. This government has nothing to hide. This government wants the truth''. Now, less than a year later, the information commissioner informs us that certain military officers deliberately falsified or eliminated information concerning this affair.

My question, a very simple one, is directed to the Minister of National Defence. What we want to know is: Who are the DND personnel who falsified documents, what are their ranks, under whose orders were they operating, and what sanctions were imposed for these actions?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as I said yesterday, the facts in Mr. Grace's letter parallel the facts that have been raised by a military police investigation. Certainly we view these allegations with severity.

In fact it was the departmental officials, the deputy minister and the former chief of defence staff who alerted Mr. Grace, the information commissioner, to this problem. It was the department that did it once it found out about these irregularities.

We are certainly concerned with what he has found out in his letter, but given the fact there is a military police investigation with all it entails, and given that the facts in the military police investigation are consistent with those outlined in Mr. Grace's letter, it would be very wrong for me, in case I were to prejudice the jurisdiction and the legal proceedings of any individuals, to answer the hon. member's question as he has posed it.

[*Translation*]

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, it is always like pulling teeth to get information in this Parliament on anything involving the armed forces. We would really like to see evidence from the government, once in a while, that it is in charge.

Now that we know documents have been falsified by Canadian army personnel to cover up the truth, what credibility can we give to the 450,000 pages of documents DND provided to the Somalia commission? What credibility indeed?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I can give you and members of the House the assurance that the Department of National Defence has and will do everything in its power to make sure that every single document relevant to the inquiry is handed over to the inquiry.

There is a bit of an information overflow because there are tens of thousands of pages of such documents. It has caused difficulty for the department in collating them and getting them to the commission. It has caused difficulty for the commission, but we are working with the commission to surmount these obstacles.

The hon. member has talked about not getting information out of the department of defence and being dissatisfied with my previous answer. This government is concerned with the fundamental principles of justice and we have to be concerned that none of those principles of justice are transgressed with respect to any individuals who may be involved in this matter.

[*Translation*]

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, I understand the government is concerned, but so are we all when the government's concerns have no effect on what is going on in the armed forces. The minister ought to be aware of that.

• (1420)

We want to know, because it is the public which pays for the Canadian Armed Forces, whether extremely reprehensible actions have taken place, as this is a very serious matter.

Does the Prime Minister not realize that there is a problem of credibility, the credibility of his government even, when the Minister of Defence refuses systematically to reveal any information whatsoever concerning events of this gravity, particularly when one considers that absolutely every time we have raised any question here in the House concerning DND we have just about had to hold a parliamentary inquiry to get things moving? The minister is always talking about his serious concerns, but never does

anything concrete about those concerns. There are never any real steps taken to remedy matters.

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, if we are talking about credibility, let us put the facts on the table.

It was the minister of fisheries in April 1993, when the Liberal Party was in opposition, who called for an inquiry into the whole question of the deployment to Somalia. This government delivered on that particular promise once it came into office and once we were assured that any commission would not interfere with the judicial process that we inherited and that was under way with the courts martial.

On the incident that has recently come to light, how can the hon. member talk about the credibility of the government when it was the officials in the government, the deputy minister and the chief of the defence staff, who drew these very troubling matters to the attention of the information commissioner? There was an internal investigation by the military police.

If that is not good enough for the hon. member, there has been an investigation by a third party, the information commissioner. He has rendered his judgment. It was made public yesterday and action will be taken. Those matters in his report parallel the facts in the military police report. The military police report is with the department's lawyers. That is all I can say on the matter at this point so as not to injure anyone who may be involved.

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[*Translation*]

CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, on February 29, when questioned by the hon. member for Bellechasse on the presence of a Russian mole within CSIS, the Solicitor General of Canada answered, and I quote: ''I have been assured by the director of CSIS that there is no mole within the service''.

Today, a full month later, does the solicitor general still stand by the statement he made then?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Yes, Mr. Speaker.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in his response to the hon. member for Bellechasse, on February 29, the solicitor general also said, and I quote: ''With respect to his reference to a former CSIS contract employee, this involves the internal management of the service. I cannot go into his relationship for privacy reasons''.

It is the duty and the responsibility of the solicitor general to now inform the House about this whole affair. Was Pierre Roy not fired precisely because he had information involving CSIS management in the matter of the alleged Russian spy?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I was advised that Mr. Roy was not a regular employee of CSIS, but rather a contract employee, whose contract was not renewed.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in his report on the defence department's handling of the Somalia affair, Canada's information commissioner, John Grace, found evidence of a widespread cover-up at DND. Documents were either destroyed, altered or disguised and unlawful orders were given to the rank and file.

Instead of getting to the bottom of this outrage, the defence minister thought it was more important to try and defend General Boyle by stressing that the general was misled by his subordinate.

My question is for the defence minister. Is it the position of the minister that as long as he or his senior officers are misled from below they are not accountable for what happens at the defence department?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, contrary to what the hon. member has said, it was not me yesterday who uttered the quote claiming that General Boyle, chief of the defence staff, was mislead by subordinates.

• (1425)

That was contained in Mr. Grace's letter. Mr. Grace was quite explicit in saying that the present chief of the defence staff played no part in any of the wrongdoing that was outlined in his letter.

We are not trying to hide. How can the hon. member accuse us of hiding when it was the department that went outside the department to the information commissioner, sought his assistance and co-operated with the investigation.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the minister's position always seems to be that whenever things go wrong in the department, someone other than those in authority is responsible. Canadians do not buy that.

The minister bungled the handling of the airborne videos, video I, video II and video III. He stood back and watched while DND lawyers intimidated witnesses to discredit the Somalia inquiry. He rubber stamped the questionable promotions and appointments such as those of Anne-Marie Doyle and Colonel Peter Kenward. Now we have the DND cover-up.

If the minister is not willing to accept responsibility for the actions of the defence department, if he cannot hold senior people in the department accountable for the actions of the department, will the Minister of National Defence resign?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, you will forgive me but if I wanted to ask for the indulgence of the House and impinge on your time, I could make an equally eloquent case which could come to the same conclusion to deal with the leader of the Reform Party.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, this minister oversees a $10 billion department. He is responsible for the national and international security of Canadians.

Over the past two years, it has been painfully clear that DND is out of control, senior officers are openly flouting the law and the minister is either unwilling or incapable of doing anything about it.

Since we get no answers from the minister, I ask the Prime Minister whether he will take the responsibility for the chaos at DND and demand the resignation of his incompetent Minister of National Defence.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Somalia problem started when we were in opposition. We asked for an inquiry ourselves. That was a problem that existed before we formed the government.

We are trying to get to the bottom of it. We have an inquiry. We extended its mandate to make sure that everything is in the open and that the people of Canada know what happened when this incident occurred, which was before we were the government.

As far as the Minister of National Defence and myself are concerned, I would not accept his resignation if he were to offer it because under the circumstances, he has done a very good job. We are very supportive and proud of him.

* * *

[*Translation*]

FRANCOPHONES OUTSIDE QUEBEC

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, in August 1994, the federal government announced with great pomp that it would ask 26 federal departments and agencies to implement action plans to meet the needs of francophones outside Quebec. However, the Commissioner of Official Languages himself said that this initiative was a failure.

My question is for the Deputy Prime Minister. Will the Minister of Canadian Heritage finally realize that, by not fulfilling her obligations under the Official Languages Act, she is condoning the assimilation of French speaking people, to the tune of 38 per cent in Ontario and 75 per cent in British Columbia?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, the best protection against assimilation is to have a country which is called Canada and which protects minority rights from coast to coast.

• (1430)

This morning, here in Ottawa, the Franco-Ontarian theatre was inaugurated to allow us to see French plays. Also, in the context of 41-42, I have already contacted the new President of the Treasury Board, to make sure that the level of recognition, as mentioned by Mr. Goldbloom, which was already at 80 per cent will go up to 100 per cent. This is the objective of 41-42.

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, Canada is the one responsible for the current assimilation rate. Instead of crowing over makeshift measures, will the heritage minister follow up on the most recent report of the official languages commissioner, who states that, since the implementation of the government initiative, French speaking people have lost services instead of gaining new ones?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, first, I already met with the official languages commissioner. The truth is—and I know it hurts the Bloc Quebecois—that there are currently more young Canadians who speak both languages than at any other time in our history.

Will you recognize the work done by the hon. member for Ottawa—Vanier? Will you recognize the work done by the hon. member for Madawaska—Victoria? Will you recognize the work done by the hon. member for Timiskaming—French River? Will you recognize that, in this House, there are 16 French speaking members from outside Quebec who proudly represent their constituents in their language? French is spoken everywhere in Canada.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, Canadians are justifiably proud of the Canadian armed forces. That is why the events of recent years have been so tragic.

The House cannot stand idly by and allow a lack of leadership in defence to destroy the trust of the House, the media and Canadians in our troops.

I ask the defence minister, will he put politics aside, consider the reputation of our military and step down so that new leadership can set things right?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the Prime Minister answered that question.

Mr. Solberg: I would not be that cocky if I were you, Dave.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, as a former member of the armed forces I know the importance of leadership. I know the importance of morale and I know that morale has been crushed this past year by a lack of leadership. Still, most of our troops are dedicated professionals as evidenced by the courageous work of those who realized that what they were being told to do was wrong, and at great personal risk, did the right thing.

Will the minister also do the right thing? Will he show true leadership by example, accept responsibility for what has gone wrong on his watch and resign?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I do not want to repeat the same answer.

The hon. member talks about taking politics out of the issue. I think that is very good advice. I ask that the Reform Party do it. This has nothing to do with the men and women who are serving in Bosnia or in Haiti.

This has to do with a very difficult problem that occurred before the government was elected. It has been a very difficult problem to handle, to make sure that we are fair to the institution and to the principles of basic justice.

I am as concerned as the members on that side about recent events, especially in the facts outlined in Mr. Grace's letter. If the hon. member were to read Mr. Grace's letter he would see that in this case the department has acted extremely responsibly by getting outside opinions, by having an outside investigation as well as a military police investigation. If there is wrongdoing, it will be dealt with in the appropriate way.

As a former member of the military, the hon. member should know about the military justice system and respect it because he supported it for years while he was a member of the armed forces.

• (1435)

[*Translation*]

COPYRIGHT

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, heritage department officials have announced phase I of the copyright bill for mid-April. It was time. The cultural community has been waiting a long while for this bill to be tabled. One might wonder, however, what price the minister has paid to have this bill approved by her caucus.

My question is for the heritage minister. Will she confirm that the copyright legislation will be tabled in mid-April, and can she assure us that it will recognize neighbouring rights in a real and concrete manner, not just symbolically?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I already announced before my officials appeared before the heritage committee that I intended to table the bill in question after Easter, at which time the hon. member opposite will be able to examine it.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, I have a supplementary.

Can the minister promise us that she will not take advantage of this being a new copyright bill to add exceptions, thus limiting the rights of our creators?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I am impatiently awaiting a reaction from the hon. member across the way, who should perhaps be celebrating the fact that, after ten years of another government, we are able to go ahead with a bill that is important because, for the first time in the history of Canada, the rights of artists and producers are recognized.

* * *

[*English*]

CANADIAN SECURITY INTELLIGENCE SERVICE

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, yesterday the Solicitor General of Canada accused me of not knowing about the former CSIS employee's departure from the service, yet today he is quoted in the media saying that he is unaware of the circumstances surrounding the individual's departure.

Let me tell him what really happened. The service forced him into retirement more than two months ago but granted him full pension.

Can the minister explain why he failed to provide this information to the House when he was given chances to do it?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, it is not customary to deal with internal personnel matters in the House, especially since the Privacy Act applies with respect to information of that sort.

In any event, no matter how the hon. member tries to squirm out of it, she raised an allegation that a mole was employed in CSIS at the time she raised the allegation. She was wrong and she is still wrong.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is the minister's responsibility to look after the national security of this country.

SIRC has admitted that after hearing eight witnesses over a five-day period that it shared my concerns about the activities of the individual concerned, but since it was unable to find a smoking gun it could not confirm the allegation. When Pierre Roy was getting close to finding a smoking gun, suddenly he was ordered by CSIS management in headquarters to stop his investigation.

Can the minister possibly explain why this investigation was terminated?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I thought the hon. member would read to the House a paragraph from the letter I sent to her just before question period, which states:

> I am informed by the Director that the subject of these allegations resigned in early January. I am further advised by the Director that this individual's departure from the Service was *not* related to questions of loyalty. The Director has also assured me that this individual was neither a KGB nor a Russian ''mole''.

Why did the hon. member not put that on the record instead of leaving me to do it?

* * *

[*Translation*]

BROADCASTING AND TELECOMMUNICATIONS

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, my question is for the Deputy Prime Minister and the Minister of Heritage.

Yesterday, acting in good faith, the Minister of Industry stated that the order on foreign ownership in telecommunications and broadcasting companies had been passed. This is not the case.

Four months ago now, the government announced in an official communiqué that it would be harmonizing the rules on foreign ownership. How can the minister justify the fact that the cabinet has not yet adopted that order in council?

• (1440)

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, it is on the cabinet agenda for April 23.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, is the minister aware that her longstanding inaction has created injustices within the telecommunications industry, placing it at an advantage over the broadcasters?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, first, I have been in this portfolio only a few weeks now. Second, what frankly amazes me is that, if we were to follow the policy described by the hon. member across the floor, we would be totally at odds with the cultural policy as proposed by such bodies as the Union des artistes.

I trust that the hon. member does not wish to endanger Canadian culture with a policy which could indeed place the telecommunications and broadcasting industries in a situation which would place Canadian content at risk. I hope that does not reflect the Bloc's policy.

* * *

[*English*]

TRADE

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, my question is for the Minister for International Trade.

Exports are extremely important to the growing Canadian economy. Producers, processors and manufacturers are very concerned with the recent U.S. actions taken regarding exports to Cuba.

Can the minister explain today to the House and to all Canadians the status of our exports to Cuba and the implications of the recent U.S. legislation?

Hon. Arthur C. Eggleton (Minister for International Trade, Lib.): Mr. Speaker, with respect to our exports to Cuba, the member will be interested to know that they have actually doubled in 1995 over 1994.

We also have in excess of $200 million of investment in Cuba. We are looking after the interests of Canadians with respect to this matter on the Helms-Burton bill by making representations to the Government of the United States. My colleague, the Minister of Foreign Affairs, is in Washington today making those representations to his counterpart.

I have previously made representations to my counterpart in the United States and will continue to do so. We have also filed a letter with respect to a complaint under the North American Free Trade Agreement and will be pursuing that matter so that we can look

after the interests of Canadians and can clearly tell the United States that when it comes to the establishment of foreign policy and trade policy for Canada, we will establish it here and Canadians can lawfully engage in trade and exports and investment in Cuba.

* * *

NATIONAL DEFENCE

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, let us re-examine the situation regarding the Minister of National Defence and this whole incident about destroying documents. Look at the timing.

This cover-up first came to light in October 1995. At that time the minister said to the House: ''As soon as we get to know why this happened, we will certainly make it public''. We had all that time. The minister has not made it public. We have to learn the details of this whole thing from an outside agency and still do not know what the minister has done to punish the offenders and correct the problem.

Instead he is once again burying his failures under a cloak of closed door administrative action. Documents are destroyed and altered and the minister continues to cover up.

Will he take the responsibility required here and resign in order to restore public confidence?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, first it is the Leader of the Reform Party talking about routing out those who have created the problem and the infractions as if he knows more than the information commissioner, that he has evidence and knows the facts better than the information commissioner.

Now it is the hon. member saying that in Reform's eyes, because I said in the House that we would get to the bottom of the matter, it has to be done the next day.

What we are seeing here is Reform justice, which is make the charge, do not get the facts and come to the conclusions.

• (1445)

The department, the CDS, the deputy minister and I behaved in the responsible way. When we needed outside help, I said on the floor of the House of Commons that if we were not satisfied with internal review mechanisms we would go to an outside agency.

We took this to Mr. Grace. He initiated the investigation. He has now made it public. Let the course of justice, which has been called for by Mr. Grace and the military police report, take effect.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, it was not the Department of National Defence nor the minister who went outside for this information. It was Mr. McAuliffe of the CBC. This is pretty important stuff. What the information commissioner wrote yesterday about the destruction and alteration of documents in national defence strikes to the heart of our system not just in national defence but in government.

The Somalia commissioners must be able to trust the documents they receive from the Department of National Defence. The media relies on access to information to do its job, as do members of Parliament and Canadians across the country.

The minister's mismanagement of his department has placed this whole trust in jeopardy. He is responsible for his officials. He has had clear warning of the problems. Will he resign?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I do not intend to respond to that particular tirade except to say unequivocally, and I can document this and I will put these documents on the table of the House, that it was the deputy minister of defence who alerted the information commissioner to these problems and therefore the investigation ensued as a result of the department's initiative, not as a result of the initiative of that person, the person who required the information under access to information law.

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[*Translation*]

INVESTOR IMMIGRANTS

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. The Sharwood report tabled in September 1995 called for the establishment, by July 1996, of a single fund where all immigrant investments would go. The trust fund thus created would invest venture capital in Canada's small and medium size businesses.

