



CANADA

House of Commons Debates

VOLUME 134 • NUMBER 085 • 2nd SESSION • 35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Thursday, October 10, 1996

Speaker: The Honourable Gilbert Parent

CONTENTS

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

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

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

HOUSE OF COMMONS

Thursday, October 10, 1996

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

CO-OPERATIVES

Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri-Food, Fisheries and Oceans), Lib.): Mr. Speaker, in recognition of national co-op week from October 13 to 19 and on behalf of the hon. Minister of Agriculture and Agri-Food, minister responsible for co-operatives, I wish to pay tribute to all Canadian who have left us the legacy of a strong co-operative sector and to all those men and women who continue to build on that foundation.

The co-operative is a unique form of business where the best of people and capital meet to address community needs in a democratic fashion.

As community based and democratically controlled organizations whose savings benefit and remain in their local neighbourhoods, co-operatives have contributed to the development of a strong Canadian economy for more than a century.

Co-operatives and credit unions are well recognized for combining economic and social objectives supported by strong corporate citizen behaviour. They offer a proven development model that can assist in our efforts to revitalize rural Canada.

While co-operatives have been historically strong in the agri-food sector, I believe they can play an equally important role in the broader rural economy.

The government has made rural economic renewal a priority. We are committed to forging a renewed partnership with co-operatives to assist them in this effort.

• (1005)

[*Translation*]

The co-operative sector makes a tremendous contribution to Canada's fabric, from building a strong sense of solidarity within a community to becoming a leader for the processing and marketing of many commodities; from breaking ground in financial technology to maintaining a strong base of enthusiastic volunteers.

All together, co-operatives, caisses populaires and credit unions have a membership of approximately 12 million Canadians, provide jobs for 133,000 people, and represent assets of \$143 billion. Over the course of the year, a number of co-operative success stories were collected to demonstrate what can be achieved when concerned and affected people control the identification of priorities, the design of the business plan and the implementation process of a project or program.

The Government of Canada has committed to modernizing its co-operative legislation. The national co-operative associations spent a number of years defining their legislative requirements. A countrywide consultation process on their proposals is currently underway. The Minister of Industry and the Minister of Agriculture and Agri-Food will be looking to the House to support the adoption of a new Co-operatives Act before the end of this parliamentary session. Our co-operatives deserve the best legislative environment to address the new global economy and their need for expanded sources of capital.

In conclusion, I would like to congratulate the millions of Canadians who have made the co-operative sector a vital and growing part of the Canadian economy.

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, it is an honour for me to speak about the national co-op week.

As you probably know, the co-op movement has existed in this country since the beginning of the 19th century. The first co-op was a mutual fire insurance company that had its roots in a rural area. However, at the dawn of the 20th century, co-ops no longer restricted their activities to this sector. Indeed, many co-ops were active in sectors such as egg grading, cream processing and grain marketing. The fact is that, in the agricultural supply and marketing

Routine Proceedings

sectors, co-ops were the primary promoters of the Canadian co-op movement.

In Quebec, the biggest promoter was undoubtedly Alphonse Desjardins who, in 1900, founded the first credit union, in Lévis. As we know, the Mouvement Desjardins is now one of the largest financial institutions in Quebec, with assets totalling several billions of dollars. I would be remiss in not mentioning the base, the foundation of the co-op movement, as well as the spirit that guides it. Mutual help, democracy, fairness, solidarity, equality and autonomy are all values that reflect the co-operative movement and the people that are part of it.

In this national co-op week, I want to pay tribute to all those who believe in the co-op movement, who support it, and who play an active role in it. I simply want to thank them.

At the end of 1993, the number of co-ops in the country was estimated at close to 10,000. Therefore, it makes sense to say that the co-op movement plays an increasingly important role in terms of shaping our society and our lifestyle. Whether it is marketing and supply co-ops, production and service co-ops, or financial co-ops, the economy benefits through co-operation.

• (1010)

In 1993, the business transactions of marketing and supply co-ops totalled over \$8.8 billion. These co-ops had assets worth about \$3.1 billion, and close to \$1.2 billion was financed personally by the members. At the same time, the social solidarity and co-operation generated close to 18,000 full-time jobs.

As a former member of the board of the Caisse populaire of Garthby, and the Caisse populaire of Disraëli, and as former chairman of the board of the Société mutuelle contre les incendies du comté de Wolfe, I am aware of the importance and the strength of the co-op movement.

I should also point out that it is in the riding of Frontenac, which I have the honour of representing, that we find the largest co-op of maple syrup producers in the world. I take this opportunity to pay tribute to its members, on behalf of my voters.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, it is truly a pleasure for me to rise today on behalf of the Reform Party to pay tribute and to recognize people involved in the co-operative movements.

I would like to take this opportunity to congratulate and compliment the pioneers of the co-op movement. I know that many of us in the Reform caucus, at least 15 involved in a farming operation right now in western Canada and others who are just one generation away from the farm, actually know some of the pioneers who started and developed the co-op movement. This movement has

truly been an important part of western Canadian history as it has been for the history of Quebec, Ontario and right across the country.

Co-operatives are a vital economic component of many communities and there are many examples of co-operatives that are leaders in their field. Co-operatives have achieved success in large part because their members and executives are active in the business that the co-operative is involved in. For this reason the boards of directors, so often usually made up of people involved in that particular business, know the business well and make good decisions because of that.

Agriculture co-operatives are as old as the west. I believe because of the farmers directing the co-operative movement and their co-operatives, they will always make the best decisions for the industry. I wish the minister of agriculture would take note of that.

In the presentation the parliamentary secretary did comment on the very positive role of co-operatives, and that role has been particularly positive in agriculture. I wish the minister of agriculture would take his words to heart and apply that belief in the value of a co-operative to the way he deals with the Canadian Wheat Board.

If the Canadian Wheat Board were run much more like a co-operative it would truly represent what farmers want much better. In other words, it would be run by directors who are elected by farmers themselves and the organization would become accountable to farmers. That is really what farmers want with regard to the Canadian Wheat Board more than anything else. Make it more like a co-operative.

Co-ops and credit unions must be congratulated for helping communities develop and improve. They must also be recognized as a player in our economy that has proved competition and has given people another choice, something that makes democracy work very well.

• (1015)

It is with gratitude that on behalf of the Reform Party I acknowledge the accomplishments of co-ops and credit unions. I know all Canadians will encourage them to continue their innovative example of leadership in their own particular business.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 37th report of the Standing Committee on Procedure and House Affairs regarding the associate

membership of some committees. If the House gives its consent, I intend to move concurrence in the 37th report later this day.

* * *

ROYAL CANADIAN MOUNTED POLICE ACT

Mr. Peter Milliken (Kingston and the Islands, Lib.) moved for leave to introduce Bill C-336, an act to amend the Royal Canadian Mounted Police Act.

He said: Mr. Speaker, the annual report of the RCMP public complaints commission in 1989-90 for that financial year recommended a number of changes to the Royal Canadian Mounted Police Act to improve procedural fairness.

I am happy to reintroduce a bill that I introduced in the last Parliament on this subject which incorporates the changes recommended by that commission. It was commended to Parliament at that time and I am happy to have the opportunity to have hon. members vote through these changes now.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if the House gives its consent, I move that the 37th report of the Standing Committee on Procedure and House Affairs presented earlier this day be concurred in.

(Motion agreed to.)

* * *

[Translation]

PETITIONS

THE PARTITION OF QUEBEC

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I have the pleasure to table a petition signed by some of my constituents of Hamilton—Wentworth, who are requesting that, in the event of a Quebec referendum in favour of separation, Parliament partition the province of Quebec to allow Quebecers living in regions where a majority of voters would have expressed the wish to remain within Canada to do so.

[English]

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present two petitions. The first is on taxation of the family. It comes from Geraldton, Ontario.

Routine Proceedings

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. The petitioners therefore pray and call upon Parliament to pursue initiatives to eliminate tax discrimination against families who choose to provide care in the home for preschool children, the chronically ill, the aged or the disabled.

LABELLING OF ALCOHOLIC BEVERAGES

Mr. Paul Szabo (Mississauga South, Lib.): The second petition, Mr. Speaker, concerns labelling of alcoholic beverages and comes from Burlington, Ontario.

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

The petitioners therefore pray and call upon 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.

● (1020)

Mr. Zed: Mr. Speaker, on a point of order, I wonder if with the unanimous consent of the House we might revert to presenting reports from committees. I understand there is another committee report that would be available if the House gave its consent to revert to presenting committee reports.

The Acting Speaker (Mr. Kilger): Does the House give its unanimous consent to revert to presenting reports from committees?

Some hon. members: Agreed.

* * *

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT

Mr. Maurizio Bevilacqua (York North, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Human Resources Development regarding Bill C-35, an act to amend the Canada Labour Code (minimum wage).

* * *

QUESTIONS ON THE ORDER PAPER

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

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

Some hon. members: Agreed.

Government Orders

The Acting Speaker (Mr. Kilger): I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 12 minutes.

GOVERNMENT ORDERS

[English]

CANADA-ISRAEL FREE TRADE AGREEMENT IMPLEMENTATION ACT

The House resumed from October 9 consideration of the motion that Bill C-61, an act to implement the Canada-Israel free trade agreement, be read the second time and referred to a committee.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, this seems to be a busy week for bills dealing with trade issues, unlike the normal situation where about one bill in trade comes forward per year. We happen to have had two this very week.

We are now debating Bill C-61 which implements Canada's free trade agreement with Israel. I have to admit to being a little surprised at seeing this bill because there certainly was not much fanfare heralding its arrival. The Minister for International Trade signed the free trade agreement with Israel in the dead of summer, on July 31, when most people are about as far removed from what is happening federally as they can get.

Other than a brief announcement, I do not recall any signs that the free trade agreement was in the works. I do not recall any news releases, any articles in the press or any calls for consultations with industry groups that might have wanted some input in the process.

Let me be clear that we are not opposed to this bill. We believe that each step made in the direction of trade liberalization is a good one. I am only surprised at the low key, behind closed doors way in which the deal was struck. There should have been more opportunity for input from industry groups.

We are in favour of trade liberalization. I understand the Liberals are now in favour of free trade as well. I compare them to a born again crusade; all of a sudden they have discovered the virtues of free trade and have embraced it with vigour. I do welcome that.

I recall in 1988 they were very much against free trade and campaigned against free trade in the 1993 election, but here we have the Liberals doing their famous flip-flop. They are becoming free traders with all the will and might they can muster. I do think we are going in the right direction and I am glad the Liberals finally saw the light.

One out of three jobs in Canada is created as a result of our exports. Thirty-seven per cent of our GDP is derived from trade.

Growth in the economy has virtually only occurred in the area of exports in the last three years. The domestic side of our economy has been very flat and we do have to credit the growth in our exports as being one way we have been able to grow out of the recession we were in in the early 1990s. I think we are on the right track and I would like to see that continue.

As a matter of fact, I would like to see the next round of the World Trade Organization talks concentrate on further trade liberalization because Canada is in a good position to take advantage of that. We can compete with the best in the world but we have to have the trade rules that back us up and give us the clout in case we have trade harassment.

We have heard a lot about the proposal for the free trade agreement with Chile. There has been a lot of discussion about that agreement being closely patterned after the NAFTA agreement and the potential for that country to eventually enter NAFTA. I welcome that. There has also been talk about the eventual enlargement of NAFTA to join the Mercosur countries of the southern hemisphere to form a free trade area of the Americas. However, with Israel of course we did not hear a word until it happened.

• (1025)

Officials of the Department of Foreign Affairs and International Trade were kind enough to give us a briefing last Tuesday regarding the free trade deal. They explained that this trade agreement is fairly simple. There is really no point in building an elaborate structure for dealing with a relatively small amount of trade.

Our trade with Israel is really a drop in the bucket when compared to our trade flows with other countries; nonetheless it is important. Exports to Israel totalled \$216 million last year, while imports from Israel amounted to \$240 million.

Although we are enjoying a big trade surplus now, essentially it is only with one country, the United States, which is of course our largest trading partner. It disturbs me that we continue to run trade deficits with almost all of our other trading partners. The amount we are talking about is almost the same amount as our trade with Cuba.

It is my understanding that the benefits in this agreement will also be extended to the Palestinians. Under normal circumstances trade flows freely between the West Bank, Gaza and Israel. Even with the present closure between Israel and the occupied territories, one would hope this trade agreement would be extended to the people living in the occupied territories as soon as possible.

I find this agreement interesting because it eliminates all tariffs on almost all industrial goods immediately upon implementation on January 1, 1997. Our free trade agreement with the United

Government Orders

States called for a fairly lengthy phase out period, 10 years on some goods. Fortunately we were going to be there by 1998. But with this agreement we are going to zero tariffs overnight, which is absolutely great.

There are only a couple of exceptions and I am not exactly sure why. Ladies swimsuits at the request of a Canadian swimsuit manufacturer and certain cotton fabrics at the request of Israeli manufacturers will have tariffs for another two and a half years. This will allow the affected companies to adjust to the competition over that period of time.

It is interesting to note that non-tariff barriers for the most part will not be allowed. This is following the lead that has been established at the World Trade Organization.

The agriculture sector, because of sensitivities from both sides, has been somewhat excluded from tariff elimination, although Canada has gained an increase in market access for certain commodities. These include grains, grain products, oilseeds, pulse crops, beef and various processed fish products. I have not had a chance to analyse what this might mean for farmers like myself who grow canola, but I think that any opportunity for access into these countries is a good one for us.

It disturbs me a little that Canada continues to protect our supply management industries with tariffs that are as high as 350 per cent. These tariffs are known around the world as Canada's dirty tariffs. We simply must get into the 21st century and realize that it is not in our best interest to continue to support these. A reasonable phase out time to allow for that to happen is acceptable. We have to start that process. I would like to see it done at the next round of the World Trade Organization talks.

Further trade liberalization is good for Canada. We have been one of the main proponents of trade liberalization. Yet right here at home we continue to restrict access to part of our economy. On the other side of the coin, the United States is using similar tactics to restrict access to Canadian supply management producers that compete head-on with the United States.

I understand that the impetus for concluding a trade agreement with Israel at this time is that our largest competitors in that country, the United States and Europe, have had free trade agreements in place for some time. This will put us on a level playing field.

The dispute settlement process in the agreement is fairly straightforward and it is binding. One of my colleagues who will speak later is quite interested in the whole dispute settlement process and will be examining that in some detail. He is concerned that dispute settlement procedures for international agreements are much better than the procedure we have for disputes between the provinces and Canada. It is very interesting that the Liberal government, once it realized the benefits of free trade, aggressively worked toward signing international agreements on trade.

• (1030)

Where the government has fallen down is that it has not been able to put the same processes in place for trade between our provinces. That continues to cost Canadians somewhere in the area of \$8 billion a year. The fact that we are not able to trade freely within our own country is a real contradiction. We have better trade agreements with our international partners than we have at home. My colleague from Vegreville will be speaking on this subject later today.

Another colleague who is a well respected economist in his own right will talk about bilateral agreements versus multilateral agreements. I know there is a bit of controversy among trade economists whether countries should enter into bilateral agreements. The argument has to do with efficiency and production. The concern is that the most efficient producer, given a situation in which all tariffs are equal, loses business when his competitor in another country moves to a zero tariff with a buyer. Trade is then diverted from the most efficient producer who, unfortunately, still has to add a tariff to his price. When he sells the product to a foreign country he becomes a less efficient producer.

The industrialized world is moving toward free trade with the World Trade Organization. The next round of trade talks will be held in 1998-99. The process is fairly slow, but we are getting there.

The last Uruguay round of the GATT declared there would be an average 36 per cent drop in tariffs over a six-year period. We are now halfway through that period. That is nothing compared to the 100 per cent drop in tariffs which has been achieved through the signing of the Canada-Israel free trade agreement.

Even though these bilateral deals may divert trade from efficient companies to less efficient ones, they also create new trade which did not exist previously.

I believe that bilateral deals are useful in trying out different rules and in testing different approaches. I suggest that the next bilateral agreement which Canada signs should try to up the ante beyond what we have been able to achieve at the World Trade Organization. We should try to get a proper definition for subsidies, countervail and some other things which were not achieved at the last round of World Trade Organization talks.

We in the Reform Party welcome the bill. We believe that trade liberalization is good for Canada. We are a trading country. We have a relatively small population. Only about 10 per cent of the GDP in the United States is derived from exports. In Canada, 37 per cent of our GDP is derived from exports. We need trade very badly. We need further trade liberalization in order for us to compete.

Canada should be a bit more proactive in the bilateral agreements and at the next round of the World Trade Organization talks. We could have used the opportunity with Israel to get an agreement on subsidies. That is what we should be looking at in our next move. Overall I support the bill. I am pleased that in just two

Government Orders

months manufactured goods will travel between our countries on a daily basis duty free.

The Acting Speaker (Mr. Kilger): We will now move to the next stage of debate where member's interventions will be limited to 20 minutes and subject to 10 minutes of questions or comments.

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I am delighted that my colleague opposite is in complete agreement with the initiative put forward by the Minister for International Trade. It shows great foresight.

I do not mean any disrespect by this, but the hon. member, who sits on the international trade committee, has for the last three years applauded all moves which liberalized trade and that increased Canadian business opportunities abroad. Generally speaking, he has been very supportive of the kinds of initiatives that the bill presents. He is unlike many of his Reform colleagues in that regard. We have actually seen eye to eye.

• (1035)

[*Translation*]

I want to stress some aspects of the bilateral relationships between Canada and Israel and remind members here in the House of the speech the minister made last night.

For some time now, Canada and Israel have had an excellent relationship based on shared values and strong bilateral and social ties. Given the current critical situation, we are supporting the efforts made by Israel and its neighbours to achieve a legitimate, global and durable peace in the Middle East.

While Canada was negotiating NAFTA with the United States and Mexico, Israel was increasing its commercial ties by signing free trade agreements with the United States and, more recently, with the European Union, Turkey, the Czech Republic and Slovakia.

[*English*]

While that may have been a great idea for the Israelis, for the Europeans, for the Americans, it put us and our businesses at a slight disadvantage.

[*Translation*]

Trade between Canada and Israel was, however, stagnating. In November 1994, Prime Minister Jean Chrétien and the late Prime Minister of Israel, Yitzhak Rabin, decided to do something about it. The leaders announced the beginning of negotiations that would hopefully lead to a free trade agreement between their two countries.

Last January, Canada and Israel reached a tentative agreement that both governments kept trying to improve upon.

[*English*]

While it would be my intention to applaud not only the foresight of the Prime Minister in this case and the diligent work of the Minister for International Trade, I would be greatly remiss if I did not acknowledge the focus of the individuals involved in the genesis of this idea, the generation of energy that led to its fruition, if I did not also underline the democratic process that led to this deal.

As my colleagues on both sides of the opposition have indicated, this trade deal is one to be lauded, not so much for of its grandeur because it may have some limitations in relation to the kinds of business we do with the United States and other countries, but it is an important and crucial first step. Quite often many of us feel dwarfed by the magnitude of government and by what appears to be the inaccessibility of the decision making process.

If members will allow me a personal reflection, this trade deal was really born out of a desire of entrepreneurs in Canada who saw opportunities emerging in the Middle East, and Israel in particular. They noticed that, notwithstanding all the difficulties that the area was having, because of the enormous influx of immigrants into Israel and because of the initiatives of the Israeli government to reach out and make peace and at the same time establish economic ties with its partners, there was a mini-economic boom.

The Europeans were the first to notice this. Their companies, with the support of their governments, were able to develop a niche market that had started initially with the growth of tourism. It may come as a surprise to most members, but the tourism industry and related industries are at their most potent right in the Middle East, most particularly in and around Israel.

That boom in the tourism industry allowed for enormous demand, much more than the area could supply for such things as furniture, for example, or textiles and clothing but also in the petrochemical and chemical industries.

Our entrepreneurs in the Toronto-Montreal area found that, notwithstanding the competitiveness of their product and the quality of their materials they could not compete with the Europeans or the Americans because of the free trade agreements they had struck with Israel. They asked the then leader of our party, now the current Prime Minister of Canada, if he could address this at a public meeting. The soon to be Prime Minister was asked if he would address this vacuum in Canadian international trade policy. Notwithstanding the dangers that address might put the party in, he promised he would do it. This he did immediately on assuming the

mantle of Prime Minister. We have seen the results. After two years of negotiations we finally have a deal.

• (1040)

As well, many of my constituents who were involved in the initial genesis, the push toward getting government foreign policy and international trade policy to respond to the interests of entrepreneurs in Canada, took every opportunity to remind me as their local member and other members from Toronto and Montreal that this treaty needed to be signed. Not only would it benefit Canadians economically, it would give us indirect access to the European Union. I know my colleague from the Reform Party would appreciate that.

It took a while for people to respond because obviously the details of such a deal had to be worked out. It is a credit to the people who were involved in this. I met them last July when the Minister for International Trade signed with his counterpart, Natan Sharansky in Toronto. Obviously there was some assiduous work to ensure that the deal would take place so that the new bilateral relations between Canada and Israel would work to the advantage of both parties.

Statistics were related by the Minister for International Trade yesterday and repeated by my colleagues from the Bloc and the Reform Party this morning. Trade has already picked up in some areas by as much as 37 per cent and in others by 49 per cent over last year. Such is the impact of the discussions of such a deal. We can anticipate that much more will happen as soon as the agreement has been inked. I am hoping that the House will approve this today following the debate.

In a crucial area like the Middle East, the presence of Canada whose reputation for altruism as seen through its peacekeeping efforts everywhere throughout the world would be a welcome addition. It has no interest except as one that would introduce expertise in the areas of the region that need it most. I pointed to petrochemical industries. The minister pointed to the electronic and agri-products industries.

When we speak of Israel we are speaking of relations with a country which is not much larger than Prince Edward Island and half of it is desert. Most people can develop policy by shouting from one city to another, in the same way that we shout at each other in the House. The place is intimate, the proximity of one market to another is such that most of us would not appreciate the impact for economic secrets.

However, the presence of Canada, not only as a peacekeeper but as a nation of entrepreneurs, that is willing and ready to provide not only its products but also its expertise will provide Canada, the Middle East and particularly Israel an opportunity to see how things can and should work.

Both opposition parties have indicated that they recognize the import of Canada's initiative of strongly promoting that such a deal

Government Orders

also be made available to the Palestinians in the area. I think it is marvellous that the Israelis saw an opportunity for a lasting peace with a Canadian presence on an economic and political basis.

The bill is one that reflects not only what entrepreneurs wanted because it was generated in part by entrepreneurs who saw an opportunity and seized the chance to apprise their government of it and then follow it through together with the bureaucracies of both countries to ensure that legislation would come forward which would cement the ties both were willing to establish.

• (1045)

We have already seen some of the product of that. We have seen some of the flower of that activity. I look forward to a greater, more blossoming economic activity and political participation on both sides.

Mr. Speaker, I thank you and colleagues for their attention. I thank them in particular for their support.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, there is no question that we support free trade and we support bilateral trade agreements that are negotiated by our representatives.

I find it interesting to listen to the hon. member from the government side using such flowing and glowing eloquent language when describing this trade deal, but I wonder about the hypocrisy from the other side.

When the Liberals were in opposition and when they had a leader by the name of John Turner, they ran a whole election campaign which caused me a lot of grief. I had to hold my nose while I voted for the Conservatives because I favoured free trade.

I did not want to vote them in for another session. I did not want them to be here for another four years because they were incompetent. They were running the government very poorly. They were overspending. They promised tax cuts and did they give us tax cuts? They gave us tax increases. They promised integrity in government and what did they give us? They gave us nine cabinet ministers who quit in the first four years.

In opposition they debated how free trade is not good and in the best interests of Canada, and how North American free trade is no good for Canada. We just have to go back into *Hansard*.

John Turner ran a campaign against Brian Mulroney on free trade. That was the issue and the people over there, many who were in that campaign, were against it. Now we have every one of them, including the Prime Minister, saying free trade is great, quote the trade statistics.

Thank goodness we have free trade because that is what is saving their butt in terms of jobs and job creation. The only reason our economy is growing is our trade agreements. That is what is making it grow. Domestic growth is nil. It is next to nothing. There are no jobs in Canada. There are 1.4 million people out of work.

Government Orders

Thank God the jobs that are being created, those 600,000 jobs they brag about, over half of them are probably due to the trade.

What I do not understand is the hypocrisy of politicians who say one thing in opposition and then when they get on the government side they flip-flop. I am not sure if this member has flip-flopped. I am not accusing this member of flip-flopping. I am sure based on his speech, I am positive based on his speech, that he believed in free trade when he was in opposition. He believed in free trade when John Turner was running against it. He believed in free trade all the way. I am sure he did because you cannot use language like that today, having argued against it yesterday.

The hon. member is anxious to get up and I will let him get up, but I want to make a serious comment. I want to repeat it so that everybody understands my point.

My point is why say that you are against something in opposition, then go over to the government and be in favour of it and in such a way that they always believed in it? It does not make sense to me. Thank goodness for the wonderful rebirth of the Liberal Party in terms of understanding the economy of the country and I compliment it for flip-flopping.

Mr. Volpe: Mr. Speaker, I am not accustomed to his phrase flip-flop. It is not part of the thesaurus that I read.

I thank my colleague for pointing out why Canadians decided very decisively in the last election that they could no longer brook the kinds of people that were administering, in fact misadministering, the country.

I am pleased that he realized that this government, this administration, my party, has taken all the appropriate steps to ensure that bad decisions were redimensioned, that adjustment programs were provided, that the direction required for trade deals be appropriately moved so that the benefits to Canada could accrue in an accumulative fashion.

• (1050)

I am glad that he has noted that it has worked. He has pointed already to the impact of increased trade on the domestic economy. For that I thank him. He has pointed to the impact of this administration's approach to world trade, liberalized trade and its impact on the nation's finances. He has pointed to the importance of this kind of growth to the fiscal policies and to the impact on the interest rates which have accrued to Canadians, which is a very immediate and very profound financial impact. For all of these things I thank the member opposite.

I want to thank him as well for recognizing that the country is run by an administration that realizes the importance of a changing world, the dimensions of that kind of change, the impacts of implementations of measures to deal with those changes and to

bring them to a point where Canadians are very much an integral part of a globalized economy, of a globalized political economy, one in which they can look forward to a future with prosperity and growth.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I enjoyed the comments of the parliamentary secretary for health and his recognition that indeed the Liberal Party has finally decided that free trade is an attribute and one that has been very successful in transforming the Canadian economy into one of growth.

As my colleague from Calgary centre has just stated, the domestic economy has not recovered. There still is not the confidence there with consumers but on the trade side, on the export side we have been very aggressive. We have done a good job and there has been tremendous growth.

I know the Liberal Party has done a major conversion here and now they think that free trade is good. Canada generally has been a leader in trying to put together the trade deals that are necessary. As I said earlier, we can compete with anybody on a level playing field but we cannot compete with subsidies from other countries and high tariffs.

At the last round of the GATT talks which the Liberals took over at the very end, they favoured supply management, article XI, which would preserve border closures and stop any product from coming into the country in terms of supply managed farm products. Canada became isolated at those trade talks. We were the only country that finally took that view and continued to take that view although it was not one that was conducive to free trade and it still is not.

We have moved to tariffs now, 350 per cent tariff on butter. Surely for a country that espouses free trade, trade liberalization, and has since after the second world war, are we not in a real contradiction here that we want free trade in other countries, we want access to their markets, but we will not provide it for the supply managed farm industry here at home?

I would like the parliamentary secretary to comment on that question.

Mr. Volpe: Mr. Speaker, I compliment the hon. member from Peace River. He and I sat on the international trade committee and on the foreign affairs committee for about two years. He has been insistent and persistent in his approach in defending the interest he feels he was elected to defend. I say that with no disrespect. It is important that members keep their minds on the issues.

In the course of those debates in that committee he pointed to this issue on more than one occasion. In fact, he was part of a series of studies that the committees undertook and participated in to bring just such issues forward.

Government Orders

The question of adjustments is not one that is going to be answered immediately in one debate in the House, nor dare I say, as we both found, in one committee. He pointed to the fact that Canada found itself isolated but that is part of the negotiating process. We entered into GATT, we entered into the World Trade Organization precisely because we wanted to ensure that the world recognizes certain standards, certain rules for dealing, for trading. We had to defend our own interests until we can find an alternative way to defend those interests.

• (1055)

In the context of those two organizations, we had to negotiate and we continue to negotiate for the interests of Canadians. I do not think we need to apologize for that, notwithstanding the philosophical positions other people have.

If farmers in Canada feel unhappy about the fact that we have defended their interests I would like them to say so. If what the member is saying, that defending our interests runs counter to the philosophical positions espoused by other countries and promoted by other countries to their own interest, that is a discussion that we can have a little later on. However, that is not what I am going to apologize for.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I find the debate that has been going on between our colleagues for the last minutes interesting. It illustrates quite well what my colleague for Terrebonne referred to yesterday, that is, for almost the last three years now, we have been amazed to hear the Liberal government speak in favour of free trade in this House and on at forums around the world, since it was so opposed to the Free Trade Agreement with the United States and, later on, to the North American Free Trade Agreement. Thus, like our colleagues of the Reform Party, we are very happy to see this quite spectacular conversion on the part of our Liberal colleagues.

This being said, I am happy to rise today in this House to speak on Bill C-61, an Act to implement the Canada-Israel Free Trade Agreement.

I must say at the outset that, even though we are critical of the way in which the Liberal government singularly excluded the official opposition from the negotiations along with all the other players interested in expressing their points of view on this matter, the government can be assured of the support of the Bloc Québécois because we are in favour of free trade and globalization of markets, which anyway reflect an irreversible trend in world trade.

After the United States and Mexico, here is a third state, which is a lot farther from our frontiers, that will in all likelihood, in January, 1997, enter the group of countries with which Canada will remove all trade barriers.

The Bloc Québécois favours the establishment of closer ties between Israel and Canada. We think that Quebecers and Canadians can only win from such an agreement, since the free flow of goods and the increased competition promoted by free trade will give our respective peoples access to a larger range of products at better costs. For these reasons, the Bloc Québécois is in favour of this free trade agreement, which, as I said, will allow Canadian businesses to increase their presence in Israel and eventually in other countries in the Near or the Middle East.

This free trade agreement with Israel is designed to eliminate practically all duties on products traded between the two countries. Israel, with a population of 6 million—which, by the way, is just a little smaller than the population of Quebec—will have closer ties to Canada since tariff barriers that have restricted the free movement of goods until now will soon be eliminated.

This bill, which is divided into three parts and includes 62 clauses, will provide, among other things, for the elimination of duties on all industrial products as of January 1, 1997, except for two products for which the elimination of duties will be done more gradually, namely women's bathing suits and certain cotton fabrics.

In addition to those two products, the agreement also provides for a reduction of duties on most agri-food products, except for dairy products as well as egg and poultry products, as agreed by both parties.

This agreement comes just at the right moment to promote trade between Canada and Israel. In 1995, bilateral trade between the two countries reached \$450 million or so, a 37 per cent increase from the previous year. As for Canadian exports to Israel, they stood at \$236 million in 1995, up practically 50 per cent from 1994.

Trade between Canada and Israel has been increasing constantly over the last few years.

This is why the time has come to eliminate the trade barriers between the two countries. As Quebec's Deputy Prime Minister was saying, in October 1995, in a letter to the federal Minister of International Trade, Quebec, and I quote: "[—] has always been a strong defender of freer trade between countries—he was referring to the Free Trade Agreement, the North American Free Trade Agreement, the General Agreement on Tariffs and Trade and the World Trade Organization—and still supports freer trade as an instrument of growth". The Bloc Québécois is in complete agreement with this view.

• (1100)

What is special about the State of Israel is that it is located in a geopolitical context completely different from ours. The history of the Jewish state has not been all peace and tranquillity, for most of the neighbouring Arab countries have been in an official state of war against it since its creation in 1948.

Government Orders

Certain events in the recent history of Israel are more significant than others. For example, the Six Day War that took place in 1967, culminating in Israel's victory over its neighbours, resulted in the occupation of territories that unfortunately has continued right up until the present.

The names of these territories continue to be well known to us today, because they are still at the centre of world news. Naturally, this presence only adds to tensions between Jews and Arabs, because even though Israel withdrew from the Sinai in 1982 and from the Gaza Strip in 1994, it still occupies East Jerusalem, the Golan Heights and the greater part of the West Bank.

However, in spite of the peace process set in motion in Madrid in 1991, followed by the signature of the 1994 accords between Israel and the Palestine Liberation Organization, better known as the PLO, the peace process still has a long way to go.

The tragic assassination of Prime Minister Yitzhak Rabin on November 5, 1995, dealt a disastrous blow to the peace process. This man, whose goal for many years had been to see the people of Israel finally able to live free of conflict, said in his last speech, just moments before being shot down by a young fanatic: "I was a man of war, but today we have a chance at peace. I believe we must take this chance, so deep is our yearning for an end to the conflict".

His assassination led to a deterioration in the situation. Last spring, the repeated suicide bombings by the Hezbollah prompted the Israeli army to carry out air raids and bombing attacks on southern Lebanon. These attacks left over 150 Lebanese dead, most of them civilians.

A few weeks ago, the decision by the new government of Benjamin Netanyahu to reopen the underground gallery leading to the site of the Al-Aqsar Mosque, the third most sacred Islamic religious site, led to riots in which some fifty Palestinians and some fifteen Israelis were killed. We sincerely hope that Prime Minister Netanyahu will re-examine his current hard line with respect to Palestinian autonomy.

It may be worthwhile to point out that the present Canadian government constantly maintains that human rights are promoted through trade links. Yet, the state of Israel has already signed a free trade agreement with the United States, in 1985, followed by a similar one with the European Union in 1988, and now with Canada. But have we seen any improvement in the situation? No.

We believe that the Israeli government ought now to be seeking solutions for reconciliation with the Palestinian authorities. After all, is politics not the art of compromise? Speaking of compromise, it would certainly be worth while to explore the possibility of expanding this free trade agreement to the Palestinians living in the occupied territories.

The first step would, of course, be to obtain the go-ahead from the Palestinian authorities, in order to have the assurance that their inclusion in an Israel-Canada treaty was indeed what they wanted. It is possible that, expansion of the agreement to include the Palestinians would result in increased employment in the occupied territories, which might eventually contribute to stabilizing the social climate.

The negotiations leading to the signature of this agreement were held throughout this entire troubled period. They began in November 1994, and ran until January 1996, and led to an agreement signed by the Minister of International Trade for Canada and the Israeli Minister of Trade and Industry, on July 31, 1996.

As the party forming the official opposition, we have difficulty accepting that virtually the entire process leading to this agreement was held in secret, with no public debate whatsoever. It is understandable that the negotiating process itself needs to be carried out behind closed doors, that is natural. We know that the negotiators are faced with a tough job and have to negotiate many pitfalls and obstacles, but we would appreciate progress reports on the negotiations.

• (1105)

Now we are not asking for parliamentarians to be present at the negotiating table, but we do believe that in a democracy, it is important to avoid any systematic exclusion of those who represent the people.

Remember that the most important issue in the 1988 election was the free trade agreement between Canada and the United States, to which the Liberals were opposed. Many groups that knew they would be affected by the agreement could therefore take part in the debate.

It was by defending their points of view and by making representations to the political authorities, that stakeholders, company directors and spokespersons for community and environmental groups were able to influence the tenor of the clauses included in the agreement before it was signed.

During the negotiations leading up to the North American Free Trade Agreement, the unions took a position on labour-related issues and expressed their fears about NAFTA. Environmental groups also expressed their concerns about environmental issues. Although the results were not satisfactory to all stakeholders, the fact remains that before the agreement was signed in December 1992, there had been had a major debate in the public arena.