Can the minister assure us that the decisions she will make in this matter will not force Quebec to review its investor immigrant program, as would be the case if she implemented all the recommendations in the Sharwood report?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, we are currently reviewing the investor immigrant program. It is very clear. There is a moratorium in effect on this program. We are looking for new ways to make the program more effective across Canada, but I can assure the hon. member for Bourassa that the new program will not undermine in any way the positive results of the Quebec program.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I thank the minister for her answer, but we still have doubts, given our experience with her predecessor. Can the minister make a formal commitment to consult the Quebec government before making changes that would have a negative impact on a most effective Quebec program and to fully respect Quebec's jurisdiction in this matter?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, consultations are already being held with the Quebec government.

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[*English*]

GOODS AND SERVICES TAX

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the GST issue gets stranger every day. Now we are hearing an absurd rumour—at least I hope it is absurd—that the federal government is willing to spend $1.2 billion to harmonize the GST with three of Canada's smallest provinces. It is instructive to note that $1.2 billion is also the amount that it is cutting in transfers to universities across the country.

Is the finance minister so desperate to fudge his GST promise that he willing to spend $1.2 billion to save the Deputy Prime Minister's skin while at the same time cutting funding to universities by the same amount of money?

• (1450)

Hon. Paul Martin (Minister of Finance, Lib.): It is worth a great deal more than that, Mr. Speaker.

Let me simply quote the Reform Party's most recent position on the GST: ''We commend the government on its attempt to harmonize the tax with the provinces''. At the same time, it acknowledged that it would be a very difficult political objective to achieve.

There is only one question. Why will you not help us if you think it is a good idea? Why do you stand up here day after day asking inane questions that have been answered 20 times? Is it that you cannot think of anything else to say?

The Speaker: There you go again, forgetting me.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the House would have a lot more respect for the finance minister's opinions on taxation if his company actually paid taxes in this country.

Some hon. members: Oh, oh.

The Speaker: I ask members to keep it to the administrative responsibility of the minister.

Mr. Solberg: Mr. Speaker, I am a big believer in leadership by example. Leadership is about integrity and it is about making choices. One of the things I find most disconcerting about the government's approach here is it is talking about harmonization that will cost billions of dollars. Ontario and B.C alone would be $3.2 billion. That is how much the government is cutting out of health care.

Is the finance minister saying he is willing to spend $3.2 billion so that he can save the Deputy Prime Minister and at the same time cut the same amount of money out of health care? Is that what he is saying?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there is indeed a very important debate to have in the House as one proceeds on profound structural change. In the case of the GST, the government intends to engage in that structural change as it is engaged in structural change in other areas. There will be adjustment policies that may well be necessary to pay compensation.

I would be quite prepared to get into that debate with the members of the Reform Party, those who have indicated a capability to enter into that kind of thing.

I do not intend, however, to enter into that kind of debate with the hon. member. The allegation he made at the beginning is absolutely untrue. I will raise a question of privilege and ask him to stand and withdraw the comment.

* * *

REVENUE CANADA

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of National Revenue.

Revenue Canada and Citizenship and Immigration Canada recently recovered at Port Lacolle in Quebec a four-year old child abducted by his non-custodial father in Germany on March 19.

Would the parliamentary secretary explain what role Revenue Canada plays in the recovery of missing or abducted children?

[*Translation*]

Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I would like to thank the hon. member for his question.

[*English*]

Revenue Canada implemented its missing children program in 1986. Customs officers are uniquely positioned to observe children entering Canada and are trained to detect children whose safety may be at risk and to identify suspected child abductors.

In 1991 our program received international recognition and in 1995 Revenue Canada, the RCMP and Citizenship and Immigration Canada collaborated to form an initiative called ''Our Missing Children''. Each department performs a necessary function in the delivery of this program.

Since the inception of this missing children program we have successfully recovered 450 missing and abducted children.

• (1455)

[*Translation*]

VARENNES MAGNETIC FUSION CENTRE

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the Minister of Natural Resources. In the last budget, the government said it would no longer fund the magnetic fusion centre in Varennes, without holding any consultations with Quebec, which provides 50 per cent of the money allocated to this program.

Since only 15 per cent of her department's budgets for energy research and development are spent in Quebec, how can the minister hit Quebec with more cuts, when we know that her department has always favoured Ontario Hydro, which is practically the only beneficiary of federal assistance in the area of nuclear energy?

[*English*]

Mrs. Marlene Cowling (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, the minister responded to this question. She said we had to make choices. One of those choices was the viable CANDU business which brings significant benefits to Quebec. The sale of one CANDU-6 reactor abroad could bring over $100 million and 4,000 person years in contracts to Quebec companies.

Natural resources has recently established an energy research lab in Quebec focusing on federal energy priority areas, specifically renewable energy, energy efficiency and remote community energy systems.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, the parliamentary secretary's answer only confirms what I said in my question.

How can the parliamentary secretary justify her government's cutting off funding for research on magnetic fusion, when Japan, Australia, China and many European Union countries are actually increasing their level of funding for this field of study, which they see as promising?

[*English*]

Mrs. Marlene Cowling (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, in the field of research and development Quebec gets its fair share.

Overall, R and D spending in Quebec is about 23 per cent, which is proportionate to its population and GDP.

CANADIAN BROADCASTING CORPORATION

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the heritage minister just loves to stand in the House and tell us that if we do not save the CBC somehow Canada will blow apart.

She does her Canadiana routine all the time, but the difficulty is that it is this minister and this government doing all the cutting to the CBC. She cannot have it both ways. As a matter of fact, when she was talking about some special funding for it, we now find out, as a result of her comments on ''Morningside'' yesterday, that she has no new ideas.

Will she admit that in spite of the fact she keeps on talking about this Canadian institution and how she will save it, she has absolutely no financial plan?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I cannot believe the chutzpah of the Reform Party to criticize the job we are trying to do in establishing alternative sources of funding for the CBC when the official policy of the Reform Party vis à vis the CBC is to get rid of it.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, unfortunately the Deputy Prime Minister does not know that the position of the Reform Party is to privatize the CBC, not to get rid of it. We want to maintain a viable commercial operation.

The minister seems to be acting a little like a shopaholic in her overall portfolio. She has found $6 million for a fly a flag program her deputies do not know where from, $150,000 for lacrosse, but the most instructive one is what she did with respect to Radio-Canada International. Of the $16 million she found for Radio-Canada International, she picked the pocket of the CBC by $8 million. She removed $8 million from the CBC.

She has no plan. Will she admit she has no plan to save the CBC?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I suppose I should not be surprised at being accused of being a shopaholic, which of course is a term that one would only offer to a woman, by the member who only this morning attended a program by the Canadian Association of Broadcasters to stamp out stereotyping.

• (1500)

The CBC's board of directors was not only happy, it was excited about the possibility of investing again in Radio Canada International, because like the Government of Canada, it believes that it will be an important and a crucial voice for Canada into the 21st century.

I am only sorry that the Reform Party's cultural policy amounts to less than the cost of a cup of coffee.

* * *

MEDICARE

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, my question is directed to the Minister for International Trade.

The United States trade representative, Mickey Kantor, has issued a very dangerous interpretation of annex 2 of NAFTA's impact on Canadians not for profit health providers.

In light of the fact that Kantor's position would throw open our medicare system to U.S. corporate health care giants, I want to ask the Minister for International Trade, if he will now join with B.C. health minister Andrew Petter and other provinces in clearly repudiating this U.S. position? Will he stand up for Canada's medicare system?

Hon. Arthur C. Eggleton (Minister for International Trade, Lib.): Mr. Speaker, indeed we have stood up for Canada's health care system. In annex 2 of the NAFTA agreement we have said that this health care system is protected.

We have looked at it carefully with our legal advisors and we believe that all the protection necessary exists.

However, if the provinces have specific programs they wish to give additional protection, these can be listed in annex l by the end of this month. They have every opportunity to do that.

We feel that the health care system should be and will be protected.

* * *

THE ENVIRONMENT

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, two recent conferences held in Yellowknife and Inuvik, once again brought to the fore the problem of Arctic pollution and the need to promote sustainable development in the Arctic region.

Can the Parliamentary Secretary to the Minister of the Environment explain what the minister will do to make sure these conferences achieve results?

Mrs. Karen Kraft Sloan (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, I thank the member for his question.

Mr. Hill (Prince George—Peace River): And you just happen to have the answer.

Mrs. Kraft Sloan: I just happen to have the answer. You bet I do.

As members of the House should be aware, the Arctic ecosystem is very fragile. It is beset by toxic pollutants from within the Arctic region and countries of the south.

The member and I both participated at the Yellowknife Conference for Arctic Parliamentarians and later that week the Minister of the Environment and the Minister of Indian Affairs and Northern Development participated at the Conference for Arctic Ministers in Inuvik.

I am very pleased to say that as a result of these two conferences, the Minister of the Environment has made an announcement about the establishment of an Arctic council that will occur this summer. This council will address the problems faced by circumpolar nations in the Arctic.

As Canadians we should be very proud of this international co-operative effort.

The Speaker: That will bring question period to a conclusion. I have a point of privilege from the hon. Minister of Finance.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it has obviously occurred to a number of us during the course of debate when tempers fray or when emotions get away with us that we say certain things which are not true or which we regret. It has certainly happened to me.

Under those circumstances, when the error of the statement is pointed out, it is normal that one would stand and withdraw it. I would ask that the member for Medicine Hat to withdraw the statement he made in the preamble to his question. I can tell him that the statement is not true, is inaccurate and has no foundation in fact. I ask the hon. member to withdraw the statement.

● (1505)

The Speaker: The hon. member is in the House now. If he would like to take the request of the Minister of Finance under advisement, I would give him the floor.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, this is not a question of privilege. I would like to point out also that there were many promises made on the GST. On behalf of the Canadian people I would like to raise that as a question of privilege.

The Speaker: It is true, as the hon. minister pointed out, that in the course of debate sometimes we make statements we believe to be accurate that are not totally accurate.

Situations such as this have occurred on a number of occasions. With regard to the minister rising on a question of privilege, I would say that this is a point of debate surely. The minister is on the record as clarifying this statement from his perspective.

I would rule that this is not a question of privilege and that the point has been taken where there was a statement made by one member and refuted by another. Surely that is debate. I would rule that this is not a question of privilege.

* * *

POINTS OF ORDER

UNPARLIAMENTARY LANGUAGE

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, a point of order. I draw to your attention page 142 of Beauchesne's, citation 485, unparliamentary language:

> 485.(1) Unparliamentary words may be brought to the attention of the House either by the Speaker or by any Member. When the question is raised by a Member it must be as a point of order and not as a question of privilege.
>
> (2) Except during the Question Period, the proper time to raise such a point of order is when the words are used and not afterwards.

The hon. member—

Mr. Speaker (Lethbridge): Mr. Speaker, on a point of order—

An hon. member: Let him finish.

An hon. member: He is on a point of order.

The Speaker: I am listening to the point of order by the hon. House leader. He is raising a point of order.

Mr. Gray: Mr. Speaker, the words complained of by the Minister of Finance are clearly unparliamentary and are words that should, therefore, be withdrawn.

I cite in that regard in support of what I said, citation 484 of Beauchesne:

> (3) In the House of Commons a Member will not be permitted by the Speaker to indulge in any reflections on the House itself as a political institution; or—

I draw your attention to this, Mr. Speaker.

> —to impute to any Member or Members unworthy motives for their actions in a particular case;

I submit that this is clearly what the member for Medicine Hat did in a most improper and unacceptable manner.

I further point out that our rules clearly say that when a member of the House states something within his own knowledge as being true or untrue, then that member's word must be accepted. The hon. Minister of Finance made a statement of matters within his own knowledge which, I submit, has to be accepted not just by this House but, in particular, by the hon. member for Medicine Hat.

On the clear precedent established in this Chamber over the years, the hon. member for Medicine Hat has used language which is clearly unparliamentary and which, therefore, must be withdrawn by him. Otherwise, he should suffer the appropriate sanction imposed by you, Mr. Speaker.

Mr. Speaker (Lethbridge, Ref.): Mr. Speaker, on a point of order, you have ruled on this matter. You have ruled on the House leader.

• (1510)

The Speaker: Please take your seats. On the same point of order, the hon. member for Lethbridge.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I rise on a point of order on what is happening here. I would refer to page 6 of Beauchesne in terms of Speakers' rulings.

Mr. Speaker, you made a ruling that there was not a point of privilege. You then followed that by saying the matter was one of debate and that is where you left it.

The House leader for the Liberal Party has stood in his place and challenged the Speaker on a ruling. According to Beauchesne, it is very clear, Mr. Speaker, that you are the authority. You are the person elected by the House and once a decision has been made that is the decision of the House.

If the House leader for the Liberal Party wishes to challenge your authority, then he had better do it on that basis and under no other guise.

The decision has been made and it should stand as is.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I believe that when you render your decision on this issue there are three points to consider in the matter of the point of order.

As the hon. House leader has indicated, unparliamentary language is a point of order. I could have argued as well that in the case of the hon. member it constituted a point of privilege, but that has been ruled on. But that does not negate the fact that there is an outstanding point of order.

First, it was brought to the attention of the House by the House leader the issue of causing disorder by using unparliamentary language; second, that imputing motive is not correct in any circumstance and; third, an allegation was made whereby the hon. minister was accused of committing something which certainly could be said to have been, at its worst, a criminal act of not paying the taxes of this country.

The combination of all of these things is unacceptable for the Parliament of a modern democracy. I ask Mr. Speaker to rule that this is unparliamentary language under any definition we have and all of the instances that we have had before.

Mr. Speaker has ruled in the past that making fun of another member's use of words in the House has been a point of order and has had to be withdrawn. Alleging that another member of Parliament in the past, for instance, had made untrue statements has been

asked to be withdrawn. Inflammatory language has been asked to be withdrawn. Finally, even members who have seen fit to mimic the voice intonation of others have been asked to be withdrawn.

If all of these things are out of order, surely making that kind of an accusation against the Minister of Finance of this country should be withdrawn.

Mr. Gray: Mr. Speaker, I just want to—

Some hon. members: Sit down.

The Speaker: I am going to listen to members on this point of order. I am going to now turn to the hon. member for Medicine Hat on a point of order.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, on a point of order, I would like to bring this whole issue to an end, if we could.

I would like to, if I could for a moment, quote from documents that I believe to be true that will give the Chair some understanding of why I used the statements I used when question period was under way. If I might do that, perhaps it will then bring some understanding to members across the way who object to the language that I used.

• (1515)

The Speaker: I think we are getting more and more into debating the whole issue rather than sticking to the point of order.

We are in a rather ticklish situation, especially for your Speaker. I have ruled that what the hon. Minister of Finance brought up in the House is not a point of privilege and I want to put that to one side.

I have in front of me now a point of order on what is claimed to be unparliamentary language of one member to another. I have citations from both sides seemingly to support a particular argument.

I think it is regrettable, my colleagues, that in the course of the question period we deviate and we go from the administrative responsibilities of members to delving into areas which are not exclusively in that area. I have asked the House on a number of occasions, both the questioners and the people who are answering the questions, to try to contain their answers so that there is no overflow into matters which are more personal in nature.

I think, at least up to this point, if you would give your Speaker time, I will go back and review not only *Hansard*, but I will look at it for myself on television. If, as it is claimed but which I did not feel at the time, unparliamentary language was used, if indeed it was used, I ask the House to permit me to at least look at the evidence, to ponder it for a little while and if it is necessary I will come back to the House.

Therefore, on this particular point of order, unless there is more information that you would like to offer for me to consider, I would prefer to take the matter under advisement, reread *Hansard*, look at the tapes and if it is necessary I will get back to the House. Is that agreeable to the House?

Some hon. members: Agreed.

The Speaker: I wonder if the hon. member would be kind enough, if there is information he wants me to have, surely he could inform me privately and I will consider that.

I have another point of order on an entirely different matter from the hon. member for Kootenay East.

COMMENTS DURING QUESTION PERIOD

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I rise on a point of order. In answering the question I posed to the Deputy Prime Minister today, she accused me of sexism. I think it is highly unfortunate that on a day like today when the Canadian Association of Broadcasters is coming forward with their violence program that she would do that. She clearly does not understand that shopaholics can also be men.

The Speaker: That is a point of debate, not a point of order.

COMMENTS DURING QUESTION PERIOD

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, often in these points of debate, privilege and order there are a number of shots that are sent back and forth across the House. Unfortunately I heard the member for Okanagan—Shuswap refer to our chief government whip as a jackass.

• (1520)

Some hon. members: Oh, oh.

Ms. Torsney: I do not think that is appropriate.

The Speaker: Colleagues, I think we are going back and forth. Your Speaker cannot possibly hear everything that is said during the course of question period or during the course of debate.

I implore you, if words such as the one that was mentioned by the member for Burlington were used, they were surely used out of earshot of your Speaker. Again, I would implore you, do not use that kind of language with one another. All it does is inflame members on both sides.

The point has been made by the member for Burlington. I did not hear the comment. I think we are going to go back and forth today with accusations and counter-accusations which I do not think will be very profitable for any of us.

Ms. Torsney: Mr. Speaker, in the last campaign a lot was made about the decorum in this House by the third party. I think it is telling that the response of the members opposite when I raised the

point of order with you acknowledges that they knew the member used that word and they continued to use it and that terminology.

The Speaker: Colleagues, I would again urge you not to use any language like that, if indeed it was used. It would be unparliamentary and we could not condone that in this House.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I was starting to wonder if I would have to raise a point of order just to ask the Thursday question. I would like my hon. colleague to tell us if the proposed business warrants our coming back after the Easter break.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I would first like to thank the House for the excellent progress it has made with respect to the legislative program in the past several days.

We will continue this afternoon with the list provided by the Minister of Labour last Thursday. There are ongoing discussions that would see us dealing either later this afternoon or tomorrow with third reading of Bill C-13, the witness protection legislation, followed by Bill C-16 respecting contraventions. I believe there is agreement to dispose of Bill C-16 at all stages in this House.

If there is any time left after these two items are completed tomorrow, the government would be prepared to ask the House to adjourn. When we adjourn tomorrow, the House will begin the two week Easter break.

When we come back, on Monday and Tuesday, April 15 and 16, the House will conclude the budget debate. On Wednesday, April 17, we will resume the list we are now working on at the point where we leave off today. If we make even more progress today than I expect, I will be in communication with members opposite with regard to additional business for that week.

In any case, I wish the House to take notice that no later than the Friday of the week of our return it is the intention of the government to commence debate on the legislation implementing the 1996 budget.

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of ways and means motion to amend the Income Tax Act, the Excise Act, the Excise Tax Act, the Office of the Superintendent of Financial Institutions Act, the Old Age Security Act and the Canada Shipping Act, and I ask that an order of the day be designated for consideration of the motion.

* * *

● (1525)

[*Translation*]

MESSAGE FROM THE SENATE

The Deputy Speaker: Dear colleagues, I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-10, an act to provide borrowing authority for the fiscal year beginning on April 1, 1996, without amendment.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT ACT

The House resumed consideration of Bill C-11, an act to establish the Department of Human Resources Development and to repeal certain related acts, as reported (with amendment) from the committee; and of Motion No. 5.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, we are in the process of debating an amendment by the Reform Party which is Motion No. 5 under the third group. What the member is asking in this motion is that we go back to the old process of the issue of annual reports to the House.

I would like to suggest to the House that the proposal put forward by the Reformers is somewhat bizarre in that they located this particular amendment in part II of the bill. Part II of the bill refers to the Canada Employment Insurance Commission. I am not quite sure of the rationale of why it is in part II. Nonetheless, we find it a little strange.

Members will be aware that annual reports are generally being eliminated due to the fact that the information is contained in part III of the estimates. Members will also be aware that one of the most important parts of this whole reform we are dealing with as it relates to part III of the estimates is that in most cases by the time we get the annual report it is outdated and not applicable to what we are doing in this place.

The member for Mission—Coquitlam mentioned the reason for putting this in place. However, as opposition members they think there is a Russian spy under every rock, that the Government of Canada cannot be trusted and that it will renege on its promise to improve the estimates. They feel they have to protect themselves

by having annual reports which nobody reads and which are so outdated that it is a waste of money for the Government of Canada.

Again that is another motion Reform has put forward. On the one hand the members of the Reform talk about trying to save money and then they present a motion that will cost us money. We can do it better by revising the process to better reflect the needs of parliamentarians and by making part III of the estimates more applicable.

I want to end my remarks by saying what I have said about some of the other more unique proposals of the Reform Party. This government has very little choice but to reject this proposal which only serves to duplicate information readily available from other sources. Just how much information do these folks need? Either they can read or they cannot. We cannot just continue to give them document after document and they still say that somehow all these Russian moles are running around spying on us and the Liberals are part of the problem.

I would suggest to the Reform members not to be so paranoid. I can say from experience that most people in the House are here for good, solid reasons. They care about the country and they want to keep the country together. There really is no conspiracy theory necessary. The sooner they get used to the fact that we are all very interested in helping the country, the less nonsense we will have with motions like this one.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am very pleased to have the opportunity to debate this amendment.

First, we can ask ourselves why the Reform Party felt the need to move this kind of an amendment. There is a very good reason for that.

• (1530)

The fact is that, as plentiful as the information available from Human Resources Development Canada may be, it is not very clear. More often than not, you get a pile of information, but the way this information is presented or interpreted, you cannot make much sense of it. And if ever there was an area in which things have to be set out clearly, this is it.

Take for example the statements made by the minister yesterday about those who misuse the UI system, in which he puts in the same basket abusers and people who simply misunderstood a rule. I doubt that any one of us understands every single rule set in the UI Act. At present, the available information can be used to substantiate just about any statement on the subject.

That is why it is important that clearer information be provided, so that our decisions can be based on facts and actual results, instead of using information to support individual perceptions, which may or may not be accurate.

It may be important to be able to look at a piece of legislation like the UI Act and ask ourselves: ''In this whole thing, what have we done about money, about labour force participation? How efficient have these measures been and what positive results did they have?'' It is especially important to answer these questions as early as possible in the process, because this factual information is needed not only to report on how things went, but also to make appropriate changes to our approaches and attitudes and to develop more pro-active policies.

In our present economic context, there are many indications of the fact that economic growth does result, as would be expected, in job creation. In order for the government to adjust quickly and for Parliament to be able to make interesting suggestions in this regard, information must be made available as soon as possible. With the electronic tools that are available today, it should be possible to produce information more quickly.

There is more. The system used by Human Resources Development Canada is very complicated. It is very difficult and hard to evaluate actual effectiveness. It goes without saying that this is partly due to the fact that the federal government gets involved in all sorts of areas which do not directly come under its jurisdiction and that a lot of money is paid in transfer payments to other levels of government. In the end, the public has a hard time assessing the situation. This is currently the case with all the information and perceptions that shape public opinion regarding unemployment insurance reform.

Those who are currently experiencing the reality of unemployment insurance, who are unemployed, who found out that, this year, they will not have the required number of weeks to complete the cycle and have a decent income throughout the year know very well what it means, because their income, the money they require for their daily needs, is affected.

On the other hand, people can say from these figures, as the minister did yesterday, that there are over 100,000 cheaters taking advantage of the UI program. Who does that group include? Who are these people? What proportion is made up of people who acted in good faith? It would be interesting to know if these people are real cheaters or if they are simply guilty of misinterpretation.

Let me give you an example. Last year, the issue of insurability was raised. As you know, people who have a business or a company are insurable under certain conditions, if the employee is not too closely involved in the decisions of the company, etc.

For one year now, we have been asking what the government's position is on this issue. Is the government doing something about this issue? Will it correct some situations? We were told: ''Indeed, there is a problem; there is a backlog''. However, we can never get

accurate data on it. This is the type of information we should have in a report, so that the problem can be solved once and for all.

This issue is not one of a political nature; it has nothing to do with partisanship or political ideology. It is merely a matter of looking into something that does not work from an administrative point of view and finding a solution. The way to do that is to have the necessary information.

When you know that there is a backlog of hundreds of cases in a region, in the offices of Revenue Canada, and that these cases could be dealt with, through a decentralizing process, in the offices of the Department of Human Resources Development, when you have the figures and the reports, then it simply becomes a matter of having the political courage to apply the necessary solutions and to make the required changes.

• (1535)

In this respect, the amendment proposed by the Reform Party at least expresses the frustration of having to deal with a huge bureaucracy full of information but which is very sparing with this information.

Let us take another example. We are now considering a number of very minor amendments that will not change much to the unfairness of UI reform, but we are unable to find out from the department what the economic impact of these amendments would be. This kind of long-delayed information leaves room for a lot of useless interpretation.

It can be said that this amendment is legitimate, that we should be given the information needed so that people can find out without delay how effective a department is, so that parliamentarians and members of the human resources committee can respond as quickly as possible.

Let us look at the impact of deadlines. If the report is tabled early enough, we can interpret the results, see right away the impact on the next budget year and make the required corrections. If the information comes a year late every time, by the time we try to address it, the problem is already elsewhere. So there is something to be done in this respect.

Also, the federal government should tell us clearly what its vision is in terms of numbers, given what has been said in the last few years on duplication, on the costs generated by two levels of government getting involved in the area of manpower.

Why is this not clearly specified in the department's annual report? Is it because the costs confirm what the Bloc Quebecois is denouncing, that the federal government should withdraw? Or is it because the information was never sought, which would be even more serious? This amounts to closing one's eyes to a reality that is intolerable and should be changed. Closing one's eyes and saying: ''We are staying the course simply because we think we are right and because we are the federal government''.

This kind of attitude would surprise me. It must be because they have not succeeded in setting up mechanisms to obtain information more quickly, and in today's society, information is power. Information allows us to make changes, to adjust our programs to the reality people are experiencing. In this regard, the amendment is interesting.

Will the government pay attention to this amendment? I hope so, and I hope for at least some changes in the way information is made available to us, so that we can be assured that our information is as accurate as possible before making decisions.

Let us think, for example, about all the studies commissioned by the government with regard to UI reform. Of 23 studies, 8 were made public. Where are the other 15? What is in those studies? Did they, in fact, contain nothing of interest, or were they not in line with the government's reform?

These are questions that we are asking ourselves, questions that we are entitled to ask, and, once again, that explain why we are looking for clearer information so that we may understand the reasoning behind the Reform Party's amendment. We want to see the government come up with more effective tools for managing information so that we can treat people better, ultimately, and so that Quebecers and Canadians, whether they are employed, unemployed or looking for work, have the greatest chance possible of receiving top service.

We still do not see this information in Bill C-96, and we would like to have the necessary information to be able to do something about the reality we face. We would like to be able to identify, among the 750,000 unemployed people in Canada today, those able to complete their training and move into the available jobs, and eliminate unemployment in Canada.

• (1540)

In short, the amendment seems interesting. It should be considered by the government, and I hope that, afterwards, we can have the most satisfactory management information system possible.

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

Some hon. members: Question.

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

Hon. Sheila Copps (for the Minister of Human Resources Development) moved:

Motion No. 7

That Bill C-11 be amended by adding after line 12, on page 17, the following new Clause:

''46.1 Section 30 of the Budget Implementation Act, 1995 and the heading ''Interpretation'' before it are repealed.''

Motion No. 8

That Bill C-11, in Clause 49, be amended by replacing lines 14 to 18, on page 18, with the following:

''and Insurance Commission for the purposes of the administration of this Act may be made available or allowed to be made available by that person to''.

Motion No. 11

That Bill C-11 be amended by adding after line 32, on page 32, the following new Clause:

''92.1 Section 96.1 of the Act is replaced by the following:

96.1 Notwithstanding any other provision of this Act, any information under the control of the Commission or the Department of Human Resources Development, including information obtained or compiled under this Act or under any regulation made under this Act, may be made available by the Minister to the Commissioner of the Royal Canadian Mounted Police, the Minister of Justice and the Attorney General of Canada for the purposes of investigations, prosecutions and extradition activities in Canada in relation to war crimes and crimes against humanity.''

Motion No. 12

That Bill C-11 be amended by deleting Clause 101.

Motion No. 13

That Bill C-11, in Clause 102, be amended by

(*a*) replacing line 5, on page 39, with the following:

''102. If Bill C-7, introduced in the second'';

(*b*) replacing lines 9 to 18, page 39, with the following:

''to amend and repeal certain Acts, is assented to, then (*a*) on the later of the coming into force of subsection 49(2) of this Act and section 61 of that bill,'';

(*c*) replacing lines 1 to 3, page 40, with the following:

''(*b*) on the later of the coming into force of section 50 of this Act and section 61 of that bill, para-''; and

(*d*) replacing lines 18 to 20, page 40, with the following:

''(*c*) on the later of the coming into force of section 76 of this Act and section 61 of that bill, para-''.

Motion No. 14

That Bill C-11 be amended by deleting Clause 103.

Motion No. 15

That Bill C-11 be amended by deleting Clause 104.

Motion No. 16

That Bill C-11 be amended by deleting Clause 105.

Motion No. 17

That Bill C-11, in Clause 106, be amended by replacing lines 25 to 29, on page 43, with the following:

''106. If a bill, introduced in the second session of the thirty-fifth Parliament and entitled An Act respecting regulations and other documents, including the review, registration, publication and parliamentary scrutiny of regulations and other documents,''.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, we are now on Group No. 4.

I would like to give everyone in the House an explanation and general remarks as they relate to the amendments to Bill C-11, an act to establish the Department of Human Resources Development now being considered at report stage.

Bill C-11 had a life before prorogation. It was Bill C-96 which was introduced during the first session of Parliament on June 7, 1995. The bill received second reading on November 28, 1995 and was subsequently referred to the Standing Committee on Human Resources Development. The committee studied the bill last December and January. Then, as we all know, the House prorogued.

The HRD bill was subsequently reinstated and on March 7, the bill received its new number, Bill C-11, which we are debating today. Reinstatement of the bill means that it is at the same stage and contains exactly the same words it did in the previous session. It also means that it was necessary for the bill to be reviewed by its drafters to determine whether amendments were required due to prorogation.

That review was done and it was determined that amendments are necessary because Bill C-11 must now take into account the fact that certain pieces of legislation which were proposed in the last session are now law. In other words, the conditional clauses in the HRD bill, for example those that indicate ''if this bill passes before that bill'' must now be changed to reflect actual laws and not proposed laws.

• (1545)

In this context 11 amendments are being proposed to the HRD act. All the amendments relate to the fact that Bill C-11 must be updated to take into account the passage of certain bills in the previous session.

In some cases this means that the amendments will work in pairs. One amendment will update the HRD bill to reflect passage of a previous bill; another amendment will delete the reference to the HRD bill to the conditional ''if this bill passes'' clause to reflect the fact that the bill passed where appropriate. If any of the members in the House are interested in the very technical and somewhat complex and dry issue of just what those particular changes are, I would be willing to relate that to them in this House. That is the general gist of the different motions; it is very much a technical nature and is very general.

Based on that I want to make some remarks this afternoon about the bill itself. We are getting down to the end of our discussion at report stage and all the different motions that were put before the House. At the same time I want to try to put to bed some of the myths that have been debated in this House especially by the Bloc members who have spent a lot of time talking about what is not in the bill versus what is in the bill. I thought it would be nice if we spent some time talking about what is in the bill.

We are not talking about new organizational changes or new statutory powers or changes in federal-provincial relations. We are dealing with a simple housekeeping bill to create the legislative foundation for a department that has been hard at work since 1993. That is Human Resources Development Canada.

Some people will bend themselves right out of shape trying to describe Bill C-11 as some kind of elaborate ploy hatched with the intent of robbing provinces of constitutional power. Believe me, the government has no such plans up its sleeve.

Bill C-11 does just one thing. This bill assembles related functions that used to belong to several different departments into one department which is now known as Human Resources Development Canada.

I urge all members to recognize Human Resources Development Canada as a streamlined, efficient organization focused on service to its clients. After all, Canadians need and deserve the most highly integrated focused human resources efforts this House and our public service can muster. The old system worked against this type of innovative action plan.

For example, Labour Canada handled workplace relations and standards while Employment and Immigration Canada took care of providing income support to unemployed workers and matching job openings with available and qualified people. At the same time, the Secretary of State dealt with equity issues and Health and Welfare Canada handled long term income security. That means four large complex organizations working in different and sometimes conflicting ways on interrelated issues which touch on the very fabric of the working and home lives of Canadians.

This bill consolidates all of those roles into one streamlined department. Let us not forget that this department already exists. All this bill does is it simply and clearly sets out what HRDC already does every day.

Bill C-11 also means that it will cost less to develop the flexible, imaginative and innovative approaches we need. We cannot afford to delay the reorganization any longer. We owe it to Canadians to find new approaches to jobs and training that will help them in these difficult and unpredictable times.

As an example, years ago factory workers generally needed much less knowledge and skills to do their jobs. Today however, relatively higher knowledge and skill levels are required for many factory jobs. In fact, higher knowledge and skill levels are an integral part of a growing number of jobs in all sectors. In response to this new reality, the new HRDC brings together the pieces we need to flourish in a global knowledge economy. The new HRDC takes a holistic approach to social, economic and training issues.

This bill has another exciting dimension which will serve to enhance Canada's ability to deal with the challenges of the modern economy. Bill C-11 builds new structures that the federal government can use to work in partnership with the provinces on resolving some of the issues that have bedevilled us all in the past.

• (1550)

Although HRDC has yet to be officially legislated into existence, it is already working on using these co-operative structures to provide in partnership with the provinces innovative and effective services to Canadians across the country. I will share a few examples with my hon. colleagues.

In Newfoundland and Labrador a program is providing training vouchers to allow disadvantaged youth to continue their education. So far, nearly 3,000 young people have taken advantage of this assistance, about one-third of whom were previously receiving social assistance. Many of these young Canadians would have been unable to continue their education without our help. By ''our'' I mean both HRDC and the province of Newfoundland and Labrador.