The treaty dealt with in the bill before the House today has now been signed. Negotiations have been finalized and nothing can be changed. Without repeated interventions by the official opposition, which managed to draw the government's attention to the problems that such an agreement would represent for the lingerie and bathing

suit industry in Quebec, decisions that would have had a disastrous impact on this sector might have been made.

In fact, this industry would have been in serious jeopardy, since the State of Israel imports its fabrics from the European Union duty free, which it gives it a competitive edge on Quebec and Canadian markets. If we had not raised this issue in the House in November 1995, it is not certain that the negotiators would have been aware of the problem. And perhaps hundreds of jobs would have been lost in the process, especially in Quebec.

Canada is now busy negotiating free trade treaties right and left. We approve of the opening up of this country to various markets, but it is absolutely necessary to review the process leading up to the signing of these agreements.

The bathing suit issue is only one example of the potentially negative consequences of an agreement negotiated without public consultation. Although the agreement with Israel has already been signed, there is still time to improve the process for future free trade agreements being considered by this government. We are thinking for instance of current negotiations taking place between Canada and Chile, which are to lead to the signing of an agreement on or about November 15 this year.

Officials at Foreign Affairs and International Trade have given us the assurance that information on these negotiations will be made available to us. We can only hope that the ministers responsible for Foreign Affairs and International Trade are prepared to give their approval for the release of such information.

It is imperative to prevent a recurrence of this kind of situation, so that the opposition can do its job properly. Such a cavalier attitude on the part of the government is troubling, especially because the government knew quite well it could count on the support of opposition parties. Why persist in infuriating opposition parties when we could have presented the picture of a solid consensus to our trading partners?

If the government really wants open and transparent debates, it should practice openness and transparency itself. Otherwise, we will have to conclude, as it is the case now, that it prefers secrecy and obscurity. I plan to demonstrate the extent of this government's pettiness and inordinate mysteriousness with the official opposition on this whole issue.

Last April 25, during a special session of the Standing Committee on Foreign Affairs and International Trade on Israeli bombardments in South Lebanon, I conveyed to department representatives my reservations concerning the negotiations on free trade with Israel when it was bombarding civilian populations and openly crossing the internationally recognized borders of another independent country.

One official of the department replied that negotiations were interrupted pending the election of a new government in Israel. That statement seemed confirmed later on by replies we received

Government Orders

from the Office of the Minister of International Trade. In fact, in May and June, we called the office of the minister a few times to find out when the negotiations would end and when the agreement would be signed and we were always told that the agreement was to be signed only in January 1997.

• (1110)

And yet, a few weeks ago—on September 19, to be exact—the Parliamentary Secretary to the Minister of Foreign Affairs informed the committee members that the agreement had been ready to be signed since March, and that the official signing, which was to have taken place during a visit of the Prime Minister of Israel in Canada, had been postponed because of the elections in Israel. This is what we are criticizing.

It would appear that the agreement with Chile will be much more exhaustive than the one before us today. The agreement with Chile is supposed to be modelled on NAFTA. Since it will be more encompassing, there are many issues which would have been interesting to raise with Chile prior to promoting the agreement. Cases in point are standards regarding the environment, labour in general and child labour, in particular. The agreement with Israel is limited to goods and, as such, does not include services or investments.

Last week, we met with Oxfam Canada representatives who told us how concerned they were with the lack of protection on social issues negotiations seem to be leading to.

According to this organization, the agreement, the content of which will be made public when it is signed, around November 15, will undoubtedly not contain stringent enough rules on the environment and labour.

Even though Chile is undergoing tremendous economic growth, too many of its citizens still live in poverty as a result of the polarization of wealth. Therefore, it would have been desirable, both for Chile's sake and Canada's, that these issues be looked at more carefully. This is why it would be important to know how the negotiations are going prior to the House being presented with a bill implementing the agreement.

At least Bill C-61 before us today has the merit of stimulating exports and levelling the playing field for our companies competing with American and European firms, which have benefited from preferential access to the Israeli market for some time now.

The Bloc Québécois, therefore, will support this bill to implement a free trade agreement with Israel, while condemning the fact that the elected representatives in this House were kept in the dark with regard to the negotiations and the issues raised during the discussions. It is not by hiding each of the negotiating steps leading to the conclusion of such important treaties that we will be able to reasonably debate the themes and issues that will affect the daily lives of our fellow countrymen.

Government Orders

That is why, as I said earlier, the Departments of Foreign Affairs and International Trade should keep the members of this House informed of the status of negotiations, if we are to have an informed and responsible debate. Our position regarding Bill C-61, which goes in the same direction as the government's, shows once again how serious our party is when it comes to the interests of our constituents and their willingness to promote entrepreneurship.

In conclusion, let me quote a short excerpt from the dissenting opinion the Bloc Québécois gave in November 1994, during the review of Canada's foreign policy: "Quebecers are not protectionists. They have shown it by strongly supporting the free trade agreement, the North American free trade agreement and the Uruguay round of GATT talks. Must we remind the House that Quebec's determination was the spearhead of the free trade movement in the 1980s? Far from seeing Quebec's sovereignist movement as a withdrawal into itself in response to economic globalization, we perceive it as an openness to the world".

[English]

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I would like to thank my colleague for some excellent remarks.

I would like to draw his attention to something that was said by the minister in his speech yesterday. I quote from *Hansard*. The minister said in reference to the free trade agreement: "Why Israel? Israel and Canada have long enjoyed close relations. Our relationship is rooted in common values and shared democratic beliefs, the belief in freedom and the dignity of the individual".

Yet we have a new regime in Israel under Mr. Netanyahu which has taken a very hard line with respect to the peace process, a very hard line with respect to the Palestinians. We have seen an outburst of violence on the West Bank.

I would like to ask my colleague whether he thinks, in supporting Bill C-61 which in essence ratifies the free trade agreement, we also endorse the policies of Mr. Netanyahu with respect to the Palestinians on the West Bank.

• (1115)

[Translation]

Mr. Bergeron: Mr. Speaker, I think my hon. colleague has just asked me a very important question. I touched on this matter in my speech.

Last spring, we in the Standing Committee on Foreign Affairs and International Trade had a special meeting on the Israeli bombing in southern Lebanon. We were concerned at the time about the Canadian government beginning or pursuing free trade negotiations with the state of Israel, which was then bombing civilian populations in southern Lebanon and openly violating the

internationally recognized borders of another sovereign state, Lebanon. We asked officials in these departments if they intended to suspend negotiations. All they said was that negotiations were suspended anyway, since they were waiting for the results of the Israeli election.

We then found out that negotiations had not been suspended, that the agreement was in fact ready for signing as early as March. This shows the government's contempt, if I may use this word, for the members of this House and the committee, as we should never have been told negotiations had been suspended when the agreement was in fact ready to be signed.

We did express reservations about the signing of this free trade agreement with Israel, given the Israeli government's somewhat intransigent attitude toward the Arab populations both within and beyond its borders.

This is why we ask that this agreement be extended to the Palestinian populations of the occupied territories, in the hope that this will eventually improve their economic situation. We also want to improve the social climate in the Israeli occupied territories.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I have a question for the Bloc member.

[English]

I have been dying to ask this member a question because I have a concern. This is a trade agreement and he knows full well that, as my colleague mentioned earlier, there is a protective tariff system in effect in this country, especially with subsidizing the dairy industry in Quebec.

We pay over and above the next lowest price we could get our dairy products for, 350 per cent supply management tariff. We subsidize that product in Quebec. It is a huge component of Quebec's economy.

The member was sent to this House by the people of his constituency to break this country up. The people in his riding say they want to go on their own and they want him to fight for that. They also say they will be better off once they leave and that they will not have to pay for this expensive overhead that Ottawa generates. They will be able to do it better themselves and economically they will be better off. The people his riding think they will be better off if they separate. A large component of their industry is the dairy industry which is subsidized by consumers across Canada, including Quebecers.

Does he believe that if Quebec separates we are going to continue to buy our product at a 350 per cent subsidized price from the province of Quebec, from the new country of Quebec or whatever it will be called?

Government Orders

I feel that the issue of trade, of economics and of separation can be reduced to a simple argument which may be a reality that might sink in to the people of his riding as to the cost of separation, to whether the burden of proof should be on the separatists to prove to the people of Quebec that they will be better off in trade after separation.

• (1120)

The Liberal member earlier asked why Israel. I ask, after separation why Quebec? We can get our product from ourselves. We can be the dairy industry to the rest of Canada. We can get it from the United States. They will become a competitor. Competition creates the best marketplace. The competition will reduce the revenue to the people in Quebec and Quebecers will have to compete. They will no longer be subsidized. The reality is they will be worse off. Would the hon. member like to comment on that subsidy?

[*Translation*]

Mr. Bergeron: Mr. Speaker, I was wondering if the hon. member would finally give me the opportunity to answer the question which he has been dying to ask me for such a long time. Since he had several minutes to keep repeating his question, I hope you will give me a few minutes to keep repeating my answer.

First, I must point out that it is not proper to use the current debate on the free trade agreement between Canada and Israel to settle accounts relating to the constitutional issue. We will have ample opportunity, during other debates in this House and in other forums, to settle our accounts regarding the constitutional issue.

That being said, I am pleased to answer the hon. member's question. His question is not only inappropriate, it is also insidious and, in my opinion, it shows the member's lack of knowledge of the supply management system, in Canada and in Quebec, for agricultural products.

To be sure, Quebec's dairy industry is largely subsidized by the federal government, but the member should also know that the egg and poultry industries are also largely subsidized. And, while Quebec is a major producer of dairy products, it is not one of the major producers of eggs and poultry in Canada.

Therefore, should the supply management system be eliminated, Quebec would lose, but so would Ontario and other Canadian provinces.

Again, the member's question indicates a lack of knowledge of Canada's supply management system, but I will say no more.

[*English*]

Mr. Silye: Mr. Speaker, I would like to point out that I do not fail to grasp this issue. I do understand this issue. It is the consumers I

am talking about, the people who buy the product. They are the losers right now and they would be the winners. I understand the system.

[*Translation*]

Mr. Bergeron: Mr. Speaker, I do not share this view, otherwise I would not have spent the last three years praising the virtues of sovereignty in this House. I feel that, in the middle and long term, Quebec would benefit from being a sovereign state, and that Canada and Quebec could mutually benefit from it.

Why continue to spend so much energy arguing on issues that divide us, instead of trying to work together, in a new partnership, on the issues that unite us? I put the question.

[*English*]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure today to speak on Bill C-61, the Canada-Israeli free trade agreement.

We in the Reform Party approve of bilateral trade agreements on the basis that they will strengthen the existing World Trade Organization.

I know my colleague for Peace River has some very good ideas on this and he would certainly be happy to advise the government on various new initiatives it should undertake.

A larger issue with respect to the Middle East is the security issue that threatens trade agreements and threatens the security not only between Israel and Palestine but the regional security which exists there which will have a huge impact on world economy.

• (1125)

Currently the peace process is in disarray. There is a possibility it will fall apart. The Israelis and the Palestinians are polarized. We have a very important window of opportunity to help build bridges between the two groups.

After Mr. Netanyahu was elected it seemed that the Likud Party was pulled away from the work which was done by Mr. Netanyahu's predecessor, Mr. Shimon Peres.

On the other side, it did not take much for Mr. Arafat and the Palestinian authority to pull away from the peace agreement.

Both groups have to realize that their fates are intimately entwined. History, geography and the future will not separate them.

The conditions in the Palestinian autonomous areas are absolutely appalling. It is no wonder that terrorism has stemmed from these areas. It reflects the sheer frustration, anxiety and fear of these people. For example, in the Gaza Strip unemployment is over 70 per cent. That breeds desperate people and desperate people often resort to violence.

Government Orders

I would humbly suggest that economics is partly responsible for this situation. We have an opportunity through the free trade agreement with Israel to place conditions on how the Israelis will engage with the Palestinians in Palestinian autonomous areas. It should not be done in a heavy handed way, but in a coercive way for the betterment of both groups. The outcome of that will be improved chances for peace for all people.

If we can do that we will cut the legs out from the radical elements of Hamas that are responsible for the bombings that took place in Tel Aviv. It will cut the legs out from grassroots support for Hezbollah. It will cut the grassroots support for the Islamic Jihad. The only way to do that is to offer the Palestinian people in the autonomous regions some element of economic emancipation. Hamas has received support by providing schools, medical care and economic opportunities for these desperate people who are crying for improvement in their appalling situation.

I would encourage the government to find ways to work with the Israeli and Palestinian authorities to improve their bilateral economic agreements.

I would also suggest that the closure of the West Bank and the Gaza Strip must end. It must end in conjunction with agreements from Mr. Arafat and the Palestinian authority that they will make swift, decisive and effective moves against terrorism in their areas. They cannot have it both ways. If the Palestinian authority is going to preach peace, it must act in a peaceful way. It will be painful, but it will have to act with its own people. Only by doing that will the Palestinians be able to achieve the respect and trust of the Likud Party and Mr. Netanyahu.

On the other hand, Mr. Netanyahu has to stop closing down the West Bank and the Gaza Strip so freely and, at times, unfairly. That polarizes the Palestinian people and grassroot support wanes.

We must also pursue avenues to improve the education system in the Palestinian autonomous areas, the economics and also the infrastructure development which will be required. In order to do this there has to be a radical shift. We cannot continue to have this polarization between both groups.

• (1130)

A few of the key players are going to have to be brought to the table. A key in the Middle East peace process is Hafez al-Assad of Syria. One of the great failings is that Mr. Assad has not been brought to the table with Mr. Netanyahu or his predecessor and with the King of Jordan and hopefully Mr. Mubarak of Egypt.

If these people can be brought to the table face to face then we are going to see some action. Mr. Assad controls Syria. He also has a huge sway in what happens on the northern border of Israel with Hezbollah. Israel is only going to feel secure on her northern

boundary if the activities of Hezbollah are removed and the key to that is Mr. Assad.

Mr. Assad's intermediaries are not going to call the shots. We are not going to get any significant advancement in the peace process without Mr. Assad himself sitting down face to face with Mr. Netanyahu, King Hussein of Jordan, Mr. Mubarak and of course Mr. Arafat.

Another aspect is Jerusalem, an extremely sore spot. It eludes me as to why this area, the seat of so many religions of the world, this exquisitely beautiful area which all of us in this House and billions of people around the world have such a connection to, is the seed of such rancour and animosity and the root provocation of so much killing. It is completely opposed—I do not care whether they are Muslims, Christians or Jews, that is not what Jerusalem has ever been about or should be about. It is not what Jerusalem stands for.

A possible solution, because the groups are actually polarizing quite dramatically with Jerusalem, is to put it under UN protection. If the groups are not willing to share in Jerusalem, as right now they are not prepared to do, then the United Nations has to try to get tacit support from them to make Jerusalem a protected zone for the world, for all religions and for all people who follow those religions and have a spiritual connection with that beautiful city.

My other point is on the whole aspect of the Palestinian autonomous areas and settlements. It is an absolute provocation for the Israeli government to continue to support settlements in the Palestinian autonomous areas. It is a slap in the face to the Palestinian authority and a slap in the face to the Palestinian people. It polarizes them dramatically and is only an act of provocation.

The first thing the Israelis ought to do, and Canada can take a coercive role in this, is to: one, stop immediately all new building of Israeli settlements in Palestinian autonomous regions; two, remove some of those settlements out of the Palestinian autonomous regions and there will be some kind of trust again from the Palestinian people. The Palestinian authority must also provide assurances to the Government of Israel that terrorist activities are going to cease and desist. They will not but they must at least take an active role with the Israeli defence forces to come down on these extreme groups that are causing havoc in the whole peace process.

Another factor which not many people are talking about and which in the long run overshadows much of what can take place in the Middle East is water. There is very little potable water left in the Middle East. Those water levels are going down dramatically. It may not sound like very much but if human beings cannot drink water, they will not live there. If there is no water, they cannot grow crops. If crops cannot be grown in these areas, there are not going to be settlements. This is a problem that affects not only Israel and

Government Orders

the Palestinian people but it also affects Jordan and to a lesser extent Syria.

Here is an opportunity for Canada to get groups of hydrologists together with other hydrology specialists in the world to help the Middle East try to maximize the water available and to improve the conservation and the development of the water tables that exist there. No matter what we do, if there is no water in the future, there simply is not going to be any people who wish to live there.

• (1135)

I will close by saying that historically we have had two sides in the polarization. They have come together in a narrow window of opportunity and with great hope for the world in the peace process that took place in conjunction with the Americans.

Sadly, what has happened since the last election is that the two groups are polarizing. They must realize that their fates again are intimately entwined. Perhaps they cannot live together in the same country. I think that is probably what is going to happen, but at least let them live side by side in peace and then develop economic co-operation between both groups. If those economic bridges develop, then peace will develop and the decades of mistrust and hatred are going to peel away, albeit slowly.

There is a saying in the Middle East that peace is when a son buries his father and war is when a father buries his son. I hope for all the people of the Middle East that there will be far fewer fathers burying their sons. I also hope that Canada can take her role with the other members of the international community to develop in co-operation to bring peace to this much troubled area.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I thought the member wandered a little bit off the mark in the sense that the free trade agreement with Israel has already been signed. All that is left is for this Parliament to endorse that deal. It cannot be changed as it stands at the moment.

I am very proud of this country and especially this Parliament for the way in which we exchange very differing ideas in a spirit of tolerance of one another's views and a great respect for the dignity and rights of others, regardless that perhaps some of the members may even seek to break up the country. Yet, we respect the dignity of one another.

My problem is that there is a new regime in Israel that has set a new mark for Israel in terms of respect for human rights and human dignity by embarking on a hard line approach to the Palestinians. As the member has stated, it is a provocation and has led to deaths in the Middle East, mainly of Palestinians.

I would like to repeat a question for the member which I had put to the member for Verchères, who I did not feel answered it very directly. Does the member feel that if this Parliament endorses this free trade agreement, are we at the same time endorsing the hard line attitude of Mr. Netanyahu toward the Palestinians? Are we endorsing his view of human rights and respect for human dignity?

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I thank my hon. friend from the Liberal Party for his very astute question.

Although we support this bill, I believe there is an inherent danger in the bill's being perceived as an endorsement for Mr. Netanyahu and the Likud party's hard line approach with the Palestinian people. That is why it is imperative for us to make clarifications.

We should through this bill strongly support and coerce the Israeli government to engage in serious economic activities to improve the health and welfare of the people who exist in the Palestinian autonomous areas and in particular the terrible and profoundly disgusting conditions that exist in the Palestinian camps. If anyone were to visit them, they would be absolutely shocked. Therein lies the danger and the opportunity.

• (1140)

That is why I would strongly encourage our government to make it very clear to the Government of Israel that we as a country do not support this hard line attitude; we do not support the prevention of Palestinians from moving into Israel from the West Bank and the Gaza Strip; and we do not support the continued atrocious and appalling conditions that exist in the Palestinian camps and in the Palestinian autonomous areas.

We strongly demand that, together with Mr. Arafat and the other Middle East leaders, Prime Minister Netanyahu engage in co-operative efforts to improve the economic situation that exists in these areas. Therein lies the hope for peace.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I am pleased to speak on Bill C-61, the bill which implements the Canada-Israel free trade agreement.

This agreement should benefit many Canadian businesses and many Canadians. It means job creation which must be a top priority for anybody in this House. This agreement applies especially to the areas of agriculture and grain products, high tech communications, natural resources and the manufacturing sector. It is important for Canada to promote more open and fair trade with all countries around the world. We would not find much argument in this House with regard to that statement.

Government Orders

My concern lies in the fact that it seems like too much of this government's energy on balance goes to seeking out trade with other countries and too little energy goes to seeking free trade within Canada.

Canada's international trade amounts to about \$160 billion a year. It is a large part of the Canadian economy, so it is important. I want to make it clear that it is important to encourage free trade with other countries. Since the Canada-U.S. trade deals have been put in place, our trade surplus with the United States has increased dramatically. It has been good for Canadians. Deals like the Canada-Israeli agreement, though much smaller, are still important.

My concern is the lack of balance in the government's policy. While foreign trade amounts to about \$160 billion a year, trade between provinces amounts to \$146 billion a year. How often have we heard this government or the official opposition talk about the importance of removing the barriers to interprovincial trade? The balance is not there.

Our Prime Minister goes on world tours to places like China, Chile and so on. He makes a big show of signing contracts in other countries. When he does this it probably plays well to the folks back home. I acknowledge it is important for the Prime Minister to perform this function but again, where is the balance?

The Liberals in this government, in throne speeches, in budget speeches, in reports from committees—I could mention many different key documents which this government has presented in the House and outside of the House—have stated that it is a top priority to deal with the problem of internal trade barriers, barriers in trade between provinces.

Last year the finance committee released a prebudget report on interprovincial trade which stated: "Trade in Canada must be placed on an equal footing with Canada-U.S. trade in terms of the free flow of goods and services". I am sure the committee would have expanded this statement to include deals between Israel and Canada. Government members acknowledge that interprovincial trade should at least be placed on an equal footing with international trade. Unfortunately, their words do not coincide with their actions.

There was only one action the government did take. In 1994 it signed the agreement on internal trade. It was a start but many different sections of that agreement were to be completed later by set dates in the future. Not one of these targets has been met.

• (1145)

While this government deals with agreements such as this to some extent, it has completely failed to do anything substantial to remove the barriers to interprovincial trade. Yet interprovincial trade amounts to almost as much as international trade. Where is the balance? It is important that that balance is restored.

The government, rather than follow the recommendations of its own throne speeches, its own budget speeches, has not treated with interprovincial trade with the kind of importance that it should have. As a result, some very unsettling situations are building in this country. We have, for example, the problem between Quebec and Newfoundland with the Churchill Falls hydro deal.

If the section on energy in the agreement on internal trade had been completed as was promised by the government, while it would not deal with the current Churchill Falls hydro contract, it certainly would allow the new lower Churchill Falls project, which is critical to the future development of Labrador and Newfoundland, to go through. I am not talking about renegotiating a current contract, I am talking about allowing the development of the lower Churchill Falls project, a brand new hydro contract, which would really help in the development of Newfoundland. It would provide much needed jobs not just from the development project itself but from the development of Voisey's Bay, for example, and other developments in Newfoundland down the road.

The neglect of this agreement has led to that kind of disaster. Quebecers are fair people. They are people of integrity. When they think of holding back Labrador and Newfoundland's development, the people of Quebec would not feel kindly about that. They want the best for Labrador and Newfoundland. That is just one of the areas that has been neglected. The balance is not there between internal trade and foreign trade.

Second is the dispute that has arisen between New Brunswick and British Columbia with the United Parcel Service workers moving to New Brunswick. If the agreement on internal trade had been completed on schedule and if the proper degree of importance had been placed on that deal, then this dispute would never have arisen.

If this dispute or another one had come up and a proper dispute settlement mechanism had been put in place then this dispute settlement mechanism could have dealt with this very serious problem, which actually threatens to take British Columbia out of the internal trade agreement altogether. That would be a very sad day for this country and for British Columbia.

The third major problem that has resulted from the lack of action on the part of the government in removing internal trade barriers is the dispute between Quebec and Ontario on moving labour and contracting back and forth between the two provinces. This dispute has been brewing and getting bigger and more threatening over the last few months. We saw sand, manure, other things dumped on bridges between Ontario and Quebec. Today, as I speak, a rally is being planned by the construction workers in Ottawa at the Delta Hotel—I am not sure about the location—and construction workers are not going to let this issue die. Ontario construction workers are concerned because while Quebec workers and contractors are allowed to freely come to Ontario, Ontario workers and contractors

Government Orders

are not allowed the same access to Quebec. I think it is very important for Quebecers to think about this situation.

• (1150)

The government of Ontario is threatening very serious trade action which would restrict the movement of Quebec workers and contractors into the Ontario market. The Ontario legislature is seriously moving in the direction of putting up a wall so that trade will not go freely either way. That means Quebecers, many of whom are now working in Ontario, will be denied access to Ontario jobs.

Why has this very serious situation arisen? It is because of the lack of action on the part of the government to finish the agreement on internal trade and remove the barriers to interprovincial trade. There is no leadership from the government in this area.

What does this lack of leadership cost Canadians? According to the Fraser Institute and other think tanks, it costs Canadians between \$6 billion and \$10 billion a year in lost income. This is very serious. According to the Fraser Institute it costs the average Canadian family about \$3,500 a year in lost income, all because the government has not put the priority on interprovincial trade that it has put on foreign trade.

Bills such as this one today are important. I acknowledge that. But why on earth not have a bill tomorrow which will deal with the barriers between provinces in a serious and substantial way? This is very important. It is so important that the Canadian Chamber of Commerce came out with a substantial report on this issue. It estimated that a 10 per cent increase in interprovincial trade would add 200,000 new jobs in Canada.

Instead of moving in that direction, within a couple of blocks of the House of Commons a rally is being planned by construction workers who are frustrated because the government has not taken the action it should have to remove barriers to free labour movement and to be able to conduct business openly and freely between provinces. This is a serious situation.

It really surprises me that the industry minister who is in charge of the agreement on internal trade has been completely silent while right in his own constituency in Ottawa, Ontario workers are being denied access to jobs across the river in Hull and Gatineau because of the barriers thrown up by Quebec. It is a sad situation.

There are Liberal members in the government who represent people in Hull and Gatineau. Why are they not speaking out on this issue? If they do not act very quickly and very soon, the Ontario government will close the border, build a wall and there will be no free movement of labour or business between Ontario and Quebec

at all. It has come to the point where that decision could be made very soon. Where is the government in dealing with the problem right in its own backyard?

• (1155)

The government should be ashamed. It has to focus on this. It has to look at the balance and the importance between interprovincial trade and international trade. It has to realize its importance to the Canadian economy are very similar, speak out on this issue, solve the problem that is being demonstrated very clearly right here in this city and finish the agreement on internal trade. It has to put in place a dispute settlement mechanism and at least give Canadians the same kind of freedom in doing business with another province as it has between Canada and other countries.

The sad reality for many business people in certain parts of the country is that they actually have easier and more open access to the United States than they do to other provinces. That is sad and action must be taken on this. It is very urgent right now because of the serious situations building across the country.

Pitting one province against another certainly does nothing to help national unity. Pitting Ontario against Quebec does nothing to help national unity. Pitting British Columbia against New Brunswick does nothing to help national unity. Pitting Quebec against Newfoundland and Labrador does nothing to help national unity.

Why has this issue of removing interprovincial trade barrier not been given the importance that it should be given? It is important to people in every single province in this country. It could mean a 10 per cent increase in interprovincial trade. According to the Canadian Chamber of Commerce it could mean 200,000 jobs or more, \$3,500 added to each family household income, a \$6 billion to \$10 billion increase in income to Canadians. All of this could be achieved if the same importance were given to interprovincial trade as has been given to international trade and if these barriers are removed as quickly as possible.

I would like to more than encourage the government, I would like to push it, in particular the industry minister, to deal with the issue and allow the free movement of people, goods and services between provinces, and allow those 200,000 jobs to be added in Canada.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I concur with the member that it is very important to deal with interprovincial trade matters. There are certainly some opportunities there but that is not the subject matter of the bill and it is not a bilateral agreement that we have with the provinces. We are talking here of a bilateral agreement and the speech was really not much

Government Orders

about the bill. If I may I would like to make a couple of comments about what bill this is and ask the member a question.

We are speaking on Bill C-61 put forward by the Minister for International Trade, an act to implement the Canada-Israel free trade agreement. In brief the main elements are: first, tariffs will be removed from industrial products of Canadian or Israeli origin beginning January 1, 1997; second, duty free access or low duties will be applied to a variety of agricultural and fisheries products exported to both countries; finally, to resolve any disputes under the agreement both countries have agreed to be governed by a binding dispute settlement process.

This bilateral trade agreement is extremely important to Canada. For many years Canada and Israel have had excellent relations based on shared values and strong political and social bonds. To give an idea of dimensions, in 1995 the two way trade exceeded \$450 million, an increase of 37 per cent over 1994. Canadian exports totalled \$216 million in 1995, up 49 per cent from 1994. In terms of the trade the other way, Canadian imports from Israel were worth \$240.8 million in 1995, a 32 per cent increase on 1994. These are very significant.

• (1200)

Earlier this day the member from Peace River gave a speech in which he developed a theme which has been coming along about how the government has been slow and why is this such a secretive process and how come this government has not made this an issue and why is it not in the forefront of what is going on.

The facts are that in November 1994 the leaders of Canada and Israel announced the opening of negotiations for this bilateral free trade agreement. On January 12, 1996 Canadian and Israeli officials reached a tentative agreement leading to the formal signing of a free trade agreement in Toronto, during the visit of the minister of industry and trade, of both the state of Israel and Canada.

The facts are that the government has proactively pursued bilateral trade agreements for the benefits of Canada. This government has done its job in this regard.

Does the hon. member not believe that if interprovincial trade within Canada is such an important issue that it would be more important for us now rather than to deal with partisan issues and to ignore the bill to move this bill forward quickly so this House would have more time to talk about further important initiatives? It is time to get the priorities straight. I ask the member, could he stop wasting the House's time and start dealing with the legislation before the House?

Mr. Benoit: Mr. Speaker, the member talked about the partisan use of time. If that was not just as partisan a statement as we could find, I would like to see the other one that comes close to matching it.

The day he calls the removal of interprovincial trade barriers a partisan issue it is a sad day in this House. It is an issue that affects

all Canadians. As I explained before, 200,000 jobs are lost because action has not been taken, six billion to ten billion dollars lost, \$3,500 per family. In family week I would expect this member to acknowledge that and to accept that and to say yes, this is an important issue.

This agreement is an important agreement as well. We are supporting it. We are doing everything we can to push it along, so what he said is nonsense.

On the relative importance of this agreement, which involves \$.5 billion in trade, to the agreement to internal trade, which involves \$146 billion in trade, the comparison is pretty lopsided. The importance of removing the barriers through internal trade cannot be overstated. It is not a partisan issue. This member should not have presented it as that.

Mr. Szabo: Mr. Speaker, I want to challenge the member on his assertions. I did not comment or take away from the importance of interprovincial trade and trade barriers. It is not a bilateral situation, though. We have 10 provinces and 2 territories.

The member has twisted the facts. I reiterate my point to him. This bill before the House is a bilateral deal which is good for Canada. It provides a further model of how important bilateral agreements are and it will provide the basis for further trade opportunities for all Canadians.

I would again suggest to the member that the important thing to happen now is let us deal with this bill quickly so that we can have more time in this House to deal with very important matters like interprovincial trade agreements.

Mr. Benoit: Mr. Speaker, I am pleased that the hon. member did acknowledge the importance of removing these barriers to interprovincial trade. I just hope he can put some pressure on his industry minister and others in his government to deal with this issue.

The member said rightly that this is not a bilateral issue. In fact, interprovincial trade is a federal responsibility under sections 91, 92 and 121 of our Constitution. It is clearly the responsibility of the federal government to never allow interprovincial trade barriers to build in the first place and to remove them if they should.

• (1205)

This obligation has been put aside by Liberal and Tory governments for over 125 years. We have all kinds of barriers to trade between provinces which are causing the problem that is developing in Ottawa and which are causing the problem between British Columbia and New Brunswick. These kinds of problems are threatening to tear our country apart.

If we are going to keep this country together we need economic harmony between the provinces. That can only come if the federal government stops neglecting its responsibility under the Canadian

Constitution. It must show leadership in this issue and remove barriers to interprovincial trade.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I have a question for my colleague from Vegreville.

During his presentation there were comments from the Liberal side asking what his speech on internal trade barriers had to do with the Canada-Israeli free trade agreement. I suggest that it has everything to do with free trade agreements, bilateral and multilateral.

Our Standing Committee on Foreign Affairs and International Trade has done a study on why small and medium size businesses are not exporting. As a point of reference, about 100 companies in Canada are responsible for 80 per cent of our exports. It is a sad commentary that we are not allowing opportunities for small and medium size businesses to explore this very important growth area. One of the biggest reasons which those businesses give for not getting involved is they say they cannot build economies of scale in Canada because of the restrictive trade barriers within Canada. That is hurting their ability to get big enough to launch into the international trade area.

I would like to ask my colleague from Vegreville if he sees this as an important restriction on the ability of Canadian companies to get into the export market.

Mr. Benoit: Mr. Speaker, a very well known Canadian was asked a few weeks ago what was the single largest problem in dealing with international trade. This very prominent Canadian, the hon. member for Peace River who just asked the question, said that the single largest factor which is preventing Canadian business from doing business around the world is the lack of interprovincial free trade. The hon. member has already alluded to why that is.

Canadian companies, in some cases, need the ability to build. They have to get the economics of scale so they can compete on the world market. In many cases they cannot build when they are operating within one province. There are so many barriers to doing business in other provinces which prevent the growth that is needed in order for Canadian business people to succeed in international trade.

This is almost unbelievable. It has become so bad that I have had business people tell me it is easier for them to do business with some states in the United States than it is with other provinces. Some of them say: "We are moving out. We do not want to move out. We love this country. But we are moving out of this country because if we do business in the United States then we have free access to all Canadian provinces and we do not have to jump through all the hoops which we would be required to if we were doing business with the provinces from within a Canadian province". That is a sad commentary, but it is the truth.

Government Orders

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I rise to support my colleagues and the government in passing this bill. I believe it will increase trade between the two countries and generally will serve the interests of both the people of Israel and the people of Canada.

However, I wish to deal with two objections which are normally raised whenever there are bilateral agreements between states or when there are agreements for regional free trade.

● (1210)

The first of these objections is that it diverts resources away from the pursuit of overall free trade. This is true enough. No government has infinite availability of experts to engage in trade negotiations. It would in my judgment be the best of all possible worlds if all trade barriers between all countries were removed.

However, generally I believe that the two targets of pursuing both bilateral trade barrier reductions and universal reductions in trade are not mutually exclusive. Therefore, while I would in a perfect world rather have completely free trade, I am satisfied that the negotiations of the Israel-Canada free trade agreement have not slowed down progress on obtaining completely free trade throughout the world through negotiations at the World Trade Organization.

However, there is a very interesting and important other objection that is often raised to bilateral agreements. It arose in the post-war years when the club of Rome led to the integration of the European economies. It involved a very subtle but interesting counter intuitive argument.

If free trade is good then is it possible that free trade between just two countries or within a region might in fact be bad and reduce world output and welfare? This is a strange puzzle, one when it was first developed by Jacob Viner in the 1930s. It almost threatened to paralyze all economic research. Here we have a world full of regulations, tariffs, domestic regulations and taxes, all of which are distorting the free allocation and the efficient allocation of resources as they would be in a completely free economy. Yet people thought for a long time that if we could go slowly in the reduction of such barriers, one at a time, by ultimately moving toward a completely free economy we would therefore be on a progressive movement toward increasing the efficiency of allocation of resources and therefore living standards of people in the world.

However, as Viner pointed out, that is not necessarily so. This was his argument. He framed it in the context of trade between two European countries but I will do it for the case of Israel. Let us assume for a moment that right now the tariffs facing imports into Israel both from Morocco and from Canada are the same and as a result, because Morocco is the cheapest producer of this product, trade is now taking place from Morocco importing into Israel and Canada is left out. Let us now consider that when the tariff barrier on that product comes down only on trade between Canada and

Government Orders

Israel, it is possible that the imports from Morocco are replaced by imports from Canada into Israel.