In the past two years HRDC has helped 300,000 students pay for their education. It has assisted 24,000 young people in finding jobs that pay decent living wages and have some potential for the future. With provincial help, another 60,000 marginalized Canadians have learned new skills and have landed jobs. These programs help Canadians prepare for the new economic realities which affect so many of us today.

HRDC is also intent on providing improved service and has already achieved some very impressive results. Seniors can now get personal service at four times as many places as they could have before 1993. It takes half as long to process some claims and there are almost twice as many points of service.

That is the kind of service and those are the kinds of programs which HRDC is offering and which Canadians want and need. Bill C-11 and HRDC do not concern new powers. They are new ways to use the familiar established powers to provide in conjunction with our partners highly integrated and cost effective services in the most efficient way possible.

HRDC is the sentinel which protects the fairness, equity and opportunities that everyone in Canada treasures. Bill C-11 will keep that sentinel on the job.

In one form or another, this bill has been under intense scrutiny for some time now. It is time to recognize that any and all lingering concerns have been addressed. It is time to move on. I suggest it is time to pass Bill C-11. We have had a long afternoon. We have talked about a lot of Russians and moles under the rocks and all the paranoias of the opposition.

I want to assure the House that this is a revamped department with one function in mind and that is to make sure that we deliver services to Canadians to the best of our ability, as efficiently and as cost effectively as possible.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I would like to comment briefly on what the hon. member said.

I accept that Motions Nos. 7, 8, 11, 12, 13, 14, 15, 16 and 17, which are in Group No. 4 are government amendments and they basically involve the technicalities of Bill C-11. I appreciate that the remarks of the hon. member were valid in that these motions are very much of a technical nature. While I agree that Bill C-11 is basically a housekeeping bill establishing the Department of Human Resources Development, I am concerned about the method and the process we used with respect to the latest amendments.

We do have a democratic process in the House. I wish that we could extend it a bit more to give opposition members time to take a look at these amendments before the ninth hour. In order for democracy to work we have to have time to take an honest look. Regardless of whether the government says they are only housekeeping technicalities, we really do have a right as elected members to be given enough time to study them, to look at their impact and to make sure that what the hon. member on the government side has said is the case.

• (1555)

I would say that overall, without having the time to look at these amendments in depth, I would be prepared to agree with the Group No. 4 amendments put forward by the government at this time.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, Group No. 4 in fact resembles the bill itself. Just a while ago, the parliamentary secretary had some nice things to say about the bill as a whole. He said that the Bloc had spoken about things that were not in the bill.

Still, one should be aware of what the federal government has done for a number of years now, which is to interfere in the provinces' jurisdiction over manpower training without any statutory basis, and to table a bill and put forward a motion creating the equivalent of a federal department of education.

This is not just a housekeeping bill, this is not a bill that merely sets out the existing situation. It is an attempt to legitimize an approach that does not accurately reflect the division of powers between the provinces and the federal government.

This leeway in the bill comes up again in Group No. 4 and is just as confusing. The question the public should be asking itself about the amendments proposed is the following: Just how far should the government be allowed to go in obtaining personal information?

In Motion No. 8 they want to add the departments of national revenue, finance, and supply and services. In Motion No. 11, they talk about the justice department and the Attorney General of Canada, for the purposes of investigations in relation to war crimes.

There are important elements involved, with an impact on confidentiality. Having been a member of parliament for two and a half years, I have really seen the weight of the bureaucracy brought to bear on individuals. I have seen how, when there is an investigation with respect to the Unemployment Insurance Act, for instance, it is the reverse of what we usually see in the courts. People are declared guilty until they prove otherwise, the opposite of the approach taken in the legal system.

Let us not forget the amendments to the legislation the last time to prevent people from receiving unemployment insurance benefits, such as the case of the beneficiary who had to prove that he had not been let go for whatever reason. We might have a lot of questions to ask about the government's objectives in seeking to broaden the scope of investigations in this manner.

Was the idea to go after unemployment rather than the unemployed? They think that they can solve unemployment by heaping further penalties on people who find themselves in difficult

situations, whose circumstances are such that they are not always aware of the complexity of legislation.

It is for that reason that, before passing an amendment authorizing the government to cross-reference information with National Revenue and Finance, Supply and Services, and in other cases with the Department of Justice, the Attorney General of Canada, we must be certain that these actions will be carried out with respect for the right to confidentiality of certain information.

If similar information requirements were applied to individuals who have family trusts or benefit from any other tax avoidance scheme, would their rate of non-compliance not be considerably higher that what is currently observed among the unemployed, those who use this particular social program?

Does this kind of amendment not create a double standard?

• (1600)

These are questions we can ask ourselves. The same way we can ask ourselves if this is not the government's roundabout way of completing the job it has been doing on the UI reform, creating a climate where users of the system are penalized and nit-picking relentlessly, even if it means going too far sometimes in looking for information.

We in Canada have had experience with this kind of approach in other areas. We have seen the effect it has on social assistance when the government assumes the right to intervene, to go looking for all sorts of information concerning an individual. At some certain point, it becomes immoral. Knowing how easily this kind of information can be retrieved by powerful computer systems, we are certainly very reluctant to vote in favour of such an amendment.

I would therefore urge the government and the Reform Party to think twice before passing this amendment. All the hon. members of this House have had, in their ridings, people walk in their office and explain how powerless they feel when dealing with the bureaucracy, how difficult it is to handle a letter informing you that you are not eligible to UI benefits when you have had the same job for three full years, just because all of a sudden someone somewhere has decided to interpret a rule differently. When they are denied a cheque and this is their only source of income, individuals are not equipped to face the government and work their way up the government channels.

I think individual citizens should have a fair chance to argue their points and make sure that information provided in confidence to one party or the other will not be used indiscriminately, because that creates a climate of distrust which is unhealthy, is not fair to the citizens and contributes to making our society very wary about any government action. The government should give some thought to this before passing this kind of amendment.

[*English*]

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

Some hon. members: Question.

The Deputy Speaker: The question is on Group No. 4, Motion No. 7. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it. I declare Motion No. 7 carried. I therefore declare Motions Nos. 11 to 17 carried.

The Deputy Speaker: The next question is on Motion No. 8. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it. I declare the motion carried.

The Deputy Speaker: We will now move to debate on Group No. 5.

Hon. Douglas Young (Minister of Human Resources Development, Lib.) moved:

Motion No. 9

That Bill C-11, in Clause 50, be amended by replacing lines 38 and 39, on page 18, with the following:

''partment of National Revenue, the Department of Supply and Services or Canada Post, or the''.

Motion No. 10

That Bill C-11, in Clause 76, be amended by

(*a*) replacing line 12, on page 25, with the following:

''76. (1) Paragraph 33(2)(*a*) of the Old Age Se-'';

(*b*) replacing line 17, page 25, with the following: ''Canada or Canada Post, or to the Canada Employment and''; and

(*c*) by adding after line 32, page 25, the following:

''(2) Paragraph 33(3)(*a*) of the Act is replaced by the following:

(*a*) the Minister of National Revenue or any person designated by the Minister of National Revenue for the purpose may, for any purpose relating to the administration of this Act, make available or allow to be made available to the Minister, or to any officer or employee in the Department of Human Resources Development designated by the Minister for the purpose, a report providing information available to the Minister of National Revenue with respect to any applicant or beneficiary or the spouse of any applicant or beneficiary; and''.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I will not spend a lot of time on these two motions because they are exactly the same as the last grouping we considered.

● (1605)

These are again just technical amendments. I want to read for the record what they are and give a short explanation of Motions Nos. 9 and 10. That will explain to opposition members what they are for. If they would like a discussion a little more far ranging than these two motions, I suppose that is their prerogative. However, I do not want to delay the passage of the bill any further.

Clause 50 is being amended in order to take into account a change made to a section of the Children's Special Allowances Act due to the passage of Bill C-54.

The House will recall that Bill C-54 is a technical amendments bill passed in the last session which amended the Old Age Security Act, the Canada pension plan, the Children's Special Allowances Act and the Unemployment Insurance Act. Bill C-54, adopted by Parliament in the last session, already incorporates this wording change. This is another instance of pairing. When we get there, clause 104, which contains conditional aspects of this wording change to the HRD bill, will be deleted. We did that under the previous group. We have already done that.

In Motion No. 10 clause 76 is being amended in three places. It calls for the addition of a subclause to clause 76 to reflect the fact that there will now be two sections to clause 76 rather than a single clause.

Proposal (b) incorporates a change made to the section of the Old Age Security Act due to the passage of Bill C-54, the same technical bill I mentioned earlier.

Proposal (c) incorporates a further change to the Old Age Security Act due to the passage of Bill C-54 as well. Since Bill C-54 predates the HRD bill, this proposal also updates the title of the responsible minister to reflect the title of the Minister of Human Resources Development.

All of the above proposals reflect an instance of pairing again. The conditional aspect of this change is included in section 104 of the HRD bill. Section 104 will be deleted when we get there.

There we have it, the very dry and somewhat complex discussion of why we have had to make some changes. In defence of the government as it relates to the comments of my colleague from the Reform Party, it is pretty difficult to give her these amendments too far in advance because when the House prorogued it took time for the bill to be looked at technically by the experts in the department to make sure it reflected the new reality.

It is not our intention to be secretive or to be undemocratic. These things take on a life of their own. I assure the member that she can take my word for it and the word of the government that these are just technical in nature and do not have any implication with regard to the solid content of the bill and what the department will be all about.

I take this opportunity to thank the House for taking the time and being patient in listening to the explanation of these amendments, which are necessary to make the bill reflective of reality.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the two amendments are very special in their effect. On the one hand, they will be reducing the available information that could be given to people on such matters as the amount of a benefit or the status of a recipient. On the other hand, they are increasing the number of people to whom information may be made available in the government. There is even talk of adding Canada Post to those with access to records.

Canada Post, it must be kept in mind, is no longer a government body per se, but rather a crown agency with considerable leeway, and its mandate is in the process of being reviewed. We could find ourselves in the situation of giving access to a virtually privatized organization, which could surely create significant problems.

What is involved here is the ability to trace mail, am item sent to an individual, where there was a need to find out from Canada Post why it had not been deliverable, or to what address it had finally been delivered. There is something a bit dangerous in this, I think.

● (1610)

As well, the delegation to the provinces of access to certain information is being removed. The door is being slammed in the provinces' faces, while at the same time being opened to a number of organizations. The public is being denied the right to certain information, while it is being granted to a number of federal bodies.

I think amendments of this type are along the same line as the ones discussed previously, or in other words that the government is giving itself even more opportunities, and the individual is seeing the confidentiality of certain information concerning him or her being eroded a little bit more. We must always be on guard in such situations. With modern communications technology, we are intruding on people's privacy more and more, and it is not necessarily appropriate to do so.

The official opposition will be opposing this proposed amendment.

[*English*]

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, with these two amendments I have the same problem I had with the initial clauses. That is why Reform put forward amendments to begin with.

A concern I have is that certain things are done and we do not know about them. I put forward the amendment that we would have an annual report for a very good reason. I hope the government considers that in Bill C-11.

As well, I feel strongly that we do not bypass provinces or appear to bypass provinces. The legislation appears to do that. The wording of it is definitely there. Those are my concerns.

With these two, the government has more opportunity to intervene. This is the concern I as a member of Parliament should be raising. Motion No. 9 adds Canada Post to the list.

I have not yet been answered by the member from the government on what impact this would have. We have had no explanation in the House on how it would impact on us. This should be explained to the House. It concerns me.

Until I hear the explanations clearly, I hesitate to speak in favour of Motions Nos. 9 and 10. In this case the Reform Party would oppose them.

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

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 9. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it. I declare Motion No. 9 adopted on division.

The next question is on Motion No. 10. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it. I declare Motion No. 10 adopted on division.

[*Translation*]

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

Call in the members.

And the division bells having rung:

[*English*]

The Deputy Speaker: As indicated by the chief government whip, the recorded division on the motion stands deferred until Monday, April 15, 1996 at 6.30 p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

THE ROYAL ASSENT

• (1615)

[*Translation*]

The Deputy Speaker: I have the honour to inform the House that a communication from Rideau Hall has been received as follows:

Rideau Hall
Ottawa,

March 28, 1996

Sir,

I have the honour to inform you that the right Hon. Antonio Lamer, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 28th day of March, 1996, at 4.10 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Deputy Secretary, Policy, Program and Protocol
Anthony P. Smyth

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1625)

And being returned:

The Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, on Her Majesty's behalf, royal assent to the following bills:

Bill C-2, an act to amend the Judges Act—Chapter 2.

Bill C-10, an act to provide borrowing authority for the fiscal year beginning on April 1, 1996—Chapter 3.

Bill C-21, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996—Chapter 4.

Bill C-22, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1997—Chapter 5.

[*English*]

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Oxford—Pipelines; the hon. member for Bourassa—The Department of Citizenship and Immigration.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF HEALTH ACT

The House proceeded to the consideration of Bill C-18, an act to establish the Department of Health and to amend and repeal certain acts, as reported (with amendment) from the committee.

SPEAKER'S RULING

The Speaker: There are five motions in amendment standing on the Notice Paper for the report stage of Bill C-18, an act to establish the Department of Health and to amend and repeal certain acts.

● (1630)

Motion No. 1 will be debated and voted on separately.

Motions Nos. 2 and 4 will be grouped for debate. A vote on Motion No. 2 applies to Motion No. 4.

Motions Nos. 3 and 5 will be grouped for debate but voted on separately.

I will now put Motion No. 1 to the House.

MOTIONS IN AMENDMENT

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.) moved:

Motion No. 1

That Bill C-18, in Clause 4, be amended by striking out line 7, on page 2, and substituting the following:

''(*a*) the administration of such Acts of Parliament and of orders or regulations of the Government of Canada as are not by law assigned to any other department of the Government of Canada or any minister of that Government relating in any way to the health of the people of Canada;

(*a*.1) the promotion and the preservation of the''.

He said: Mr. Speaker, I am pleased to propose an amendment to clause 4 of Bill C-18, formerly Bill C-95. The amendment basically reincorporates a clause from the current Department of National Health and Welfare Act, an act that dates back to 1944 and has served Canadians well for half a century.

As the House knows, over time drafting styles of legislation change. That is why Bill C-95, as it was originally tabled, adopted a more contemporary way of describing the Minister of Health's responsibilities.

The drafters of the legislation on many occasions have argued to me and others that basically Bill C-95 as it was tabled at second reading would not have changed the responsibilities of the Minister of Health for the administration of acts of Parliament. However, others are less convinced.

First, I will establish exactly what it is that this amendment proposes to do. It would insert in subclause 4(2) after ''without restricting the generality of subsection (1) the minister's powers, duties and functions relating to health include the following matters'', I would be inserting ''the administration of such acts of Parliament and of orders or regulations of the Government of Canada as are not by law assigned to any other department of the Government of Canada or any minister of that Government relating in any way to the health of the people of Canada''.

The amendment is proposed in order to eliminate any apprehension that the government is trying to avoid being held accountable for its actions in administering legislation. A similar provision already exists in the current department of National Health and Welfare Act.

The reference to social security and the welfare of the people of Canada has been eliminated in view of the creation of the Department of Human Resources Development. This provision had been eliminated to improve the drafting of the bill. It was considered redundant because subclause 4(1) already had established the general mandate of the minister with regard to health and moreover specific legislation such as the Food and Drugs Act states that the minister is also responsible for its application.

However, many Canadians who have contacted HIV through blood transfusions have indicated that they fear that the effect of this omission will be to reduce the accountability of the minister with regard to the legislation it administers and in particular with regard to the Food and Drugs Act.

In fact, Ms. Lori Stoltz, a lawyer who represented HIV blood transfused patients at the Krever inquiry has pointed out to me that in her opinion the bill would remove responsibility from the Minister of Health.

We must be very sensitive to the concerns of people who have become ill after using a product that they had all reason to believe was absolutely safe. Rather than entering into a legal debate of whether the elimination of the previous clause would have in fact reduced the accountability of the minister, it is much more constructive, in my opinion, to take the action to alleviate their concerns.

The purpose of Bill C-18 is to confirm the creation of the Department of Health and define the mandate of the minister responsible for the department, not to limit the risk of liability of the government.

The pith and substance of the bill is contained in subclause 4(1). It provides that the Minister of Health is responsible for all matters over which Parliament has jurisdiction relating to the promotion and preservation of the health of Canadians.

● (1635)

The bill recognizes the crucial role played by the Department of Health in protecting the public against risks to health. This includes the evaluation of drugs and medical devices, ensuring these therapeutic products are safe for public consumption and that they do what the manufacturers claim they will do.

The disastrous situation which resulted from the transmission of HIV through the blood system must not be allowed to occur again. Our efforts to maintain a high quality, responsive and affordable health system is being strengthened by the creation of the new Department of Health and the implementing legislation for Health Canada ensures that the department's resources and activities are devoted to the policy and funding challenges facing our national health protection system.

The bill ensures that the department will continue to work closely with all health stakeholders and the people of Canada. Health Canada will provide national leadership and remain a full and active partner in all matters concerning the health of Canadians. For these reasons it is proposed to make it clear that the responsibilities of the Minister of Health include the administration of legislation that is related to health.

The amendment is put forward to reassure Canadians that where a debate existed whether the removal of certain provisions in the old act would have the effect of removing responsibility from the minister. Rather than debate which opinion is right, the government has decided appropriately to defer to the safer position and reinsert the original wording from the National Health and Welfare Act. I am pleased to make this amendment.

The Speaker: I omitted to mention at the beginning of debate that all interventions will be 10 minutes with no questions and comments.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, Bill C-95, as it was originally brought to the House, seemed to me a very straightforward bill. I wondered why we would spend a lot of time debating what seemed like a name change.

As the watchdog for this bill I had already gone over it very carefully and felt the minister had full accountability and full responsibility for all matters relating to health. However, concerns were brought to my attention by the fine tooth comb experts. They came up with a potential concern, a potential problem that related to ministerial accountability. The motion by the member for Fredericton—York—Sunbury would take care of any question on that issue.

Ministerial accountability is not redundant. It is absolutely mandatory. Anyone who tried to change that would be on very shaky ground. The Krever inquiry has brought to the fore the concern about ministerial accountability. This inquiry shows that our regulatory system can have flaws, that those dispensing to the Canadian public can have flaws. We are actually at a state now where the Krever inquiry is being held up by legal challenges coming from a host of sources.

Ministerial accountability is profoundly important. For that reason I support the inclusion of this clause in Bill C-95, and I will be so recommending to my caucus.

The Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

(Motion No. 1 agreed to.)

● (1640)

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.) moved:

Motion No. 2

That Bill C-18 be amended by adding, immediately after line 18, on page 9, the following new Clause:

''Government Organization Act (Federal Agencies)

''23.3 The definition ''Minister'' in section 66 of the Government Organization Act (Federal Agencies) is replaced by the following:

''Minister'' means the Minister of Health.''

Motion No. 4

That Bill C-18 be amended by deleting Clause 36.

He said: Mr. Speaker, these are purely technical amendments to Bill C-18. As other colleagues have indicated, it was formerly known as Bill C-95. These two amendments have become necessary primarily due to the reintroduction of the bill following the prorogation of Parliament.

The Government Organization Act has now become law and as a result it requires two amendments to Bill C-18. It is proposed that a new clause, subsection 23.3, be added to indicate that in the Government Organization Act, the word ''minister'' does in fact mean the Minister of Health.

As you will know, Mr. Speaker, previously the department was known as the department of national health and welfare and the minister was known as the minister thereof. This amendment is changes the name of the minister to be consistent with the rest of the bill.

Motion No. 4 deletes clause 36, which is a conditional amendment that has the same effect when referring to former Bill C-65. The Government Organization Act amends the statutes that establish 15 federal agencies and dissolves 7 federal organizations. As far as Health Canada is concerned, this dissolves the board of trustees of the Queen Elizabeth II Canadian fund to aid in research on the diseases of children. It does not eliminate the funding. That continues under the administration of the Medical Research Council. It does eliminate the board of trustees.

That is really all there is to say about these two amendments. I look forward to speedy passage thereof.

The Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

(Motions Nos. 2 and 4 agreed to.)

* * *

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, a point of order. I understand there have been negotiations among the parties on a draft order of reference. It is a matter that was dealt with in the last Parliament involving a review of the Young Offenders Act.

I move:

Pursuant to its mandate in relation to the comprehensive review of the Young Offenders Act, Phase II, and specifically to observe how the youth justice system operates in practice, that the Standing Committee on Justice and Legal Affairs (6 members); four from the Liberal Party, including the chair, one from the Bloc Quebecois and one from the Reform Party, be authorized to travel to Halifax, Sydney and Charlottetown from April 21 to April 26, 1996 in order to hold public hearings, visit sites, (young offender facilities and programs) and meet with officials and that the necessary staff do accompany the committee.

● (1645)

I believe, Mr. Speaker, you will find that there is unanimous consent.

The Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to.)

* * *

DEPARTMENT OF HEALTH ACT

The House resumed consideration of Bill C-18, an act to establish the Department of Health and to amend and repeal certain acts, as reported (with amendments) from the committee.

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.) moved:

Motion No. 3

That Bill C-18, in Clause 35, be amended by striking out line 21, on page 13, and substituting the following:

''35. If Bill C-8, introduced in the second ses-''.

Motion No. 5

That Bill C-18, in Clause 37, be amended by striking out lines 7 to 9, on page 14, and substituting the following:

''37. If a bill, introduced in the second session of the thirty-fifth Parliament and entitled An Act respecting regulations and other documents including the review, regis-''.

He said: Mr. Speaker, these two motions are like the previous two. They are purely technical amendments to Bill C-18, again prompted by the reintroduction of the former Bill C-95, following the prorogation of Parliament.

Clause 35 proposes to replace the reference to former Bill C-7 otherwise known as the Controlled Drugs and Substances Act. The number of Bill C-7 has been changed to Bill C-8 and the reference must now be changed.

As well, clause 37 proposes to eliminate the reference to Bill C-84, the Regulations Act and to simply refer to a bill.

The department of health bill, having been reintroduced in Parliament before the regulations bill, the numbering of the latter

bill could not have been known at the time and therefore renders this technical amendment necessary.

It is clear that these amendments do not in any way affect the substance of the bill in question. Again, I ask for speedy passage.

The Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

The Speaker: I declare the motion carried.

(Motion No. 3 agreed to.)

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

Some hon. members: Agreed.

The Speaker: I declare the motion carried.

(Motion No. 5 agreed to.)

Hon. Sheila Copps (for the Minister of Health, Lib.) moved that the bill, as amended, be concurred in.

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

Some hon. members: Agreed.

(Motion agreed to.)

* * *

● (1650)

WITNESS PROTECTION PROGRAM ACT

Hon. Sheila Copps (for the Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.) moved that Bill C-13, an act to provide for the establishment and operation of a program to enable certain persons to receive protection in relation to certain inquiries, investigations or prosecutions, be read the third time and passed.

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, it is my privilege to participate in the debate on third reading of Bill C-13, the witness protection program act.

I am sure that most hon. members are aware that the intent of the witness protection program act is to ensure that our federal witness protection program will provide the best possible protection to both witnesses and sources.

The legislation proposed by the bill creates for the first time a statutory foundation for the Royal Canadian Mounted Police source witness protection program.

[*Translation*]

On behalf of the Solicitor General, I would like to thank all the members of the Standing Committee on Justice and Legal Affairs for the time and energy they put into consideration of this bill last fall.

During this period, the committee heard people from various backgrounds, including the police, representatives of victim support groups, legal experts and a former witness.

It also heard my hon. colleague, the member for Scarborough West, whose interest in the matter of witness protection is well known, and who stimulated discussions significantly on this important question.

The government has taken careful note of the legitimate concerns expressed during the hearings of the committee, and they are reflected in the amendments made to the original bill.

Thus, the bill before you today is better and more solid than the one tabled at first reading.

The committee deserves our thanks for this.

The proposed changes will improve the transparency and the efficiency of the RCMP's source and witness protection program, which has existed as an administrative program since 1984, by giving it a solid statutory and regulatory basis.

We are creating a witness protection program with a basis in law.

This legislation will have the important effect of giving the RCMP's source and witness protection program a higher profile. The need to report on the operations of this program will be specified.

Of course, the identity of the sources and witness will remain secret, but the selection criteria and the scope of protection will be clear and transparent.

Thanks to these statutory provisions, the participants in the program and the RCMP administering it will be clear as to their rights and obligations and the scope of the protection and benefits provided. This should also eliminate any misunderstanding between the RCMP and the people being protected.

In all, the changes to this RCMP program will meet the needs of both the police and the witnesses and sources requiring protection.

The proposed changes will ensure that the eligibility criteria for witnesses are clearly defined; they will ensure standard case handling across the country; a clear definition of the responsibilities and obligations of the program administrators and participants; a better defined management structure within the RCMP for day to

day program operation, which will reinforce the reporting requirement; a complaint resolution mechanism and the presentation of an annual report on the operation of the program by the commissioner of the RCMP to the Solicitor General, which will be tabled in the House of Commons.

Provincial and municipal law enforcement agencies may still make use of the RCMP source and witness protection program, as they did in the past, on a cost recovery basis.

• (1655)

However, the bill does not seek to replace witness protection programs administered by provinces or municipalities, nor does it seek to set up a national program.

Through these brief comments, I tried to present as clearly as possible the key components of the bill. I am convinced that hon. members know that the source witness protection program is a very powerful tool for law enforcement purposes.

However, I am aware that there are lingering concerns over certain aspects of the program. I will discuss some of these now, particularly those raised by the hon. member for Saint-Hubert. During the debate at second reading, the hon. member for Saint-Hubert asked the government to clarify three basic points.

The first one is the budget allocated for the new program; the second one is the time required to put the program in place, once the bill is passed; and the third one is the number of people who should take part in the program. These are important issues and I will begin with the budget.

The annual costs of the RCMP source witness protection program currently stand at $3.4 million. I am pleased to tell the House that the bill will not result in any additional costs. The average cost per case is $30,000, and in about 60 per cent of the cases it is under $20,000.

The second issue raised by the hon. member for Saint-Hubert is the time required, once the bill is passed, for the new program to become operational.

The RCMP assures us that the new program could be operational a few weeks after the bill is passed. It is to be noted that the current source witness protection program will be maintained until the proposed changes are implemented.

The third and last point raised by the hon. member for Saint-Hubert is the number of people who should take part in the program every year. There are, at any one time, between 80 and 100 people, including family members, actively participating in the program. This average figure should not change in the foreseeable future.

I want to point out that protecting sources and witnesses will not eliminate violent crime, or even organized crime. However, the program is an important investigation tool for law enforcement authorities. It greatly helps police in its constant fight against organized crime and major criminal activities in Canada.

We must make sure that the program continues to be such a useful instrument.

[*English*]

When the government was elected it made a commitment in its election platform to a safer homes and safer streets agenda. Since taking office we have honoured that commitment.

To date we have brought about the reform of the corrections and conditional release system through the passage of Bill C-45 which became law in January of this year. Improvements were equally made to the Canadian Police Information Centre data banks to help screen out child sexual abusers as potential employees and volunteers working with children.

We established a national flagging system to help crown attorneys deal more effectively with high risk offenders. We equally passed comprehensive gun control. We created a National Crime Prevention Council and passed amendments to the Young Offenders Act.

The witness protection program act is yet another important component in our overall effort to improve safety and security for all Canadians. I believe that all hon. members recognize the importance of and endorse the changes proposed in the witness protection program act.

I would like to thank once again all members of all parties for their past support of the bill. I hope we can count on their continued support to ensure speedy passage of Bill C-13 at third reading.

• (1700)

[*Translation*]

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, I am pleased to rise in the House today to speak to Bill C-13, concerning the protection of witnesses. This is a topic of some interest to the police, naturally, and it is also an important factor in helping the judicial system not just to track down criminals, but also to pursue individuals involved in organized crime. It is also a very sensitive topic, open to controversy. By its definition, organized crime involves a number of people, a very close-knit group that it is extremely difficult for RCMP or CSIS agents or anyone else to penetrate.

One of our duties is to assist the judicial process, to facilitate legislation and the application of legislation for those who must apply it on the front line, in most cases, police officers, of course.

It is important in 1996 that Canada have such a law. It has been needed for a long time, but whatever the reasons for the delay, we are finally debating it today.

The objective, let it be remembered, is to improve the quality of life. You do not pass a law for the sheer pleasure of it, you pass a law to facilitate the process, and Bill C-13 is ultimately about

improving the quality of life and improving respect for the law, which becomes more effective as a result. It is simply a work tool, not a revolution in itself, as we have seen elsewhere.

Experience has shown that turning to witnesses to provide elements of proof or help with police investigations at the risk of endangering themselves or their families, is often one of the most effective means available to our justice system in the fight against crime, particularly organized crime. The objective of the witness protection program act is to ensure that our federal witness protection program continues to offer the best protection possible to sources and potential witnesses.

It is hardly surprising that Bill C-13, which itself flows from Bill C-78 tabled by the Solicitor General, is to all intents and purposes the same as a bill already passed by this House on September 26, Bill C-206, tabled by the hon. member for Scarborough West, and passed at first reading on February 1, 1995.

In fact, the only noticeable changes are that witnesses can be better compensated under a bill as introduced. Also, under Bill C-13, the commissioner of the RCMP will now have to make the necessary arrangements with witnesses, or their solicitor, to ensure their protection.

As I was saying earlier, under Bill C-206, as passed on December 26, the solicitor general had the authority to reach agreements with witnesses. That, of course, made it easier, under our parliamentary system, to ensure control of government activities through ministerial accountability.

We lagged considerably behind others, in particular our American neighbours, who have had witness protection legislation applying to all 50 states of the union for 25 years now. That legislation is well known by the general public, which is thus aware of its rights.

The system was made necessary because what is happening today is that police authorities are using a piecemeal approach, dealing separately with each informant they want to see testify in court.

• (1705)

This makes things somewhat ambiguous for these people, who have a law to enforce, for a variety of reasons, including the media aspect. But on what basis are they going to negotiate these piecemeal agreements?

I do not believe we can settle for a piecemeal approach, with decisions depending on the whims of whoever is responsible for policing at a specific time. I feel that instead we need to have legislation that will apply all across Canada as this will improve the situation of witnesses, particularly in criminal cases, and more particularly in cases involving serious crimes.

The process, as it is currently applied, does have a few flaws. These events are always surrounded by publicity, which taints the true purpose of the mandate outlined in Bill C-13.

Law enforcement officers bargain with criminals, often for money, but also for reduced sentences. On the subject of reduced sentences, there was a case recently in Ontario, in Toronto to be more precise, that draw a great deal of media attention for all kinds of reasons. Naturally, in this matter—this is as good an example as any, since it is often how it works—it is quite clear that, without the help of the informer witness—in this case, a woman—it would have been almost impossible for the judicial system to get a conviction for extremely serious crimes.

Witness protection is not afforded indiscriminately either. It has been used in many instances. I think that every member of this House has learned about such cases through the media or through personal experience. The problem is it could be subject to interpretation. Will giving informer witnesses money or reduced sentences have the effect of encouraging crime? That is one way of looking at it, but we must look a little further than that, we must take a slightly more serious attitude and admit that, ultimately, it has the effect of encouraging informers to come forward, which, in turn, leads to the arrest and conviction of individuals and often groups of individuals.

Some would say this is rooting out individuals whose sole reason for belonging to our society is to abuse the system, certain advantages or the kindness of some organizations, but that is part of a bigger picture. Let us not kid ourselves here. Without the protection afforded by the law, informers would just not come forward.

Big time criminals never operate alone, or only very exceptionally. As for those who operate alone and are still out there, have not been caught yet, we do not hear much about them either. They are therefore of no great concern to us. But those who operate in gangs, the big time criminals involved in drug trafficking or money laundering, to name but a few of their activities, they are the ones that worry us. This is the kind of cases that are reported on almost every week on television.

And every week, there is all this information on all sorts of crimes: currency counterfeiting, card counterfeiting, large scale credit card theft. Land is bought in foreign countries with money to be laundered and then resold. The list goes on and on.

• (1710)

We are talking about organizations. These activities cannot be conducted by a single individual. A person alone cannot go out and buy equipment with clean money while carrying dirty money obtained from a drug deal. This is simply not possible. There are steps to follow. There are a number of people involved and, among

these, we sometimes find informers, who deserve to be protected when they testify.

Let me tell you about a case on the North Shore, in my riding, more specifically in Sept-îles. Several tonnes of hashish were seized. At the time, a big wig was arrested, namely Vito Rizutto, the mafia boss. An informer was involved. As I recall, 18 people, from sailors on the ship to the big boss himself were in that small jail, in Sept-îles, which has room for 23 people in total. Needless to say that this group of 18 pretty well filled up the place.

There was also an informer inside, a ship captain. I remember him very well. Since then, he has been keeping a very low profile, particularly in view of the fact that the investigation fizzled out for all sorts of reasons that would be too long to explain.

I remember that, at the time, the informer was offered police protection, including a new identity and possibly some money. Because of this arrangement, he was prepared to testify. He confessed. At the time, I was a correctional services officer and had the opportunity to speak with him, with all of them, but I asked him the following question: Would you give yourself up if you did not have this system?

Naturally, they offered to protect his family, him as well, give him a new identity and so on. He was adamant, it was out of the question. He would say nothing at all, if nothing else was offered, if this protection system was not offered, which is not surprising in the times we live in, if we want to catch the big criminals.

All the more so as we are not looking at 100,000 people wanting money to talk, 100,000 people to protect, who need new identities. I listened to the remarks of my colleague across the way earlier, and he said, if my memory is correct, that the average was $30,000 per person, and often $20,000. It is very unusual. I once saw approximately $100,000 in British Columbia a few years back. I think that this idea dies hard.