By definition, if previously when they both faced the same tariff barriers, the production of that product in Morocco was the least cost production location, the one which served the world best because Israel got its product at the lowest price, therefore shifting the production to Canada would mean a loss in productive efficiency for the world. This is called trade diversion. It is a negative aspect of moving in this world the way Canada did with Israel by reducing trade barriers through bilateral agreement.

• (1215)

Of course, there is another side to it. It can also be that the reduction in the tariff barrier means that now the production will be taking place between Israel and Canada, whereas before only Israel was producing the product. There were no imports at all.

To repeat, the alternative is the lowering of the tariff barrier and will result in the creation of trade between Canada and Israel, trade which previously did not exist. By definition again, the product that used to be produced at high cost behind the tariff barriers in Israel will now be produced at a much lower cost in Canada and shipped to Israel. That is what the free market says is done.

We face an empirical question: Are the benefits from trade creation greater or smaller than the benefits from trade diversion? It is not clear on purely logical grounds which of these effects will dominate.

We can see why in the presence of such a puzzle in the post war years economists were very upset. Logically, they could not say anything any more about the benefits of any form of deregulation, like the removal of tariff barriers, unless they had the empirical evidence on how much more trouble was created rather than the benefits that were created.

It turns out in an examination of the experience of the European Economic Community, trade creation by far outweighed trade diversion.

One of my students at Simon Fraser University wrote his doctoral dissertation on asking whether the Government of Pakistan had a net benefit from the greater growth that took place in Europe as a result of unification of the common market, the removal of tariff barriers between Germany and France and Italy, than it had because some of its exports to Germany were replaced by exports that previously were taken from France.

A careful study of trade patterns has shown that typically, trade creation outweighs trade diversion. I am personally convinced that

this will be the case with Israel as it has been in Europe and almost any other country that has been studied.

This effect is especially strong if at the same time the removal of the barriers takes place, trade is created and wealth increases. As countries get richer because of the more efficient allocation of resources, they will trade more. This dynamic effect, as it is called, of trade creation provides benefits that empirically have far outweighed the effects of trade diversion.

Nevertheless, in my own mind there remain some problems. I raised them with the people from the Department of Foreign Affairs when they briefed us on this bill. There have to be very tedious provisions for certification of the origin of goods that are being traded.

For example, since there is free trade between Israel and Canada but not between Pakistan and Canada, it is possible that Israel could lend itself simply to taking products produced in Pakistan that are transshipped through Israel and then, as a result of that, are moved into Canada without having to face trade restrictions that we as a country have imposed on Pakistan. Personally I think we are so rich that we should remove them all.

• (1220)

We have to face the fact that in the wisdom of this House many years ago, some barriers were put up to trade with Pakistan. We must somehow ensure they are maintained and are not circumvented in a surreptitious way through the use of Israel as a base to ship. As a result, there needs to be a bureaucratic mechanism to assure Canada that all the products exported from Israel to Canada are Israeli products.

That sounds fairly easy but the question is: What if a shirt comes from Pakistan but it has no buttons and no buttonholes and an Israeli factory makes the buttonholes, attaches the buttons and packages the shirt? Is it now a Pakistani product, or is it an Israeli product? This is one of the issues. Strict rules have to be put in place, which are thought through, codified and enforced, as to what level of value added in a country makes it okay to call the shirt an Israeli product rather than a Pakistani product.

We can see how complex all of this is. Some products may be coming from Europe. Complicated products may contain not just Pakistani input but German input, and we have free trade with Germany. There are all of those issues. One of the fears of people who oppose bilateral free trade is that the amount of bureaucracy with enforcement mechanisms and dispute resolution mechanisms is very costly indeed.

What we really need is to remove these discriminatory tariffs as they now exist where we give concessions to Israel but not to

Pakistan. If we had given our benefit of free trade on these products to Pakistan as well, this problem never would have arisen.

After looking at the evidence on all of those matters, I have concerns over the growth of bureaucratic enforcement mechanisms throughout the world, as Canada has bilateral agreements not just with Israel but also with the European Community and Latin American countries such as Chile and with NAFTA. It is becoming a bureaucratic nightmare.

There are certain influential professions which have very good lobbyists that benefit from all of this. They are the lawyers. They are the organizations that certify this is the right kind of origin, that this is okay. They will completely oppose free trade and say to go ahead with bilateral free trade.

I will discount arguments of this sort and suggest that we should continue to push along with as many bilateral free trade agreements as we can obtain. When we are through and have a bilateral agreement with every country, maybe then the time will come to say: Why maintain anything at all? Let us move to total free trade. That is my hope and this agreement is a step in that direction.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I would like to ask my colleague from Capilano—Howe Sound since he is an economist, what would some of the economic benefits be of applying the global model on free trade to interprovincial trade? In his speech, the hon. member for Vegreville mentioned protectionism from province to province, job creation and the value of eliminating barriers to interprovincial trade. Could the member enlighten me on this issue?

• (1225)

Mr. Grubel: Mr. Speaker, this is an excellent question. It is absolutely ludicrous that it is advantageous for a Canadian producer to set up shop abroad in order to have more ready, cheaper access to the complete Canadian market than it is if the same producer were located in Ontario or British Columbia. It is a scandal. I do not see where it is in the interests of anyone in Canada to encourage companies to do that.

We must get together and realize that everyone is losing. If a company in Ontario which specializes in the production of a good and can produce it really cheaply and sell it at a low price to a government in Quebec, we are all better off when this takes place rather than when a producer in Quebec which produces at a much higher cost gets to supply the government with that product. Why? Because we know there are also producers of specialized products in Quebec that can produce more cheaply than anybody in Ontario. So when the Ontario government wishes to buy that product, it too will then be required to buy the cheapest, not just from the local producer in Ontario.

Government Orders

Both Ontario and Quebec residents would be better off because the products consumed by the government of those regions in most cases would get the product at a lower cost. The employment effects in one province would be matched by the employment effects in the other province.

Why this simple idea has not penetrated the minds of politicians in Canada is beyond me, even though I have sat here now for three years and talked to politicians.

The Deputy Speaker: The member has magical powers that only an economist has.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, does the member for Capilano—Howe Sound think that another country's current track record on human rights violations should have any bearing on the timing of Canada's signing of a free trade agreement?

Mr. Grubel: Mr. Speaker, my training is in economics. I must say that many other arguments are always advanced on why the principle of free trade should be violated. It is not just human rights. There are all kinds of other considerations. We hear in this Chamber all the time that we must protect our culture. The list is very long. I have always been very, very skeptical of the merit of such arguments.

We heard this same government say that we should trade with Cuba because the only way to stop its dictator, its gross violator of human rights from carrying out his crimes is to open up the society through trade, increased exchanges.

• (1230)

The Americans of course are criticized heavily for saying it has not worked and it will not work. The only thing that Castro will understand is if he gets hurt in the pocketbook. Who is right? I do not know. I have sat listening to American senators and congressmen for hours on either side making very telling arguments. And because of my difficulty of being able to make these judgments and quantify them, I would say let us go for free trade and let the chips fall on the other issues.

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, it is always with great pleasure and interest that I listen to economic statements by my hon. colleague for Capilano—Howe Sound. A moment ago, I appreciated the way he explained that trade should be based on the most attractive price for the consumer. He said: "If the price is lower in Quebec, the Ontario government should buy from Quebec, and vice versa".

The question I want to ask him is: With the advent of a sovereign Quebec, would he maintain the same position?

Government Orders

[English]

Mr. Grubel: Mr. Speaker, I may not be right all the time but I am consistent. On issues like that I like to be consistent, of course.

In my own judgment the best thing that Quebec can do is move from its rather socialist current program to where the role of government in Quebec is much smaller. If I were asked I would say if Quebec tomorrow turned itself into the Hong Kong of North America, welfare would shoot up enormously.

Imagine having a much lower tax rate because your services are much smaller. Imagine having the lowest corporate tax rate in North America. You would have so much capital flowing in wanting to pay these low tax rates you would have higher revenue than you have at the current rate. On top of that you would have huge employment effects from all of them.

My problem is that I am not worried about Canada erecting trade barriers to Quebec if it chose to be stupid enough to choose sovereignty; what worries me is from the evidence that I have seen coming from the French tradition of dirigisme from the French tradition of big government, everything can be engineered to the perfect world.

I am not optimistic that Quebec will choose to move in the direction of being the Hong Kong of North America. I am worried that Quebec will choose to be more like the Albania of North America, and that saddens and worries me a great deal.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, coming from Calgary, I believe in a market driven economy. I believe in free enterprise. I believe in the law of supply and demand.

However, there are a lot of provinces in our confederation that appear to favour supply management and supply management tariffs. Would the member please outline for me what the argument is by these provinces that believe in supply management tariffs and supply management in protecting and preserving these rather than eliminating these. What is the argument in keeping it and is it hurting or helping Canadians?

The Deputy Speaker: The hon. member for Capilano—Howe Sound, briefly.

Mr. Grubel: I have only a minute?

The Deputy Speaker: The member is a good economist and I am sure he can do this in a minute and a half.

Mr. Grubel: I have one choice. I can just refer my distinguished colleagues to a little booklet I have published on this subject which I was told has been used in undergraduate courses in this country. It has put me in a lot of trouble with those interest groups that believe that marketing boards are good for the consumer. That is, at any rate, their line.

● (1235)

I just cannot believe that a system increases the value of farms and quotas to such an extent that it is now more costly to buy the right to sell milk at an inflated price than it costs to buy the land, the farm and the animals. There is something very wrong.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

An hon. member: On division.

(Motion agreed to, bill read the second time and referred to a committee.)

* * *

[Translation]

BANKRUPTCY AND INSOLVENCY ACT

The House proceeded to the consideration of Bill C-5, an act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act, as reported with amendments from a committee.

SPEAKER'S RULING

The Deputy Speaker: There is one motion in amendment listed in the *Notice Paper* at report stage of Bill C-5, an act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act.

Motion No. 1 will be debated and voted on.

I will now put Motion No. 1 to the House.

MOTION IN ADMENDMENT

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ) moved:

Motion No. 1

That Bill C-5, in Clause 104, be amended by replacing lines 32 to 39 on page 62 with the following:

"104. Section 177 of the Act is repealed."

He said: Mr. Speaker, I am very pleased to speak today on this piece of legislation to amend the Bankruptcy and Insolvency Act, and specifically on the clause relating to student loans. In fact, this is why I decided to wear the crest of the university closest to my riding, the Université du Québec à Chicoutimi, which is located in the riding of my colleague from Chicoutimi.

When an individual declares bankruptcy, the court usually makes an order of discharge, which releases the individual from all claims or, in other words, from his or her debts. However, section 178, appendix I, provides for six claims that are not released from

Government Orders

by an order of discharge. The bankrupt is thus required to pay off his or her debts in spite of his or her bankruptcy.

Clause 105 of the bill adds a paragraph to section 178 of the Act that stipulates that any debt or obligation in respect of a loan made under a federal or provincial student loans act cannot be discharged if the bankruptcy occurred before the date on which the bankrupt ceased to be a student or within two years after the date on which the bankrupt ceased to be a student.

Everybody knows that it costs a lot of money to go to college or university. The costs are constantly going up, year after year. Students have to work and get a summer job. That is fine, except that some students have trouble making both ends meet, and, at times, this is almost impossible. They cannot repay their student loans, which may reach around \$30,000, or even higher for the students who are from remote areas and have to move to Montreal, for instance, to study and have to pay for an apartment, over and above their tuition fees. All of this costs a lot of money.

• (1240)

When there is no other way out, a student has the right, like any individual or small business in this country, to go bankrupt. However, this new bill says that they will no longer be able to do so.

Some people may say: "Of course, students go to university, spend years studying and then, when the time comes to pay back their student loans, they can look at all their debts and decide to go bankrupt. And then, the government has to foot the bill".

Of course, some may think that, but I have personally met with members of student associations from Quebec, who told me this is not so. Going bankrupt is not an option for them. You cannot think that you can snap your fingers and all your student loans will have disappeared. This is a very sensitive issue. Yes, there may have some abuse in some areas, like anywhere else, but I think this is a sensitive issue, because what we are talking about here is education and that, to me, is not an expense for our country, or should I say for both our countries, but rather an investment. But I do agree that it is expensive.

This bill raises some concerns. Could it lead some students to be afraid of attending post-secondary institutions? One has to wonder about that, especially since ten years ago students had the right to go bankrupt, that is obvious. But then, the situation back then was different. After graduating from university, it was much easier for students to find a job and therefore to repay their loans.

According to the government, there are much too many bankruptcies today. These are not voluntary; people have no choice. Most of the time, young people go bankrupt because they cannot make both ends meet. Thus, it is rather a pity to look at the situation this way.

Furthermore, we know there was some disagreement in the task force, in particular concerning the special immunity for student debts and its possible effect on access to higher education, as I mentioned earlier.

So, why am I against the government's proposal? Clearly, the government went along with the task force's proposal without asking itself what really was behind this change. For the government, mere fiscal considerations took precedence over the logic of the proposal.

Is education an expense or an investment? Sure, when we promise to cut the deficit, we have to make all kinds of cuts, I agree, but cutting funding for education may not necessarily have a negative impact now and allow us to boast, a couple of years from now, that we have reduced the deficit. However, I worry—and this is quite legitimate at my age—about possible negative effects in the long run, since education is a long term investment.

Moreover, I think this proposal is discriminatory. The government gives special treatment to student debts, which it does not do for other similar categories of debts owed to the government. Section 178 of the act lists other categories of debts that cannot be released by an order of discharge.

However, these other categories apply to people such as defrauders, convicted offenders who have to pay a fine, people who default on their alimony payments, people who obtained property under false pretences, and now the government is adding students to that list. Wow! This is putting students who, I think, are the future of our nation in the same boat with convicted offenders and people who default on their alimony payments.

The government is including students in the same category as these people who break the law and who do not respect court orders. Treating students like this is totally unacceptable and discriminatory.

• (1245)

Moreover, this proposal was made without a careful study of the situation. All the government did was look at the figures and say: "The student bankruptcy rate is increasing and it must be because of abuse. Therefore, we will take away their right to declare bankruptcy". It did not take a close look at what is really going on and did not take the economic climate into account.

Some blamed students, saying that they party a lot, they travel, etc. Not all students do that. Yes, some students are well off, they use their parents' car to go to school and have no problem at all going to university. But what concerns me is those who are not in that situation and who will be affected by this bill. It is thought that there are abuses, so it is decided to cut assistance to students, but there has been no study or survey to look at what prompts students or graduates to declare bankruptcy.

Government Orders

Given the rate of unemployment and the economic difficulties facing young people, it is somewhat cynical to claim that students are deliberately declaring bankruptcy. Therefore, in the absence of a serious study of the reasons why students or those who have just completed their studies declare bankruptcy, it is completely irresponsible to introduce a discriminatory, unfair and inequitable measure on the mere strength of an increase in the number of bankruptcies among those with student loans.

Furthermore, this increase is probably due to the poor economic situation in which young people find themselves, to the high rate of unemployment they are experiencing and to increases in tuition fees that are not unrelated to federal government cuts. Members will recall the Axworthy reform. I took part in a march to protest these measures. All this is having the repercussions we see.

I could also speak about the last question I put to the Minister of Human Resources Development about the Young Canada Works Program. There were \$60 million remaining and the government did not seem to know where, to spend them is not how I should put it, but to invest them. This is what makes me wonder today.

It is in light of these facts that we have moved the amendment to eliminate this paragraph. I hope that the government will not turn a deaf ear and that it will keep one foot in reality. We have been told that a university education is an investment in our future that will lead to a job. I would agree that that is still the case and I recommend it. But the good old days are gone, and now that the economic situation is worse, we are making it harder for students.

We will therefore vote against this bill, unless our amendment is carried.

[*English*]

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member raised some interesting points on this motion. In particular, he spoke about the bankruptcy of students and the problems that arise in the student population. The government is well aware of the financing which students get during the time it takes them to get a university degree. Many times students spend large sums of money to get university degrees.

However, once a student gets the degree, that is not the time for the student to automatically declare bankruptcy to wipe out the loan. There is a grace period for the first six months after the student leaves university. No payment has to be made. After that first six months, if the student is not in a financial position to make payments and meets the criteria of the legislation, the student can get an extension of that grace period for another 18 months, making

it a full two years that a student does not have to make payments on the student loan.

Statistics show that 70 per cent of students who go bankrupt do so during that first two-year period. They are going bankrupt during a period when there is no financial pressure on students to pay back. They have a six-month period of grace and they can get a further 18-month extension.

• (1250)

The argument of the hon. member is quite fallacious. He is saying that students are having difficulties in the first two years after completing studies or leaving university. It is not a wilful abuse by the students. However one has to question declaring bankruptcy during a period of time when there is not a requirement for making payments. It is for that reason we have a two-year period that is required before a student can go through bankruptcy. That is why it has been structured as such in the legislation.

The hon. member stated that the government must remain connected to reality. That is exactly what we have done. The reality is that students should not be going through bankruptcy and declaring their student loans in a bankruptcy if there is no financial pressure on students to do this. There is no requirement for them to make the payments during the first two-year period. Their going through bankruptcy is really not reality. We are bringing this matter back into reality.

It is interesting to note that the opposition to this portion of the bill has not been raised by the students, it has been raised by the hon. member opposite. The students have not been opposed to the two-year period and have not raised opposition at the committee level to this requirement.

I believe many students realize that there is reality. Students realize they have obligations. Many of them who graduate from university have one of the finest assets that can be had. The asset is a degree. It is a ticket to other employment. Allowing them to automatically be able to wipe out such a debt when there is not pressure on them would be grossly unfair.

As well, the amendment would repeal section 177 of the act. It deals with fraudulent marriage contract settlements as being grounds where the court can refuse to discharge a bankrupt individual. Let me read a portion of section 177: "If the debtor becomes bankrupt and it appears to the court that the settlement, et cetera, was made in order to defeat or delay his creditors, the court may refuse or suspend an order of discharge or grant an order subject to conditions in like manner as in cases where the bankrupt has been guilty of fraud".

Surely the hon. member does not want this portion of the legislation to be wiped out. Surely the courts should be allowed, when there are such fraudulent actions, to be able to defeat such

individuals from trying to take this action and prevent them from defeating or delaying creditors who have legitimate claims.

The hon. member's motion would repeal this condition. It would be grossly unfair if a debtor could become bankrupt but has made a fraudulent arrangement in a marriage settlement just to defeat creditors. This is not what we want to see in bankruptcy legislation. This is not what we want to see in our laws.

This legislation will prevent that from happening. It will prevent fraudulent actions such as this. As well, the bankruptcy legislation will prevent students who are not under financial pressure from going into bankruptcy during the first two years.

I should not put it that broadly because students can go into bankruptcy within the first two years. They would just not be able to declare the student loan as part of the bankruptcy. They may have other debts, and that is fine. They can deal with those but not with the student loan itself.

• (1255)

For the reasons I have indicated in dealing with the fraudulent marriage contract settlements and the provision in section 177 that would allow courts to not allow such settlements and for the reasons dealing with the student loans which I have indicated to the House, the government is opposed to this motion. It is the government position that this motion is fallacious and should not be passed.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I believe I am in need of a reality check here this morning.

The Bloc Québécois brings in an amendment to deal with fraudulent use of marriage and then the first speech is on student loans and student bankruptcies. The amendment tabled dealing with the Bankruptcy and Insolvency Act, the Creditors Arrangement Act and the Income Tax Act, as the hon. parliamentary secretary mentioned, deals with the fraudulent representation of marriage. The amendment proposes that Bill C-5 repeal section 177 of the Bankruptcy and Insolvency Act.

Reform opposes this Bloc amendment. Before I discuss why we oppose it, I believe it is important for the House to understand the purpose of section 177 of the Bankruptcy and Insolvency Act. Section 177 sets out two situations that could result in a court refusing, suspending or granting a conditional discharge from bankruptcy.

These situations are: first, where the bankrupt made a settlement before or in consideration of marriage and at the time of making the settlement he or she was unable to pay all of his or her debts without the use of the property involved in the settlement; second, where the bankrupt made a covenant or a contract in consideration

Government Orders

of marriage for the future settlement of property that would and should be available as security for creditors.

Where it appears to the court that this type of settlement, covenant or contract was made to defeat or delay creditors or was unjustifiable at the time it was made because of the poor financial state of the debtor, the court can refuse, suspend or order a conditional discharge.

This seems entirely appropriate to me. If section 177 is repealed, the door is left open for people to commit fraud, to play fast and loose with their creditors. In fact, are we not saying if section 177 is repealed that fraudulent behaviour is okay, that our society accepts this kind of behaviour.

I do not think anyone would agree that tolerating this kind of behaviour is a good idea. Fraud is a crime. I believe that the legislation should more and more point to the open and straightforward method of doing business that all people understand, appreciate and can live with.

Prevention of fraud can be insured through deterrence. Deterrence keeps this kind of activity from occurring when potential offenders, considering the consequences, decide that to honour their obligations is the best course of action to follow.

Section 177 of the Bankruptcy and Insolvency Act provides a deterrence against those who would unfairly short change their creditors under the circumstances outlined in this section of the act. People should not be using marriage as a means to avoid creditors. Section 177 is consistent with other sections of the Bankruptcy and Insolvency Act dealing with transactions that take place prior to bankruptcy.

For example, section 91(1) of the Bankruptcy and Insolvency Act provides that any settlement of property that takes place within a year before a bankruptcy is still open to the trustee. Section 91(2) provides that any settlement that takes place within five years before a bankruptcy is void if the trustee can prove that the settler required the property included in the settlement to pay his or her debts at the time of making that settlement.

• (1300)

These measures along with section 177 are designed to deal with situations where debtors transfer property to defeat or delay or defraud their creditors.

If we eliminate section 177 of the BIA, what does it say about these other sections of the act as well? It really creates a double standard. It seems to me that what we are saying here is use marriage as a means to unfairly shelter assets from bankruptcy. But it cannot be done under the circumstances outlined in sections 91(1) or 91(2).

Section 177 is needed to safeguard against people using marriage inappropriately to commit fraud. It is also needed to protect

Government Orders

the standard that says no fraud under any circumstances will be tolerated. Section 177, however, does leave the court discretion. The courts may decide.

As members of the House and particularly of the Industry committee will know, I am one of the people who believe that our legislation should not always leave discretion to the minister, to the superintendent of bankruptcies. I would like to see these sections tightened up. But the committee of the House has decided against that. However, I am in favour of this discretionary aspect of section 177.

There are circumstances where the court may decide that what the debtor has done is entirely fair, but this discretion should be left with the courts and section 177 should remain.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

Ms. Catterall: Mr. Speaker, I ask that the vote be deferred until Monday when the House returns at the end of Government Orders.

The Deputy Speaker: The vote is deferred until Monday when the House returns after the expiry of government business.

[*Translation*]

Mr. Laurin: Mr. Speaker, we agree, except that it cannot be deferred until two days later; I believe it needs to be quite simply deferred until the next sitting of the House.

[*English*]

The Deputy Speaker: If the member discusses this with his colleague, I am sure there will not be a problem.

[*Translation*]

It can be done promptly.

[*English*]

For the record, I believe it is agreeable to one and all that this matter be deferred until Monday, October 21, when the House resumes.

* * *

CANADIAN FOOD INSPECTION AGENCY ACT

On the Order: Government Orders:

September 19, 1996—The Minister of Agriculture and Agri-Food—Second reading and reference to the Standing Committee on Agriculture and Agri-Food of Bill C-60, an act to establish the Canadian food inspection agency and to repeal and amend other acts as a consequence.

Hon. Douglas Peters (for the Minister of Agriculture and Agri-Food, Lib.) moved:

That Bill C-60, an act to establish the Canadian food inspection agency and to repeal certain and amend other acts as a consequence, be referred forthwith to the Standing Committee on Agriculture and Agri-Food.

• (1305)

Mr. Jerry Pickard (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am very pleased to speak on Bill C-60, the Canadian food inspection agency act.

The creation of this agency is a good example of the government's commitment to better service for Canadians, food safety and that quality remains a top priority for Canadians.

An integrated approach at the federal level, as provided by this new bill, will improve our overall efficiency and effectiveness. Canada enjoys the enviable international reputation for excellence in producing and supplying some of the safest and highest quality food products in the world. A major pillar of that reputation is our stringent world class inspection and quarantine service.

However, mounting pressures including increased imports, changing export markets, new technologies, higher rates of production and continuing fiscal restraints are demanding new ways of delivering food inspection and animal and plant health programs that are more efficient, more scientific and more internationally compatible.

Today one-quarter of Canada's food production goes for export while one-fifth of the food we eat is imported. As part of our responsibility for ensuring a safe food supply for Canadians, we are involved in more than 1,000 inspection and quarantine agreements worldwide.

Here in Canada an integral network of responsibilities has developed over the years covering food production, manufacturing, distribution, retail, import and export and involving industry at all levels and government.

At the federal level, three different departments have roles to play, Agriculture and Agri-Food Canada, Health Canada and

Fisheries and Oceans Canada. The introduction of this bill represents an innovative step forward by the Canadian government in its desire to get things right.

As the Minister of Finance announced in the 1996 budget, Bill C-60 proposes the creation of a Canadian food inspection agency to be responsible for delivering and enforcing all federally mandated inspection and quarantine services and animal and plant health programs.

The agency, which could be up and running by early 1997, will be a stand alone organization reporting to the Minister of Agriculture and Agri-Food. At the same time, responsibility for setting food safety standards and auditing the enforcement of food safety regulations will be consolidated and enhanced within Health Canada. This re-organization will have many benefits for all stakeholders in the food sector, consumers, industry and governments.

It will reduce overlap and duplication between the federal departments and set the stage for a more integrated Canadian food inspection and quarantine service. It will provide a single focal point for food inspection and quarantine services and help make the government more responsive to the needs of its clients. It will ensure the continued safety of Canada's food supply and help maintain our international reputation for safety and quality. It will facilitate the use of more efficient and up to date food inspection and quarantine technologies, and it will help lay the foundation for enhanced Canadian access to critical import international market-place.

Federal food inspection services and animal and plant health programs currently involve over 5,000 people and cost more than \$400 million a year. Consolidating these services in a single agency will allow us to achieve savings of \$44 million annually and will make it easier for the industry, the provinces and the consumers to deal with the Government of Canada on food inspect and quarantine matters.

Let me underline that food safety will continue to be our top priority. In fact, the fundamental principle of this re-organization is that food safety cannot and will not be compromised. This means that Canadians will be assured of continuing high safety standards and stringent enforcement of our food safety regulations.

At the same time, the new agency will bring a more unified approach to enforcement of federal food inspection and quarantine regulations across this country. The agency will also help Canadian food firms implement a hazard analysis and a critical control point for the HACCP system.

● (1310)

Canada is a world leader in the implementation of HACCP which is internationally recognized as the best system available to

Government Orders

ensure the safety of food products. Our department has \$11 million in adaptation funding to help small and medium size businesses adapt to the system.

By continuing under the new agency to move to more scientific and updated systems such as HACCP we will achieve greater assurance of food safety for Canadians and improve international market access for Canadian businesses. That market access is another very important benefit of the new agency.

With more liberal trading agreements such as NAFTA and the World Trade Organization as well as rapid population and income growth in developing regions like Asia Pacific, international trade in all food products is booming. The Canadian food inspection agency will ensure that exporters of different types of food products will be able to deal with one contact for inspection and quarantine services.

By moving forward with harmonization of international standards the agency will help improve the compatibility of food inspection and quarantine requirements and reduce the possibility of artificial trade barriers based on sanitary and phyto-sanitary measures, an increasing problem for Canadian exporters.

These changes in the federal food inspection and quarantine services are the result of two years of extensive consultations with industry and the provinces. Over 60,000 newsletters and fact sheets have been distributed to stakeholders around the country. The proposed agency has received widespread support from the private sector and provinces.

At our annual meeting in July, federal, provincial and territorial agriculture ministers not only offered unanimous support for the Canadian food inspection agency, they also endorsed further development of a more comprehensive Canadian food inspection system that would involve all levels of government and which would respect appropriate governmental jurisdictions.

A Canadian food inspection system implementation group of federal, provincial, territorial and municipal representatives is now working with the industry in a variety of other areas which include the national dairy code, a food retail established code, a meat, poultry and fish code, and a transportation practices protocol.

The drive toward a Canadian food inspection system, one of eight initiatives to improve and strengthen the efficiency of our Canadian federation, was highlighted by the first ministers last June as the leading example of how we are renewing the Canadian federation and improving the way that provinces and the Canadian government work together in the best interests of all citizens.

As we continue to move forward on the long overdue reorganization of Canada's food inspection and quarantine services, our challenge and our commitment is to ensure that Canada maintains

Government Orders

its high standards of food safety and quality while improving the efficiency and reducing the cost to the taxpayer.

I believe the creation of the Canadian food inspection agency will be a major step in that direction.

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, there are certain positive elements in Bill C-60, an act to establish the Canadian Food Inspection Agency and to repeal and amend other Acts as a consequence, which we are looking at this afternoon.

The idea of creating a national agency is a good one in itself. Reducing the duplication in services of the three departments, Agriculture and Agri-Food Canada, Health Canada and Fisheries and Oceans Canada will bring about savings.

We in the Bloc have long been calling for elimination of the duplication between the various departments. However, the Liberals' strategy of referring this bill to a committee before second reading prevents us from making any constructive amendments to Bill C-60 at this point.

• (1315)

For instance, there seems to be some latent patronage with respect to the appointment of agency executives. Under clause 5, the president and the executive vice-president shall be appointed by the governor in council.

We all know what it means when someone is appointed by the governor in council. These are friends of the government, like former minister André Ouellet, for instance, and we can refer to him by name since he has left the House, who was appointed to an executive position with a fantastic salary. The process is not exactly transparent.

Appointments should be made in accordance with the rules of the House and should be examined before the Committee on Agriculture and Agri-Food. Staff should be hired on the basis of competence, not on a partisan basis. Just because someone is a card-carrying member of the Liberal Party does not mean he is competent. Of course, just because someone is a card-carrying member does not mean he is incompetent, but being a member of the party should not be a *conditio sine qua non*.

So the Bloc Québécois cannot give its approval to what is, in fact, an opportunity for patronage, because it would also mean approving of government interference in areas under provincial jurisdiction.

Still on the subject of political appointments, we can read the following in clause 10 of Bill C-60:

10.(1) The Minister shall appoint an advisory board of not more than twelve members to hold office during pleasure for a term not exceeding three years.

Again, this is unacceptable, for two reasons. First, here again it is the minister who appoints those who will sit on the advisory board. Second, this means that Quebec has no guarantees as to its representation on this board.

A little further we read in clauses 12 and 13:

12. The Agency is a separate employer under the Public Service Staff Relations Act.

However, in clause 13, it says:

13.(1) The President has the authority to appoint the employees of the Agency.

Now, the president is appointed on a partisan basis, and he is supposed to appoint the employees of the agency. We will have to see how these appointments are made and whether the process is politically proper.

In clause 16, we read that the agency may procure goods and services from outside the public service, including legal services.

Of course these bills are drafted by lawyers, and a good lawyer looks after his own. So the agency will be able to procure legal services as it sees fit.

In clauses 20 and 21 there are two more issues we could raise. First, if federal agreements are entered into, we must ensure that Quebec does not end up in a position where it indirectly subsidizes the food inspection services obtained from the federal government by a province or provinces.

If a service is provided to another province by the federal government, it will be necessary to ensure that the work done in this province is not done with federal money. Otherwise, Quebec taxpayers will be paying for services in other provinces.

• (1320)

Two examples come to mind, including the RCMP. Everyone knows that, in Canada, two provinces—Quebec and Ontario—have their own police force: the OPP in Ontario and the SQ in Quebec, while the federal government, through the RCMP, provides police services to municipalities and also to other provinces. Well, do you know, dear colleagues, that Quebec foots part of the bill for the services rendered by the RCMP in the maritimes and in the western provinces? Ontario does also.

The federal government recovers only about 75 per cent of the real costs of the services provided, through the RCMP, to provinces and municipalities. The other 25 per cent are paid by all the provinces, including, of course, Quebec and Ontario. Since Quebec pays 24 per cent of federal taxes, it can be assumed that, we are subsidizing 24 per cent of that 25 per cent for RCMP services in provinces and territories other than Quebec and Ontario. This is an example of unfair treatment.

Similarly, Quebec, which harmonized its sales tax with the federal GST four years ago, must again pay 24 per cent of the \$960 million which the federal government gave to the maritimes so they could harmonize their provincial sales tax with the GST, while we got nothing. We did not get a cent to harmonize our sales tax with the GST.

Government Orders

Those are two examples of unfair treatment. This agency should not be a further source of unfairness.

Secondly, care must be taken to ensure that clause 71 does not open the door to any other form of federal interference in areas under provincial jurisdiction. The Canadian Federation of Agriculture said, and I quote: "Bill C-60 states that the compensation to be paid to cattle owners following the destruction of their animals or things under the Health of Animals Act must be taken from the Consolidated Revenue Fund".

For example, if your herd is hit by brucellosis and a decision is made to destroy the whole herd, the Consolidated Revenue Fund must compensate the loss. The CFA goes even farther, considering that the cost incurred for cure, quarantine, cleaning and replacement of damaged or destroyed goods, restocking, etc., should be included and mentioned in the bill, and included in clause 71. Such a clause will guarantee that farmers will not be disadvantaged because they reported their cattle to be ill.

As agriculture critic, I worked with a farmer living near Rivière-du-Loup whose flock developed scrapie. The quarantine imposed was not 40 days, as most Canadians probably think, but five years. During this time, the farmer could not sell, kill, eat or make money in any way with his sheep. Most farmers must withdraw from business when confronted to that situation.

That is why the Bloc Québécois will propose a series of amendments to Bill C-60 to try to improve it. We will also invite the government party to co-operate so this bill will benefit the general public.

• (1325)

[*English*]

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, it is a pleasure to make a few comments on this bill.

This is a bill which if passed will implement a food inspection agency that should be streamlined somewhat. What really scares me is that the agriculture minister is going to be in control of this agency. When I see that it has taken three years for the agriculture minister to decide that we are going to have a referendum on barley marketing and within those three years he still has not been able to come up with a proper question on what to ask farmers, I am just wondering how he is going to regulate this big agency and how cost effective it will be.

When the new agency comes into effect in 1997 it will become one of Ottawa's largest bureaucracies with 4,500 employees and a budget of \$300 million. That is a lot of peanuts, \$300 million for a regulatory body. When we look at deficit reduction and we look at

the total debt in this country of \$600 billion I guess it is the Liberals' idea that another \$300 million is not that significant.

Federal officials contend that ending the interdepartmental overlap and duplication in such areas as enforcement, risk management, laboratory services, informatic systems and communications will save taxpayers \$44 million annually starting in 1998-99. It always astounds me that whenever we see projections and they are somewhat down the road we can usually expect that somehow the manipulation of the system will be there so that they can come within that figure even when it means transferring costs to other agencies. However the detailed breakdown of this estimate has not yet been provided by the government. That is interesting.

Also, no decisions have been made on the staff reductions or details given on the new agency's surplus laboratories. There is a lot of money involved in those laboratories. What is going to happen to them is a big question. I hope the government finally realizes that if there is going to be disposable assets that it gets a fair market value for them.

Although the Reform Party supports consolidating and downsizing the operations of the federal government, we fear that this bill will accomplish little except to shuffle names and titles. Instead the government should be considering the advantages of privatizing a significant portion of Canada's food, plant and animal inspection services.