The deputy across the way was right to point out that the majority averaged $30,000. Do we say this is good, or not? This is, after all, being given to someone who has committed a crime, let us not forget that. Nor should we stick our heads in the sand. I say it is a compromise we have to make if we want to improve the legal system as it now stands, and particularly its application.

Improving the legal system, legislating for the fun of it, these are things anyone can do. In order to get elected, we create laws, but these laws must be easy to apply for those on the front line, the police officers who make arrests and conduct investigations. They must be given the legislative means authorizing them to do so, so that they will no longer find themselves stuck in situations as they are today, where there is a considerable risk of finding their pictures on the front page of some tabloid, with the claim that they offered some criminal this, that or the other.

There must be better protection than there is at present. I feel that C-13 goes a long way toward providing that protection.

When we speak of witness protection, it has been pointed out, and I repeat, that this involves some 80 to 100 individuals, a figure which includes family members.

● (1715)

It must be kept in mind that, like the rest of us, these people have families. If we commit some act, we do not want our families to pay for it. Of course, we need to have a sense of responsibility, but nobody is perfect. We must face up to our responsibilities.

A criminal who has been informed on will automatically get at the informant where he or she is vulnerable, if at all possible, so if only the individual is protected and not the family, the whole protection process is useless. At this time, among of the 80 to 100 individuals protected, and justifiably so, by the criminal justice system in this way , there are family members, children, wives and husbands.

The system is not perfect, I will admit, but it is a pretty good one. It is not perfect because it was created by people, and none of us is perfect, no matter who we are. But our lack of perfection is compensated for considerably by our efforts to improve.

Problems often arise in the period immediately following the commission of the crime. When someone is arrested, a lot of things go on in his or her head. This is logical and normal considering what is going on. The person is questioned by the police, offers information, a million questions are asked. It is not hard to imagine the panic such people can be in. It is absolutely incredible.

But, careful, time is a factor. If individuals were not given protection, the criminal world would eventually get to them, directly or indirectly, and they could be asked perhaps to simply forget certain facts when it came time to testify in court.

Let us say that Bill C-13 is a memory booster. It is a bit odd to put it that way, but if the witness protection system were dropped, I am sure people would forget a lot. However, when they are protected, they forget less quickly and co-operate more, and the legal system is better protected.

It is also important to realize that this society has to be protected by the laws we make, and there is nothing wrong with using the same methods as the criminal world, which works on weaknesses in finding these people and stops at nothing to achieve its ends.

Therefore, and I will conclude on this point, we support Bill C-13. It is not perfect, of course, but it is a significant step forward, which helps us catch up with other countries that have already incorporated this sort of measure in their legislation.

[*English*]

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, I am pleased to stand before the House today to address Bill C-13, the witness protection program act.

My understanding is this bill would establish for the first time a legislative base for the RCMP's witness protection program, a program which has been in place as a series of internal guidelines and policies since 1984.

The Reform Party recognizes there is a need for this type of legislation. Witnesses need the protection from potential harm, particularly when their testimonies relate to organized criminal activity such as illicit drug, tobacco and alcohol smuggling, firearms peddling, trafficking or other conspiracies to commit capital crimes.

• (1720)

The decision to turn in criminals can be difficult. If justice is to be served we must take strong measures to protect from any potential harm those witnesses who step forward. Simply put, without the testimony of the person who comes forward to present their knowledge or experience of a criminal activity or conspiracy to a police officer and eventually a court of law there would be no charges and ultimately no convictions.

Since 1962 violent and organized crimes have exploded in Canada. No longer can politicians live in denial of this reality. Wherever there is a dollar to be made illegally the criminal element will organize to beat the law. A prime example of this organized criminal activity is motor cycle gang violence and the resulting turf war spilling out on the streets in our country.

It is no secret in law enforcement circles that the Hell's Angels are in an all out war with the Outlaws over control of the lucrative drug trade, the prostitution industry and the massive contraband smuggling and distribution industry. A recent spat of bombings in Montreal and elsewhere continue as crime kingpins make money. Meanwhile people die. The carnage must stop if law and order are to be restored on Canadian streets.

The Reform Party is committed to restoring law and order. We have critically examined Bill C-13 with this objective in mind. We see some problems and we have proposed some amendments which would strengthen the bill. I trust our observations and proposals will not fall on deaf ears.

Consider that the budget for the witness protection program in Canada will accommodate approximately 70 to 80 protectees in any given year. The budget established by the solicitor general, a paltry $3.4 million, is fundamentally inadequate given the resources required to penetrate the culture of organized crime and to properly identify and recruit criminals willing to inform on their own kind. The RCMP would intensify its efforts in this regard if more resources were available.

Reform's chief concern is not only the deficiency of the witness protection funding program but also the lack of vision on the part of the solicitor general's office and the whole of the Liberal government's administration of Canada's affairs, in particular on crime.

Instead of funding special interest lobbies advocating criminals' rights, the solicitor general would be well advised to consider public safety and channel resources into law enforcement programs and victims' rights for a change.

Bill C-13 is a step toward strengthening the RCMP witness protection program. However, there are certain problems which must also receive the consideration of the House. In effect, Bill C-13 would continue the convention of past internal guidelines and policies of the RCMP's witness protection program, whereby the RCMP commissioner is granted the absolute power and authority for the following issues.

He is granted the absolute power and authority to determine whether a witness should be admitted to the program, clause 5 of Bill C-13. He is granted absolute power and authority to terminate the protection of a witness if in the opinion of the commissioner it is warranted, clause 9; or to disclose the identity and location of a witness or protectee, clause 11; to make agreements with other law enforcement agencies, attorneys general of provinces or any provincial agencies, clause 14.

I urge all members of the House to consider these powers and the necessity to continue such broad authority granted to the commissioner of the RCMP. In addition, with respect to agreements struck between the parties involved in the witness protection program, as it stands with this bill there is no resolution mechanism or appeal procedures for agencies, agents or protectees to air their concerns.

It is crucial that a resolution mechanism become part of this bill. Take, for example, the concerns expressed by the two witnesses who came before the Standing Committee on Justice and Legal Affairs. One was a serving police officer representing dozens of police agencies and officers cross the country.

• (1725)

As it stands, the individual witness under protection is restricted in taking up matters of concern regarding the conditions of protection to the public complaints commission but not to the office of the solicitor general. This process is totally inadequate.

Most police departments have an informant control officer, an ICO, who regulates the handling of an informant for the appropriate department. This type of arrangement allows the process of appeal in the event of an unsatisfactory decision on the part of the

commissioner and would be available to disagreements between individual police agencies and the RCMP via the ICO.

I urge members to support the motion of November 20, 1995, at report stage, that Bill C-13 in clause 5 be amended (a) by replacing line 32 on page 2 with the following: ''Subject to this act, the commissioner'', and also (b) by adding after line 36, on page 2, the following: ''Any decision made by the commissioner, or by a member of the force on behalf of the commissioner, under sections 5, 9, 11 or 14 of this act may be reviewed by the minister on application by a law enforcement agency''. This amendment would make the program much more effective, thus enabling these agencies greater flexibility in their investigation of organized crime.

Now for Reform's second proposed amendment which deals with the submission of the annual report on the operation of the program as it applies to the preceding year. We are without any provision for having the report sent before the Standing Committee on Justice and Legal Affairs and it does not mention the content of what the report should include. This approach is ridiculous.

How many times have my Liberal friends across the way stood in the House and railed against past administrations on matters of accountability and responsibility? How many times has the government, acting as—

Some hon. members: Oh, oh.

Mr. White (Fraser Valley West): These Liberals are picking on me over here, Madam Speaker. We are talking about the witness protection act and they are picking on me. It must have been a bad day in question period.

How many times did the government, acting as Her Majesty's Loyal Opposition, attack others for passing legislation that was inadequate and totally wrong? It happened a lot of times. I suggest the answer to both of these questions is a great many times.

When the Liberals were in opposition a couple of years ago they criticized the same thing we are criticizing today. Congratulations.

An hon. member: Hypocrisy.

Mr. White (Fraser Valley West): I am not sure how to spell the word hypocrite. I am sure it is somewhere in the dictionary.

An hon. member: Hypogrit.

Mr. White (Fraser Valley West): Hypogrit. Liberal, Tory, same old story. I present, therefore, an opportunity to my friends opposite to learn from past mistakes. This is not easy for them to understand.

Let us make sure that Bill C-13 does not miss its mark. Let us support Reform's proposed amendment that Bill C-13, in clause 16, be amended to allow for the following of each report that: (a) the number of agreements entered into and the law enforcement agencies involved; (b) the number of applications made; (c) the average amount spent on each agreement entered into; (d) the number of agreements terminated and the reasons for their termination; (e) the number and types of offences committed by protectees; (f) the total amount of all money from the consolidated revenue fund spent in relation to the operation of this act; (g) co-operative measures between the force and other law enforcement agencies with respect to witness protection; (h) the number of foreign witnesses admitted to Canada and the number of Canadian witnesses relocated outside Canada.

* * *

• (1730)

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Madam Speaker, if you were to seek it I believe you would find unanimous consent for the following motion which has been agreed to by all party whips. I move:

That the Standing Committee on Human Resources Development be authorized to tape for broadcast purposes its video teleconferences during its study of Bill C-12, an act respecting employment insurance in Canada.

The Acting Speaker (Mrs. Ringuette-Maltais): Is there unanimous consent to move the motion?

Some hon. members: Agreed.

(Motion agreed to.)

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADA BUSINESS CORPORATIONS ACT

Mr. Paul Szabo (Mississauga South, Lib.) moved that Bill C-204, an act to amend the Canada Business Corporations Act (qualifications of directors), be read a second time and referred to a committee.

He said: Madam Speaker, in the first session of Parliament I had introduced Bill C-345, an act to amend the Canada Business Corporations Act. This bill did not have an opportunity to come before the House but it has been resubmitted and now appears before the House as Bill C-204.

About a year and half ago I had the opportunity to attend the president's dinner of the Mississauga Board of Trade. The guest speaker was someone I know very well. The guest speaker was introduced as a senator of Canada; he was introduced as the chairman and chief executive officer of one of Canada's largest and most influential companies; and he was introduced as a director of some 26 different corporations. At the time I thought that surely this was a very busy person.

In the life of the corporate world, boards of directors do play an extremely important role. There is a lot of responsibility. A lot has been written in the newspapers about director's liability. There have been many, many articles about the difficulty of trying to find qualified people who are prepared to take on directorships because of the onerous work and the serious liability.

If a director knew or ought to have known that there was a problem with a corporation which resulted in damages to a shareholder or another stakeholder group, the director could be held personally liable to the full extent of their own personal assets. It is not a situation to be taken lightly.

With that background and as a chartered accountant, I had been involved with the former Canada Corporations Act which has been replaced by the new Canada Business Corporations Act. We have a federal act and there are also provincial acts but the rules are much the same. It depends on the jurisdiction in which a corporation has been incorporated, but they must serve the same purpose. The corporations acts, be they federal or provincial, are there to provide the guidelines and rules under which corporations must deal with their affairs.

Directors have very specific and important responsibilities. They have a responsibility to actively take on these responsibilities. Of course, there is the ever present risk of conflict of interest, either deliberate or inadvertent. Surely one would understand that the question is, how many directorships could an individual hold at any one time and still satisfactorily discharge all the responsibilities at least to a reasonable extent?

• (1735)

Companies are of varying degrees and sizes. Some are very complicated for example, Bell Canada. Others are very small, incorporated companies which are for the sole purpose of an individual. It would be very difficult to establish a number.

Having heard the introduction of the guest speaker at the Mississauga Board of Trade president's dinner, it struck me that for someone who was a senator of Canada and who had work to do as a senator, and someone who was the chairman and CEO of a major Canadian corporation, for him also to be a director of some 26 other corporations led me to believe there may have been a situation developing that I did not understand. Maybe there was a problem. That is the rationale for Bill C-204.

Let me briefly outline some of the duties and responsibilities of a director. In both senses of the word, directors have an obligation or duty to see that everything is done in accordance with the law. They must accept blame or liability if things are not done in accordance with the law, especially if someone suffers a loss or damages as a result.

I could go through this in tremendous detail, but there are many points I want to raise. There are certainly things like the duty of honesty, the duty of loyalty and the duty of diligence.

With regard to diligence, diligence involves attending meetings. A director is not bound to attend all meetings of the board. He or she ought to attend as often as possible as they may be held liable for transactions over which they have no knowledge.

Directors also have a duty of diligence to rely on co-directors. Directors cannot shirk, I stress they cannot shirk their responsibilities by leaving everything to others. Directors rely on other directors at their own risk. Reliance on co-directors or officers should not be unquestioned. Reliance on other officers is another area. Directors who rely on officers do so at their own risk and should not abdicate their duties to manage the corporation.

There is the issue of relying on outside experts. Directors are not expected to be experts in all fields of endeavour and must frequently rely on the advice of specialists. They have a responsibility to go beyond their own expertise to make sure that they can discharge their responsibilities as directors in the conduct of their duties.

Dummy director is a term which is used. Being a dummy director, an honorary, accommodation or part time director does not lessen the responsibility or duty unless he is relieved by unanimous shareholder agreement.

If the member for Broadview—Greenwood were in the House today to speak on this bill, I know he would want to talk about the issue of concentration of corporate power. The circle of corporations which have linkages among their boards, a number of people who are members of the same board and who seem to perpetuate each other and support each other is an issue that has concerned a lot of people.

Dummy directors or what I refer to as marquis directors would receive signing bonuses and stock options simply to have their names associated with the business. They would have absolutely no interest or intent of participating in the affairs of the business. That is an issue which is their own responsibility. They do so at their own risk. But who speaks on behalf of the shareholder or the other stakeholders such as the banks or credit unions that lend funds, or the creditors who make advances to a corporation when directors are there not to participate and discharge those responsibilities but simply to have their names used for the symbolism, importance and the self-gratification of a board? I do not make these indictments lightly; they do occur.

Moving down the list to the issue of doing nothing, inaction is no excuse. Even if a director has not participated in an illegal act, that director is not necessarily excused under the law.

● (1740)

There is the issue of seeing no evil. A director who acquires knowledge of an illegal act on the part of their cohort directors must honour their duty to the company and do whatever is necessary under the circumstances to correct the wrong or bring it to the attention of the shareholders. If a director is a marquis director or a dummy director how could they possibly discharge that responsibility?

The duty of skill. A director need not exhibit in the performance of their duties a greater skill than may be reasonably expected from a person of their knowledge or experience. If the director is not there but was selected for skill or expertise but is not applying that skill or expertise, how can they discharge this responsibility or duty of skill?

Finally there is the duty of prudence. The duty of prudence requires that directors use common sense.

Having looked at those, I wanted to talk to the Minister of Industry and industry officials who have responsibility for the Canada Business Corporations Act.

I was involved with the industry committee when it dealt with Bill C-12, an act to amend the Canada Business Corporations Act. The proposed amendment under Bill C-12 was the elimination of clause 16. The Canadian Institute of Chartered Accountants, of which I am a member, has consulted with committees of this House on many occasions. It had a big problem with the elimination of clause 16.

Clause 16 basically exempts corporations, specifically large federally incorporated private companies, from their obligation to file financial statements pursuant to their incorporating documents under the Canada Business Corporations Act, more often known as the CBCA. This was of concern to the institute because it gave an unfair advantage to private corporations over public corporations but somehow the officials of the day decided that this was okay to do. We looked at some of the corporations that might take advantage of this and why this may happen.

Under provincial jurisdiction some jurisdictions do not require filing of financial statements nor the appointment of auditors. This was of concern to the Canadian Institute of Chartered Accountants simply because its members are in the business of auditing and they wanted to protect the integrity of their industry as well and I do not blame them for doing that. More important, by not filing financial statements there was an unfair advantage extended to private companies over public companies.

What does that mean in real life? It means that a corporation such as Wal-Mart comes to Canada, takes over a major chain and makes a big play in Canada for their organization. Where does it incorporate? It incorporates in New Brunswick. Why? Because the New Brunswick corporations act does not require the filing of corporate statements for private companies.

Clearly this was a situation where the federal jurisdiction, the CBCA, was not getting its share of incorporations. A company that incorporates in New Brunswick can operate right across Canada. There is no restriction on that. It does not have to incorporate in each and every province. There are some differences in the jurisdictional reporting requirements but Wal-Mart operates right across Canada but is incorporated in New Brunswick.

I raise this as an example of the kind of thinking that is going on with some of the department officials in industry. I want to raise it because I think that the same kind of thinking is occurring with regard to presently considered amendments to the Canada Business Corporations Act.

I did receive a letter on behalf of the Ministry of Industry. I had raised some questions and some answers came back, but for me more questions were raised.

My Bill C-204 would be the first in Canadian history with this requirement to have a limit on the number of directorships that someone could hold concurrently. It does not exist anywhere in any of the other provincial jurisdictions. It would be a first. That does not cause me any problem. If it is the right thing to do, it should be done.