This is one of the big issues we have been debating for the last three years, harmonizing and privatizing. We know that each province has its own inspection services and there is always conflict between the two agencies. It is time we realized that harmonization has to happen or the conflict will increase and we will spend more dollars instead of less.

Only \$40 million or 13.3 per cent of the agency's \$300 million budget is currently cost recovered. The agency already plans to dramatically increase this amount to more than \$70 million. We know who is going to bear these costs. It is going to be the taxpayer, the processor or the primary producer. It is tremendously important that we start downsizing and becoming more efficient and productive in these agencies as well as in our food processing and primary production.

Where the Reform Party supports user pay and cost recovery, the cost of the service must reflect the true costs of providing the service and not the added expense of maintaining the government bureaucracy. The bill should ensure that a greater priority is placed on cost avoidance and cost reduction. This is important as the agency created by this bill will be responsible for enforcing and administering several federal statutes which regulate food, animal and plant health and related products. These include the Feed Act,

Government Orders

the Fertilizer Act, the Health of Animals Act, the Meat Inspection Act, the Plant Breeders Rights Act and the Seeds Act.

• (1330)

This bill will also continue to centralize authority for food inspection in the hands of the federal government. The Reform Party believes the government should acknowledge that since the provinces already provide many of these same inspection services, the emphasis should be on decentralization and encouraging common inspection standards.

For these reasons the Reform Party opposes the bill.

Turning to the bill itself, we have specific concerns. Provisions in the bill seem to create an environment for empire building.

Clause 5 of the bill states that the governor in council shall appoint a president and an executive vice-president to the new agency. These individuals will be responsible for the day to day operations of the agency and will provide advice to the minister on matters relating to the mandate of the agency. There is no mention of the qualifications which will be required by these people. This type of situation opens itself up to pork barrel politics.

Clause 8 of the bill states that the president and the executive vice-president shall be paid such remuneration as is fixed by the governor in council. We do not even know the salary amounts for these two positions.

Clause 10 states that each member of the advisory board shall be paid such fees for his or her services as are fixed by the minister. Again, we cannot tell Canadian taxpayers how much they will be paying for these salaries.

This is a very good example of what we are experiencing with the Canadian Wheat Board. We have appointed commissioners who have received severance packages. We do not know what those severance packages are. There are positions which have pension plans and nobody really knows what the cost is. When I look at this regulatory agency which is being set up very much like the Canadian Wheat Board, I find it to be scary.

I know also that the Manitoba food inspection agency is always in conflict with the federal agency. It is costing us jobs. It is costing us exports. For example, there is a small sausage manufacturing plant in my constituency. The manufacturer is allowed to sell his product all across Manitoba; however, he cannot sell it to federal agencies, such as CN or the military. I do not know why it would pose a health risk to the federal agencies; Manitobans eat the sausage and it is delicious. I am told that we could save almost a dollar a kilogram if people in the federal agencies ate the Manitoba sausage instead of importing sausages from federal agencies in a different province.

If we want to become efficient and if we want to harmonize, we do not have to harmonize just with foreign countries, we have to harmonize within our own boundaries. We have to make sure it is cost effective and that the taxpayer as well as the primary producer gets the benefit. We should also give a break to the processors. They are the people who are creating the jobs. It is the small businessmen and the entrepreneurs who really make this industrial machine work.

[*Translation*]

Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri-Food, Fisheries and Oceans), Lib.): Mr. Speaker, I am happy to rise today, on behalf of the Minister of Fisheries and Oceans, to speak to the motion requesting that Bill C-60, an act to establish the Canadian Food Inspection Agency, be referred to the Standing Committee on Agriculture and Agri-Food before second reading.

• (1335)

This bill is the starting point of a very important journey. The plans for the trip began in March 1996, when we were preparing the budget speech; at that moment, our government stated for the first time its commitment to establish an agenda aimed at finding alternative solutions for the delivery of programmes, at finding the most efficient and least expensive way to carry out programs and provide services.

This journey is an important part of that agenda and it will lead us to the creation of a unique food inspection agency, gathering under one roof all the activities previously performed by three different federal departments. Our government knows some of the important port of calls where it will have to stop along the way.

[*English*]

The Canadian fishery is an important contributor to national import and export activities. In addition to considerable domestic consumption of Canadian fish and fish products, substantial markets exist for Canadian products abroad. Fully 84 per cent of fish and seafood caught by Canadians is destined for foreign markets.

Similarly, markets exist within Canada for fish species that are not indigenous to Canadian waters. Some 50 per cent of the fish and seafood consumed in Canada is imported. To support these high import and export figures and to promote confidence both at home and overseas in fish destined for human consumption, this government is committed to ensuring that fish inspection policies within this new agency retain the prominence and the high standards that they now have as part of fisheries and oceans.

In order for any food inspection service to meet the needs of its many client groups not the least of which are consumers, ensuring food safety for all Canadians must be the first priority. A new agency must uphold the excellent reputation of existing inspection

services to ensure the safety of products consumed by the Canadian public whether these products originate in Canada or elsewhere.

[*Translation*]

As we know, since at least 84 per cent of all fish caught in Canada is destined for foreign consumers, a new inspection agency will also have to improve and guarantee access to foreign markets for our products.

We must assure our foreign trading partners that Canadian sea products are of good quality and meet the requirements of strict regulations. That means we will have to keep up the excellent work that Fisheries and Oceans is doing now in the area of fish inspection.

Finally, to reach these goals in a period of budgetary cuts, we will, of course, have to maintain a certain form of cost recovery so that those benefitting from the inspection services will pay part of the costs.

The new single food inspection agency, which will become a reality if the bill is passed, stops in each one of these ports of call, that is to say that it takes into account all these needs while drawing on new approaches for the delivery of inspection services, many of them initiated by the Department of Fisheries and Oceans, and creating new opportunities for the future.

We all know that the Canadian fish inspection program is world renowned. We must keep this reputation, and we will, since the new agency will be operating from such a solid foundation.

The bill enshrines the quality management program and the new importer quality management program, which are based on the premise that food safety is the main concern.

● (1340)

The new agency will rely on highly specialized fish inspectors, who are currently controlling the industry's quality management systems, ensuring their efficiency.

[*English*]

The new single food inspection agency will also be forward looking. It will create a food inspection regime that consolidates inspection activities at the federal level. It will enhance ease of access for products to foreign markets. It will facilitate greater collaboration between the various levels of government in Canada, providing the basis for equivalency of standards and programs. It will simultaneously reduce overlap and duplication while promoting a more efficient and effective service delivery system. This government is fully cognizant of the necessity of maintaining open and frequent dialogue with the new agency's many clients. This we will do.

Government Orders

As Canadians grow and their needs change, the government also evolves to continue to meet their needs. We are committed to doing things differently and the Canadian food inspection agency represents a significant step in this direction.

We all recognize that this is an opportunity whose time has come. As Secretary of State for Fisheries and Oceans as well as for Agriculture and Agri-Food, I remain certain that the fish inspection system will be enhanced within this new agency.

[*Translation*]

Our journey is starting now with the passing of this important bill establishing a Canadian food inspection agency. I believe it will result in the setting up of a agency, which will see to the efficient and effective implementation of a world class food inspection program.

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, I am pleased to rise and talk about Bill C-60, an Act to establish the Canadian Food Inspection Agency and to repeal and amend other Acts as a consequence.

The need for a federal food inspection agency comes from pressure exerted by municipal and provincial governments, the agricultural sector, fisheries and even consumers. The setting up of a single unit in the area of food inspection was therefore awaited anxiously.

Very often those who must deal with the federal system of food inspection do not know to which agency they should refer. Indeed, the present system of federal inspection is such that they must deal with several departments or agencies including Agriculture Canada, Fisheries and Oceans as well as Health Canada. These three departments account for more than \$340 million annually in expenditures by the Consolidated Revenue Fund for food inspection.

The creation of a public agency responsible for all federal inspection services was announced in the 1996-97 Budget. This announcement has raised great expectations, and Bill C-60 should now answer them. Unfortunately, the Canadian Food Inspection Agency the federal government is proposing is rather disappointing if you consider its structure, its make up and its mandate.

According to senior officials responsible for setting up the project, the proposed agency is a model of originality. There is no similar agency in the world. However, originality is not necessarily what provinces, municipalities and the agricultural and fishery sectors hoped to get in answer to their requests. These people wanted an end to duplication and in particular they did not want to assume the cost of an agency whose efficiency has yet to be proven.

Bill C-60 says that the Canadian Food Inspection Agency is established "in order to consolidate and enhance the efficiency and effectiveness of federal inspection services related to food and

Government Orders

animal and plant health and to increase collaboration with provincial governments in this area". All this is hot air, good intentions and window dressing.

• (1345)

In reality, the future agency will be a patronage haven created to reward the friends of the government of the day. The evidence is in clause 5 of the bill which provides that: "The Governor in Council shall appoint a President and an Executive Vice-president of the Agency to hold office during pleasure for a term not exceeding five years, which term may be renewed for one or more further terms". We see clearly this appointment procedure is designed to ensure the executive power's political loyalty to the government. This procedure is arbitrary, unfair and highly partisan. It calls into question the objectivity of decisions and actions that will be taken by the future federal food inspection agency. That is what must be expected from the agency.

That is not all. The agency will also have an advisory board of not more than twelve members who this time will be appointed by the minister responsible for the agency. This absolute discretionary power will probably be given to the Minister of Agriculture and Agri-Food, since it is he who gave us Bill C-60.

What we must understand in all this is that the choice of policies relating to the agency's mandate will thus be determined by the minister's friends. Once again, this appointment procedure is totally unacceptable. It does not respond in any way to the expectations of provincial and municipal governments and of the people in the farming sector and fisheries.

Furthermore, the membership of this famous advisory board does not provide any guarantee as to the representation of the farming and fisheries sectors on the committee, and even less about the involvement of the provinces and municipalities.

How will the agency be able, as is mentioned in Bill C-60, to pursue a greater degree of collaboration between federal and provincial departments in the area of federal food inspection if the provinces are not permanently represented on the agency? The provinces have their say in this future agency.

At this time, there is no guarantee that they will have a forum where they may heard, and most of all, there is no guarantee that they will be able to actively participate in decisions that will be taken. These decisions affect them directly and we should not ignore the total lack of judgment the government is showing in this issue.

When we look at the mission of the agency, it is not more reassuring. It says that the Minister of Health is responsible, among other things, for establishing policies and standards relating to the safety and the nutritional quality of food sold in Canada. This prerogative given to the Minister of Health allows him to interfere directly in fields of provincial jurisdiction by setting standards and regulations, which will be applied all across Canada. These powers

belong rightfully to the provinces and not to the federal government. This situation must be strongly condemned.

Much was expected from the creation of the Canadian Food Inspection Agency. Once again, the federal government is disappointing us. What we are offered today is obviously, another example of patronage. Once again, the provinces are being pushed aside and, moreover, the government is making sure that it controls everything by exercising provincial powers.

Nobody in the agriculture and fishing sectors, including the provinces and the municipalities, was expecting such a disappointment. They expected at least to be true partners in the decision-making process. This is not the case. Bill C-60 introduced by the Minister of Agriculture has every possible flaw and we must scrap it.

[English]

Mrs. Marlene Cowling (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, as a lifelong farmer and a member of Parliament for Dauphin—Swan River, it is a pleasure to have this chance to speak on Bill C-60, the Canadian Food Inspection Agency Act.

Food inspection and quarantine services have always been a priority in Canada. Canada has one of the most effective food inspection and quarantine systems in the world. In fact, Canadian confidence in quality and safety—

The Deputy Speaker: I am sorry to interrupt the hon. member, but the Chair has made an error. It should not have been the parliamentary secretary who spoke but it should have been the member for Vegreville. Forgive me.

• (1350)

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I have a few comments on Bill C-60, the act that would put in place the Canadian Food Inspection Agency.

The stated purpose of this bill is to establish the Canadian Food Inspection Agency in order to consolidate and enhance the efficiency and effectiveness of the federal inspection services related to food, animal and plant health and to increase collaboration with provincial governments in this area.

Specifically, the bill sets out the new agency's framework in terms of responsibilities, accountability, organization, human and financial resources, powers and reporting. The bill also amends some of the enforcement provisions and penalties in federal statutes that the agency will enforce or administer in relation to food, plants and animal health.

When the new Canadian Food Inspection Agency begins operation in 1997 it will become one of Ottawa's largest bureaucratic entities with 4,500 civil servants and a budget of \$300 million. Federal officials contend that ending interdepartmental overlap and duplication in such areas as enforcement, risk management,

laboratory services, informatic systems and communications will save taxpayers \$44 million annually beginning in 1998-99.

However, a detailed breakdown of this estimate has not been provided by the government. No decision has been made on staff reductions or the new agency's surplus laboratories. We have a broad statement of cost, a broad statement of savings and no specifics whatsoever.

When we are working with legislation that creates a new bureaucracy of 4,500 employees with an estimated budget of \$300 million we should have a lot more detail. I am not talking about minute detail, but about a statement that really explains how the money will be spent and how money will be saved. That has clearly not been offered in this legislation.

The government departmental estimates on cost are \$300 million but we should know from history that departmental estimates are rarely accurate. It would be a rare occasion indeed. I have seen many new agencies created and I do not know if I have seen one that has come in on budget. I would feel much more comfortable that this agency would come in on budget if some information were given to show how the money would be spent.

I want to make it clear that the Reform Party supports the consolidation and downsizing of federal government operations but this bill will accomplish little except for the shuffling of names and titles. Instead, the government should be considering the advantages of privatizing a significant portion of Canada's food, plant and animal inspection services. The Reform Party has been calling for this since the day we came here.

We should consider how much of this service can be privatized so the service can be provided at a lower cost to the people who need the services. At the same time I acknowledge it is very important to ensure the services that are privatized can be done more efficiently, in a less expensive way and safely.

With a saving of \$40 million or 13 per cent of the agency's \$300 million budget, that 13 per cent is currently cost recovered. The concept of cost recovery that the Reform Party proposes, and that I personally heard being recommended by many processors, particularly processors of agricultural products, is quite different from what this government proposes.

• (1355)

Reform proposes that cost recovery should reflect the lowest cost at which the service can be provided, whether it is in the hands of the private sector or the government. I believe that in some cases, the private sector can provide very high quality service for less money than government can. In other cases, it may be found that the department can provide the service at a lower cost. It is not clear which services could be provided better by the private sector or by the department. I do not know of any study or any work having been done on this.

S. O. 31

The government's idea of cost recovery is totally different than the Reform idea. The Reform idea is cost recovery at the lowest price. If it can be done for less money with high quality then give it to that group or person to do.

The second major issue I would like to touch on in this legislation concerns the authority of the provincial governments versus the federal government. The federal government has decided that the way to end overlap between the federal and provincial governments is to centralize the complete service in the hands of the federal government. This is certainly in line with what Liberal governments have done over the years.

Liberal MPs have generally accepted that Canadians like big government. Along with big government comes high taxes. I contend that Canadians want a much smaller government, lower taxes, more take home pay and therefore a much better job situation in the country. There are two visions of Canada. There is the vision held by the Liberals and Conservatives which has been demonstrated over the years. They believe in big government, high taxes, low take home pay. Then there is the Reform vision which I believe is shared by many Canadians: a much smaller federal government with much lower taxes and higher take home pay, therefore, a better take home pay.

Unfortunately, with this legislation the government has chosen the large government, high tax route. The legislation will place a great burden on the taxpayer and on processors who are paying cost recovery.

The Speaker: My colleague, I see that you are right in the middle of your speech. Rather than cut you off in about a minute and a half, I thought I would let you take up right after question period. You will have a full three minutes then.

It being 2 p.m., we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

FANSHAWE COLLEGE

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, Fanshawe College is an excellent community college located in my riding of London—Middlesex.

In September a team of their student chefs represented Canada at the 1996 International Culinary Olympics in Berlin. They competed against 30 teams from around the world and won a silver medal for Canada.

Congratulations to the six student chefs: Nicholas Burrell, Julie de Vroomen, Chris Haynes, Brad Hirtzel, Adrien Melillo and

S. O. 31

Ashley Millis. Congratulations to their coaches, Peter Greuel and Steven Evetts and to the project manager, Kirk Patterson.

These young people are a credit to themselves, to Fanshawe College, to the city of London and to Canada. Well done. We are very proud of you and we look forward to sampling your cooking in the near future.

* * *

[*Translation*]

THE MUNICIPALITY OF LATERRIÈRE

Mr. André Caron (Jonquière, BQ): Mr. Speaker, the municipality of Laterrière has just celebrated the 150th anniversary of its founding.

This celebration provided a great opportunity to showcase its natural, cultural and historical assets. Designed as a series of historical vignettes set in various locations throughout the municipality, the original play "La tournée folle du grand brûlé" brought part of its history back to life.

The celebrations ended October 6 with the blessing of a statue in honour of Laterrière's founder, Father Jean-Baptiste Honorat.

The municipality of Laterrière was hard hit by the Saguenay floods. Remembering its history reassures us about this courageous community's ability to meet this new challenge.

* * *

[*English*]

CANADIAN WHEAT BOARD

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, the agriculture minister has yet again demonstrated that he has absolutely no direction for western Canadian grain farmers.

On the one hand he demonstrates solid support for the single desk monopoly of the Canadian Wheat Board by closing loopholes in the Customs Act while on the other allowing it to self-destruct by its lack of accountability and transparency.

This minister has shown he is prepared to prosecute farmers in order to prevent them from accessing niche markets that the board will not service. At the same time he allows the board to circumvent its own act by directing selected farmers to end users who pay huge bonuses outside the pooling system.

In my opinion, if a violation of the Canadian Wheat Board Act is punishable by jail for farmers, then so should the same punishment apply to wheat board officials.

But then, we have a Liberal government that protects criminals while ignoring the rights of its victims.

EMPLOYMENT BENEFITS

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, yesterday while appearing before the finance committee the finance minister announced that the deficit for 1995-96 is \$4.1 billion below the government's target of \$32.7 billion.

The reason given for this is that government spending and interest charges were lower than expected, but the figures the minister released for employment insurance show another reason the deficit is lower than expected.

While the government has cut benefits for unemployed workers by \$1.3 billion in 1995-96, the government is collecting \$9 billion more than it is paying out in benefits. Most of this surplus will go to reducing the deficit.

This is not the government's money. It rightfully belongs to the 13 million workers who contributed to it. At a time when the unemployed are having a difficult time trying to make ends meet with reduced benefits it is cruel and unfair to make the deficit numbers look better by gouging unemployed workers.

* * *

[*Translation*]

THE BROME LAKE DUCK FESTIVAL

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, Tuesday marked the beginning of the first month-long Brome Lake duck festival in my riding of Brome—Missisquoi. Modelled after the great public fairs in southwestern France, this event attracts tourists at a traditionally quieter time of year.

This international gastronomic event, a local initiative, is a fine example of co-operation between France and Canada. It involves not only culinary exchanges between chefs from Gascony and Quebec, but also the promotion of Canada's excellent products overseas.

I wish to congratulate the festival president, Jacques Ouimette, for putting his heart and soul into creating an event of this magnitude around one of Brome—Missisquoi's main assets: its local products. I join with the people of Brome—Missisquoi in inviting Canadians to come to the Eastern Townships to attend the Brome Lake duck festival.

* * *

[*English*]

JEANETTE DEAN

Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.): Mr. Speaker, Jeanette Dean of Saskatoon has been selected to receive the Canada Volunteer Award Certificate of Merit presented in

recognition of valuable voluntary contributions toward improving the health and social well-being of her fellow Canadians.

In 1987 Mrs. Dean retired from teaching at the Saskatoon School for the Deaf. She did not stop working, however. She joined the Saskatoon UNICEF chairing two committees. She was involved with no less than three Canadian Federation of University Women clubs, did volunteer teaching for the deaf, was national director of Educators of the Hearing Impaired, and helped set up the Saskatchewan hearing aid plan.

She now teaches speech reading in low cost housing projects, works with immigrants and children at the Saskatoon Open Door Society. She works with refugees and is involved with amateur theatre, seniors and the library.

What I wonder is what does this woman do with her spare time?

* * *

VETERANS PARK

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, on Sunday, October 6, I had the pleasure and the honour to be in West St. Paul, a rural municipality of my riding of Selkirk—Red River, to participate in the celebration of the 50th anniversary of Rivercrest.

Rivercrest is an area settled under the Veterans' Land Act. All of the original 56 residents were veterans of World War II and they were given the option to buy a home in Rivercrest with a small down payment and a government loan.

I would like to say a special thank you to the rural municipality of West St. Paul and the Rivercrest Community Club executive for recognizing our veterans by renaming Rivercrest Park to Veterans Park.

* * *

● (1405)

[Translation]

COMMUNITY ORGANIZATIONS

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, community groups that provide assistance to the unemployed in my riding of Bourassa are upset at the funding cutbacks by the Department of Human Resources Development. In the greater Montreal area, the unemployment rate continues to climb.

The groups hardest hit are women, young people and immigrants. Growing numbers of clients and ever decreasing funding are forcing many organizations to close their doors, and leaving others in serious financial difficulty.

S. O. 31

Organizations like Impulsion-Travail, Carrefour Jeunesse, Emploi Bourassa et Sauv , L'Ouverture, a youth centre, and the Association des travailleurs ha tiens du Canada do some exceptional work.

The Department of Human Resources Development must provide adequate funding to these groups in order to end the continual uncertainty and promote their stability and viability.

* * *

[English]

THE DEBT

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, yesterday the Minister of Finance told Canadians that the federal government will not be borrowing any new money in the markets and the process of restoring policy sovereignty to Canada has begun.

He failed to remind Canadians that the roll-over of the still massive existing public debt will require foreign investor participation. Neither did he recognize that Canadian investors will tend to use the same benchmarks as investors do in any sophisticated market to judge the risk and return on Canadian instruments relative to other markets. If these investors perceive that Canada's fiscal consolidation is missing the mark, they may well opt for foreign instruments, leading to higher borrowing costs in Canada.

The Minister of Finance has used illusion and carefully chosen words to bamboozle Canadians into thinking that Canada's debt is in great shape. It is not.

* * *

CANADA-PORTUGAL FRIENDSHIP GROUP

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, as president of the Canada-Portugal Friendship Group I welcome to Canada the Secretary of State for Portuguese Communities, Mr. Jos  Lello.

Portuguese explorers arrived in North America nearly 500 years ago. Since the establishment of their community, which numbers 500,000 today, Canadians of Portuguese origin have and continue to make a great contribution to the social, political and economic fabric of Canada's mosaic.

Our common membership in the United Nations, NATO, the OSCE and the OECD as well as recent commercial and technological links have strengthened Canada-Portugal relations.

[Translation]

This morning, with the member for Hull and the President of the Treasury Board, I attended the inauguration of a monument to all people of Portuguese origin in Hull. I will, if I may, cite the extract

S. O. 31

from a poem by Jorge de Sena that is inscribed on the plaque. It reads: "I can only be from the land where I was born. Even though I belong to the world—".

I invite all my colleagues to come and meet the minister of state in the Commonwealth Room after Question Period this afternoon.

Benvidou ao Canada!

* * *

[English]

MENTAL ILLNESS AWARENESS WEEK

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, October 15 to 19 is Mental Illness Awareness Week in Canada. One out of five Canadians, six million people, will suffer from mental illness at some time in their lives.

In recognition of Mental Illness Awareness Week the Canadian Psychiatric Association and several other associations have joined together in an effort to remove stereotypes and misconceptions related to mental illness. They have initiated a national education campaign to help people identify the symptoms of mental illness and to better understand them.

The impact of mental illness extends beyond the sufferers, affecting friends, family members and society at large. Mental illness is the second leading cause of admissions to hospitals of those 20 to 44 years of age.

With proper care including medication, psychotherapy, self-help and support groups, most cases can be successfully treated. I ask that hon. members join me in supporting Mental Illness Awareness Week.

* * *

[Translation]

WORLD MENTAL HEALTH DAY

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, today, October 10, has been designated world mental health day. In Canada, the Canadian Mental Health Association has decided to dedicate this day to the prevention and detection of nervous breakdowns.

Fifty-four early detection centres and a 1-800 number have been set up in order to give those at risk or wishing to know more about this illness direct access to the services of professionals.

• (1410)

A recently published report by the World Health Organization predicts that, by 2020, nervous breakdowns will be the second largest health problem on the planet.

Given the extent of the anticipated phenomenon, it is fortunate that such initiatives are being taken to identify those already

suffering from nervous breakdowns and to make us aware of the associated problems.

* * *

[English]

GOODS AND SERVICES TAX

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, this week is family week, and the government has forgotten families.

First, the government pays lip service to family concerns and throws money into short term job creation programs for youth to look good on paper. To make matters worse, that money is drawn on the country's battered credit, already at nearly \$600 billion in taxpayer dollars.

Now, after saying there would be no GST on books in its election promises, the government is still going ahead with a new 15 per cent tax on reading materials which will take effect April 1 unless the Atlantic provinces are prepared to bite the bullet and swallow the 8 per cent additional tax as premier of Nova Scotia, John Savage, said he is prepared to do.

The Prime Minister wants credit for this? When is the government going to keep its word and remove the GST on reading materials? I remind the Prime Minister of his promise to remove GST on reading materials. I remind the Deputy Prime Minister, who said that books are a necessity.

This is family week. Remove the GST on books.

The Speaker: Colleagues, I remind you from time to time the microphones are on at the desk near the person who is speaking and sometimes inadvertently your words are heard by *Hansard*.

* * *

[Translation]

LIBERAL MEMBERS

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, since Parliament resumed nearly four weeks ago, the official opposition has vigorously defended the interests of the citizens of Quebec and Canada. The same cannot, unfortunately, be said for the Liberal MPs from Quebec.

Since we started back this fall, the federal Liberals have been making shameless use of the period allocated for statements by members to denigrate the policies of the Quebec government, the Quebec premier, and all of the sovereignist spokespersons. Liberal members are resorting to these dodgy tactics at the rate of about two statements a day under Standing Order 31, about 20 per cent of their speaking time.

The federal Liberals are so obsessed with dumping on Quebec that they are no longer fulfilling their role as members of the government party. No doubt their antics are explainable by the

Oral Questions

suggestion by Quebec opposition party leader Daniel Johnson that they might want to make political hay—

The Speaker: I must now give the floor to the hon. member for Kent.

* * *

[*English*]

ETHANOL

Mr. Rex Crawford (Kent, Lib.): Mr. Speaker, what a pleasure it is to rise today to announce the groundbreaking of the world class Chatham ethanol plant next Friday. Ethanol will provide new prosperity for corn growers and it will boost Ontario's economy.

The first phase of the ethanol plant will start next week, through the efforts of many, especially our minister of agriculture.

Ethanol is a win-win proposal for our environment, farmers and long term economic growth.

I am equally proud of this government's intestinal fortitude and determination to ban MMT, the nasty American fuel additive. Alternative fuels are the wave of the future. I urge all hon. members to fill their vehicles with MMT free ethanol.

* * *

[*Translation*]

THE DEFICIT

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, the Canadian Minister of Finance has announced that the deficit for the fiscal year which ended on March 31 of this year was \$4.1 billion less than projected. Apparently, if conditions continue unchanged, the Canadian deficit will be completely eliminated by the year 2000.

In reaction to this, the Bloc Quebecois has chosen to continue to spread half-truths, saying, and I quote: "Once again you are going to hit the least well-off and go after the unemployment insurance fund".

On the other hand, Quebec minister Bernard Landry is delighted with the news, and has been quoted as saying: "Having said that, it is positive overall and the trend must continue".

How can the Bloc Quebecois continue its unfair criticism of our strategy to tackle the deficit, when its boss, the PQ, is congratulating us on our work and offering us public support. If things continue in this vein, their presence in Ottawa will be hard to justify, particularly when the next election comes around.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

THE DEFICIT

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, although the Minister of Finance has forecast a \$7.3 billion drop in the deficit for 1996-97, if we take a good look at his figures, we see that the cuts in transfer payments to the provinces are responsible for at least 25 per cent of this reduction, and that the minister is using the surplus in the employment insurance fund, which, in itself, is responsible for 70 per cent of this deficit reduction.

My question to the Minister of Finance is this: Will he admit that 95 per cent of his deficit reduction is financed by the employment insurance fund and cuts in transfer payments to the provinces?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first of all, transfers to the provinces represent between 20 and 25 per cent of our spending. Therefore it stands to reason that when we make cuts, we cannot cut 25 per cent just like that. We have to cut fairly across the board.

Now, we gave the provinces two years notice to give them time to adjust, while we made cuts immediately. I also want to say that the cuts we made in our operations were far more numerous than the cuts in provincial spending.

As far as the employment insurance fund is concerned, first of all, we must create a reserve to protect ourselves against a possible decline in the economy, and second, as the auditor general said in 1986, it is part of our consolidated revenue fund, so it is treated as such.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I want to thank the Minister of Finance. This is the first time we have had a clear statement from the government that the surplus in the employment insurance fund—the premiums paid by workers and employers—has been taken by the government to finance its expenditures. At last we have the confirmation we tried so many times to obtain in the past, but to no avail.

Since the Minister of Finance seems so willing to give me the right answers, I would like to ask him whether he is prepared to admit that if he had not cut transfer payments to the provinces, today a province like Quebec would have no deficit at all, so that Quebec's deficit is what Ottawa has downloaded on Quebec?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it may well be that when the Bloc finance critics ask questions, the Leader of the Opposition is not always listening. I have often

Oral Questions

quoted in the House the auditor general's report for 1986 in which he insisted that the government return what was known then as the unemployment insurance fund—now we say employment insurance—to the consolidated revenue fund. So this is not news.

Second, as far as Quebec is concerned, thanks to the drop in interest rates, Quebec got \$625 million more over the past two years than it expected, and this year, I gave Bernard Landry \$600 million more than Jean Campeau had counted on, so that adds up to \$1.2 billion.

• (1420)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, members on the government side should not get so excited. The figures are there in the budgets. Everybody knows that transfer payments to the provinces have been cut. Ask the Minister of Finance, let the backbenchers ask the Minister of Finance and he will confirm this is true. It is all there in the budgets: Transfers, including those to Quebec, were cut substantially with the implementation of the Canada social transfer. So think about it, before you celebrate. Look at your budgets.

And now for our question. Since 95 per cent of the deficit reduction announced by the Minister of Finance came out of the employment insurance fund and transfers to the provinces, as he confirmed in his answer to the first question—the minister made no attempt to hide the fact—and since 95 per cent of this attempt to reduce the deficit is paid for by the provinces, by the unemployed, by workers and employers, what was the government's contribution, other than a meagre 5 per cent of this reduction, in other words, between 350 and 400 million dollars?

Hon. Paul Martin (Minister of Finance, Lib.): Unfortunately, Mr. Speaker, when the Leader of the Opposition starts talking about figures, he makes a few mistakes. It is quite clear that the federal government has borne the largest share of these cuts.

Let me give you an example. For 1994-97, although transfers to the provinces dropped by a total of \$4.1 billion, we cut twice as much in our own operations, in other words, \$8.3 billion.

Second, I think that as far as Quebec is concerned, it is quite clear that in 1996-97, transfer payments to Quebec will total \$10.9 billion, more than for any other province. Quebec, which accounts for 25 per cent of the Canadian population, will receive 31 per cent of the transfer payments. Equalization payments alone will give Quebec \$3.9 billion, which is 45 per cent of the total amount of equalization payments.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, if the opposition makes small mistakes, the government and its finance minister in particular make big ones.

The finance minister's deficit reduction efforts are more than timid. And his job creation efforts are non-existent. After the recession in 1982, it took only three years to restore employment and labour force participation to their prerecession levels. Today, six years after the last recession, the Canadian labour market is still 879,000 jobs short. This is a disaster. Yesterday, while recognizing this is a disaster, the minister still replied that his government will not do anything about it.

How can the Minister of Finance admit that the job market is in a disastrous situation and refuse at the same time to put in place real measures to improve the employment situation in Canada?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, this was discussed yesterday. The government has put in place several measures that have had a very positive effect in terms of job creation, be it the funds allocated by the former Minister of Human Resources Development to create jobs, summer jobs for young people or funding for research and development or for foreign trade.

Also, it should be pointed out that the vast majority of economists in Canada agree that lower interest rates have had a huge positive impact on the private sector's capacity to create three quarters of a million new jobs in Canada since we came to office.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the Conference Board itself recently declared that the job situation in Canada was a disaster, that the real unemployment rate in Canada was not 9.4 per cent but rather 12.5, when one includes those who have given up looking for work. The Chamber of Commerce of Canada shares the view that this is a disaster. Something can be done to help, which leads me to ask the following.

• (1425)

Will the Minister of Finance undertake before this House to substantially lower the contributions of employers and employees to the unemployment insurance fund and call an emergency meeting with the provinces to discuss the implementation of real job creation measures? In case he has forgotten, I remind the minister that employment is a national emergency.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, since coming to office, we have reduced the burden of unemployment insurance, now called employment insurance, by \$1.8 billion. This is a huge amount and possibly also one of the reasons why job creation has taken off.

That said, there is no doubt that the employment situation across Canada is of concern to us, as it is to the Government of Quebec. We have great hopes that the summit scheduled for the end of the month will be a success.

Oral Questions

We have a problem, and I do not mean only the federal and provincial governments. All industrialized states have this problem. We must look into it. I, too, am concerned.

The hon. member referred to the recession. Clearly, Canada has suffered greatly from the 1989-92 recession being so intense and so long. In fact, its impact is still being felt. It will have to be looked into. I welcome the hon. member's questions because I think we should work together. The issue was raised at the finance ministers' meeting. This is one of the reasons why the infrastructure program is being extended.

Having said that, I would like to ask the finance critic for the Bloc Quebecois, if you will allow it, Mr. Speaker—

* * *

[English]

THE ECONOMY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday a number of us sat patiently through the presentation by the Minister of Finance but his economic statement failed completely to address the principal concerns of Canadians. The finance minister failed to address the needs of the 1.4 million unemployed, the two to three million underemployed, and the one out of four Canadians who are worried about their jobs. He failed to address tax relief, the principal route to job creation.

Why has the finance minister failed to deliver what Canadians really want: lower taxes and more and better jobs?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, on behalf of all of us in the House, I would first like to welcome the leader of the Reform Party to the debate.

The fact is that had the leader of the Reform Party been paying attention, he would have noticed that right from the beginning when we took office we had a two track approach on the whole question of cleaning up the balance sheet. The first was certainly to get Canadians back to work. As a result of that, the Prime Minister embarked on several trips abroad with Team Canada which brought a great number of new jobs to this country. He would have also noticed that we extended concessional financing. We have invested in R and D. Through the Department of Human Resources Development we put money into summer jobs for students and re-entry jobs for students.

The fact is, in addition to the substantial interest rate decreases which have occurred as a result of this government's action, 750,000 new private sector jobs have been created since we took office. That indeed is something for Canadians to be proud of.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if the finance minister wants to debate, he has to face unpleasant facts.

The unpleasant facts are the Liberals have cut transfer payments by 40 per cent. They have cut health care payments by \$3 billion. They have cut benefits to seniors. They are dismantling social programs to pay the interest on the ballooning \$600 billion federal debt. The finance minister has gone through all of this without being able to translate it into benefits of lower taxes and more jobs for Canadians.

My question again is: Why has the finance minister failed to give Canadians lower taxes and more and better jobs?

• (1430)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I would simply ask the leader of the Reform Party to hark back to Reform's first budget. When he does so, he will see that what Reform recommended in terms of health care, what it recommended in terms of transfers to the provinces, and what it recommended in terms of old age pensions was to simply kill the patient.

It really is the height of something that would be unparliamentary in terms of language for the Reform Party leader to stand up now and talk about what we would do. I would simply ask him to carry his thought one step further. The leader of the Reform Party has said that we should cut taxes. Fine. Let him now stand up and tell us where he would cut in our programs. What social programs would he cut in order to justify a cut in taxes?

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in this House we ask the questions and the finance minister can bluster all he wants. He can avoid the question all that he wants, but he cannot escape the fact that he has failed to deliver on the government's promise for jobs. The reason he has failed is that he cannot deliver on tax relief.

I will ask him one more time. Why has the finance minister failed to deliver tax relief to Canadians and the more and better jobs that tax relief would bring?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, in every one of our budgets we have brought forth tax relief for specific areas. In terms of unemployment insurance, we cut the costs over the last two years by \$1.8 billion. We have provided tax credits for poor families with children. We have provided tax credits for people in school.

The leader of the Reform Party says that they ask the questions in this House. In terms of the basic question of what social programs would you gut to pay for your tax programs, the Canadian people will insist that you answer that question.

The Speaker: I remind you my colleagues to address your statements to the Chair.

Oral Questions

[Translation]

THE DEFICIT

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

If the federal government can prove it has the deficit under control, it is because it is reducing it mostly on the backs of UI contributors by accumulating a surplus of at least \$5 billion a year through payroll taxes, which, as we know, are paid mainly by workers and discourage job creation.

Will the minister admit that, by asking lower and middle income workers, the unemployed and businesses—especially small businesses—to build up this surplus and pay for the deficit, he is dangerously and unfairly taxing employment?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, when we came to office, there was a \$6 billion plus deficit in the unemployment insurance fund. We had to make it up and we did. This year, we have a \$5 billion surplus.

According to Human Resources Development Canada's chief actuary, we need a surplus of \$10 billion to \$15 billion so the fund can sustain another economic downturn or recession. Second, it is clear that if we lower premiums, every five-cent reduction would cost us \$350 million, and we would have to find this money somewhere else.

• (1435)

There is a question I sincerely want to ask the hon. member. There are several kinds of payroll taxes, not only employment insurance, but also taxes for health care, training, the CSST. If this is true, I hope the hon. member will also ask the provinces to lower their own payroll taxes.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, as the commission's chief actuary said, the accumulated surplus will amount to at least \$5 billion a year, whereas during the worst of the recession, when benefits were higher and more unemployed people had access to unemployment insurance, it was close to \$6 billion. This increase makes no sense at all.

Since what really matters is employment, will the minister admit that, beyond his fine-sounding words, Canada's citizens are in fact poorer according to Statistics Canada, as the real disposable income per person has dropped by more than \$1,000 since 1989? Will he admit that Canadians have become poorer?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first of all, if the hon. member looks at her figures, she will see that, according to Statistics Canada, Canadians did get poorer—she is right about that—but it happened before we came to office. Since

we came to office, the situation has stabilized, which means we made significant progress. We would like to increase Canadians' income, but before we could do so, we had to stabilize it.

Second, yes, there will be a \$5 billion surplus at the end of the year. This does not mean that the surplus will keep growing forever. But we do need a surplus to protect ourselves against a recession.

As I said earlier, according to the auditor general, this money is included in our figures. When we lower premiums as we did last year and as we intend to do this year and hope to do in the years to come, it certainly costs us money.

Having said that, I want to ask the hon. member, because I myself cannot ask my provincial counterpart, Mr. Landry: Will she ask Mr. Landry, will she thank Mr. Landry, who said yesterday—

The Speaker: Your time has expired. The hon. member for Capilano—Howe Sound.

* * *

[English]

THE DEFICIT

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, yesterday's fiscal update needs a critical update. Only in the never never land of Ottawa is there celebration over a deficit of \$29 billion. Only in the never never land of Ottawa is there celebration over deficit reduction by downloading on the provinces.

Why has the Minister of Finance burdened provincial health, education and welfare programs with cuts of \$6 billion while he lets his own government get away with cuts of less than \$2 billion a year?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it was made very clear in the presentation yesterday that while we were very proud of having bettered our targets for the second year, and while I think all Canadians can take great pride in the control which we now have over the nation's finances, we made it very clear that victory was not yet won. The fight ahead of us is going to be very tough, and we are going to stick with it. I think the hon. member should understand, and I would hope that he would join with this side of the House and with all Canadians as we stick to what is going to be a very difficult fight.

I would also hope that perhaps he would get his numbers just a little more correct. The fact is that in the period 1994-95 to 1997-98 in terms of our own spending as opposed to transfers to provinces, we have cut by \$8.3 billion, and total entitlements to the provinces have only been cut by \$4.1 billion.

Oral Questions

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I guess we will have to look at the record of what his deputy minister said yesterday. As of yesterday it was \$6.3 billion.

• (1440)

I wonder how this works out. Coming from British Columbia, creative accounting in federal fiscal updates scares me. Creatively, last year's fictitious deficit was improved by a fictitiously large windfall. By a very mysterious coincidence, projected declines in revenues, exactly dollar for dollar, match projected declines in interest costs.

How many more such fictitious numbers and creative accounting are behind the minister's assurance that he is hitting his unchanged and unchanging targets?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member knows there is no fictitious accounting. Our books are certified by the auditor general. The auditor general goes through them and it is according to generally accepted accounting principles. I do not think that it behoves the hon. member to cast aspersions on the federal government's numbers because he knows the implications of what he is saying.

I would like to go to the member's question of transfers. We all have to understand something. When we cut, whether it is transfers, which we do not want to do, or in our own backyard, it impacts on the provinces. It really is slightly bogus to talk about cutting this way and cutting in our own backyard as if it does not cut the provinces.

If military spending is cut and a base is cut in a province it is a cut in that province. Is the hon. member saying that we should cut old age pensions? We will not do it. However, if we ever did, it would impact on welfare in the provinces. Is he saying we should cut R and D? If we did, it would affect the universities.

There is nothing the federal government does that does not impact on the country. That is why we will not cut old age pensions, why we will not cut research and development and why we will not savage this country.

* * *

[Translation]

CANADIAN ARMED FORCES

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, the army is being rocked by one scandal after another.

Today, we learned with disgust that pictures were taken of several members of a regiment based in Chilliwack clowning around the body of an Iraqi civilian blown to pieces by a mine in the desert, in Kuwait. No less than 24 pictures have apparently been taken showing this dead body from all angles.

Could the minister tell us if he too was informed just this morning of what these soldiers did or if his predecessor had known

about it for a long time and, in the latter case, could he advise us of the sanctions taken to ensure such unbecoming conduct never recurs?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I totally agree with my hon. colleague that this kind of situation is absolutely unacceptable. I learned of the picture's release yesterday. I have asked General Baril to look into this matter and I can assure my hon. colleague that, as soon as General Baril's conclusions are available, I will gladly convey this information to him.

I would like to emphasize the fact, however, that this is another example of situations, of things that happen and that will not be tolerated. I would like to be able to tell my hon. colleague that any risk of the public being exposed to such things again has been eliminated, but there is no point in having him believe something like that when I cannot deliver the goods.

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, how can the minister justify the statement made by the army spokesperson for the western region to the effect that there is nothing seriously wrong about this and that such a minor incident does not even warrant sanctions?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I realize that it is often difficult to prepare for the supplementary and that, in many cases, the answer gives us a lead.

In this case, my answer to the hon. member was that the situation could not be tolerated. This is something that happened a while back. I asked the general in command of the land forces to try to find out why and how this happen and to make sure that proper sanctions are taken.

* * *

• (1445)

[English]

INCOME TAXES

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, yesterday the finance minister tried to get Canadians to believe that there is no difference in how single income families are treated compared to dual income families under the tax system. I truly cannot believe that he really thinks that.

The fact is that on a \$60,000 income the single income family pays \$7,000 more in taxes than the dual income family.

Why is the finance minister and the government maintaining tax policies that force single income families to pay higher taxes?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, my answer to the question is the same as it was yesterday.

Oral Questions

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, that explains why the finance minister has trouble balancing the books.

I quote from a recent book: "You have a lawyer and he is paid a lot of money. He has to pay a sizeable chunk in income tax so the lawyer gets the firm to put his wife down as an employee and part of his salary goes to her except that she never works at the firm". That is called income splitting and the lawyer who took advantage of this scheme is now the Prime Minister of Canada.

Why does the finance minister support a tax system that encourages crafty arrangements for clever lawyers and wealthy shipping magnates, yet discriminates against the average single income earner family?

* * *

[Translation]

MINISTER OF INTERGOVERNMENTAL AFFAIRS

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. The minister used the letterhead of the Privy Council Office, which is his department, but also the department of the Prime Minister, to call a party fundraiser in his riding.

Are we to understand that, with the election approaching, we will be seeing more and more of these ethical lapses on the part of Cabinet members, and that the government's moral code will be taking an increasingly elastic turn?

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, do my colleagues wish to know the truth? The office of the Minister of Intergovernmental Affairs issued a release to the media saying that on such a date and at such a place the minister would be speaking and that he would be accompanied by another minister and two colleagues.

It is a release like those issued by the Prime Minister, the minister and even the Leader of the Opposition and the leader of the third party each time they attend activities or travel. I do not see why the member is so upset.

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, how can the Minister of Labour attempt to justify the unacceptable conduct of the Minister of Intergovernmental Affairs by making light of the error he committed?

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I repeat that there was no breach of the code of ethics or of the guidelines. This is a practice common to all parliamentarians. But perhaps I should remind the member about what they say about people who live in glass houses.

I would like to remind the member that the member for Québec-Est used the House of Commons E-Mail to invite members to call a House of Commons telephone number, 996-4151, and pay \$20 to buy a book written by his own wife.

She should perhaps think twice before casting the first stone, as I was saying.

* * *

[English]

CANADA POST

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, my question is for the Minister of Public Works and Government Services.

Unaddressed ad mail is a major irritant not only in my riding of Bramalea—Gore—Malton but across Canada. What results will the minister's announcement have for Canadians who are tired of receiving what they call junk mail, and what impact will the announcement have on those whose job it is to deliver ad mail?

Mr. John Harvard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I would like to thank the hon. member for his question and his interest.

• (1450)

I would like to reiterate what the minister said yesterday, which is that Canada Post will be withdrawing from so-called economy ad mail. However, I want to assure the hon. member that this withdrawal will be staged in a very orderly fashion with as little disruption as possible. It will be done only where alternate facilities exist.

I would also like to point out to the hon. member that we expect this delivery service to be transferred directly to the private sector.

With respect to premium ad mail, Canada Post will not be withdrawing from that service right now. That carries with it some financial implications and Canada Post will be studying those implications before a decision is made.

* * *

ETHICS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, today the press is reporting a few wispy details of the nearly invisible, ever elusive ethical guidelines of the Prime Minister. It appears that the government thinks that ethics is a little bit like the game "pin the tail on the donkey". The public is blindfolded and if they are lucky they get to pin a cabinet minister with a lucky guess.

No one can figure out why the Prime Minister has not tabled the guidelines so all Canadians know what we are talking about.

Oral Questions

My question is for any government minister. Will one of them please rise in the House and if such guidelines actually exist will he or she table them so we can have a look?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, the question was properly answered yesterday by the Prime Minister. He said that there are direct communications between the Prime Minister and his ministers on a cabinet confidential basis which set out certain rules of conduct.

The reports that were printed in the papers today are simply briefing notes that the ethics commissioner uses to brief various ministerial staff. They are not the same documents. They are two very different things. I think the hon. member should recognize a difference when he sees one.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the public has a desire to know to what standard of ethics the government is trying to adhere.

I have with me the British parliamentary guidelines for ministers. They are 130 pages long and are publicly available. I got these from the British High Commission earlier today.

We have another incident. The Minister of Intergovernmental Affairs has been seen sending out notification of his Liberal fundraising events. We are not sure if that contradicts the ethics code of the government because we are not sure it even has an ethics code.

Would somebody please let the Canadian people know what this ethics code is? Will he or she table them in the House so the Canadian public is aware what ethical standard, whatever it might be, government ministers live up to?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, it may come as a surprise to the hon. member but anyone who takes an oath of office, either as a member of Parliament or as member of the cabinet, immediately accepts a basic code of conduct.

It might be helpful for the hon. member to examine his own code of behaviour. Frankly, the code of behaviour exercised in the House every day by members of the third party is quite deplorable.

If the hon. member wants a real test of the code of ethics of members of the cabinet he only has to look at the various honourable decisions taken by ministers. When they have breached the code they have made the honourable decision and resigned, as did the former Minister of National Defence last week.

The best test is the test of practical outcome. I believe the Canadian people respect that.

[Translation]

THE MINISTER OF INDIAN AFFAIRS

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the members of this government, particularly cabinet members, have problems with ethics.

Last week, it was the former defence minister, regarding the incidents that we know; yesterday, it was the intergovernmental affairs minister, who used the Privy Council—the Prime Minister's department—letterhead for partisan announcements; now, it is the turn of the Indian Affairs minister.

How can the minister explain that, in a document released in August 1996 by his department and entitled *Pride in Partnership*, he directly refers to the commitments the Liberal Party of Canada made to aboriginal people in the red book? Since when does the minister of Indian Affairs promote the red book by using taxpayers' money?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I promote the Liberal red book every time I get a chance to speak or write.

• (1455)

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I find it unacceptable that the minister would try to downplay the incident. The Indian Affairs minister promotes the red book and says there is no problem, adding that he will seize every opportunity to promote it.

The minister should realize that it is inappropriate for the government to use public money for political purposes, namely to boast about his government's performance. He should pledge to repay the federal treasury for such abuse, with money taken from the Liberal Party fund. Will the minister repay the federal treasury for this abuse?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, if that is the only question I am going to get from the Bloc in two months, I am in pretty good shape.

The red book happened to be our policy. It was a promise to the electorate, which eventually became cabinet policy. We were telling the public: "This is our policy. This is what we promised you. This is what we delivered". Short and simple.

*Oral Questions***AGRICULTURE**

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, my question is for the minister of agriculture. The minister announced last Friday that he will hold a plebiscite on the future of barley marketing in western Canada.

I need some clarification from the minister. Western farmers really want to know, as they go into marketing this year's barley crops, will farmers be given the option to choose dual marketing in the plebiscite?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I have had the opportunity to answer this question in the House before.

It is very clear in the policy statement that was delivered, both on Friday of last week and Monday of this week, that we will be asking a very clear cut question about whether farmers wish to put all barley, that is, both feed and malting barley, on the completely open market for all sales or would they prefer to retain the current system through which the Canadian Wheat Board, as modernized by the various changes that we are making, remains the single desk seller for all barley exports and domestic barley sales for human consumption. That is very clear.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the minister has answered the question. He has said that dual marketing will not be an option.

This option is accepted by many western Canadian farmers. Will the minister promise today that he will change his mind on this issue and put dual marketing as an option on the ballot?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the Reform Party does not like it when I do change my mind and they do not like it when I do not change my mind. I find it very difficult to understand their position.

What it is important for the Reform Party to explain to their supporters so that this issue can be fully understood is that the concept of dual marketing would dilute the price pooling system. It would make it untenable for there to be guarantees of initial payments.

It would make it impossible for the quantity of supply, the security of supply, to be guaranteed in world markets by Canadian marketing and there would be no ability, under a dual marketing system, to safeguard Canadian quality.

Those are some of the flaws that the Reform Party should draw to the attention of those who make this argument.

BANFF NATIONAL PARK

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, my question is for the Minister of Canadian Heritage.

For over 100 years, Banff national park has served as the flagship of Canada's national parks system. It is a symbol of Canadian heritage. Its protection is a value shared by all Canadians coast to coast.

How will the minister implement the recommendations of the Bow Valley study? How will she balance the environmental protection with the long-term sustainability of Alberta's tourism industry?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, I thank the hon. member for an extremely well thought out and well articulated question.

As the hon. member knows, on October 7 the Minister of Canadian Heritage announced that she would take immediate steps to implement some of those recommendations. She has put a stop to any new commercial use of lands in Banff National Park. She has actually removed the air strip, she has removed the buffalo paddock and the cadet camp. She has also set up a corridor north of the city that will be for wildlife. She has set up clear wilderness areas within the park.

As for the remainder of the recommendations, the assistant deputy minister of parks will be setting up an advisory committee that will work out an implementation strategy that the minister will announce in April.

* * *

• (1500)

CANADA PENSION PLAN

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, my question is for the Minister of Finance. It concerns proposed changes to the Canada pension plan. The minister has said that some provinces have proposed to cut benefits to seniors by taking away full inflation protection.

My question to the minister is straightforward. What is the federal position on this issue? Will the minister clearly state whether he supports this change or whether he is prepared to stand with the NDP governments of Saskatchewan and British Columbia in rejecting this regressive proposal which would betray the trust of Canadian seniors?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first it is by no means clear that the description of any government's position is as described by the member. However, I would tell him that all of the provinces have come together and quite clearly there is going to have to be a package. When the package is put together it will imply trade-offs and we will have to see.

I can also say that the federal government is going to have to come to a compromise with the provinces. The federal government cannot act alone in this particular instance. However, the hon. member ought to know, in instances where the federal government could act alone, which is in the creation of a new seniors benefit, we not only maintained but we enhanced indexation.

* * *

[Translation]

MR. TRÂN TRIỆU QUÂN

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, my question is to the Minister for International Cooperation and Minister responsible for Francophonie.

Trân Triệu Quân has just been transferred to a labour camp, somewhere in the Vietnamese jungle, without any advance notice to Canadian consular authorities.

Since the new Minister for International Cooperation and Minister responsible for Francophonie will go to Hanoi in the coming days, will he pledge to make, on behalf of the Canadian government, an official request for the patriation of Trân Triệu Quân, and will he inform the House of the result of his efforts, as soon as he comes back here?

Hon. Don Boudria (Minister for International Co-operation and Minister responsible for Francophonie, Lib.): Mr. Speaker, I wish to confirm to this House and to the hon. member opposite that I will be going to Hanoi tomorrow and that I fully intend to make representations to top Vietnamese officials.

It goes without saying that I cannot negotiate on the floor of the House, and the House does not expect that, but I do intend to raise the issue and to ask for the patriation of Trân Triệu Quân, for humanitarian reasons.

* * *

[English]

JUSTICE

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, just a few weeks ago in my riding of Calgary North, it was parents themselves who spotted a sexual predator stalking the neighbourhood children and had him apprehended. This man, a convicted pedophile, was out on bail thanks to the Liberals' lenient approach to justice.

The justice minister is well aware that the anxiety Canadian parents feel about the safety of their children has just received another horrific jolt after yesterday's brutal abduction and violation of a four year old child near the minister's own home.

Business of the House

When will the Minister of Justice give parents even the most basic tools, like a national pedophile registry to protect their children?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it was last year that the solicitor general introduced the child sex offender registry which has now been in operation for some months. I believe it has contributed directly to an increase in public safety.

The hon. member will know as well that in recent weeks the government has introduced in Bill C-55 specific and practical measures by which we can have sentencing judges impose on sex offenders and particularly sex offenders who offend against children, not only a period of imprisonment that is appropriate to the offence, but after their release from prison a regime of controls and supervision to minimize the high risk that they will reoffend.

I urge the hon. member and her colleagues to support that legislation which we believe strongly will enhance the safety of the community in the face of such unacceptable risks.

* * *

[Translation]

PRESENCE IN GALLERY

The Speaker: I would like to draw to your attention the presence in the gallery of members of the French group of the Canada-France interparliamentary association, led by Senator Jean Delaneau.

Some hon. members: Hear, hear.

• (1505)

[English]

The Speaker: Colleagues, I would also like to draw to your attention the presence in the gallery of His Excellency José Lello, Secretary of State for the Portuguese Communities.

Some hon. members: Hear, hear.

* * *

[Translation]

BUSINESS OF THE HOUSE

Mr. Gilles Ducespe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I would like to find out from the government what is in store for two weeks from now, since we will not be here next week.

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Today and tomorrow, we are going to continue with the schedule we have already begun. After this debate, we will return to Bill C-60, on food inspection agencies, and will also try to finish up the debate on Bills C-26 and C-29.

Government Orders

[English]

This will be followed by Bill C-6, the Yukon mining bill; Bill C-51, the Nunavut waters bill; Bill C-49, the administrative tribunals bill; Bill C-47, the reproductive technologies legislation; Bill C-59, the water passengers legislation; Bill C-57, the Bell Canada bill; and Bill C-35, the labour code amendment.

Early in the week we return, the government expects to introduce a bill concerning an electors registry. As soon as procedurally possible, we will seek to refer the bill to committee before second reading.

A few weeks ago I expressed some concern about the pace of business in the House. I want to thank the House for addressing this question effectively. Now I have to give a little push to committees. There are now 18 bills in committee and more on the way. I trust that committees will attend to this business with the same dispatch demonstrated toward legislation by the House itself.

I wish the House a good Thanksgiving week off from this place. I hope to see everyone in good health when we come back.

GOVERNMENT ORDERS

[English]

CANADIAN FOOD INSPECTION AGENCY ACT

The House resumed consideration of the motion.

Mrs. Marlene Cowling (Parliamentary Secretary to Minister of Natural Resources, Lib.): Madam Speaker, as a lifelong farmer and a member of parliament who represents the people of Dauphin—Swan River, it is a pleasure to have this chance to speak on Bill C-60, the Canadian food inspection agency act.

Food inspection and quarantine services have always been a priority in Canada. Canada has one of the most effective food inspection and quarantine systems in the world. The confidence of Canadians in the quality and safety of their food is among the highest anywhere. However, our food inspection and quarantine system is facing many new pressures. How effectively Canada meets those challenges will have a major impact on the food industry and on all Canadians.

Agriculture and agri-food accounts for 8 per cent of our gross domestic product and directly and indirectly employs some 1.9 million people. In addition, Canada has one of the largest commercial fisheries in the world with fisheries and aquaculture valued at about \$4 billion a year and employing some 120,000 workers.

In our cities and in rural areas like the constituency of Dauphin—Swan River, the food industry is an integral part of our day to day lives and forms the backbone of many communities. These

contributions cannot be taken for granted. The future growth and success of the food industry from fishing and farming to food service and retail depends on the continued high quality of our products and strong consumer confidence in the safety of our food supply. In the face of today's many pressures, that requires changes, less duplication and overlap, and greater responsiveness to changing ways of doing business.

• (1510)

In 1994 federal, provincial and territorial agricultural ministers committed themselves to addressing those challenges by endorsing a blueprint document for the Canadian food inspection system, CFIS. CFIS involves all levels of government in looking at harmonizing food standards, inspection and quarantine services into a single integrated system for all of Canada. The CFIS objectives are: to protect the health and safety of Canadian consumers; to sustain our international reputation for safe high quality food; and to maintain an efficient and effective food inspection and quarantine system.

In May the office of food inspection systems, OFIS, was established to assess the feasibility of setting up a single food inspection and quarantine system at the federal level, a first step toward a Canadian food inspection system.

In July 1995, OFIS issued a discussion paper entitled: "Federal Food Inspection System—Organizational Options", and it presented four possibilities. The discussion paper was widely distributed to industry stakeholders who further dialogued on the proposed changes. These discussions were fundamental to the decision making process that led to the announcement of the Canadian food inspection agency in the 1996 budget.

The legislation we are introducing today is widely supported by the provinces and the industry. The agency will reduce costs and ensure greater consistency in inspection and quarantine methods and standards. Under the legislation, the Canadian food inspection agency's responsibilities are clearly defined. They will be centred in six key areas: animal and plant health programs; trade and commerce and economic fraud; inspection and quarantine policy; assessment, evaluation and verification of inspection and related activities; registration, certification and approval; and enforcement and compliance actions.

The new agency will also be responsible for enforcing food safety standards and regulations. It will play a lead role in the risk management options dealing with food related health issues.

As stated in the 1996 budget, Health Canada will retain responsibility for food safety policy and setting standards. It will also be responsible for auditing the agency's inspection and quarantine activities.

With the creation of the Canadian food inspection agency, roles and accountability will be more clearly defined, strengthening the decision making process. The agency will maintain close links

with the OFIS to ensure that work toward a Canadian food inspection system is continued and expanded.

The agency will improve government responsiveness with a more private sector type financial framework. This framework incorporates multiyear flexibility and a simplified vote structure; reconciles the information requirements of Parliament and other client groups; and minimizes administration and financial systems costs. In order to encourage efficiency, the agency will have the option of selecting service providers in areas such as payroll and accommodation services.

Removing food inspection and quarantine services from the departmental system will also have many other benefits. A stand alone agency will encourage a new corporate culture which will help transcend old approaches and build new partnerships with the private sector. Staff will work in a more flexible, client focused environment and will deliver more uniform procedures whether for bread, chocolate, canned salmon or beef stew.

In addition, the new agency will have the flexibility to build on existing federal-provincial agreements by streamlining and negotiating new ways of delivering services such as delivering provincial inspection and quarantine functions by federal inspectors and vice versa, and establishing federal-provincial corporations for joint delivery of federal and provincial inspection and quarantine programs.

• (1515)

Federal and provincial ministers would, however, remain accountable for their respective statutory responsibilities. Clearly, this more streamlined, efficient and responsive approach to food inspection and quarantine is an important avenue to ensure continued confidence in the safety and in the quality of our food supply.

This new agency will not only benefit rural constituencies like Dauphin—Swan River. It will help all Canadians. I would like to call on all members to lend their support for this important legislation.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ): Madam Speaker, Bill C-60 proposes the creation of a public agency called the Canadian Food Inspection Agency. As its name indicates, this agency will be responsible for providing federal food inspection services, and related services, such as recalls and food poisoning investigations, as well as managing food safety-related emergencies.

In the government documentation, we are told that this new agency will “make it possible to eliminate duplication and overlap and to consolidate resources, while increasing efficiency and decreasing by approximately 10 per cent the overall federal costs relating to food inspection”.

Government Orders

What is, in fact, involved is consolidation and rationalization. The overall objective of this measure is to create a more efficient and more effective inspection system.

The fusion of federal activities will facilitate implementation of an inspection system that conforms to the HACCP—hazard analysis at critical control points—approach to food inspection. The motto of the new agency would be “protecting the Canadian consumer”.

Already, a sizeable number of Canadian food processing firms have adopted some elements of the HACCP approach. While, at present, this represents a preventive approach, it has some obvious advantages: first, a guarantee of exceptional safety for the consumer; second, an internationally accepted standard for export sales; third, an economical means of reducing recalls and waste.

The HACCP approach involves a hazard analysis at critical control points. In other words, we must identify risks, list preventive measures and express criticism as the situation unfolds.

To get back to the idea of creating the Canadian Food Inspection Agency, we agree there should be a single federal food inspection authority in the future. On the other hand, we cannot support this bill in its current form, and I will tell you why.

Note that there are 94 clauses in this bill. As presented by the government, this bill might become a real patronage haven. Since clause 5 allows the governor in council to appoint a president and an executive vice-president of the agency to hold office during pleasure for a term not exceeding five years, the minister might be tempted to appoint a friend.

And if that were not enough, clause 10 enables the governor to appoint an advisory board of 12 members.

Worse yet, clause 22 allows the minister to approve the agency’s corporate or five-year business plan. As we know, as soon as possible after it is established and at least once every five years after that, the agency must submit a corporate business plan.

In fact, if we let the minister choose the president and vice-president of the agency as well as the 12 members of the advisory board, he can also control the agency by directing its key policies. All this does not put the government’s transparency in a very good light.

That is not all. Under clause 17 in the bill, the government gives the agency and its executives the power to license, sell or otherwise make available any patent, copyright, industrial design, and so on. In this regard, I did not see any sales or allocation criteria. Would the cost be lower to a contributor to the Liberal campaign fund? As

Government Orders

I said earlier, the government is trying to control the agency and turn it into quite the patronage haven.

• (1520)

With Bill C-60, the government is looking to consolidate inspection activities relating to food as well as animal and plant health, and related activities including food recalls, the investigation of instances of food poisoning and the management of emergency situations related to food safety. To fulfil its mandate, the agency will have a staff of approximately 4,500 and an initial budget of \$300 million. It should be operational early next year, in 1997.

Its 4,500 employees will come from three departments: some 3,900 from Agriculture and Agri-Food Canada; 400 from Fisheries and Oceans Canada; and 200 from Health Canada. The jobs of these 4,500 employees will be secured for two years. One wonders now what will happen to them after. And where it says that the new agency will look into the need to introduce voluntary leave incentives, I hope the agency will reduce its staff through attrition only, that is to say, as people retire.

At present, the federal government spends approximately \$340 million per year to fulfil its duties and responsibilities regarding food inspection across the country. This figure is taken from schedule B to the working paper on the federal food inspection system—organizational choices of July 1995. This expenditure is shared three ways between Health Canada, Agriculture Canada and Fisheries and Oceans Canada.

Under Bill C-60, total costs will be reduced by approximately 10 per cent or \$44 million annually as of 1998-1999. With such a reduction of the food inspection budget, the status quo is not in the least guaranteed as regards cost recovery.

The Canadian Federation of Agriculture supports the establishment of one food inspection agency, as proposed by the Minister of Agriculture in this bill. It did express some reservations, however.

It gives its support on the condition that this reorganization not lead to new cost recovery measures. Moreover, it expresses the strong desire to see producers represented on the advisory council. In this regard, I think the proposal is excellent.

The Canadian Federation of Agriculture also strongly hopes that, as far as compensation to be paid for costs incurred with respect to treatment is concerned, clause 71 will include “and for other measures”. Thus, additional costs will be included, such as with respect to quarantine, cleaning, replacement of damaged or ruined property, restocking, etc.

The impact of such an addition to the legislation would ensure farmers do not lose out because they have reported a disease. As we

all know, the riding of Lotbinière, which I am honoured to represent, is Quebec’s largest agricultural riding.

Quebec supports the establishment of the agency because it amalgamates the inspection services. From now on, there will be only one interlocutor. But it would be contrary to Quebec’s position if the federal government, through this agency, unilaterally established national standards. It would be a very good thing to have a new sharing of administrative responsibilities in the food inspection sector, while making sure no one has to give up its own fields of jurisdiction, and no change is made to the division of powers provided in the Constitution.

The Union des producteurs agricoles, the UPA, agrees with the Quebec government. It does not want the provinces, particularly Quebec, to have a say regarding the activities of the future agency.

The Bloc asks that the provinces, including Quebec of course, be consulted and listened to regarding the agency’s activities in the coming years. It makes sense and it is only normal for the federal government to act with the agreement of the provinces in the food inspection sector, since consumers’ health and interests are at stake. However, the federal government must respect the existing fields of jurisdiction.

• (1525)

Costly overlap must be reduced. Grouping together the inspection services of the Department of Agriculture and Agri-food, Health Canada, and Fisheries and Oceans Canada is a step in the right direction. We must promote harmonization and streamline standards so as to reduce the burden of regulatory requirements and promote the competitiveness of our businesses.

In closing, we must, I repeat, promote joint action, but according to the partners’ respective fields of jurisdiction. In this regard, I refer government members to sections 91 to 95 of the Constitution Act of 1867.

[English]

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, I am pleased to speak in support of this legislation along with my other colleagues.

The Minister of Agriculture and Agri-Food, as members know, has tabled a bill which is a fine example of the government’s commitment to protect the health of Canadians. That bill introduces a new food inspection system. It is one that is built on the same overriding priority that we have always held high, good health for Canadians through the safest possible food sources.

Mr. Pickard: That is right.

Mr. Volpe: My colleague who comes from the agricultural area of Essex—Kent will bear me out.

This new system keeps that goal front and centre while achieving efficiencies, savings and increased effectiveness for everyone with a stake in the process and most especially, consumers and taxpayers. The minister has introduced legislation that creates the foundation for a Canadian system, one with greater harmonization of both standards and inspection.

As the speech from the throne noted, the government is prepared to work with interested provinces so that the new food inspection system co-ordinates these activities at the federal and provincial levels.

In my comments today I want to speak about the role of Health Canada in the new food inspection system. Hon. colleagues should know that Health Canada has a strong and firm role in protecting the health of Canadians and this bill fits that role. It draws on the unique strengths of the department.

The legislation will first of all eliminate the overlap that has existed among Agriculture and Agri-Food Canada, Fisheries and Oceans Canada and Health Canada regarding food inspection. This is not a trivial matter. The agency will be solely responsible for the delivery of food inspection and related services.

Health Canada will focus its attention on the food safety policy, standard setting and research necessary to support the system. It will assess the effectiveness of the agency's food safety activities. In short, Health Canada will focus on the science that is the foundation of a credible and effective inspection system.

You will forgive me if I applaud the initiative because this new approach makes sense. It fits with the government's emphasis on addressing the key determinants of health and few things are more important than good, healthy and nutritious food. It also fits with the other health protection functions of Health Canada and the scientific resources it uses to carry out those functions.

These policy development and standard setting functions will draw on the strengths and resources that the department has built up over the years. We are going to apply both experience and expertise.

• (1530)

It will continue to use an approach that is based on good science. It will continue to use risk assessment as a framework for our activities so that our food inspection priorities are right.

These functions will continue to draw on the substantial laboratory infrastructure of Health Canada. Our national network of facilities and experts will allow the food system to identify hazards and assess them effectively through toxicology, disease surveillance and human health impact investigations. These facilities will form the practical basis of the department's abilities to set standards and create appropriate policies. This kind of work is the foundation of any modern, credible food inspection system.

Government Orders

Health Canada's staff deals with a wide range of food health hazards. Its scientists and analysts track chemical risks as a threat of allergens. They go after biological threats such as salmonella and they deal with physical issues such as the occasional presence of metal fragments in food products. That is not a very pleasant thought.

These experts are connected to Canada's broader public health intelligence system. They are linked to a network of people and places such as the Laboratory Centre for Disease Control. They are linked to physicians and public health specialists across Canada. That means that our national disease surveillance system includes the capacity to quickly assess and check if an emerging health problem is food related.

As Health Canada's scientists and researchers work in their labs, they are not working in isolation. In this new model they will be in constant touch with the agency. They will work in a way that recognizes industries' interests in sound standards that earn the trust of Canadian and international consumers alike.

Health Canada brings together another advantage to the new food inspection system, its international contributions and contacts. In a world where trade is increasingly open and where our food products find buyers around the world we need consistent and fair standards, as identified in our debate earlier this morning on the bilateral agreement with Israel. My colleague, who comes from a very vibrant farming community in southwestern Ontario, Essex—Kent, will affirm that.

The department will see that Canada plays a full role in this process. Health Canada has a long and respected tradition of results in helping Canadians to enjoy one of the safest, healthiest food supplies in the world. Under this legislation that tradition will continue. Canadians will have a strong, credible team of medical, scientific and research professionals at work in labs and in the field to ensure solid standards and sound policies backed by the very best of research.

With this bill Canadians will get food of the highest possible quality and an inspection system which will be efficient and well organized. I believe that it has the support of the provinces and the stakeholders. I believe it deserves the support of all members of the House.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Madam Speaker, Bill C-60 is entitled an act to establish the Canadian Food Inspection Agency and to repeal and amend other Acts as a consequence. It sets up the Canadian Food Inspection Agency in order to consolidate and enhance the efficiency and effectiveness of federal inspection services related to food and animal and plant health as well as to increase co-operation between the federal and provincial governments in this area.

Government Orders

• (1535)

This agency will take over from the old Interdepartmental Committee on Food Regulation established in 1986. Thus there will be only one body in this area at the federal level.

The bill also sets out the responsibilities, accountability regime, organization, human and financial resources regime, powers and reporting framework of the agency. It also amends some of the enforcement provisions and penalties in federal statutes that the agency will enforce or administer, with regard to food and animal and plant health.