The second point raised was that the Canada Business Corporations Act presupposes that corporations and their investors, many of whom are now large institutions, are capable of determining the appropriate qualifications which their directors should have. That is absolutely true. They do. They have the ability to determine whether or not a director is appropriate for their board but it depends on what the objectives are.

● (1745)

If the objective of a corporation is to attract a marquis director to enhance or ingratiate its board of directors in the eyes of the public, it can do it, but who is it representing? I say it is representing the board members and the officers of the corporation for its self-interest. Where is it in the interests of the ordinary shareholder? Where is it in the interests of the stakeholders who extend credit and financing? Where is it in the interests of those who compete where there may be conflicts of interest unforeseen or undetected at the time?

The issue of self-regulation and let us not have rules any more concerns me. There is a major review going on now within the Department of Industry, and the Senate finance and banking committee is starting to look at some of the rules and regulations because director liability is a serious issue. As I outlined some of the reasons why a director should have certain diligence, due care, honesty, et cetera, they are there for a reason. This is the standard that has been established.

I see the move now within the corporate community, the corporate governance community and within the Senate banking and finance committee to somehow soften or fuzzy up those responsibilities to make it much easier for more people to become dummy directors. I do not know that, but if the standards are not imposed, if we do not have good, firm rules on the responsibilities of corporate directors, what assurances can stakeholders, shareholders, investors, et cetera have that their interests are being protected every time something happens within that corporation?

Let me raise an example. Confederation Life is a major financial institution with major problems. It will take years to sort that out. Every member in this Chamber has received communications from employees of Bell Canada with regard to their retirement plans. We received the story and allegations that there was board representation on Confederation Life by officers of Bell Canada and that the retirement plans were amended to move or shift a portion of the investment of funds from one institution into Confederation Life, apparently at the time when there was a Bell officer on the board.

Now that Confederation Life has lost a great deal of money and a great deal of loss is now being extended or shared among all of those stakeholders who are now the employees, they are coming to members of Parliament saying: ''Please help us. We went on good faith that the board of directors, and particularly an officer of our company who was a member of the board of Confederation Life at the time, would have taken care of our interests, but he did not. So we want Bell Canada to keep us whole''.

I have no direct knowledge of the details and the facts here and I do not for a moment suggest there were any improprieties on behalf of anybody. However, I raise it as a concrete example of the kinds of things we have to be vigilant on. It means we have to depend on boards of directors to do the right thing at the right time and to be there when we really need them.

We do not have to look to the experience in Canada and say that we have never had a problem and therefore we do not need rules. That is not the issue. We need rules to make sure there are no problems and that is the point.

Is this an important issue? Of course it is. There is an organization called the Canadian Comprehensive Auditing Foundation which now has an active task force looking into governance issues of public and private bodies. The Auditor General of Canada is a member of that task force for one reason and one reason only: The whole issue of the governance and the control of our corporations and public and private bodies is of serious concern. There are risks that have been identified which must be addressed.

I do not accept for a moment the premise of the industry officials that corporations should be self-regulating, that we should let them do their own thing and they do so at their own peril. I do not believe those corporations in each and every instance are always thinking about their shareholders. They are not always thinking about their creditors. They are not always thinking about the employees whose jobs would be lost if they went belly up. From time to time issues arise, such as: Who is the director this time and can we get this guy to make us look good? These are the kinds of things I think Canadians want to ask.

• (1750)

Is there another indication that this is of interest and importance to Canadian business and those who are involved? The Canadian Institute of Chartered Accountants in December 1995 prepared a document called *Guidance for Directors—Governance Processes for Control*.

Basically the forward and the purpose of this document, in addition to looking at corporate management, was to assess the board's effectiveness on deals and on how well the board assessed and discharged its role and responsibilities as part of the organization's overall control.

I have looked through the document and I have studied it to some extent. It refers to issues such as the formulating of policies for selected candidates for directorship, reviewing the qualifications of candidates and assessing the performance of the board and eventually the individual directors often assigned to a committee, such as a nominating committee or governance committee.

Even in this document the Canadian Institute of Chartered Accountants has raised some interesting issues. They have also mentioned the values and the ethical values of the corporation and whether it was unclear or perhaps inappropriate that somebody should be on a board. They wanted to deal with issues for the individual director, whether that director had the information, the ability or the forthright manner that they needed. They dealt with the qualifications of a board.

In conclusion, how can these be relevant to a dummy director, to a marquis director? Conflict of interest is really the issue here. This bill basically proposes the number of directorships one can concurrently hold, which I suggest would be approximately 10, given the number of times the average board meets and given the number of other responsibilities and preparatory time necessary.

This bill however does not extend to corporations where someone holds a vested interest in excess of 5 per cent. If it is their own corporation or they have a major stake in it, I am not interested. It is those where people are directors of corporations in which they have no vested equity interest to speak of, where they are in fact simply dummy directors.

On that note I would simply like to say that although this is not a votable bill, I hope I have raised some questions with members in this House with regard to the issue of corporate directorships and whether or not those responsibilities are being discharged and protected under the Canada Business Corporations Act.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Madam Speaker, since it is the first time that I rise in this House while you are in the Chair, let me congratulate you on your appointment.

I am pleased to speak today to Bill C-204, which was introduced by my colleague opposite, the hon. member for Mississauga-South. My colleague began his speech by telling us that he decided to propose this amendment to the bill because he had met a senator who was apparently sitting on 26 boards of directors. My colleague inferred that the senator probably wanted to enhance his reputation, but perhaps there are other premises that are just as valid. Given the nature of a senator's work, he had ample time to sit on 26 boards of directors.

The purpose of the bill introduced by my colleague, an act to amend the Canada Business Corporations Act, is to prohibit any person from holding a directorship in more than 10 companies in which the person holds less than 5 per cent of the voting shares. My colleague seems to base his bill on the premise that a person who is a director in more than 10 companies cannot properly carry out his mandate.

True, as my colleague pointed out, company directors have a number of responsibilities that are very important and very serious. They are required by law to assume many of these responsibilities and to perform very specific duties.

My colleague who introduced this bill is asking the following question: At what point can a director or administrator no longer properly fulfil his responsibilities?

• (1755)

He seems to think that one can no longer properly fulfil one's responsibilities if one holds a directorship in more than 10 companies. I do not know on what basis the hon. member can make that claim. Why would a director of 9 companies be able to perform his duties, but not a director of 12 companies? That question remains unanswered.

When someone is mandated by shareholders to sit on the board of directors of a business corporation, he is required by law to meet certain obligations. He has a duty to do so. He must look after the interests of the company, as he would after those of his own family. By law, he is accountable to shareholders for his actions.

A director may be held personally responsible if, for example, he misuses or embezzles company funds or if he makes the company insolvent.

The director must be honest, loyal, careful and diligent. Of course, his personal interests must not conflict with those of the company he administers. It goes without saying that he must attend meetings of the board of directors. I will not start listing everything a director must do or not do. I think everybody here has a pretty good general idea.

Frankly, I really do not see the use of my hon. colleague's bill. Why propose to amend the Canada Business Corporations Act by amending only one section, namely section 105, by adding a detail that, as far as I am concerned, is basically useless? Why prevent someone from being a director of more than ten corporations? The same person can sit on the board of directors of 13 corporations and do a very fine job, the same way that another individual could be a director of a single corporation and fail in his duties and responsibilities. It all depends. Some people can handle it, others not.

The directors of a corporation are responsible and accountable to the shareholders. If the shareholders are dissatisfied, all they have to do is to remove them from office by a vote of non-confidence.

The Canada Business Corporations Act is also quite clear on that. A director who commits an illegal act or who works against the interests of the company is liable to very harsh penalties and fines. It is definitely not in his best interests to break the law or to commit acts for which he would be held accountable.

Any reasonable person who is sound of mind—maybe some are not—knows what he is able to do and accomplish. A director knows the duties and responsibilities related to his directorship. It would not be in his best interests to fail in his duties, because he knows what the consequences would be. So, I say: Why would he take a chance and sit on several boards if he knows that he not able to do the job?

Let me show you that the arguments used by the hon. member in his memo to support his bill are far from justifying the inclusion of his proposed amendment in the Canada Business Corporations Act.

First, the member says:

[*English*]

''A director is not bound to attend all meetings of the board. He ought to attend as often as possible as he may be held liable for transactions of which he has no knowledge''.

[*Translation*]

An occasion will undoubtedly arise when a director is unable to attend a meeting of the board of directors. However, in any reasonably well organized company, an agenda and minutes are distributed to directors. Normally, when someone takes a decision involving a company, those responsible are informed. I dare say

that anyone unable to attend such a meeting would have the sense to ask his colleagues what was said or done. Directors of companies are aware of that.

The second argument put forward by my colleague is the following:

[*English*]

''A director cannot shirk his responsibilities by leaving everything to others. He relies on other directors at his own risk. The reliance on his co-directors and officers should not be unquestioning''.

[*Translation*]

When you sit on a board of directors, you are part of a team. A director must trust his colleagues. Otherwise, the entire team suffers.

• (1800)

Imagine what it would be like if the directors did not trust each other? Imagine the acrimonious atmosphere. If board members do not agree, the company or corporation will suffer, and this will lead to shareholder dissatisfaction. The shareholders can then dissolve the board of directors. It is therefore not in the best interests of a director to start off by doubting his fellow directors.

Another argument used by my colleague is the following:

[*English*]

Directors rely on officers at their own risk and should not abdicate their duties to manage the corporation.

[*Translation*]

Usually, the board of directors makes the decisions on the company, and the executive directors or the operational managers effect them on site. The executive director, who looks after the day to day running of the company, sits on the board of directors and must report on company activities to the directors.

Usually someone whom everyone trusts is chosen to head the company. If there are risks involved in relying on the executive director, they are normal risks. People can be dishonest; but that can happen any time and any place. It is impossible to know whether a person is honest at the start. My colleague's argument does not hold.

I could go on at length like this, but it would serve no purpose. None of my colleague's arguments has convinced me of the absolute need to amend the law as he proposes.

I will read you the recommendation that led him to propose this bill, which begins as follows:

[*English*]

In an effort to protect and/or emphasize the importance of director's duties and responsibilities, to minimize the potential for conflict of interest, to protect investors, companies and employees, that no person may be director of more than 10 corporations in which the person holds less than 5 per cent of the voting shares.

[*Translation*]

The duties and responsibilities of directors are clearly defined in the Canada Business Corporations Act. People who hold directorships know very well what their duties and responsibilities are. They know what are the consequences of their actions or lack of action because this is also provided in the legislation.

I completely fail to see how Bill C-204 will reduce conflicts of interest within a company. Unfortunately, there will always be conflicts of interest. My colleague from Mississauga-South made a worthwhile effort and analyzed the situation carefully before putting this bill forward. I am convinced he spent a lot of time on this, but I must say I do not see the use of amending the Canada Business Corporations Act in a way that would basically have no positive impact.

[*English*]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I rise to address Bill C-204 presented by the member for Mississauga South. I find myself in considerable agreement with my colleague from the Bloc and in dubious understanding of what Bill C-204 is actually intended to achieve.

On one hand it seems the member is more preoccupied with whether directors exercise the responsibilities they have been elected to carry out and whether they are responsible and acting in a manner that is consistent with what is entrusted to them rather than on whether they are competent.

There is a fundamental difference between doing what one is supposed to be doing and what is expected of that person, rather than if the person does not do those things, it is a function of the person's having too many directorships. That does not follow.

This bill adds a tiny detail to section 105 that says if somebody is a director of 10 companies in which they own less than 5 per cent of the shares, that person cannot be appointed to an additional directorship.

It seems the current act is clear. It lists the things that disqualify a director. One is anyone under age 18. That is reasonable. If they are to manage millions of dollars in some cases, they should be at least of voting age.

• (1805)

Second, anyone who is of unsound mind and who has been so found by a court in Canada or elsewhere. Obviously we would want a director to have a sound mind. Third, a person who is not an individual cannot sit. I am not sure what that means but nevertheless that is what it says here.

It says that anyone shall not be disqualified if he has no shares in a particular company. In other words, a director can be appointed, according to the act, who has no shares in a particular corporation. He is appointed to a particular corporation or to a board of directors because he is judged by someone to have the competence or the ability to do the job.

We need to look at some of the duties a director is supposed to carry out. I think these are rather significant duties. They are not many but they are onerous in terms of carrying them out.

''Every director and officer of a corporation in exercising his power and discharging his duties shall act honestly, in good faith and with a view to the best interests of the corporation; and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of a corporation shall comply with this act, the regulations, articles, bylaws and any unanimous shareholder agreement''.

It is very clear what a director shall do. A director shall act honestly, prudently and shall exercise the appropriate skill a prudent person would exercise in a similar situation.

Can one person do those kinds of things for more than one corporation or one company? Of course he can, especially if the series of companies is small. Someone can be a director of a variety of companies because the role and function of a board of directors is not necessarily to manage a company. Its role and primary function is that of determining direction, the overall policy that shall give to that particular corporation its meaning, its raison d'être, and its mission in the kinds of things it wants to perform in that society or in that particular community.

What is the situation if a corporation is large? Let us take a company that we all know, a corporation that is rather mammoth in Canada, Canadian Pacific. This is a major corporation. I remember so clearly that this corporation was supposed to have an evaluation placed on it. A lot of people said what is the word of Canadian Pacific?

About 10 years ago a group of chartered accountants was designated to ask this question and determine the value. It took five years to actually go through all of the books, the assets and liabilities to determine the net value of Canadian Pacific Railway.

The things it discovered in the first five years had no value after five years because they were dated. They were either of greater value or lessor value depending on what happened in spending and what happened in the economy. It came to the conclusion that it was really a judgment call as to the real value.

How can one director, even if he is only a director of Canadian Pacific, determine in detail what is happening in that corporation? He cannot, obviously.

This act makes it very clear that these kinds of things have to be delegated. The hon. member knows this full well. He said we wanted as professional accountants to conduct audits so that we can give true direction and meaning to a particular corporation.

That was made very clear in the provisions of the existing act. A board of directors is not liable. A director is not liable under sections 118, 119 or 122 if he relies in good faith on financial statements of the corporation represented to him by an officer of the corporation or in a written report of the auditor or the corporation fairly to reflect the financial condition of the corporation, or a report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by him.

● (1810)

It is pretty clear that a board of directors that listens to the advice of its professional people is probably acting more prudently, more responsibly, more honestly, more in the interests of the corporation than a director who assumes all that responsibility and says: ''I know because I have the duty to exercise prudence and to exercise honesty''. It would not be honest for a director to take the position of knowing everything that goes on in a corporation. If he is really to do the job he is to rely on the professionals who know what is happening and whose job it is to come to him with information he can evaluate.

They have to be competent in order to do that. The act tells us very clearly that is precisely what is expected of a board of directors. The implication that somehow the director should do this is simply misleading.

The suggestion made is that somehow an individual who owns 5 per cent or more of the stock of a particular company could have an unlimited number of directorships. The only determining factor seems to be owning less than 5 per cent. There seems to be a connection between the ability to direct and the amount of shares or ownership a person has in a particular company.

That is ludicrous. It does not make any sense. I do not think the amount of shares a person owns in a company will make them any more or any less competent. There is a pecuniary interest. There may be a vested interest. However, that does not make a person competent to make good decisions. It is a completely different issue. We need to recognize those kinds of differences.

There was also a point made about liability, that a director can be held liable. He should be. If a director is not exercising the responsibilities accorded to him, if he is not delivering on the duties extended to him by the corporation or by the act, he should

be held liable. However, he cannot be held liable if he is getting the best advice, as he knows it and understands it, and then makes decisions.

Does that mean he will always get the right advice? No. Does it mean he will always make the right decisions? No. Does it mean he can make a mistake in the sense that acting on the best advice available to him he still made a mistake? Yes.

The responsibility is whether he acted in the best interests of the corporation, as he saw it, on the best advice available. If that is the case, it does not matter how many directorships he has.

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I am pleased to respond to Bill C-204 today, an act to amend the Canada Business Corporations Act.

The hon. member for Mississauga South has presented this private member's bill to prohibit any person from being a director of more than 10 federally incorporated business corporations in which such person holds less than 5 per cent of the voting stock.

I appreciate the ideals that motivated the hon. member. Investors in federally incorporated companies want to be assured that directors are doing their duty.

No matter how effective and dedicated a person might be, there is a limit to how much energy or attention an individual can give to an enterprise when there are too many responsibilities conflicting for a director's time. The hon. member for Mississauga South believes that a director is unlikely to satisfy adequately the duties and obligations of more than 10 directorships.

The hon. member wants to address these concerns through legislation. This law would prohibit a director from holding more than 10 directorships for which he holds less than 5 per cent of the stock. Moreover, it would impose heavy fines, up to $25,000 for the first breach of the law and up to $50,000 for the second offence.

I have two major concerns about this legislation. First, is legislation the route to go in trying to create a corporate governance system that discourages directors from assuming more responsibilities than they could reasonably be expected to handle? Second, is the hon. member's bill the appropriate vehicle and is this the appropriate time to raise this issue?