Simplifying the food inspection system in order to eliminate duplication, to enhance trade and improve enforcement of regulations relating to food safety is a very commendable objective. It has been set forth in the last federal budget and relatively well accepted by Quebec as well as other provincial governments.

I should mention that the auditor general, in his 1994 report, strongly recommended that the food safety assurance system be reviewed in order to deal with its numerous flaws. More specifically, he singled out the Interdepartmental Committee on Food Regulation for its lack of consistency. This committee, made up of representatives from Health Canada, Agriculture and Agri-Food, Fisheries and Oceans and Revenue Canada, has not always fulfilled its mandate of bringing specific changes to the food safety assurance system and of enhancing innovation and efficiency in relation to inspection methods.

Moreover, the committee has failed to report the results of its investigation as required in its mandate. The auditor general has also emphasized the inability of Health Canada to guarantee complete and effective enforcement. In a nutshell, the auditor general and most stakeholders think our food inspection system should be reviewed.

The goal of having in the federal government a single window for food inspection is commendable, but the way the federal government wants to go about it is totally unacceptable and is just one more example of federal intrusion into areas of provincial jurisdiction. In a way, Bill C-60 flies directly in the face of the repeatedly expressed will of Quebec to take on all its responsibilities under the Constitution.

Even if this bill did recognize the existing areas of jurisdiction, the present wording of several clauses still makes Bill C-60 a bad bill that would not meet the goals expressed therein, and it would still incur the official opposition's condemnation.

For example, the government maintains it is looking for a more efficient federal service for food, animal and plant inspection. In a

system such as ours, with elected representatives, efficiency and openness often go hand in hand. When things are done behind closed doors, the interests of people behind the door are often well looked after at the expense of the public left outside.

In Bill C-60, the government had many opportunities to show it cares for openness. For example, clause 5 stipulates:

The Governor in Council shall appoint a President and an Executive Vice-President of the Agency to hold office during pleasure for a term not exceeding five years, which term may be renewed for one or more further terms.

There is no consultation, no consideration in committee, nothing of the kind. Only unilateral appointments made at the whim of the government.

Of course, the official opposition cannot support that section the way it is drafted. It would open the door to discrimination and patronage. If the federal government really wanted to be transparent, it would have ensured that these appointments could be examined by Parliament. These appointments should be submitted to the Parliamentary Committee on Agriculture and Agri-Food at least for consideration, if not for final approval.

The same thing goes for clause 10, which deals with the advisory board and reads as follows:

(1) The Minister shall appoint an advisory board of not more than twelve members to hold office during pleasure for a term not exceeding three years, which term may be renewed for one or more further terms.

• (1540)

Again, it is unacceptable for a minister to act alone in appointing the members of the advisory board. Since this board is responsible for helping the minister choose the policies he has to implement, it is important that all the appointments referred to in this clause be reviewed by the Standing Committee on Agriculture and Agri-Food. Therefore, the minister will not be able to yield to temptation and appoint his buddies or people who share his philosophy.

Another bit of lip service on the part of the government is co-operation with the government of Quebec and of all the other provinces. However, there is absolutely no mention of this in Bill C-60. Yet, this was a great opportunity. When appointing a board to advise the minister, the government could have guaranteed representation for Quebec, which accounts for 25 per cent of the Canadian population, and ensured that at least one member of the advisory board out of four is from Quebec so that the Quebec's point of view would be well represented on the board. Moreover, these appointments could have been approved by the provinces.

But, once more, the lip service expressed loud and long does not translate into government action. Subclause 4 of this clause provides that the minister shall appoint one of the members as chairperson of the advisory board. Again, the minister wants to

Government Orders

control the agency by appointing himself the chairperson of the advisory board.

Instead of letting competent people in the field who have to work with the food inspection staff choose a chairperson themselves, the minister will probably appoint one of his friends or one of his devotees who will defend his point of view at all times. This lack of transparency is apparent in the phrasing of several of Bill C-60's clauses: clause 22—corporate business plan, clause 23—annual report, clause 26—consultation, clause 32—annual audit, or any other clause concerning appointments or reports.

These actions must be examined and approved by the standing committee. Then, these appointments and changes could be submitted to the House, to all hon. members. This is not unreasonable. In a democratic system, there is never enough transparency, and prevention is better than cure.

Finally, clause 11 deals with the responsibilities of the new Canadian Food Inspection Agency. This agency would be responsible for the administration and enforcement of various existing federal statutes. So far, so good.

However, subclause 4 of this section reads as follows: "The Minister of Health is responsible for establishing policies and standards relating to the safety and nutritional quality of food sold in Canada." In this regard, the position of the Quebec government and of the official opposition is crystal clear.

I do not know how many times in the last three years I have quoted this section, which is part of the Constitution: "Under section 92, subsections 7 and 5 of the Constitution Act of 1867, and pursuant to the interpretation of many courts, health and social services are the exclusive jurisdiction of the provinces".

In closing, the Bloc Québécois has always demanded that the federal government respect the jurisdiction of the provinces regarding health care and we intend to call upon the Liberals to withdraw from this field and to transfer to the province of Quebec all federal moneys regarding Quebec's health care. I think that the Bloc Québécois will not support Bill C-60 in its present form.

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, first, allow me to note the lack of interest shown by the government party and the third party on this bill since the Bloc Québécois—

Mr. Volpe: Why do you say that? Where are the members of the Bloc? We are here.

Mr. Dubé: Only the Parliamentary Secretary to the Minister of Health seems to be interested.

I note also that the Liberal government is proceeding in a rather unusual way. It did the same thing in the case of employment insurance, that is it resorted to the pre-examination process in order to skip second reading, which is essential in a democracy, under

our parliamentary procedure, as we could have suggested amendments at this stage.

● (1545)

But no, once again, the government is trying to ram things through Parliament and flouts democracy. Like my colleagues, I am in favour of the establishment, by the federal government, of a single food inspection agency.

Members may find it strange that a sovereignist is supporting the establishment of a Canadian agency in the health sector. Let me explain. Between 1980 and 1985, I worked for the former Minister of Agriculture of Québec.

Mr. Crête: The best.

Mr. Dubé: Yes, at the time, everything was working fine in the agriculture sector. You will recall that, since 1978 at least, Quebec has been combining, various services in the agri-food sector. Quebec's agriculture department is called Department of Agriculture and Agri-Food, and is also responsible for fishing and marketing.

Being bigger, the federal government was slower to react. Finally, in 1996, almost 18 years later, it realized that it had to combine three food inspection services from three different departments. Not so long ago, Industry Canada also had its own inspection service.

We have been told that this ought to be done because it represents savings of \$40 million. If the figures are right, and if we add them all together over a period of, let us say, 10 years, it means that because of its lack of efficiency and of duplication in three of its own departments, the government lost \$400 million. It now recognizes that it has been inefficient for 18 years. That is unacceptable.

Yes, we want the federal government to put its house in order but, as usual, a number of clauses in this bill will make it possible, through the Department of Agriculture and other departments, for the government to infringe on provincial jurisdiction. The bill reads in part that the federal government may enter into agreements with the provinces, but I doubt that it will because most of the time it does not.

The Quebec government gave its approval to the spirit of the bill, but last summer, at a meeting of agriculture ministers, the Quebec minister, speaking for his government, said: "The premiers urge the ministers concerned to ask that the Canadian food inspection system's implementation group recommend before the end of the year ways to set up a Canadian food inspection system. That is true.

At the annual agriculture ministers' conference held in Victoria on July 3 and 4, the ministers adopted the wording proposed by the Quebec minister, which reminded the federal government that the

Government Orders

Quebec government intended to co-operate in eliminating overlap and duplication, but asked that Quebec's jurisdiction be respected.

Since I am familiar with agriculture, I know that Quebec has about 495 officials working in food inspection and that in the three federal departments mentioned in the bill there are at least 600 officials involved in food inspection in Quebec. I talk about Quebec because it is the province I know best.

So, there is a total of 1,100 federal and provincial employees to inspect food in Quebec. I can understand that the federal government wanted to streamline its services. But it should go a step further and respect provincial jurisdiction.

• (1550)

If the federal government is sincere in its willingness to work with the provinces, it should negotiate with the Quebec agriculture department a way for the provinces to apply the required standards because food products do not only travel from province to province, but also to other countries. So the federal government would set common standards that would be accepted by the provincial agriculture ministers and by the federal minister, and Quebec, which has already integrated its services and which acted a long time ago to eliminate overlap, would apply these standards.

One food inspection service, with responsibilities for municipalities with regard to the third market is the one for distribution in Montreal, Quebec City, Sherbrooke and Trois-Rivières. We have already made arrangements with these municipalities so they can enforce the regulations in restaurants because it is more easily done at the municipal level.

The federal government should do the same thing as Quebec did with its large cities and work out an integrated action plan with Quebec so we no longer have two kinds of food inspectors: type A, B and C laboratories. This system often causes confusion, and some agricultural producers, depending on the region, are affected by this conflict between two jurisdictions.

Yes, this bill is an improvement, or it would be more accurate to describe it as policy of the not so bad, because the federal government has been inefficient in the area of food inspection for at least 20 years. We hope it will be more efficient in the future, and the ideal situation would be a co-operative arrangement between the federal government and the Quebec government to eliminate overlap and create a fully integrated and coherent network.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am pleased to speak today to the bill establishing the Canadian Food Inspection Agency for a number of reasons. The first is that it is a fine example of the good faith shown by Quebec's

sovereignists in their belief in the importance of having a free and open economic association in Canada for the future.

With the federal government, we have a situation where three departments, Health Canada, Agriculture Canada and Fisheries and Oceans, have, for many years now, in the course of their activities, been stepping on each other's feet. We also have horror stories to tell, which, I hope, will no longer be the case with the new legislation. In any event, let us hope that these changes will help to improve matters. I will give you an example.

It concerns a farmer in my riding, a producer of pure-bred sheep, who, last year, was the victim of a completely inexplicable change in behaviour from the Canadian bureaucracy.

In the past, when there were signs of illness in his flock, or in the flock of any other producer, the exposed animals were put down, and the producer was compensated accordingly.

Last year, the regulation was changed, and we spent a long time looking for an explanation. Now, the affected animals are placed in quarantine. That is all very fine and well when you have large flocks, like they do out west, where there are some very large operations. But, when you are looking at small operations, such as in Quebec right now, this jeopardizes the producer's reputation and it does so for several years. There could have been an error at a given time, but small operations must not be shut down and, because of one error, producers prevented from continuing to operate. This was an example of too many cooks spoiling the broth. Certain policies do not necessarily apply in the same way, say as between Quebec and western Canada, but it could be the Maritimes. It could be different between large and small centres. We must continue to have latitude.

Therefore, we are in favour, if the food inspection issue can be simplified, and if there can be harmonization so that our operations can be as competitive as possible

• (1555)

The other horror story I would like to tell you is about a small abattoir in my riding, which slaughters a number of different types of animal. It has been systematically hit hard by the department, almost picked on, with a demand that it comply overnight, or nearly, with exactly the same standards as a multinational meat packing plant would have to meet. This causes problems, for it can mean the death of small businesses. Solutions to problems of this kind must be found.

So, if creation of a federal food inspection agency enables us to do away with these picky standards, and to have more appropriate behaviour by inspectors, as well as fewer rules to make problems for organizations, all the better.

There is no question of doing away with food safety standards. Everyone agrees that we need topnotch safety standards, which are exactly what is required for consumer satisfaction, but at the same

time, we must not place businesses in situations that cannot be remedied in the short term. They must be given time to make adjustments, and the type of market they are in also needs to be taken into account, so as to not necessarily apply the same standards to a multinational as to a small business.

This is where Bill C-60 falls down. It is a bill which will return management of food inspection once again into the hands of people who are not necessarily experts in the field—which seems to be a trend with this government. There is a good deal of latitude concerning partisan appointments to the board which will administer the act, and corrections are therefore required in this aspect of it.

Indeed, we intend to work on this. I would like to quote the position taken by the Quebec government at a conference of the ministers concerned by the creation of the Canadian Food Inspection Agency. Quebec, in a show of good faith, said the following: “The Premier urges the ministers concerned to ask that the Canadian food inspection system’s implementation group recommend ways to set up a Canadian food inspection system that respects the jurisdictions of all governments”. So this was an honest gesture.

In other words, we were saying: At last you are streamlining your operations by having only one agency instead of three. So if you do that properly and respect the jurisdictions of all governments as reflected in a future agreement, we are showing our good faith and are prepared to sit down at the table with representatives of the federal, provincial and territorial governments.

Interestingly, this attitude is inspired by the European Union model, a kind of common legislative basis. If it works, it will be an example of how partnership, for instance, could work between a sovereign Quebec and Canada. It could be a very interesting exercise, and we have already had an example of this—although Diane Francis and the *Financial Post* may not agree—in the dairy production sector, where Canada’s major dairy provinces, with the exception of British Columbia, have created an open market. Irrespective of the status of the Quebec government, there would be this open market, which would continue to develop now and in the future, so that the system would work effectively.

The same option is on the table now. When we say that the sovereignists want to help build a satisfactory economic market in Canada, this is a concrete example.

So we agree with creating only one agency, provided it respects the jurisdictions of each sector. I think that if the federal government does its streamlining but on the other hand continues to infringe on Quebec’s jurisdictions, we will not have solved a thing. It will then be up to the federal government to deal with this. However, if creating the agency helps to clarify the situation, if it helps make our businesses more competitive and allows for the fact that the local slaughterhouse in Saint-Pascal-de-Kamouraska cannot be expected to meet the same stringent standards one would apply to a multinational, it could be an interesting development.

Government Orders

But in that case, it will be necessary to respect the various jurisdictions. If the federal government says it is wall to wall from Vancouver to Halifax and the same standards apply everywhere, we will be stuck with the same problems. However, if the government streamlines its operations by creating an agency that will respect the jurisdictions of all concerned and apply standards that are satisfactory to this province within the provincial context, we may get some interesting results.

In concluding, to achieve this the federal government will have to eliminate the partisan aspect of the way it appoints the people who will manage the system.

• (1600)

The commission which will be responsible for management will probably be strongly influenced by the position of the government. People appointed by a province and, within the agency, people coming from a province but appointed by the federal government and provincial authorities could still work at cross purposes. Jurisdictions will have to be clearly respected.

We have an opportunity before us. Sovereignists from Quebec are open to trade with the rest of Canada, they trust Canada and showing their good faith. If the federal government changed some aspects of its act and reviewed its operation, we would have before us an interesting model which could be exported and which would bring Canadians to understand that sovereignty and partnership are the way of future not only of Quebec but of Canada as a whole.

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 yeas have it.

And more than five members having risen:

Government Orders

The Acting Speaker (Mrs. Ringuette-Maltais): Pursuant to Standing Order 76, the division on the motion stands deferred until Monday, October 21.

* * *

OCEANS ACT

The House resumed from October 9, 1996, consideration of the motion that Bill C-26, an act respecting the Oceans of Canada, be read the third time and passed.

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, after trying unsuccessfully to amend the bill, after attempting to be heard in committee, the Bloc Québécois will vote against the bill for several reasons, some of which I am going to mention.

This bill, which is entitled an Act respecting the oceans of Canada, is prefaced by some rather surprising "whereases". This is indeed surprising in a bill that is supposed to outline the way things will be done; these "whereases" are statements of intent, the kind one would expect in the preamble of a policy paper rather than a bill.

I will read a couple of them to give you an idea of what I mean. The first one states:

Whereas Parliament wishes to reaffirm Canada's role as a world leader in oceans and marine resources management;

This bill might have been coloured by the minister who initiated it, but the, not a policy statement, states:

Whereas Parliament wishes to reaffirm Canada's role as a world leader in oceans and marine resources management;

In our opinion, this is not only pompous, but in view of the resources not provided for the implementation of such a policy, rather misleading.

• (1605)

I will read another one:

Whereas Parliament wishes to affirm in Canadian domestic law Canada's sovereign rights, jurisdiction and responsibilities in the exclusive economic zone of Canada;

What is interesting, in this instance, is that Parliament wishes to affirm its sovereignty or Canada's sovereign rights over its exclusive economic zone when, in the first whereas, it was said that Parliament wishes to reaffirm Canada's role.

In committee, the Bloc Québécois proposed an amendment to clarify that "Whereas" so that this paragraph would not mean we are changing the respective roles of the provinces and the federal government in the control of the territory.

Yes, as Quebecers, we are concerned by this provision and no, the government did not follow-up on our propositions.

Let me quote the bill again:

Whereas the Minister of Fisheries and Oceans, in collaboration with other ministers, boards and agencies of the Government of Canada, with provincial and territorial governments and with affected aboriginal organizations, coastal communities and other persons and bodies,—is encouraging the development and implementation of a national strategy for the management of estuarine, coastal and marine ecosystems.

That statement, which appears in various other places in the bill, is quite clear on the role of the provinces in the distribution of powers and responsibilities as the government sees it. Even if it comes from one department, that bill is presumably endorsed by government as a whole.

It is odd that, at this time in the history of Canada, the federal government would present a new bill where it treats provinces as private individuals or corporate bodies with whom it could eventually co-operate if it sees fit to do so, considering that, during the recent Jasper conference, in the absence of Quebec, provincial premiers examined their respective powers, agreed to follow-up on that point and talked about their eventual shared management of Canadian federalism in areas like social programs and such, and at a time when there is, all over Canada, and not counting Quebec once again, a great determination to review the dynamics of Canadian powers and responsibilities.

I am talking about this issue because, in Canada, Quebec has been too often identified as the spoilsport, the one making it impossible to come to an agreement, while what we find out is that, on many issues, aside from Quebec which has its partnership project, Canadian provinces or at least a number of them say they want to take part in the management of this country. It is true in the social sector and in many others.

• (1610)

This bill is totally unacceptable to us because it divides the Department of the Environment who is already conflicting with the provinces in some areas of jurisdiction. It seems to divide the department into sectoral components. Thus there would be a sector for fisheries, oceans and ecosystems, which is very surprising and worrisome because it is obvious that, when dealing with ecosystems, even though it says in chapter 2 that this part does not deal with rivers, the department can also meddle throughout the territory.

Since the Department of the Environment is announcing 30 per cent cuts over three years, how can we increase its activities if it does not get any means to do so?

Finally, it has been said time and again that the department's power to impose user fees for the coast guard and the minister's authority to impose registration even on pleasure craft constitute an

outrageous abuse that leads us to foresee further centralization that makes no sense at this time, not only in Quebec, but throughout Canada.

We asked that this bill be postponed; it is definitely in no shape to be passed by this House.

The Acting Speaker (Mrs. Ringuette-Maltais): Order. 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 Notre-Dame-de-Grâce—nuclear test ban treaty.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I am happy to speak to the bill on Canada's oceans, because this is an important strategic tool of which Quebec will be deprived. We have a very good case in point. This bill will regulate the setting of fees for services including ice breaking and navigational aids like buoys on the St. Lawrence. There is already a unanimous consensus in Quebec against the measures proposed in this bill. Since this is a federal jurisdiction, we must express Quebec's views and let the House know that this bill will reduce the competitiveness of all the industries along the St. Lawrence.

The government made an important, deliberate choice in deciding to reduce by 50 per cent its involvement in the area of transportation. Transport Canada is in the process of divesting itself of its port facilities. It is proposing that local authorities take responsibility for the future of port facilities. This could be an interesting proposal, because it has done such a terrible job for so long that, if it gives these facilities back to the local authorities, they will at least have control over the decisions affecting them.

I think it was malicious on the part of the government to, at the same time, make the Department of Fisheries and Oceans responsible for setting the fees to be charged for services on the river. On one hand, they are asking local authorities to take over the facilities and telling them: "Make them viable so we can do something interesting with them in the future. On the other hand, we will continue to set fees for services on the river and impose significant increases". As a result, boats, stevedores and transport management workers will face new choices in the future and wonder whether they would be better off going through New England, through U.S. ports on the Atlantic side rather than through the St. Lawrence.

• (1615)

One might say: "The opposition party condemns this, that is all does". That is the position of the Société de développement économique du Saint-Laurent, which raised the matter in a letter to the Minister of Transport.

This corporation represents, according to this list here, at least 30 different organizations, including members of Quebec's aluminum industry association and some big names like Alcan Alumi-

Government Orders

num, the Alouette aluminum smelter, and so on. It also includes the Association des armateurs du Saint-Laurent, the Association des industries forestières du Québec, the Administration de pilotage des Laurentides, the Bateau-Mouche du Québec, stakeholders from various areas.

The Act respecting the oceans of Canada will give the federal government, and Fisheries and Oceans Canada in particular, the authority to raise fees, putting into question the competitiveness of port facilities along the St. Lawrence River. That is why this bill absolutely must be opposed, because it takes away from Quebec a major development tool which is also used everywhere along the St. Lawrence seaway.

It could have a major negative impact on all shipping to Ontario. Behind all this are choices to be made and, in a way, the federal government has chosen to fail Quebec in that respect. While a completely different decision could have been made, a choice was made to protect the bureaucracy. There is an major clean-up to do with regard to icebreakers and in the federal St. Lawrence River management system.

Take for example the fact that all icebreakers in the Atlantic region operate out of Halifax. This may be very interesting for people in the maritimes, but icebreakers work mostly in the St. Lawrence and every time they have to fill up, they must go back to Halifax. This is strange, because it is from Halifax that the Irving corporation controls oil operations.

Why is such a situation not corrected? Why did the department not clean up its act? Instead of asking for a fee increase, it might have been better to do a cleanup inside and to say: "We have to review the coast guard issue. We have to see if we can provide the same services at a lesser cost, or in a different way".

This is not what the act will do. It will make sure that the bureaucracy is being taken care of, at the expense of the businesses that have to live with these economic realities. We are talking about cost for icebreaking and fees for navigation aids, buoys. What is tragic is that this measure jeopardizes the reform of port activities in Canada.

The parliamentary transport committee is currently travelling across Canada regarding Bill C-44. Everywhere it will stop, people will tell its members, as was the case in Vancouver, where the issue was not icebreaking but dredging costs: "You are generating costs to us that will kill any desire on our part to take over the facilities you are offering us".

Same thing in the Gulf of St. Lawrence. Let me give you a concrete example. In Cacouna, the port development corporation has already issued a letter of intent to the government and it is prepared to take action, to negotiate with the federal government. In fact, negotiations are about to be undertaken, and consultations are already taking place on a regular basis.

Government Orders

But the biggest fear in that community is not so much over what is going on at Transport Canada—in fact dealing with transport officials can be interesting—but rather how the port will be affected by the new fees imposed under the Oceans Act and the increase in fees.

There are so many negative consequences involved that people often say: “Let us take a little more time before making a decision”. We should look into this, because these are questions that SODES, the St. Lawrence Economic Development Council, asked the Minister of Transport, because it would appear that he listens better.

They have a vision, and I think the government should have kept all these services under the authority of a single organization. This way, decisions could have been made in a more rational and co-ordinated fashion. Right now, there is something machiavellian about the system. We would think that the separation between the two departments was to ensure that the local community remains responsible for the facilities and picks up the tab for related services. These are very bad choices the federal government has made and it does not look good.

• (1620)

These questions that have remained unanswered so far come from the St. Lawrence Economic Development Council. The official opposition is not the only one asking questions. How will these changes affect the selection of operators? Will businesses and industrial sectors be forced to close? Will the higher fees result in services being provided elsewhere than on the St. Lawrence River?

Are there financial losses involved for these businesses, not only losses resulting from closures but also other types of losses? Will the investment potential be affected? This is a fundamental question. The decisions that will be made under the marine act will affect economic choices in 5, 10, 15 or 20 years. Major corporations such as Alcan, which is a member of SODES, do see this.

This is the type of issues people wonder about. With its Oceans Act, the federal government deliberately chose to take this strategic tool away from Quebec and this is why we must oppose the bill. The government must absolutely redo its homework and give the federal transport department responsibility for user fees again, so that there will be only one decision maker, who will take into account all the economic criteria, before making a choice.

It is not true that we only have to subsidize coast guard icebreakers. The decisions made must take into account the economic reality as a whole, and we must make sure that, in the end, no additional damage is done through a fee increase, which would mean more costs to the economy as a whole and also to the governments involved.

In conclusion, the bill should be rejected. It is not a measure that will serve the interests of Quebec, and this is why the official opposition will vote against it.

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 yeas have it.

And more that five members having risen:

The Acting Speaker (Mrs. Ringuette-Maltais): Pursuant to Standing Order 76(8), the division stands deferred until October 21, at the time of adjournment.

* * *

THE MANGANESE-BASED FUEL ADDITIVES ACT

The House resumed from October 8, 1996, consideration of the motion that Bill C-29, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese-based substances, be read the third time and passed, and the amendment.

Mr. Maurice Godin (Châteauguay, BQ): Madam Speaker, I am very pleased to speak on this bill, which is being read for the third time. We are debating Bill C-29, an Act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese-based substances.

The main product affected by this bill is a fuel additive called MMT, which has been in use since 1976 to increase the octane rating in almost all unleaded gasoline. The Canadian General Standards Board has set the maximum quantity at 18 milligrams of manganese per litre.

• (1625)

I am not a chemist, but I think it is appropriate and legitimate for each and every one of us to wonder about the ongoing battle between two large industries, the oil industry and the auto industry, and about the nature and the effects of the products these industries are manufacturing and marketing. Often, catastrophes happen because of a lack of vigilance.

Government Orders

In my riding alone, we are still dealing with the problems of the lagoons in Mercier which were contaminated by stored toxic waste and with the Chateauguay River which was contaminated by chemical fertilizers.

The Bloc Quebecois was in favour of this bill at the second reading stage. This was to allow the government to proceed with a more thorough study of its bill. However, it did not take advantage of this opportunity. It is trying to ban a substance without demonstrating that this is a necessary and reasonable solution to a real problem. We are not convinced at all that it is right. Thus, the Bloc Quebecois is forced to oppose this bill.

We consider that the fundamental reasons of this bill remain obscure. The government and the industry suspect the manganese-based substances damage automobile anti-pollution systems. But nothing proves this beyond a reasonable doubt. Independent tests could not prove that MMT has a negative effect.

Here is what was concluded from a test program carried out by the EPA, the Environmental Protection Agency, in the United States:

As for the arguments put forward by the American Automobile Manufacturers' Association opposing the conclusions of the EPA to the effect that MMT does not alter "all or part" of the operation of the vehicle exhaust system, the court decided they were of absolutely no value. First, the court indicated that the EAP had established "that the additive used by Ethyl had easily passed the tests required for the study of the most severe requests ever made statistically speaking". Moreover, the court noted that the EAP had examined according to more severe criteria the Ethyl data on the use of the additive in the vehicles produced by the highest technology and had indicated that the APE could not detect any real increase of the emissions.

When we are talking about car problems, I think that all of us who have cars are the best experts. I have a car that reached 50,000 kilometres last week. Yet, after 50,000 kilometres, I get exactly the same distance per litre as when I first bought the car. My previous car, which I changed just 20 months ago, had 150,00 kilometres on it. It never needed major repairs or maintenance, just an oil change every now and then.

I understand perfectly well when automakers tell us that their research is secret, that they cannot say anything to us about it, that it is difficult to demonstrate that MMT is harmful to vehicles. I have proof. We all drive cars and we are all in a position to know if MMT is really harmful to vehicles.

• (1630)

Some say also that this product could be harmful to our health and to the environment. Nothing could be less certain. Until now, neither Environment Canada nor Health Canada has banned MMT. Ethyl Corporation goes even further, saying that MMT helps reduce nitrogen monoxide emissions, one of the causes of urban

smog. If MMT was banned, this could result in an increase in the amount of smog in our cities.

Here is what was said about a series of tests conducted by Ethyl Corporation. It was said that, to satisfy the U.S. Clean Air Act requirements for the reintroduction of MMT in unleaded gasolines in the United States, Ethyl Corporation conducted the most extensive series of tests ever undertaken on a gasoline additive. The testing program was designed with the assistance of the U.S. Environmental Protection Agency and U.S. automakers to evaluate and document the effect of MMT performance additive on automobile tailpipe emissions and to determine the implications for air quality if MMT additives were used in the U.S. gasoline.

Four different pairs of cars were driven 75,000 miles with and without MMT to evaluate the effectiveness of MMT in oxygenated fuels (MTBE and ethanol). The tests showed that adding MMT to these fuels reduces nitrogen monoxide levels as well as the toxic and chemical reactivity of unburned hydrocarbons.

The testing carried out by Ethyl Corporation went far beyond the tests conducted by automobile manufacturers in Canada and in the United States, as confirmed by the United States Court of Appeal in its ruling handed down April 14, 1995, ordering the EPA to grant Ethyl an exemption.

The purpose of the bill is to ban manganese-based substances because they are apparently dangerous. Yet, this same bill allows the use of MMT in gasoline containing lead. If it is okay in gasoline containing lead, why is not okay in lead free gasoline?

The situation is not clear. In the United States, the ban on MMT has been the focus of a legal war with the U.S. Environmental Protection Agency, which sought to have it banned completely. The Court of Appeal decided otherwise, which leaves me thinking that it has not yet been shown that MMT is a product dangerous to the health or the environment.

The following is a summary of the ruling handed down by the Court of Appeal ordering the U.S. Environmental Protection Agency to issue a notice lifting the ban on MMT.

On April 14, 1995, the U.S. Court of Appeal for the District of Columbia handed down its decision in the case of Ethyl Corporation vs the U.S. Environmental Protection Agency, in which Ethyl challenged the July 13, 1994 rejection by the EPA of the application by Ethyl to have the ban on MMT in lead free gasoline lifted.

The Court established that the director had breached the conditions clearly set out in section 211 by turning down Ethyl's application to have the ban on MMT for public health reasons lifted. According to the Court, because Congress had given the EPA the mandate to evaluate solely in terms of emissions the implica-

Government Orders

tions of applications to have bans lifted, and because Ethyl had met the prescribed requirements, it felt that the director of the EPA had overstepped his authority by turning down Ethyl's request to have the ban on MMT lifted. In light of these facts, the Court issued a direct order to the EPA to grant Ethyl's request and lift the ban on the corporation's fuel additive.

• (1635)

Here are the very two points they would have us believe, and which are the reasons behind the tabling of this bill, that is, the damage that can be done to automobiles, and the health problems that can arise. In both cases, neither the automobile manufacturers nor certain courts in the United States have come up with conclusive evidence.

We are, however, entitled to wonder why the government is so bent on replacing MMT. The determination of the federal Liberals to ban MMT will cost Quebecers and Canadians several tens of millions of dollars, and possibly over \$100 million. Gas consumers are going to pay the bill, largely through increases of probably 1 cent per litre in the price of gas at the pump.

The costs generated by this bill could escalate further. On September 10 this year, the Ethyl Corporation, an American company, filed a notice of intent to submit a complaint, with a view to obtaining compensation totalling \$201 million in American currency or \$275 million in Canadian currency, pursuant to section 1116 of the North American Free Trade Agreement signed by the Canadian government. The company claims that Bill C-29 violates certain provisions of NAFTA and that as a result, its subsidiary, Ethyl Canada, will suffer losses when the bill comes into force.

In the circumstances, it is surprising to see the government continue this exercise. The issue is divisive, and the debate still goes on, even within the government caucus. It would seem that with this bill, the Canadian government knowingly exposes itself to legal action, which today seems imminent.

Last February, the Minister for International Trade warned the Minister of the Environment in a letter of the possibility of legal action. With Bill C-29, Canada seeks to prohibit imports of MMT, without in any way restricting the domestic production, sale or use of this product. This is further evidence of the bill's lack of purpose.

The government continues this exercise regardless because some major interests are at stake. What is at stake is ethanol. We know that Ontario and western Canada, with a research budget of \$70 million from the federal government, want to take over the production of ethanol and in the process replace MMT. The problems this may cause for employment are of minor importance

to the federal government. We in Quebec have had a taste of this kind of medicine in the past.

Previously, the federal government caused a real disaster in the petrochemical industry in East Montreal, that benefited western Canada. The Borden line, established in 1963, led to Montreal's losing four of its six refineries in the seventies and eighties. Nearly 8,000 jobs were lost as a result. In fact, I would like to take this opportunity to renew an invitation from Quebec's Minister of Finance, Bernard Landry, to his federal counterpart and the Prime Minister of Canada, asking them to pay regular visits to Montreal east so they will remember the damage done by the federal government and the consequences that are still being felt today.

The same happened in the case of the Auto Pact in 1965. It led to a concentration of the automotive industry in southern Ontario, thus encouraging closer ties with the American automotive industry. I know the federal government will not admit that this industrial raiding is the cause of Quebec's current economic problems, but I can tell you it is the main reason why Quebecers want to see a sovereign Quebec.

• (1640)

Another example of disinformation: 76,000 lost jobs in Quebec in July and August, supposedly because of the political uncertainty. The Prime Minister of Canada made the effort to travel to Beauce this summer to voice his claim that Quebec's economic woes were the result of political uncertainty. Yet, in August, when Quebec created 41,000 jobs, or 50 per cent of the figure for all of Canada, no one in the federal government could be found to visit Quebec and talk to us about political uncertainty.

As for the sad fate of the other provinces, it did not occur to any Liberal MP to link that to political uncertainty. As well as operating from a double standard, the government is moving ahead with no concern for its partners in the federation. Six provinces already, in other words a majority, have made known their opposition to Bill C-29. The provinces have a say on the issue of gasoline additives.

In passing legislation on interprovincial trade, the government is again interfering in areas of provincial jurisdiction. What has become of the decentralizing federalism promised during the referendum campaign? We are still stuck with the never-ending centralization of powers and decisions on the federal level.

Since the Liberals regained power in Ottawa, the last thing in the government's mind is respect for the fundamental law of this country. For example, it systematically refused to comply with Alberta's request to include the subject of MMT on the agenda of the conference of natural resources ministers, which took place in Yellowknife recently.

Government Orders

In short, we are faced with a battle between two major industries; the automotive industry and the petroleum industry do not agree on the use of their products. Who will back off? Who is right? Who will win?

Who will pay? The user, I am sure. But I am equally sure that we would be able to predict the outcome if we were only able to see who has contributed the most to the slush fund.

In conclusion, we on this side of the House are going to vote against Bill C-29. It is more the result of efforts by lobbyists and corporate self-interest than a reflection of real public interest. As far as the content is concerned, nothing leads us to believe that MMT will be banned along with manganese-based products. As far as form is concerned, this is a hastily thrown together effort which is simply adding fuel to the fire.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, today I had the opportunity to meet with representatives of the Canadian Automobile Dealers Association. I had a good conversation with Mr. Douglas R. Leggat, chairman of the Federation of Automobile Dealer Associations of Canada and MMT certainly was an issue with them.

He reminded me of the fact that General Motors, Ford, Chrysler, Toyota, Honda, BMW, Jaguar, Hyundai, Mazda, Nissan, Rolls Royce, Subaru, Volvo and I could go on, all these automobile manufacturers have registered their support in favour of the ban on MMT. On top of that there is a national survey of Canadians which says that the majority of Canadians also support the ban on MMT.

How can the member say that the government is not serious about this bill and that it does not represent the well-being of Canadians as reflected by those impacted by it? It is an important issue and the government is certainly very serious about proceeding with this bill. That is why it has come before the House.

[*Translation*]

Mr. Godin: Madam Speaker, I thank my colleague for his question. There is no doubt in my mind and in the mind of Bloc members that the issue is a very serious one indeed.

I went through all the documents made available to us, either by the health department or others; I mentioned earlier a couple of specific examples, and I will not go over them again.

• (1645)

I will be pleased to provide the member with a copy of this information, if he does not have it already.

Neither the health community nor the car manufacturers can provide us at the present time with any conclusive example, test or study showing that MMT is a hazard. We are told, for instance, that

it causes damages to vehicles. Again, as I said earlier, I believe that those who are in the best position to notice that MMT causes damages to cars are the users.

All of us are users. I am one. I have been driving for years, and when I put 150,000 kilometres on my car without any repairs, I have my doubts when car manufacturers tell me that MMT is a problem.

With regard to the health issue, it is more difficult of course to show, to clearly demonstrate which product is harmful and which one is not. I mentioned a slew of cases before the American courts; there again, it proved impossible to show that MMT was a health hazard.

Third, I cannot understand, if it were that much of a health hazard, why Canada, not another country, would allow it to be manufactured, exported, and added to unleaded gasoline. It would not make any sense if it were that harmful. It does not make any sense to tell us it is extremely harmful and then, turn around and allow it to be added to gasoline.

With regard to the poll, I must sincerely tell you that if someone called me at home asking me whether I agreed or not, given how little I know about the production of MMT, I would have to listen to the preamble. And when you tell people in the preamble that it is harmful, they say: "If it is harmful, ban it".

For my part, I agree with the member that this issue is very serious, but the government has not been serious enough for me to vote in favour of the bill.

[*English*]

Mr. Szabo: Madam Speaker, there is an important aspect here that the member has raised. That is that we cannot prove beyond a reasonable doubt whether there are problems. There is a suspicion and a risk element here that is apparent from the work that has been done. It makes me recall the circumstances surrounding the substance ureaformaldehyde. It was a substance that was used very prevalently in our insulation systems and things were discovered later.

The point is that if we are going to make legislation and we are going to err, the prudent thing to do is to err on the side of caution. Concerns have been raised. I think the member would agree that if over time there is an error made, that the error on the side of caution which errs in favour of protecting the health of Canadians in dealing with a potentially serious environmental issue and a potentially damaging situation simply to the operation of motor vehicles, it is the prudent course to take.

Would the member agree with that assessment?

[*Translation*]

Mr. Godin: Madam Speaker, as I said earlier, this is undoubtedly a serious matter.

Government Orders

• (1650)

I think that where there is a little confusion is that it is not a new product being introduced, but rather an old product being withdrawn. This is totally different from a new product; such a product must be approved and greater caution must be exercised.

I believe this is not the issue. The issue is that Ontario, especially Ontario, with a subsidy of, I think, \$70 million, wants to produce ethanol, wants to monopolize the market. I believe this is the real issue. They come from Ontario, I understand that, and they want to immediately take over ethanol production, and the purpose of eliminating MMT is to replace it by ethanol.

Mr. Osvaldo Nunez (Bourassa, B.Q.): Madam Speaker, I thank you for allowing me to speak immediately because, shortly after six, I must take a plane to Winnipeg where I will replace a Bloc Quebecois colleague on the justice committee which is holding consultations on young offenders. I also want to thank my colleague from the Reform Party who agreed to let me speak before him.

I am happy to participate in this third reading debate on Bill C-29, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese-based substances. That bill would prohibit the utilisation of manganese-based products, including MMT. That additive has been added to unleaded gasoline since 1977 in Canada. However, it is important to mention that Bill C-29 does not ban the production, sale or utilisation of MMT in Canada.

Just like all my other colleagues from the Bloc who participated in this debate, I also think that this bill raises several questions. The economic and environmental consequences of this bill, as well as its impact on trade between Canadian provinces and between Canada and our southern neighbour, the United States, command a more thorough consideration before we pass the bill as readily as the Liberal would want us to.

I wonder about the relevance and the appropriateness of such a bill considering that this government should, in theory, first and foremost see to the common well-being of the country. I say in theory because, judging by the spirit of Bill C-29, in fact, the government seems to be acting in favour of one small group at the expense of Canadians and Quebecers in general.

Therefore, I cannot support Bill C-29 because there seems to be a disproportion between the costs and benefits for the population. I also will not support Bill C-29 because I feel it is unfair since it favours the wealthiest people in our society, that is the majors of the automobile industry who gather more and more in the very Liberal province of Ontario.

I take this opportunity to salute the 26,000 General Motors workers who are now on strike at the plants in Boisbriand, Quebec, and in Oshawa, St. Catharines, Windsor, London and Woodstock in Ontario.

• (1655)

These people are out on strike to save their jobs and to prevent this multinational company from selling two automotive parts plants in Ontario, plants which employ some 3,800 unionized workers. These workers are also striking in protest against General Motors' undue reliance on outside suppliers for parts. In most cases, the subcontractors employ non-unionized workers who are paid less.

I wish to express my solidarity with the CAW strikers, the Canadian automobile workers, and I wish them success. I hope they will sign shortly a good collective agreement with their employer.

Having worked a considerable time in the labour movement I know a strike is never easy; it is difficult and I hope they will manage to reach an agreement in the very near future.

One of the reasons put forward by the government in support of this bill is that MMT is harmful for the environment. Therefore, it is also harmful for public health. However, it is mainly the automobile manufacturers who are making these allegations. They contend that MMT in gas fouls up the car pollution control systems which could lead to an increase in the price of cars, therefore they threaten to reduce warranties and to disconnect the onboard diagnostic systems. The minister who introduced the bill was very receptive to these pressures which have more to do with blackmailing than with true warning against the harmful effects of a product.

Blackmail, indeed, since at the same time other people were voicing a reverse opinion on this bill. Based on Health Canada studies, one of which was done on December 6, 1994, officials from the oil industry and the product distributors, particularly Ethyl Canada, claim that MMT is not harmful to public health. Results from several scientific tests also show the addition of a quantity of MMT to gasoline leads to a reduction of emissions contributing to the formation of ground-level ozone and urban smog. Contrary to statements made by the automotive industry lobby, with the ban on MMT, urban smog becomes more significant.

If we withdraw MMT from gasoline, we will have to find a substitute for it. At the present time, it seems the Liberal government is in favour of ethanol, but ethanol production is financially and environmentally costly. Its production from corn pollutes the environment much more than MMT production.

MMT requires less intensive treatment than ethanol, which means less carbon dioxide, nitrous oxide, carbon monoxide and sulphur dioxide from the stacks of plants producing gasoline. As for ethanol, fertilizers and pesticides used in corn production cause

damage to soil. If the environmental and social arguments in favour of this bill do not hold, the same goes from the economic arguments.

It has been demonstrated that costs related to the changes proposed by Bill C-29 are excessive. Canada simply cannot afford such rather irrational expenses.

• (1700)

The substitute proposed for MMT, that is, ethanol, would require several millions of dollars in investments. Besides, as my colleague was saying earlier, the government has already launched an investment program of about \$70 million for ethanol development. Coincidentally, an ethanol plant in Chatham, Ontario, a Liberal stronghold, has received federal government assistance.

Undoubtedly, this bill is partisan, and it is not a coincidence that the government wants to have it passed at all costs. By giving in to the pressures of the automotive industry, which is concentrated in Hamilton West, the riding of the minister at the time, and in southwestern Ontario, and by favouring the ethanol industry, it is scoring political points.

As taxpayers, the people of Canada and Quebec will lose a great deal in this project. According to some estimates, it will cost over \$100 million in capital, including \$7 million in Quebec alone, in addition to the operating costs of the refineries, which will have to leave the additive MMT out of their gasoline. If this bill is passed, the oil companies may threaten to lay off employees or to increase the price of gasoline.

In addition to the production and transportation costs, there are the costs associated with the multiple lawsuits that might be launched by the American and Canadian companies hurt by this policy. It is imperative to point out that Bill C-29 violates certain provisions of international trade agreements, including NAFTA, as well as interprovincial trade treaties. Once again, through this bill, the Liberal government flouts certain sections of the Canadian Constitution prohibiting federal interference in areas of provincial jurisdiction.

On September 10, Ethyl Corporation, from the U.S., which is the only company manufacturing MMT and exporting it to Canada, filed a C\$275 million lawsuit against the federal government. Ethyl argues that, under an article in NAFTA, its trade rights are being undermined by this legislation the government is about to pass. This multinational corporation alleges that its reputation has been damaged by the environment minister's comments on MMT.

Last February, the Minister for International Trade sent a letter to his colleague, the Minister of the Environment, to warn her that prohibiting the importation of MMT would violate Canada's obligations under the terms of the World Trade Organization and

Government Orders

NAFTA, and could only be justified for health or environmental reasons in light of the scientific evidence available.

The Premier of Saskatchewan also informed the Prime Minister of his reservations about the impact of Bill C-29. In a letter dated September 16, he wrote that "the bill is totally unjustified at this time". It is the Government of Saskatchewan saying this. That provincial government's views should be taken into consideration.

Saskatchewan is not the only province to object to Bill C-29. By attempting to regulate interprovincial trade, the federal government is once again interfering in an area of provincial jurisdiction.

• (1705)

Last May, the Quebec National Assembly unanimously passed a motion calling on the federal government to defer passage of Bill C-29. Of course, as in several other areas, the federal government continues to turn a deaf ear to the provinces opposing its legislative agenda. Once again, co-operation between the federal government and the provinces has become an important issue.

For all these reasons, I cannot support this bill. The scientific evidence invoked to justify the ban on MMT is extremely weak, while environmental and economic considerations have not been taken into account. I, for one, feel that these aspects have an impact on the quality of life of Canadians and Quebecers. That is why we must look at them more seriously and carefully than this government is doing.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member raises similar issues to those that have been raised by other speakers from the Bloc having to do with an indictment of the automobile lobby.

As I indicated earlier, today I had an opportunity to meet with the Canadian Automobile Dealers Association and the chairman, Douglas R. Leggat from Burlington, Ontario. The issue of MMT is extremely important to them.

The adverse effect of MMT stems from the fact that approximately 80 per cent of the combustion products of the additive remain in the engine combustion chamber and catalytic converter. This adversely affects the vehicle pollution control equipment and as a result will increase air pollution and consequent health implications.

My question to the member comes down to, are we concerned about a potential problem of the lobbyist type or are we dealing with a risk to the environment and to the health of Canadians? I would like the member to tell me what the automobile industry has to gain from this other than to have products which reduce the pollution of Canada's environment.

*Government Orders**[Translation]*

Mr. Nunez: Mr. Speaker, it is obvious to us that there is a very strong lobbying effort by the automotive industry on this issue. Like my hon. colleague, most of the government members who oppose our view are from Ontario, where there is a high concentration of car manufacturers.

If you were really sure of your facts, you could discuss the matter with your colleague, the Minister of International Trade, who is also from Ontario, who wrote the Minister of the Environment, saying how concerned he was about the potential implications of this bill.

If you are so right, why did the Government of Saskatchewan express very serious reservations about this bill? The Government of Quebec did the same thing; the Quebec National Assembly unanimously passed a resolution opposing this bill.

I think it would be in the interests of the people of Canada and Quebec not to proceed with this bill, especially at a time when there is a difference of opinion in government, within Cabinet. I think the bill should be considered further before being brought back, given that it is very controversial.

• (1710)

[English]

Mr. Szabo: Mr. Speaker, I would like to highlight for the member that the Canadian Council of Ministers of the Environment task force on cleaner vehicles and fuels estimated that health benefits of up to \$31 billion over 23 years would result from introducing cleaner fuels and more stringent vehicle emissions standards into the Canadian marketplace.

Acknowledging that there is some uncertainty, some risk, some disagreement of opinion, would it not be prudent to proceed with this bill if we are to err on the side of caution in protection of the health of Canadians and the Canadian environment?

[Translation]

Mr. Nunez: With all due respect, Mr. Speaker, I do not think that the health of Canadians and Quebecers is at great risk. That is why I do not believe this bill is warranted in the circumstances. There are scientific studies to back me up on this.

I think that the government is facing a huge challenge, because if there is no consensus within Cabinet itself, among its own members, it would be wiser not to go ahead with a bill as strongly criticized and as controversial as this one.

[English]

Mrs. Karen Kraft Sloan (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, first I want to suggest that the scientific studies the hon. member from the Bloc was

referring to are studies that have been developed by the corporation in question which is producing MMT. One might try to understand whether these would be unbiased studies.

Studies were conducted by the University of Waterloo, which is a very fine Canadian university with international and national reputation. The university has suggested that the studies that were conducted by Ethyl Corporation were not valid and were not conducted in a rigorous scientific way. I would suggest that the studies that the hon. member has brought forward are not entirely correct.

The member talks about a lot of things in his speech. The debate right now is on the amendment, which is to postpone a vote on this bill for another six months. I find this amendment to be totally intolerable and unacceptable. I think Canadians who are watching us today also find this intolerable.

Canadians find it intolerable that the Bloc and the Reform are colluding on this and are falling prey to a lobbying effort by an American multinational firm. If we are going to stand up for Canada, if we are going to stand up for the health of Canadians, if we are going to stand up for a clean environment for Canadians, we are not going to pander to the desires and needs of an American multinational. I say shame to them.

I would point out in reference to the concerns the member opposite has raised, that the Canadian Council of Ministers of the Environment task force, which represents ministers from all the provinces in Canada, in its report on cleaner vehicles and fuels recognizes that fuels and emissions control technology should be treated as an integrated system to reduce motor vehicle emissions. The ministers have further agreed to require that cleaner fuels be mandated for use in all motor vehicles. The MMT initiative is fully consistent with this approach.

I was in committee and there were witnesses from Ethyl Corporation. I asked the witness from Ethyl: Whose responsibility is it to ensure that we reduce unacceptable emissions? Is it the public? Is it the government? Is it the automotive industry? Is it the refinery? His answer to me was that all those other people had a responsibility but that the refineries and the producers of MMT had no responsibility. I think Canadians would find that absolutely unacceptable. The arguments that are put forward by both the Bloc and Reform support unacceptable arguments.

• (1715)

The hon. member from my side of the House who has a little bit of sense around this issue, I would suggest a lot of sense around this issue—

Mr. Calder: He is a Liberal.

Mrs. Kraft Sloan: He is a Liberal. Absolutely.

The hon. member asked a question of the member opposite, why would all of these automotive manufacturers put forward a situation where MMT is bad for their onboard diagnostic systems? We are talking about over 20 automotive manufacturers that are in competition with each other. They have spent millions of dollars conducting scientific tests. Why would they spend this money in a fiercely competitive market if they were not going after the truth?

I want to add a few more truths about Bill C-29 to refute some of the untruths coming from the other side. The truth is that MMT impairs emission control equipment. If you want information on the formulation of fuel you should consult a refinery expert. If you want to understand the impact of that fuel on a vehicle you need to talk to the engineers and scientists who design and test vehicles.

Everyone agrees that more than 80 per cent of the manganese that is added to gasoline stays in the automobile's engine and emissions control system. Guess what happens when it stays there? It gums up the works. It makes those systems inoperable. When those systems do not operate it makes it impossible to monitor all of the other emissions from that automobile.

The member opposite in his speech spoke of the cost to consumers. Taking MMT out of gasoline will result in a \$5 cost to the consumer for a year versus thousands and thousands of dollars of cost to their automobile. That is why the Canadian Automobile Association, which is the largest consumer group for the automobile drivers in Canada, is right behind this bill.

Another truth is that if MMT was really as great as the corporation that produces it claims for vehicle performance and emission control, it would have been embraced by the automotive manufacturers in jurisdictions like California as part of their emission control standard. MMT is banned in California. If anyone in the House has been to California you know the kinds of problems it has with smog.

The organizations that have been held accountable for achieving measures for emissions reductions have worked with leading academics, scientists and engineers around the world to find a way to reduce the pollution from vehicles. No jurisdiction or corporation has found MMT to be part of the solution.

The truth is that Canada is the only jurisdiction in the developed world in which MMT is used on a national basis. In spite of the recent narrow technical decision of a U.S. court that forced the Environmental Protection Agency to grant Ethyl a waiver, MMT is still prohibited for use in over one-third of the U.S. states. A number of refineries do not allow MMT as part of their reformulation program.

There is another truth which I would like to use to debunk opinions expressed by members of the House. The Government of

Government Orders

Canada has the authority under NAFTA to pass legislation like Bill C-29. I guess the members opposite are running like scared little chickens, afraid of this giant American multinational company. They are afraid to promote their sovereignty. I find it very interesting when we hear a lot of debate about sovereignty in this House.

NAFTA has a safeguard that allows us to protect human, animal or plant life and health. This safeguard was enshrined in NAFTA to allow the federal government the ability to protect the environment and the health of Canadians without fear of having these efforts blocked by frivolous trade actions like the one recently announced.

• (1720)

I have another truth. It is that the U.S. wants to ban MMT as badly as Canada. The proposed challenge being brought by the corporation is a private challenge against Bill C-29. This is a clear signal that its position is not supported by the American government. The American government has not hesitated to launch complaints under NAFTA in the past but in this case the U.S. EPA has taken a leadership role, which is what the Government of Canada is doing in opposing the use of this fuel additive.

Carol Browner who is the head of the EPA in the United States said earlier this year, and I would like to say this loudly, clearly and perhaps slowly so that it might sink into the member's opposite, that the EPA, believes that the American public should not be used as a laboratory to test the safety of MMT.

I applaud the efforts of the government which makes a similar stand. Canadians will not be a testing ground for MMT. Would you like me to repeat that? Canadians will not be—

The Deputy Speaker: I ask the hon. member to please sit down. I appreciate the hon. member is not the only one who does this but the hon. member will please not have a you and I discussion across the floor. I ask that she please address all of her remarks to the Chair.

Mrs. Kraft Sloan: Yes, thank you very much, Mr. Speaker. It is just that I have such an incredible passion about this particular issue and I have such a lack of understanding why the opposite side is not getting it.

Health Canada confirmed in July 1996 that it fully supports the proposed ban on MMT. A ban on MMT is also supported by the public health departments of the cities of Toronto and North York. These and other communities are all too familiar with the health problems associated with poor air quality and are anxious to see MMT banned. Very little is known about the long term health effects of chronic low level exposure to manganese compounds that are formed when MMT is used as an additive in gasoline.

Government Orders

As I said at the beginning of my speech, the suggestion that we are caving in to one lobby group is totally absurd. When we look at the equation, who is standing on the side of the public interest? On one side are the Bloc and the Reform that have caved in to the lobbying efforts of a single American multinational which I might add fought against the removal of lead in gasoline.

On the other side, the side that is speaking for the public interest, for the health of Canadians, for the environmental protection of Canadians are organizations like the Allergy Asthma Information Association, the Canadian Automobile Association, which is the largest consumer group for Canadians automobile drivers, the Canadian Institute of Child Health, the Council of Canadians, the Environmental Defence Fund, the Learning Disabilities Association of Canada, the Ontario Public Health Association, Pollution Probe and the Sierra Club of Canada.

• (1725)

I believe I have made my case very clearly and I look forward to a quick resolution of the amendment and the bill.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, as I listen to the comments on MMT it occurs to me that just about the time the Liberals are getting around to banning it, the United States lifted the ban about a year ago. I wonder why the Liberals are trying to play catch-up on this now.

A consequence of eliminating MMT as an additive is a 20 per cent increase in nitrous oxide emissions, which is the smog we are trying to avoid in our cities. What the member said does not make a lot of sense. I wonder what her comment would be in the light of these two facts.

Mrs. Kraft Sloan: Mr. Speaker, perhaps the hon. member had the misfortune not to hear my speech. I will endeavour to speak a little more slowly.

With respect to the member's first question, in my speech I clearly stated that the case which went before the U.S. Supreme Court was lost on technical grounds. The EPA is going ahead. I also said that Carol Browner, who is head of the Environmental Protection Agency in the United States, said that the American public should not be used as a laboratory to test the safety of MMT. I further said that California, along with 16 other U.S. states, has banned MMT. Most of the refineries in the United States are not using MMT. They refuse to use MMT.

With respect to the final question of the hon. member opposite, the information that he has relayed to the House comes from a study undertaken by the corporation responsible for the production of MMT and, might I add, the only corporation in the entire world which produces MMT. This information came from the study. This was a study which the University of Waterloo, an internationally renowned institution, debunked.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, I want to ask a question of the parliamentary secretary. The member from the third party spoke about nitrous oxide, manganese oxide, et cetera. There is another additive that we could put into gasoline. It is called alcohol. When alcohol is put together with gasoline it is called ethanol. We are not putting a refinery out of business. It could mix that too.

In Ontario we will create a new domestic market for corn producers, consisting of 15 million bushels, with the ethanol plant which will come on line next year. Carbon monoxide and carbon dioxide emissions can be lowered. The problem of the onboard diagnostic sensors which the automotive dealers are worried about can be solved. More than that, there is a byproduct of this. It is called brewer's grain. Brewer's grain has had enzymes which have acted upon it. It is highly digestible. It can be fed to cattle, dairy cows and pigs. There is a byproduct from it called fertilizer. Some of the amendments the third party is talking about reflect the byproduct that comes from bulls. That can go into the ground. Crops can be raised from that. There is absolutely no pollution from it at all. It is totally green biomass. I would like the parliamentary secretary to comment on that.

• (1730)

Mrs. Kraft Sloan: Mr. Speaker, as always, my hon. colleague has an interesting way of addressing some very complex problems.

One of the things that has been raised in this House, especially by members opposite, is that this will only help the Ontario corn industry. I would suggest that not only ethanol can be used as a replacement for MMT. There are many other substances.

The members from the Bloc forget that there is an ethanol producing organization in Quebec which manufactures ethanol from wood products.

There are many different opportunities. There are refinery operations in the province of Alberta, the province that many Reform members come from.

When we are talking about banning MMT and replacing it, we are talking about a variety of substances being used in ways that all parts of this country can benefit instead of giving all of the money to an American firm.

An hon. member: It is good for health.

Mrs. Kraft Sloan: It is good for health.

The Deputy Speaker: Resuming debate, with apologies to the member for Mississauga South, unless there is unanimous consent to extend the time.

Mr. Chatters: Mr. Speaker, I rise on a point of order. I have been scheduled to speak on this issue for some time now. I was kind enough to give my space in the order to a Bloc member who had to

Government Orders

catch a plane. I would appreciate some time to speak on this issue before the time expires.

The Deputy Speaker: Accordingly, there is not unanimous consent to extend the time of the parliamentary secretary.

Mr. Robinson: Mr. Speaker, I rise on a point of order. I want some clarification from the Chair as to the extension of time. Private Members' Business is set for 5.30 p.m. and certainly we have no difficulty at all in extending it briefly but obviously we do want to get on with the motion.

The Deputy Speaker: I thank the hon. member. The time has been extended because of a ministerial statement to 5.42 p.m.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, it is important for me to speak on this issue again because of the way the Liberal members are using the facts of this issue so loosely. We have talked about a number of them. Over and over they have talked about the ethanol issue.

I have been involved in this issue from the very beginning. I listened to the evidence before the committees. We were told time and time again by the refinery people that ethanol is not a substitute for MMT in gasoline. So that is a straw man they are putting up. It is an entirely irrelevant issue; it has no relevance here.

We are talking about who is in the pockets of whom. The member Essex—Windsor talked about the importance of the Canadian automobile industry and that it produces 465,000 jobs and 7 per cent of Canada's GDP and all the rest of it. I do not see how that is relevant in this debate unless that member is lobbying on behalf of the automotive industry.

Mr. Szabo: Mr. Speaker, I rise on a point of order. With due respect, when a member names another member and indicates that they are in the pockets of somebody else, indicates that somehow they are getting some benefit, that is to impute motive and bring disrespect to a fellow colleague in the House.

• (1735)

I resent that and I ask the member to withdraw the comment.

The Deputy Speaker: If members had to sit up here they would appreciate that sometimes comments that are made are very disturbing. I wonder, in the interest of collegiality if the member would be prepared to reconsider and word that matter differently.

Mr. Chatters: Mr. Speaker, I would be glad to withdraw the accusation if those on that side withdraw exactly the same accusation that was made against this party.

The Deputy Speaker: I did not rule it to be unparliamentary. In light of what the member has said, I will rule that what has been said is not unparliamentary and I will allow the member to continue.

Mr. Chatters: Thank you, Mr. Speaker. Certainly I have no problem with the member for Essex—Windsor defending the interests of the automotive industry because they are, after all, her constituents. Coming from a constituency that has considerable oil and gas development, I would also speak on behalf of those people.

However, one condition I would put, speaking on their behalf, is that they would produce credible evidence for me to back up their case. I sat in committee and listened to the evidence and only a moron would have believed the evidence to be credible. They told us that this substance in fact fouled the spark-plugs of cars. They did not even have the decency to produce the evidence on two spark-plugs that were the same make and model. The Liberals sat there and swallowed that rubbish like it was the truth.

I listened, met and talked to both sides on this issue, the car manufacturers, the refiners and Ethyl Corporation, which is more than the Liberals were willing to do, I might add. After all this debate and in committee Ethyl Corporation told the members that it wanted to be reasonable and fair on this issue and that if the Liberals would just allow a non-partisan study where all the interest groups had a chance to partake in the protocol on this study and that the evidence was impartial and undeniable, it would voluntarily withdraw the product from the market. How can anyone be more reasonable than that? I suggest they cannot.

I think the hypocrisy that floats around this issue is unbelievable. The member for York—Simcoe, who spoke yesterday, stood in the House during statements and said: "Nations around the world agree that human interventions create conditions that cause global warming and climate change. We all share in the negative economic and social consequences".

That same day in the afternoon the member for Elgin—Norfolk said: "I would like to congratulate the city of Chatham and the company, Commercial Alcohols, for the recent announcement of the construction of a new \$153 million ethanol production facility". We kind of get an idea of what is going on here. We cannot have it both ways.

An hon. member: That smell is getting pretty bad.

Mr. Chatters: You are darn right, and it is not the fermenting corn that smells either.

The facts surrounding the ethanol business relating to MMT simply are not a rational argument because ethanol does not and will not replace MMT. I think anyone who looks at the argument would agree.

Private Members' Business

I am running short of time so I am jumping around here a little bit. I would also like to quote from the Halifax Sunday *Daily News* when Premier Savage of Nova Scotia said that he could not support this bill because the supporting of this bill would necessitate the closing of the Imperial Oil refinery in his province.

An hon. member: That is garbage.

Mr. Chatters: That is right here.

• (1740)

The fact is the automotive industry is trying to get rid of MMT to cover a deficiency in the technology it is required to bring forward. In spite of the fact that MMT has been banned for 20 years in the United States, the OBD-II technology has the same failure rate in the U.S. as it does in Canada where MMT is in the gasoline. The problem is that the automotive industry had to get exemptions from those standards in order to licence the OBD-II technology in its cars because they are not reliable. The technology is not developed to the degree it needs to be and it cannot meet the standards. It needed a bogeyman to blame that on so it chose MMT. And that is the plain and simple reason why this issue is before us now.

The evidence is there. This issue has been studied more than any other gasoline additive issue in history. It went before the courts in the United States twice and Ethyl Corporation won the cases both times. There is no scientifically verifiable evidence to show that MMT does foul the OBD-II equipment. It simply is not there.

We have heard time and time again the horror stories about manganese destroying human brain cells and all the rest of it. The Liberals' own health minister studied this product very thoroughly and in spite of all we have heard, Health Canada says there is no detrimental effect to the health of Canadians by the addition of MMT to gasoline in Canada.

Again, these strawmen keep popping up everywhere to cover this weakness of the evidence involved. I got across everything I needed to.

The Deputy Speaker: It now being 5.42 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

HAZARDOUS MATERIALS

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP) moved:

That in the opinion of this House, the Minister of Transport should proceed rapidly to establish a Canadian test site for Operation Respond, a computerized database of hazardous materials that would improve safety for firefighters and help save lives and property.

He said: Mr. Speaker, since 1991 firefighters and other emergency responders have been seeking the establishment of a Canadian demonstration site for Operation Respond, a computerized North American emergency response information system which enables firefighters to obtain accurate instant information at the scene of a hazardous materials incident. I would note as well that Operation Respond can also be applied to passenger rail traffic.

Over the years firefighters and other emergency responders have received significant support from members on all sides of the House in their demand for speedy action on Operation Respond.

I would like to take the opportunity today to acknowledge the support of members on all sides of the House from the Liberal caucus, les députés du Bloc québécois, members of the Reform Party and members of the Conservative Party.

Yesterday I spoke with half the members of the Conservative caucus, the member for Saint John, and she indicated her strong and ongoing support for this motion.

I also want to thank all the members who have written or telephoned to indicate their support of the motion even though some are not able to be present in the House for this first day of debate.

Members will also understand that I want to pay a special tribute and say a special word of thanks to my own colleagues who have been so vigorously supporting these changes over the years, my colleague for The Battlefords—Meadow Lake who seconded the motion today and all of my other colleagues who joined in seconding the motion now before the House. I would particularly note the member for Winnipeg—Transcona who has been a solid supporter of this. In fact, in June 1995 he brought a motion before the House also under Private Members' Business urging the government to move forward on this very important initiative.

As long ago as 1992 colleagues such as Ian Angus from Thunder Bay and Joy Langan from Mission—Coquitlan spoke out in support of these changes. The people who have really been on the frontlines in this long campaign are the firefighters themselves, the International Association of Firefighters and firefighters across Canada.

• (1745)

From my community the Canadian vice-president Terry Ritchie; Mark Fletcher, the president of local 323; the Burnaby local of the IAFF and Robert Hall of Vancouver local 18, have been particularly helpful in this. I might add that they have noted some of the particular concerns in the lower mainland. As a port city, Vancouver has had more than its share of hazardous materials incidents and

the amount of traffic that passes through our ports and our streets continues to escalate very significantly.

All transportation corridors to the lower mainland run through Burnaby whether it is roadways, railways, airways or marine ways. In fact all hazardous materials that are shipped into Vancouver via trucks are transported along highways which travel through Burnaby. The major rail carriers all travel through Burnaby. Four of the six petrochemical wharves in the GVRD, the Greater Vancouver Regional District, are also located in Burnaby.

The Burnaby firefighters have noted that the current system, the CANUTEC system which has been in place since 1979, works well when firefighters know specifically with what they are dealing. The problem is not knowing what chemicals, what other hazardous materials are being dealt with. As noted by Mark Fletcher in his letter to me: "Often valuable time is lost and great risks are taken in trying to make that determination. A computerized tracking system would alert us to the fact when rail cars or tanker trucks were carrying mixed loads because of course chemicals which are relatively harmless on their own can in fact become extremely dangerous if they are mixed in with other chemicals".

Operation Respond has the potential to save many lives in the city of Burnaby, the lives of the members of our fire department but also the lives of citizens in that community. The system would enable firefighters to stay in a safe zone away from a hazardous materials incident and not have to take proactive measures until they know what they are dealing with and until they can proceed in a safe manner.

I want to acknowledge the leadership on this issue of the Canadian director of the International Association of Firefighters, Doug Coupar, who has done such an outstanding job of making members and others aware of the importance of this issue and the importance of moving quickly on this issue.

I want to add a special word of thanks to my assistant Catherine Meaden who has done such a fine job as well in helping to prepare this important debate.

The objective of this motion is straightforward.

[Translation]

It is to establish a test site for Operation Respond, a computerized database of hazardous materials that would improve safety for firefighters and help save lives and property.

[English]

By way of background I would note that the most dangerous aspect of firefighting is responding to incidents that involve hazardous materials or HAZMAT as they are known. Firefighters in Canada are especially hampered by the lack of information available in such incidents, especially within the critical first few

Private Members' Business

minutes after arriving on the scene. What is absolutely essential is accurate, accessible information. This is crucial to saving lives and property at the scene of these accidents. The appropriate response for one hazardous material could prove quite catastrophic or very dangerous if another substance is present.

[Translation]

There is a whole gamut of advanced technological systems that would allow firefighters to know exactly the nature of hazardous materials to which they are exposed, and to get the advice they need to react. These systems may be designed for the processing of hazardous materials at a given site, and for those transported by train, aircraft, truck or boat.

[English]

The information provided by these systems not only aids in identifying what hazardous materials are present but it can also offer detailed information on the appropriate emergency response techniques. In some cases it can provide guidance on evacuating specific communities.

Implementation of a hazardous materials identification system would ensure that firefighters have the information they need to effectively respond to any incident enabling them to protect lives and property. Surely firefighters have the right to know precisely what hazardous materials may be present. They have the right to know that immediately. They should not have to wait minutes or in some cases hours to get that vital information.

• (1750)

In the case of passenger rail emergencies, Operation Respond will make it easier for firefighters to save lives by knowing entry points, electrical and mechanical systems and bypass advice.

Members of the House will perhaps have noted an ad that was placed in this week's issue of the *Hill Times* newspaper. In this ad it is pointed out that courier packages are readily traceable across Canada, indeed around the world. That technology exists, but Canada's firefighters do not have access to the same modern and latest technology to identify potentially hazardous materials. It is essential that we make this change and it is essential that we make it now.

There are many examples of the urgency of this system. Members will recall the Mississauga train derailment in 1979. The train was carrying chlorine gas and 24 cars of the train derailed. Two propane filled cars exploded into a huge fireball of chlorine gas. Many residents were forced to evacuate their homes.

I know that the member for Mississauga West, who strongly supports this motion by the way, remembers vividly that particular incident. I know that the Parliamentary Secretary to the Minister of Transport, the member for Hamilton West, who has also indicated previously his support for this motion, recalls well the Mississauga

Private Members' Business

incident. In fact as a young television reporter from Hamilton he was assigned to cover that tragedy.

In circumstances such as that it is absolutely essential that firefighters have access at the earliest possible time with the latest technology to know precisely with what materials they are dealing.

There are many other examples. In the small town of Linwood in Ontario was a burning vehicle, a urethane spray truck. Firefighters attended the scene. They were not able to identify a placard, which of course we are told should be available. One of the firefighters was able to obtain the driver's manifest and the load sheet and determined from that what dangerous chemicals were on board. They consulted with CANUTEC and were told to stop their suppression efforts. In fact those suppression efforts could have been dangerous to the firefighters in question.

There was a rural Manitoba accident where firefighters had to wait 13 hours to determine the contents of a derailed train. Finally they used binoculars to obtain an identification number.

Another incident was on the northern bank of the Eramosa River in Guelph outside the Huntsman chemical plant earlier this year. The Guelph fire department was called. It was a chaotic scene, a spill of some 56,000 litres of the liquid chemical phenyl which was being unloaded into a storage tank. It is very toxic and very flammable and burns on contact. The firefighters were hampered because they were not able to get the information they needed when they needed it. They waited two hours before they were finally able to obtain that information.

It is not good enough to rely on the CANUTEC system which is currently in place. Operation Respond uses a unique number which is clearly identified, clearly displayed, not just in one place but on all load containers and in a variety of different locations.

It is essential that we move ahead. It is essential that the transport minister make the Operation Respond Canadian test site a top priority for his department and that he commit the necessary staff and resources to do that.

The House might ask why is it that Canada has not already moved to test Operation Respond? Transport Canada tells us that the current CANUTEC system needs no improvement. There are too many examples of CANUTEC not working effectively. Delay, manual use of a telephone, are simply not acceptable, especially when computer technology exists. They say there have been no direct casualties from incidents. So far we have been fortunate.

What about a major catastrophe in downtown Toronto, for example? Would CANUTEC act quickly enough to prevent casualties? There is a very serious question about that.

• (1755)

The CANUTEC system and those who defend it alone also fail to account for those who have been exposed to contamination, the inconvenience of unnecessary evacuation or the loss of property which might have been preventable.