Let me deal with both of these concerns. First, should we legislate how many directorships an individual can hold? This would be a first in Canadian corporate law. No other Canadian jurisdiction directly limits the number of directorships that an individual may hold so this is a question that should not be taken lightly. None of the provinces has seen fit to limit the number of directorships. Provinces may also be concerned about the ability of directors to attend to their responsibilities if they are overloaded with work because they have taken on too much.

• (1815)

Instead, they have allowed the same approach that the Canada Business Corporations Act has taken. The CBCA favours a self-enforcement approach to corporate governance. The philosophy behind the act is that corporations and their investors are in a better position than legislators to determine the appropriate qualifications which their directors should have.

I think this is sound. Corporate governance laws provide a foundation through which management directors, investors and creditors can have confidence that the system works fairly and openly.

I am not alone in believing that it would be inappropriate to legislate limits to the number of directorships an individual can hold. In December 1994 the Toronto Stock Exchange committee on corporate governance in Canada issued its report entitled Where Were the Directors. The report emphasizes that not only must corporate governance be enhanced but it must be perceived by the public to be enhanced and it offered a number of recommendations for assessing existing directors and identifying, recruiting, nominating, appointing and orienting new directors.

According to this report, how should directors be chosen? It recommends that the board of every corporation appoint a committee of directors composed exclusively of outside directors, the majority of whom are unrelated directors. This committee would then be given the responsibility for proposing new nominees to the board and for assessing directors on an ongoing basis. The actual decision on who should be nominated would then be the responsibility of the full board after considering the recommendations of the nominating committee.

This view appears to be widely held. The committee included not only representatives from the business community but also from institutional investors, the academic community and other groups interested in corporate governance. In other words, the private sector should put in place a careful process for choosing board members.

The Toronto Stock Exchange has implemented the report's guidelines for disclosure of corporate governance practices as a listing requirement.

In compiling this report of the TSE, the authors received suggestions that a guideline be adopted limiting the number of board appointments an individual can hold. This is what the authors had to say on the issue: ''While we agree there must be a limit to the number of appointments, we have concluded that a specific guideline is unnecessary. The nominating committee in assessing the suitability of an individual to be elected to a board will take into

account the individual's other commitments, resources and time available for input to the board''.

If the TSE reports shies away from issuing guidelines on this topic, I think it would be very inappropriate for this House to take the much more draconian step of enacting legislation. Let the corporation decide what is most appropriate. A legislated rule limiting the number of directorships would be arbitrary. Why do we set the limit at 10 directorships? Why not 5 or 15? How are we in this House to decide what is the appropriate number? It is a matter best left to those who choose the members of their individual boards.

Let me now turn to my second concern regarding this legislation. Is Bill C-204 the appropriate vehicle and is this the appropriate time to raise this issue? As the House is aware, the government is now in the process of undertaking a wide ranging review of the Canada Business Corporations Act. We saw technical changes implemented in the last session of Parliament through Bill C-12. The Minister of Industry told us at that time those changes were but the first phase of a process that would reform the CBCA for the first time in 20 years.

In preparing for phase 2 of the reform the government has consulted extensively with all elements of the business community, shareholders, managers, board members and corporate counsels to determine what needs to be changed and how it should be changed.

● (1820)

These consultations have taken several forms. First, Industry Canada began in 1994 to meet business people, investors and corporate counsel across Canada. These were preliminary consultations. From the input Industry Canada received, it could begin to focus on those areas thought by the business community to be in most need of reform.

As a result of these preliminary consultations, nine discussion papers were prepared, examining in considerable detail the issues of the CBCA that were considered to be priorities. These included directors' liability, insider trading, shareholder communication, takeover bids, financial assistance to directors and officers, directors' residency requirements, unanimous shareholder agreements, going private, transactions and technical amendments.

I would have to advise the House, however, that the issue of excessive numbers of directorships was not raised as a concern.

Industry Canada has received a number of responses to the suggested reforms contained in these discussion papers. The department plans to consult with clients once again to discuss the papers in detail. The responses will help the government prepare the amendments to the CBCA.

I would remind the House that Bill C-12 requires the Minister of Industry to submit recommendations on further, more substantive changes to the law to Parliament by June 1997.

Meanwhile, there has been another process of consultation to help focus on the areas where we must reform corporate governance in this country. Members of the Senate committee on banking, trade and commerce recently conducted hearings across the country on ways to reform corporate governance laws and are currently preparing a report. Senator Michael Kirby's committee has met with chief executive officers or chairpersons, board members and investors. These senior representatives of the business community have been asked to discuss corporate governance issues in general and to respond to key strategic questions on the issues under consideration by Industry Canada.

The other place is performing a valuable service in using the skills and knowledge of the senators to help explore the options available to the government in its reform of corporate governance. This is an excellent example of how this House and the other place can work together for a more efficient legislative process.

The result will be legislation that the Minister of Industry will table some time next year. At that time a committee of this House will be able to study the legislation carefully and make its recommendations for amendments. In other words, we have a very thorough process already in place to provide a detailed assessment of the issue that the hon. member from Mississauga South raises in this legislation.

The question of whether there should be limits placed on the number of directorates an individual can hold is a suitable topic for discussion, for Industry Canada's consultations, the inquiries by the other place and eventually by the Standing Committee on industry.

I am confident that the issue will receive the attention it deserves. However, I do not think this is the appropriate time to pass a law that would run counter to the corporate governance practices in other jurisdictions.

Let the hon. member for Mississauga South bring his concerns to the other forums I have mentioned but I do not believe that this House should support this bill.

The Deputy Speaker: Since no further member wishes to speak, the hon. member for Mississauga South may sum up and close the debate. Normally there would be two or three minutes.

Mr. Szabo: Mr. Speaker, I want to thank all hon. members who participated in the debate. It is very important that issues and questions are raised in this place even if there is not a clear understanding of some of the specific points.

However, I would like to address a couple of points that were raised by members. First, a question was raised about the magic of

5 per cent. If somebody held more than 5 per cent equity interest, this would be exempt from the number of companies.

Members will know that the issue of a threshold, whether it is 5, 10, 15 or 20 per cent is not substantive to the bill. The issue is that there must be a point at which one would have sufficient equity interest and that would be subject to amendment. Therefore, it is inconsequential. There is no meaning to 5 per cent. Although on the recommendation of the private members' office, this is consistent with the kind of threshold which has been set for similar bills where there is some involvement. It came as a recommendations from the House of Commons private members' staff.

● (1825)

The second issue was why limit the number of directors to 10 companies? Again 10 is just a number. It could be 15, it could be 20, it could be 100. One thing we can be sure of is that the number cannot be 1,000. Nobody in this place would agree anybody could discharge the responsibilities of a member of the board of directors of 1,000 different corporations in which he did not a hold a 5 per cent or greater interest. If that is the case, the premise of my bill is absolutely correct.

There must be a limit at which one cannot discharge even one's most fundamental responsibilities. If hon. members, the members of the industry committee and the parliamentary secretary from Saskatoon—Dundurn who spoke so very well, have a problem with the number, let us propose a number. We now know it is somewhere between 5 and 1,000. It is subject to amendment.

A good portion of the argument raised by the parliamentary secretary was why is a member raising this issue now because we are in the midst of all this other work. The member is absolutely right. I am here at the wrong time.

I do not have control over when my private member's bill gets elected in the lottery and goes on the Order Paper. It has been there for almost two years. It finally came to the top. I have to take the time when I get it. I understand the point raised by the member but it is beyond my control. I certainly do intend to raise it.

I remind hon. members there is a major major case before the Canadian people, before the department of financial institutions, which has to do with Confederation Life. I have been advised that there is now a lawsuit against a director in the amount of $1 billion. This is a very serious issue. It will no doubt be the subject matter of study, analysis and assessment for many years to come.

I will repeat what I said concerning why this bill came up. I was in attendance at a dinner of the Mississauga Board of Trade. The guest speaker was from the other place. That senator was introduced as a very busy senator of Canada, as the chairman and CEO of one of Canada's largest and most prestigious firms and also the director of 26 different corporations, all at the same time.

When I heard that introduction, although I was impressed, my first reaction was how could one individual who had a senate job, a chairman and CEO job, also discharge all of those responsibilities that everybody is studying because they are so serious? It is a rhetorical question. I do not know whether there is an answer, but it strikes me as odd when even the parliamentary secretary admits that after nine discussion papers, after consultations with business people, investors, corporate councils and everybody else, this issue has not yet been raised.

It gives me great pleasure to have raised this issue for the first time in Bill C-204.

[*Translation*]

The Deputy Speaker: My colleagues, the hour provided for the consideration of private members' business has now expired. This item is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[*English*]

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

PIPELINES

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, earlier this month I asked a question of the Minister of Natural Resources and I received an answer. The answer, though appreciated, hardly goes far enough for my question.

I pointed out that the National Energy Board is holding hearings in Calgary this April on stress corrosion cracking, a dangerous occurrence in Canada's pipelines, and asked what the minister could do to ensure that the Ontario Pipeline Landowners Association could participate in these hearings in the public interest.

I know the minister has tried. As she says in her answer, she communicated with the National Energy Board asking it under the existing regulatory regime to see whether some form of intervenor funding would be possible.

● (1830)

There is no answer, yes it will be, no it will not be. The rest of the answer would suggest that no, there is not. I am not surprised at that because it is not in the act to establish the National Energy Board. We do not have a federal intervener funding policy. We do not have an act to do that and that is why I presented Bill C-229.

''It is important to keep in mind'', the minister says, ''that is not the only thing we can do in the present circumstance''. It provides

the means whereby the Ontario Pipeline Landowners Association or any other interested party in the public interest can appear at these hearings.

The minister went on to say: ''Parties do not go unrepresented before boards such as the National Energy board presently''. We have to take the word ''unrepresented'' in a very broad context. I and the Ontario Pipeline Landowners Association certainly think of it as being present at the hearings.

That is not what will happen. The Ontario Pipeline Landowners Association does thank the minister for allowing it to present written questions. It will get written responses to those questions and then be able to file return arguments at the end of the hearing. Would the board not have made up its mind by the end of the hearing?

The minister went on to say: ''The National Energy Board has gone out of its way in relation to this hearing to ensure that OPLA and other interested public groups have full access to information. For example, we are making available all documents that have been filed, public minutes of the fact finding process and a 1-800 number''.

I have a letter from a gentleman from Edmonton who made a submission to the National Energy Board stress corrosion cracking inquiry as of February 16, 1996. He would not agree that the National Energy Board has gone out of its way in relation to this hearing.

He points out in his submission in general that the approach seems to be that the board wants to learn about the mechanisms of SCC: ''What about hydrogen embrittlement and possible measures to detect and mitigate SCC? The danger here is that the board may focus on optimizing available technology rather than the limitations of available technology and resulting implications for public safety''.

He goes on to point out that maintenance of pipelines is not like the maintenance of other equipment. It is not very easy to dig it up and look at it. One cannot take it into the shop, oil it, change the windings and so on. Therefore preventive maintenance is essentially impossible certainly when dealing with surface cracking and corrosion which attack the outside of the pipe.

''The board has an obligation to protect public safety'', he said, ''not just to show due diligence. The board must consider SCC questions in a much broader context. It is to be hoped that the board will remember the broad context which, after all, is the safety of the public and the landowners, and not be overwhelmed by the siren songs of engineers and industry representatives''.

At the end of his letter he says: ''Included with this letter is the fresh copy you asked for. You may use it any way you like. The NEB requires I provide a copy to each of about 50 other parties, including one other non-business intervener. I faxed the copies after midnight and kept it to one page to hold down my out of pocket expenses''.

Case in point. It takes a good deal of diligence, hard work, some equipment and know how on the part of anyone to intervene in a hearing they cannot be at. It cuts out that most necessary part of such a hearing, the kind of thing that we enjoy in the House, debate. We see the eyes of our questioners and so on.

I am not satisfied that the National Energy Board has done all it can. I hope the shortcomings of this hearing lead to further support for my private member's Bill C-229.

• (1835)

Mrs. Marlene Cowling (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, the member's March 18 question implied that without public funding the interests of pipeline landowners would not be represented at the National Energy Board's upcoming hearing on stress corrosion cracking

With all due respect, this is not the case. The Ontario Pipeline Landowners Association, OPLA, is a registered intervener to the NEB's proceedings and as such receives all documents relating to the hearing. OPLA will participate in the hearing by filing written information requests to the associations which represent Canadian pipeline companies and oil and gas producers. These questions and their answers become part of the hearing record. OPLA will also submit a written final argument which will become part of the hearing record as well.

I remind the hon. member for Oxford that the National Energy Board is more than just a board of members who make up the hearing panel. The board has an extensive expert staff which responds to public interest issues such as those raised by OPLA.

The board has already conducted a consultation round on stress corrosion cracking with the scientific and engineering community. All interveners including OPLA have received the minutes of these consultations. Board staff has also travelled to southwestern Ontario to meet with the OPLA members. In addition it has held meetings with landowners and civic officials in communities in Ontario and Manitoba which have recently experienced pipeline ruptures. As a result the National Energy Board is well aware of landowner concerns.

The board is in regular contact with OPLA and is taking practical administrative and legal steps to facilitate OPLA's participation. For example, the board has relieved OPLA of the normal administrative requirements for parties participating in hearings and performs those functions for OPLA.

The board was also prepared had OPLA opted to present direct evidence to arrange a teleconferencing linkage.

[*Translation*]

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, on March 5, I asked the Minister of Citizenship and Immigration a question regarding the report prepared by the former Deputy Mminister of Justice, Roger Tassé, on the rules and methods for removal of individuals pursuant to the Immigration Act.

This inquiry shows that some Canadian officials gave bribes to foreign authorities so that they would let their own nationals back in, after they had been deported from Canada. These so-called accommodation fees were reimbursed later on by the Department of Citizenship and Immigration.

Considering the seriousness of the allegations, the Bloc Quebecois demanded that the matter be looked into specifically and that a firm, clear and final decision be made to the effect that federal immigration authorities will not, from now on, spend a cent on bribes given by the expulsion officers escorting refugee claimants back to their country of origin.

During the last four years, over 3,600 asylum seekers were deported with an escort in their own country. Instead of committing herself in the way our party requested, the Minister refused to act in this sensitive and complex matter, claiming that nobody ever submitted any concrete evidence that illegal acts had been committed.

I remind the minister that the inquiry was not meant to deal with accusations against individuals, but with procedures and practices in the deportation services.

This issue is serious, and the minister should take immediate action, as requested by the Bloc, by initiating an inquiry and stopping to reimburse bribes paid by her officials.

I would like to take this opportunity, if I may, Mr. Speaker, to pay tribute to a dear friend of mine, Dr. Jorge Abarca, who died in Montreal on March 23 at the age of 55. He was a deeply appreciated, dedicated and outstanding member of the Chilean community in Quebec and Canada.

Like me, he had to leave Chile after the 1973 coup. He first went to Costa Rica with his family before coming to Quebec. He was a very good and a very compassionate physician. We worked together to restore freedom and democracy in Chile. Dr. Abarca helped a lot of Latin Americans who settled here and showed remarkable solidarity with the poor people of Latin America.

He was one of the founding members of the Association des professionnels, des techniciens et des artistes chiliens du Québec. I am sure that the new generations of Canadians and Quebecers of Chilean origin will follow his example.

I express my most sincere condolences to his wife, Dr. Carmen Figueroa, to his two children and to all his family.

[*English*]

Ms. Maria Minna (Parliamentary Secretary to Minister of Citizenship and Immigration Lib.): Mr. Speaker, one has to go a long way and use a great deal of imagination to read into the Tassé report that bribes were being given or at least that Mr. Tassé says that.

Any instances of substantiated illegal or improper behaviour are investigated and acted on by the department officials, but one cannot do investigations just on the basis of allegations. One has to have some proof.

When the Tassé report was released the deputy minister invited anyone with documented allegations of misconduct to come forward. CIC regional directors general will then investigate and appropriately deal with the matter.

Nowhere in the Tassé report is there talk of bribes of officials or of anyone else. As a matter of fact, in the executive summary of the Tassé report, he very clearly states: ''The discussions with removal staff and NGO and legal community representatives were general in nature. For that reason caution should be used to avoid drawing firm conclusions from specific observations outlined in parts 4 and 5 of the report that could not be tested as to their accuracy or reliability because of time and mandate constraints''.

Not only is there nothing in the report about bribes but the author tells us to be cautious in reading some parts of the report.

The government agrees that the immigration enforcement program must be carried out with high standards and professionalism, respect for the person and within the law. Consequently the recommendations contained in Mr. Tassé's report are being given very serious consideration as we renew and revitalize the enforcement function.

Mr. Tassé has many good recommendations in his report. None of them, however, has anything to do with bribes but they have a great deal to do with human relationships, with process and with the way that the enforcement procedure takes place and a way to improve as the renewal program of the department continues.

I would like to suggest that before we continue with this discussion of bribes that we ensure we do not go on a witch hunt of officials but that there be some documented evidence in fact that is occurring in the department.

The Deputy Speaker: The House stands adjourned until 10 o'clock a.m. tomorrow.

(The House adjourned at 6.43 p.m.)

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