Transport Canada tries to say, as well, that it will cost too much. We hear astronomical estimates which are in the millions of dollars. That is absolute nonsense. We are not talking about scrapping CANUTEC and starting out with an entirely new system. We are talking about building on CANUTEC, strengthening and improving the CANUTEC system to ensure that it uses the latest in computer technology.

I would note that, in fact, the majority of professional fire departments already have the necessary equipment to operate the system.

Operation Respond is a non-profit entity. It is already in place in the United States in many locations and its people are quite prepared to co-operate to get this under way in Canada. In fact, today we received tentative cost estimates from Operation Respond. They say it would be in the order of \$40,000 to \$50,000. If we wanted to add passenger rail to that it might bump the cost up to \$65,000 or \$70,000. That is all we are talking about. Surely there is not a member in the House who would not agree that this is a small price to pay to enhance the safety and the security of Canadian firefighters and Canadian communities.

The key point is very straightforward. Firefighters want direct, on screen access via laptop computer when they are in the critical first stages of identification. The CANUTEC system does not provide this. Right now firefighters have to go through a CANUTEC middleman by telephone, even though most professional fire departments already have computers and modems.

Let us augment and improve the CANUTEC system. Let us work together with major carriers who have indicated they are prepared to co-operate. Let us make sure that Transport Canada is not just sitting on the sidelines observing. Let us make sure that it is the major player in this very important process.

This motion has support, not just from firefighters and many communities across Canada, but from other emergency responders. The Canadian Police Association, for example, has written me a letter in which it says that the Canadian Police Association, representing approximately 40,000 frontline police officers, supports any additional tool, such as the motion proposes, which will facilitate the safe storage, handling and shipping of hazardous material within Canada.

Private Members' Business

The United Transportation Union, which represents more than 8,000 rail and bus transportation industry employees, is in total support of Operation Respond in its efforts to provide first responders with on site, up to the minute, safe and reliable hazard information. UTU members are all too familiar with the dangers of incidents involving hazardous materials. As railway employees they have experienced hazardous material incidents. They say that the CANUTEC system leaves unquantifiable reasons for which Operation Respond should be implemented immediately.

Imagine being put on hold for upwards of three hours while trying to access needed information. That is just not acceptable.

I urge all members of the House to support this motion. I ask the Standing Committee on Transport to hold hearings. That committee is chaired by the hon. member for Winnipeg South. That member was not able to be here today for this debate. However, I spoke to him and he indicated his strong support for this motion. I am very pleased that he also indicated that he is prepared to encourage and to support hearings of the Standing Committee on Transport on this motion.

Firefighters and other emergency responders from across Canada are going to be watching this debate very carefully and will be watching the outcome of the debate. I am concerned about any attempt by any member of the House, particularly on the government side, to water down or amend this motion to suggest that we should study it, examine it or observe it. The time is long overdue to implement a test site. We do not need any more observation. We do not need any more study.

It is fitting that this week Canadians are observing Fire Prevention Week. Two days from now, Saturday, October 12, is Fire Service Recognition Day.

• (1800)

When the Minister of Labour spoke earlier this week about this day, he noted that our full time and volunteer firefighters often put their own lives in danger in order to save other lives. He said: "We want to use this day to express our appreciation and gratitude to all firefighters across Canada".

In closing, let me say that there could be no more fitting tribute to the dedication and commitment of firefighters and other emergency responders in Canada than passing this motion and establishing a Canadian test site for Operation Respond to improve the safety of firefighters and to help save lives and property.

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, for the government members here and elsewhere, obviously we would echo the kinds of praises the member for Burnaby—Kingsway offers to those in emergency response teams.

[Translation]

Mr. Speaker, I am pleased to take part in the debate on the motion brought forward by the hon. member for Burnaby-Kingsway concerning the establishment of a test site for "Operation Respond".

The motion stipulates that the federal government should establish without delay a test site for the "Operation Respond" program. This emergency response system, which was first set up in the Houston area, in the United States, is now in use in selected localities in that country.

"Operation Respond" provides basic information to people and organizations in selected areas, who have access to the appropriate software. The promoter is "Operation Respond Incorporated", a non-profit organization, which is marketing an emergency response computer system, that includes procedures, software and content.

[English]

The primary goal of the Transportation of Dangerous Goods Act is to promote public safety during the transportation of dangerous goods. This dangerous goods program has two dimensions. The first is to prevent an accidental release. The second is to ensure adequate responses should there be an accidental release or should one appear imminent.

Accident prevention includes proper identification of dangerous goods, appropriate means of containment and proper markings on these containers. In addition, a shipping document describing the dangerous goods accompanies those shipments.

Adequate response to any accidental release of dangerous goods requires knowing what is involved, its properties and what should be done. Canada already has in place a comprehensive, national emergency response service called CANUTEC.

CANUTEC is equipped to handle these types of situations. Operation Respond is limited in its activities. Indeed I should point out that the response information provided by the Operation Respond program is essentially that which is contained in the "North American Emergency Responds" guidebook which was co-authored by CANUTEC and the U.S. Department of Transport.

My colleague opposite knows that this guidebook was developed to provide responders with immediate guidance at an accident and is only an introductory element in CANUTEC's program. As an aside, I would like to point out that Transport Canada has this summer provided sufficient copies of the recently released 1996 version of this guide for distribution at no charge to all fire department vehicles and to all police highway vehicles in Canada.

Private Members' Business

In addition, this year the department also distributed in the form of a video to all fire departments in Canada the results of research work on explosions associated with liquefied gases. The video makes reference to the tragic accident in Quebec where several firefighters lost their lives as a result of a boiling liquid expansion vapour explosion involving liquefied gas.

I make reference to these items and to the support CANUTEC provides firefighters to highlight the fact that the department has a great respect for firefighters. It recognizes that providing effective support to firefighters is one of the more important emergency response activities that the department can undertake.

• (1805)

I am certain the hon. member for Burnaby—Kingsway is familiar with CANUTEC. The centre operates 24 hours a day, seven days a week. Its primary goal is to provide information, guidance and advice.

CANUTEC provides a bilingual chemical and regulatory information and communications service to emergency responders and industry at an accident. These responders may include volunteer firefighters, full time firefighters, police or industry response teams, such as teams from the major petroleum and chemical producers.

CANUTEC is staffed by professional chemists, trained in accident situations, who are capable of providing information and advice to any level of detail required by responders.

[*Translation*]

It gets around 30,000 phone calls a year, 600 of which are for serious accidents. Pursuant to the Transportation of Dangerous Goods Act, any accidental release of a dangerous substance must be immediately reported to local police authorities. However, if the accident involves a train, Canutec must be the first organization to be informed.

[*English*]

In Transport Canada's continuing effort to provide for a safe and efficient transportation system, two officials from Transport Canada are currently observing the Operation Respond program in the United States. Their role as observers is to attend Operation Respond meetings and to identify any new activities which would be considered effective tools for responders in Canada.

Finally, let me assure all members that Transport Canada will continue to closely monitor the Operation Respond program and will consider any activities which are shown to be effective in assisting emergency responders.

My colleague opposite has already given an indication that there is support for these kinds of initiatives and for the Department of Transport's initiatives by members of the transport committee. I leave it to my colleagues on that committee to speak for themselves

and to address this issue when it appears again during private members' hour. I do not presume to speak on their behalf, but I know they share with me the considerations that I have just outlined not only for themselves but for the department as well.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am very pleased to speak today to the motion by the member for Burnaby—Kingsway, which strikes me as an interesting one. We could even say that it is a good opportunity to point out where the work of parliamentarians can have an influence on departments when they are a bit slow to implement something.

We have a member who has just told a minister, a department with several thousands of employees, that they perhaps should have done something a little sooner, the question having first come up in 1991. Some things could have been done and the motion introduced is certainly interesting from many points of view.

It should be noted that what we are talking about is implementing a test site to ensure that computerized data about hazardous materials can be made available very rapidly to fire fighters called to accidents.

It is a rather complex situation, because it also involves the provinces. There is WHMIS in Quebec, which concerns the handling of all hazardous materials, and these various programs must be linked up so that the computerized system works and so that everything is done legally and in accordance with provincial jurisdiction.

It is understandable that the member for Burnaby—Kingsway has included the word "rapidly" in his motion, because Transport Canada has been slow to act. This is clear from the letters of support he has received from the International Association of Fire Fighters and the Canadian Police Association. It is something that people have been waiting for.

• (1810)

These are the groups who have been dealing with the problems for a long time now, those with the expertise, because, in the case of hazardous materials, it is important that the information be available in the first five minutes after they have been informed of an incident.

It is also important to have very precise information, on electrical and mechanical systems, for instance, anything that can help avoid a misstep that would create a problem worse than the original one.

For some time, Transport Canada depended on the CANUTEC telephone system, but now it is obvious this is not enough. What is needed is a faster, more suitable, more accurate system which provides us with access to the computerized tools developed in recent years. There is no excuse for being behind the times, like

dinosaurs, particularly in areas where vital actions have to be taken quickly.

I feel that this is all the more vital because there are volunteer fire fighters, as well as professionals. This summer, I attended the KRTB (Kamouraska, Rivière-du-Loup, Témiscouata, Basques) fire fighter competitions. About ten different fire brigades were involved. It was easy to see just how vital physical dexterity, courage, tenacity and endurance are to a fire fighter.

I was thinking, as I examined the motion of the hon. member for Burnaby—Kingsway, that it was important for this type of service to be made available to people who perform these duties on a volunteer basis, and quickly.

One might think that rural fire fighters will not run into major fires and major problems, but then the railway comes to mind. All that is needed is one train wreck, since the rail lines cut through the whole region, one incident with a hazardous waste spill. Without the necessary information, we would find ourselves in a very touchy situation in which volunteer fire fighters, children's fathers and mothers, could find their lives in jeopardy if the wrong steps were taken.

A society can be judged by the protective services it offers. Those who are supposed to intervene in hazardous situations should have access to a quick and effective source of information so they can provide a satisfactory service.

This is an interesting motion that will compel the government to take action as soon as it has been adopted. Awareness of the problem has already increased thanks to today's debate and to the vote that will follow so that this motion can be put into effect.

To the Bloc Québécois, it is also important to ensure that this test plan is implemented in accordance with provincial jurisdictions, taking into account the practical aspects of operations and of quick intervention, but to ensure that data bases are made available to those who manage the system so that the information is available and this sort of service is provided in the proper way, it will be necessary to guarantee free access to information and to ensure this is done in accordance with existing legislation.

For instance, after testing the site in British Columbia, we cannot afford to wait six months, a year or two years until it can be used in Quebec, just because the provincial jurisdictions were not taken into account. This aspect must also be considered when establishing the test site, so that here in Canada we will be able to establish something similar to what is already being used in the United States. The system will provide the kind of service that will help us avoid major accidents involving humans, sometimes loss of life or financial loss. The service will help people who already serve the public and are prepared to face hazards in the course of their daily lives.

Private Members' Business

In this context, Parliament would do well to support a motion of this kind, especially since the Canadian government seems to be dragging its feet. It is not a bad idea to do some moving and shaking to ensure that this project gets off the ground.

• (1815)

One wonders if we had a system where jurisdictions were clear cut and the responsibilities of all concerned were clearly identified, whether this type of action would not have taken place more quickly, because there would have been one authority responsible. There would be no passing the buck. I hope that some day we will have that kind of system, for the benefit of Quebecers and Canadians.

But meanwhile, the motion presented by the hon. member for Burnaby—Kingsway is a very interesting one. I think it deserves support. In concluding my speech, I move:

That the motion be amended by adding after the word "should", the following:

" , in agreement with the provinces."

So this experiment should be carried out to reflect the responsibilities of all levels of government so that, in the end, we will have a better way to protect both fire fighters and all those who may be involved in disasters as a result of accidents across this country.

The Deputy Speaker: The motion is admissible.

[English]

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I appreciate the opportunity to participate in this very important debate.

I begin this evening by congratulating the hon. member for Burnaby—Kingsway for bringing this matter forward for discussion and hopefully for approval.

Private Members' Business in this Parliament has been the source of many fruitful and interesting debates. As hard as it sometimes may be for us to believe it, occasionally bills and motions actually pass. Without Private Members' Business we probably would not be having this debate tonight.

The motion put forward by my colleague seeks something relatively simple and inexpensive. By passing this motion we will be sending the Minister of Transport a message, to move quickly to establish a Canadian test site for Operation Respond. We are asking him to have the effectiveness of the software developed by Operation Respond tested to determine if it does identify hazardous materials, thus improving the safety for firefighters and others who may be involved in a chemical fire.

Everyone in the Chamber and all Canadians are indebted to firefighters for the courageous work they do. I am sure we all remember trips to the local fire station to see the big red trucks and

Private Members' Business

the brave men, now women and men, who hourly put their lives in danger to protect our lives and our property. I never cease to be amazed by the ability of our firefighters to respond quickly and effectively to all forms of crisis.

In this motion we are addressing a particularly dangerous situation where hazardous goods or chemicals are involved in a fire. We have moved to a time in history where with complex materials and chemicals a firefighter must have a level of sophisticated knowledge beyond anything previously required in our history.

The firefighter has to know the particular combustibility of compounds, how various chemicals react together and, of course, the means that must be used to put the fire out.

Approximately 25 years ago the system which is presently used, CANUTEC, was developed by the Department of Transport. It is an excellent system that has served us well in the past years. I understand that it works when placards are put on vehicles or rail cars transporting hazardous goods, explaining the content of the rail car or transport truck or other ferrying device. Once these placards are spotted by the firefighter they call the staff at CANUTEC with the information. Within eight to ten minutes a call comes back telling the firefighters at the scene what the contents are and how they might fight the blaze.

As I said, it is a good system but perhaps not as quick as it could be. That is where this motion comes in. That is where Operation Respond comes in.

• (1820)

Under this system, which has been ably explained by the member for Burnaby—Kingsway, each truck, vessel, rail car or any other mode of carrying freight which is part of the Operation Respond program carries a unique number.

Firefighters simply need to find the unique number which I gather is displayed in many places on the container and enter it into a lap top computer carried in a firebrick.

Within a minute the contents of the container will be displayed on the lap top computer screen. The sources of the information for Operation Respond are data bases kept by the carriers. This system is not only quick but gets around the problem encountered with CANUTEC where sometimes the placard showing the relevant information regarding the container is destroyed in the crash or burned in the fire.

The Operation Respond system can be used for passenger rail where it would show entry points and electrical systems et cetera on the passenger cars. The software for this program was developed in the United States and is the property of the United States

government. I am informed it is willing to share it with us for free. It has already made this offer to Mexico and Mexico has said yes and is testing and implementing Operation Respond.

The hardware needed to use the software is a lap top computer. Most fire stations already have them, at least according to the International Association of Firefighters. A place is needed to test and surely this government can find some vacant land. How about some of the Canadian Armed Forces bases land that has already been closed. Why not try it? What do we have to lose?

Why is Canada not testing Operation Respond already? There are some reasons. Transport Canada believes the current system, CANUTEC, needs no improvement. Countless examples prove that this is not the case. CANUTEC system does work but not as quickly or as a reliably as Operation Respond would.

Officials point to the fact that in using the present system there have been no direct casualties from incidents involving hazardous materials. Is this not just luck? In the event of a major spill in downtown Toronto would the CANUTEC system work fast enough to prevent casualties? They also fail to account for those who have been exposed to contamination, the inconvenience of unnecessary evacuation or loss of property which might have been preventable.

Apparently what stands in the way are the egos of Transport Canada, the egos that developed the original detection system and do not want to give it up. They do not want to give in to progress. Let us say in this case that Operation Respond is to be used along with CANUTEC to placate the egos of Transport Canada. Let us test it to see if it works and let us see how it works. The costs of proceeding are minimal. Through adoption of this motion let us send a clear signal to Transport Canada to draft the test criteria which can be used to determine if the test is a success.

What is the position of international firefighters? International firefighters of course support this demonstration site for Operation Respond. They say that firefighters deserve the right to know exactly what hazardous materials may be present at any incident. They need access to reliable information within the first three to four minutes on arrival. That will save lives by ensuring that firefighters use the most effective response techniques at any incident involving hazardous materials.

In passenger rail emergencies Operation Respond will make it easier for firefighters to save lives by knowing entry points, electrical, mechanical systems and bypass advice.

The International Association of Firefighters urges the transport minister to make Operation Respond's Canadian test site a top priority in his department by committing staff and resources to this project immediately.

Let us send a clear message to our brave firefighters that we in this Chamber stand behind them in what they are trying to do. I know the firefighters in my riding and across Canada need the Operation Respond system and I know they are watching tonight. Let us send a clear message to the Canadian people that we have their safety at the top of our agenda. Let us adopt this motion.

Mr. Rey D. Pagtakhan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, it is with pleasure that I join the debate on the motion before us which asks the House to advise the Minister of Transport to proceed rapidly to establish a Canadian test site for Operation Respond, a computerized data base of hazardous materials that would improve the safety for firefighters and help save lives and property.

That we are debating this motion during fire prevention week is a happy happenstance. I take this opportunity to salute the courageous staff and volunteers of 4,061 fire departments across Canada for their dedication and service that helps secure the safety of Canadians and their properties. They have done a most laudable job.

• (1825)

Yearly there are approximately 27 million shipments of dangerous goods, for a total weight of 2 billion tonnes. Yet less than 0.002 per cent of these shipments are involved in an emergency where people, property and/or the environment is threatened while waiting for an effective response.

Canadians can take pride in our existing legislation. The Transportation of Dangerous Goods Act, together with Canada's dangerous goods program, is the basis for this strikingly small percentage of accidents involving the release of hazardous materials.

We continue to want to do better. We would like to reduce this already small percentage of accidents to an irreducible minimum and so we must continue to search for a better tool, a better system where one exists.

Earlier the Parliamentary Secretary to the Minister of Health spoke about the twin goals of Canada's dangerous goods program, to prevent an accidental release of hazardous materials during transport and to ensure an adequate response is at hand should there be such an accident.

It is in continuing vigilance for the latter goal that Canada has had in place since 1979 a comprehensive national emergency response service called CANUTEC, short for Canada urgency en transport emergency centre.

This emergency centre is nationwide in scope and it is operated by Transport Canada 24 hours a day every day of the year, giving valuable information and communication service to emergency

responders, including our fire fighters, ambulance personnel and police forces. It is staffed by professionals, trained in accident situations who can provide immediate advice on chemical, physical and toxicological properties of dangerous goods, on health hazards and first aid, fire, explosion, spill or leak hazards, remedial actions for the protection of life, property and the environment, evacuation distances, and personal protection clothing.

Federal regulations require that CANUTEC must be contacted in the event of an accident or incident involving radioactive materials or infectious substances.

To ensure its high quality service keeps with the times, CANUTEC scientists research and investigate developments in emergency technologies and new information regarding dangerous goods. Joint international research projects are developed and undertaken.

I am pleased to inform the House that in keeping with its commitment to high quality service, officials from Transport Canada have been observing the implementation of Operation Respond at the Buffalo test site in Texas, including the ones held as recently as last month.

Let me share some of these observations. It requires a lot of co-ordination between various emergency services, police, fire and ambulance services. It could not substitute for the lack of familiarity of emergency responders with dangerous goods response procedures. One county was cited as an example. The communication equipment did not make it easy for one service from one county to talk to a different county with a different service.

Most road carriers do not have computerized data banks showing in real time the content of their vehicles. Operation Respond had to negotiate with trucking firms so that they could gain access to companies' data banks through a modem necessitating the need for compatibility of the systems.

Operation Respond works better on the rail side of transportation. Operation Respond was not able to provide information on the type of protective clothing required for a test situation. Operation Respond could not give the on-scene commander answer to the question of how he could determine whether to evacuate an industrial plant to which smoke from the accident was drifting toward. This latter observation, I might note, would have been addressed by Canada's CANUTEC service had the accident happened in Canada.

But my purpose in sharing these observations is not to criticize. Far from it. No system is ever perfect. Operation Respond trials only made some of its weaknesses visible. They will have to be solved for any safety program to work, Operation Respond or any other program.

Private Members' Business

• (1830)

I would like to go one step further and respectfully submit that a careful comparative study of the capabilities of the two systems, Operation Respond versus CANUTEC, in Canadian or American sites or both, may well be the approach to take, were we to find the better system which I alluded to earlier in my debate. I support the continued search for a better system. This search should be done with speed.

Our firefighters and our emergency responders deserve our respect, our help and our support. They are the Canadian public's first line of defence in the event of an accident. We in the House have a duty to provide them with all the information they need to protect the public and themselves. We shall provide them with the tools necessary to achieve this goal.

We must have the foresight and the imagination to envisage new uses for new technologies in a way which will help our firefighters and all other emergency responders.

Operation Respond certainly opens new horizons. Hence we must continue to monitor it and to test it. We should examine the feasibility of allowing the American company, Operation Respond Institute Incorporated, should it wish, to conduct a Canadian test site. Conceivably, this may be a joint international effort.

While we must also display the reserve that keeps us from jumping on the bandwagon that in the end may lead us away from our real goals, we must not hesitate to accept a tool when after thorough research it is demonstrated to be better and which will make our country safer for all.

Having had some background in the clinical trials of drugs, in clinical research, I know that one treatment 15 years ago was deemed to be the best in North America but 15 years later it was shown to be not so. We must listen carefully and examine all data carefully. We must not jump on the bandwagon, but at the same time we must not hesitate to move and move with speed if it can be demonstrated that possibilities for a better system exist out there.

Our ultimate goal is a safer country for all citizens, including emergency responders at the scene of an accident, particularly when the accident involves hazardous materials.

I would like to reiterate the concept that when we are presented with the opportunity of a new and better system, we must not detract from examining that system. Of course, when we examine a system, costs will be involved but we must equate the costs to the real benefits that will ensue. We have to measure that against the lives that will be saved, against the properties that will be lost and against the environment that will be threatened for eternity.

I congratulate the hon. member for Burnaby—Kingsway for taking this particular initiative. We must examine it with great care, for a better system demands great care in handling it. We cannot conclude that it is best when at the same time we say that we must test it. The very essence of testing a particular system tells us that we have not yet made the final conclusion on the quality of the particular system. And so I submit that we must look at this with a very positive mind because what is at stake are the lives and property of Canadians.

• (1835)

The Deputy Speaker: The member for Burnaby—Kingsway on a point of order. The member will realize he is using the time of the hon. member for Lévis.

Mr. Robinson: Mr. Speaker, I will be very brief. I wonder if the hon. member might be willing to accept a very brief question at this point with the unanimous consent of the House.

The Deputy Speaker: Is there unanimous consent to extend the debate by two or three minutes to allow a question?

Mr. Pagtakhan: Mr. Speaker, we need to take care when we are examining the impact of any policy on human—

The Deputy Speaker: It is getting too complicated. I am sorry to all colleagues. The hon. member for Lévis.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, the government's attitude is indicative of its unwillingness to be questioned, even though on this side we are in agreement.

I have been here all afternoon and I notice some inconsistencies in the government's attitude. For instance, with regard to the single food inspection agency, it took the federal government 18 years more than the Quebec government to solve the problem of overlap among its departments with regard to the setting up of a process to replace manganese with ethanol. It is urgent since the impact in Ontario is very significant. This is a matter of great urgency.

The proposal by the member for Burnaby—Kingsway is very interesting and would cost very little. I asked him because he had an assessment made of this. The cost for the implementation of this new measure would be \$50,000 for the federal government and \$60,000 more if we also applied it to the railway. For a mere \$110,000 the federal government is requesting time, more time for a study. This is something they use in the United States, it has been scientifically proven and it will improve the situation.

Once again the government is showing it cannot react at the drop of a hat. It is taking an inordinate amount of time just to study a small measure which would greatly improve peoples' safety. Just

imagine, within five minutes of a call, fire fighters would know if there were hazardous substances in a place.

Let me relate an incident that happened in a company in my riding. Because of the products that were found there, water could not be used to extinguish the fire because it would actually cause the fire to spread. It would have been important to have this type of information. The government side, as always, is procrastinating, asking for time to get involved.

I know the hon. member for Burnaby—Kingsway agrees with the amendment moved by the hon. member for Kamouraska—Rivière-du-Loup. He would agree with it. What he is proposing is an amendment that says “in agreement with the provinces”. Why does he propose that? It is simply because fire fighters are under the authority of municipalities in general and municipalities are under the authority of the provinces.

All we are asking the federal government to do is introduce a system that would be used from coast to coast in order to improve the information for firefighters and facilitate their work.

• (1840)

As you know, in large centres, the knowledge and the information available to fire departments can be rather advanced. However, fire departments in small municipalities of Quebec, and elsewhere, are often made up of volunteer fire fighters. These people need a system that is easy to access and to operate, and one that will provide them with the available information. These are not permanent employees. They need a tool of reference to help them do their job and do it better.

It is unbelievable that the government would hesitate, study, ponder and wonder about a measure that would cost \$110,000. The costs related to the proceedings of this House during the hour that was just spent on this issue are higher than that. But the government wants to continue to review and analyze the issue. This is unacceptable.

I wanted to make these comments in support of the motion proposed by the hon. member for Burnaby—Kingsway, and the amendment of the hon. member for Kamouraska—Rivière-du-Loup.

The Deputy Speaker: The hour provided for the consideration of Private Members' Business is now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Adjournment Debate

NUCLEAR TEST BAN TREATY

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, on September 26 I rose in Parliament to note the historic signing that week of the comprehensive nuclear test ban treaty at the United Nations by 80 countries, including Canada. I should point out that as of today, 111 countries have signed the comprehensive test ban treaty. This treaty will reduce the development of new nuclear weapons because if nuclear weapons cannot be tested, new nuclear weapons cannot be developed.

On September 26, I also noted that several key countries, sometimes known as nuclear threshold states, had refused to sign the treaty. These are countries that have a nuclear weapons program and are trying to develop a nuclear weapons capability. Prominent among these countries which did not sign are India and Pakistan. I should point out that Pakistan was willing to sign if India signed, but India refused to sign.

I would like to point out as well that to bring this treaty into force, it is required that 44 nations which have a nuclear capability must ratify the treaty and deposit the ratifications at the UN.

The signing of this historic treaty, especially by the five nuclear powers, is indeed a great accomplishment for the security of our planet and a great accomplishment for the security of mankind. I might say as well it is a great accomplishment for those of us who have been working for many years to ban all nuclear weapons.

This treaty properly complements the nuclear non-proliferation treaty which was extended indefinitely several months ago.

However the signing of this treaty is not enough. The job is incomplete. Not only is it essential to get the 44 ratifications to bring the treaty into force, but it is also essential to bring on side those nations such as India that have not yet signed. There will be no advance in global security if the old nuclear powers stop testing and reduce their weapons, while other nations continue to test and become new nuclear powers.

India's argument that the present nuclear powers should first commit to a timetable to reduce and eliminate all their nuclear weapons is a good argument, but it does not justify its non-signature nor any future testing or any attempt to develop new nuclear capabilities.

Such countries as Germany, Japan and Brazil, which are also large powerful countries and do not have nuclear weapons, are not blocking the treaty and insisting that these other countries do what India is insisting.

Once again I ask the government, what can Canada do to bring India and other non-signatories on side and to assure the implementation of this important treaty?

Adjournment Debate

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, I am very glad to respond to the hon. member's question.

Thanks to Canada, a conference is scheduled to be held some time late in 1999 to discuss the status of the CTBT. This conference is called for in the treaty and is a Canadian initiative. At that conference, signatory countries will review the situation of the treaty and, if it is not yet in force, will seek ways by which they might ensure its early implementation.

Clearly it would be premature to specify what actions might be taken, as what would happen depends on the exact status of the treaty at that time. Also the policies and positions held by countries may change by that time.

It is our hope that those countries which have said they will not sign the CTBT will reflect on their position and eventually sign this treaty and other non-proliferation treaties which they may not have signed yet. Canada will use every diplomatic opportunity to press for universal adherence to the treaty.

Along with Canada, more than 90 countries had signed the treaty by the end of last week, including the five nuclear weapon states: the United States, the United Kingdom, Russia, France and China.

The number of signatory countries increases daily and they already include one of the so-called threshold states, Israel.

The treaty requires that 44 countries listed in the text sign and ratify the treaty in order that the CTBT enter into force. In the meantime, under customary international law, countries which have signed a treaty are obliged to do nothing that would go against the purpose of the treaty.

What about the countries which do not wish to sign the treaty? Canada respects the decision of sovereign nations to take whatever action they see fit, including not signing a treaty which has the overwhelming support of the international community. Canada believes that this treaty, with the strong support that it enjoys, will establish a legally binding international norm against testing and will be a powerful political and moral lever even on non-signatories.

[Translation]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. The House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 6.48 p.m.)

CONTENTS

Thursday, October 10, 1996

ROUTINE PROCEEDINGS

Government Response to Petitions	
Mr. Zed	5331
Co-operatives	
Mr. Robichaud	5331
Mr. Chrétien (Frontenac)	5331
Mr. Benoit	5332
Committees of the House	
Procedure and House Affairs	
Mr. Zed	5332
Royal Canadian Mounted Police Act	
Bill C-336. Motions for introduction and first reading deemed adopted	5333
Mr. Milliken	5333
Committees of the House	
Procedure and House Affairs	
Mr. Zed	5333
Motion for concurrence in 37th report agreed to	5333
Petitions	
The Partition of Quebec	
Mr. Bryden	5333
Taxation	
Mr. Szabo	5333
Labelling of Alcoholic Beverages	
Mr. Szabo	5333
Committees of the House	
Human Resources Development	
Mr. Bevilacqua	5333
Questions on the Order Paper	
Mr. Zed	5333

GOVERNMENT ORDERS

Canada-Israel Free Trade Agreement Implementation Act	
Bill C-61. Consideration resumed of motion for second reading	5334
Mr. Penson	5334
Mr. Volpe	5336
Mr. Silye	5337
Mr. Penson	5338
Mr. Bergeron	5339
Mr. Bryden	5342
Mr. Silye	5342
Mr. Martin (Esquimalt—Juan de Fuca)	5343
Mr. Bryden	5345
Mr. Benoit	5345
Mr. Szabo	5347
Mr. Penson	5349
Mr. Grubel	5349
Mr. Silye	5351
Mr. Bryden	5351
Mr. de Savoye	5351
Mr. Silye	5352
(Motion agreed to, bill read the second time and referred to a committee.)	5352

Bankruptcy and Insolvency Act	
Bill C-5. Report stage	5352
Speaker's Ruling	
The Deputy Speaker	5352
Motion In Amendment	
Motion No. 1	5352
Mr. Tremblay (Lac-Saint-Jean)	5352
Mr. Bodnar	5354
Mr. Mayfield	5355
Division on motion deferred	5356
Canadian Food Inspection Agency Act	
Bill C-60. Motion	5356
Mr. Peters	5356
Mr. Pickard	5356
Mr. Chrétien (Frontenac)	5358
Mr. Hoepfner	5359
Mr. Robichaud	5360
Mr. Lefebvre	5361
Mrs. Cowling	5362
Mr. Benoit	5362

STATEMENTS BY MEMBERS

Fanshawe College	
Mr. O'Brien (London—Middlesex)	5363
The Municipality of Laterrière	
Mr. Caron	5364
Canadian Wheat Board	
Mr. Hoepfner	5364
Employment Benefits	
Mr. Taylor	5364
The Brome Lake Duck Festival	
Mr. Paradis	5364
Jeanette Dean	
Mrs. Sheridan	5364
Veterans Park	
Mr. Fewchuk	5365
Community Organizations	
Mr. Nunez	5365
The Debt	
Mr. Schmidt	5365
Canada-Portugal Friendship Group	
Mrs. Bakopanos	5365
Mental Illness Awareness Week	
Mrs. Hickey	5366
World Mental Health Day	
Mr. Patry	5366
Goods and Services Tax	
Mrs. Jennings	5366
Liberal Members	
Mrs. Dalphond-Guiral	5366
Ethanol	
Mr. Crawford	5367

The deficit	
Mr. Discepola	5367

ORAL QUESTION PERIOD

The Deficit	
Mr. Gauthier	5367
Mr. Martin (LaSalle—Émard)	5367
Mr. Gauthier	5367
Mr. Martin (LaSalle—Émard)	5367
Mr. Gauthier	5368
Mr. Martin (LaSalle—Émard)	5368
Mr. Loubier	5368
Mr. Martin (LaSalle—Émard)	5368
Mr. Loubier	5368
Mr. Martin (LaSalle—Émard)	5368
The Economy	
Mr. Manning	5369
Mr. Martin (LaSalle—Émard)	5369
Mr. Manning	5369
Mr. Martin (LaSalle—Émard)	5369
Mr. Manning	5369
Mr. Martin (LaSalle—Émard)	5369
The deficit	
Mrs. Lalonde	5370
Mr. Martin (LaSalle—Émard)	5370
Mrs. Lalonde	5370
Mr. Martin (LaSalle—Émard)	5370
The Deficit	
Mr. Grubel	5370
Mr. Martin (LaSalle—Émard)	5370
Mr. Grubel	5371
Mr. Martin (LaSalle—Émard)	5371
Canadian Armed Forces	
Mr. Leroux (Shefford)	5371
Mr. Young	5371
Mr. Leroux (Shefford)	5371
Mr. Young	5371
Income Taxes	
Mr. Solberg	5371
Mr. Martin (LaSalle—Émard)	5371
Mr. Solberg	5372
Minister of Intergovernmental Affairs	
Mrs. Venne	5372
Mr. Gagliano	5372
Mrs. Venne	5372
Mr. Gagliano	5372
Canada Post	
Mr. Malhi	5372
Mr. Harvard	5372
Ethics	
Mr. Strahl	5372
Mr. Axworthy (Winnipeg South Centre)	5373
Mr. Strahl	5373
Mr. Axworthy (Winnipeg South Centre)	5373
The Minister of Indian Affairs	
Mr. Bachand	5373
Mr. Irwin	5373
Mr. Bachand	5373

Mr. Irwin	5373
Agriculture	
Mr. Benoit	5374
Mr. Goodale	5374
Mr. Benoit	5374
Mr. Goodale	5374
Banff National Park	
Ms. Bethel	5374
Ms. Fry	5374
Canada Pension Plan	
Mr. Robinson	5374
Mr. Martin (LaSalle—Émard)	5374
Mr. Trân Triêu Quân	
Mr. Paré	5375
Mr. Boudria	5375
Justice	
Mrs. Ablonczy	5375
Mr. Rock	5375
Presence in Gallery	
The Speaker	5375
Business of the House	
Mr. Duceppe	5375
Mr. Gagliano	5375

GOVERNMENT ORDERS

Canadian Food Inspection Agency Act	
Bill C-60. Consideration resumed of motion	5376
Mrs. Cowling	5376
Mr. Landry	5377
Mr. Volpe	5378
Mrs. Picard	5379
Mr. Dubé	5381
Mr. Crête	5382
Division on motion deferred	5384
Oceans Act	
Bill C-26. Consideration resumed of motion for third reading	5384
Mrs. Lalonde	5384
Mr. Crête	5385
Division on motion deferred	5386
The Manganese-based Fuel Additives Act	
Bill C-29. Consideration resumed of motion for third reading and the amendment	5386
Mr. Godin	5386
Mr. Szabo	5389
Mr. Nunez	5390
Mr. Szabo	5391
Mrs. Kraft Sloan	5392
Mr. Mayfield	5394
Mr. Calder	5394
Mr. Chatters	5395

PRIVATE MEMBERS' BUSINESS

Hazardous Materials	
Mr. Robinson	5396
Mr. Volpe	5399
Mr. Crête	5400

Motion	5401
Mrs. Jennings	5401
Mr. Pagtakhan	5403
Mr. Dubé	5404

ADJOURNMENT PROCEEDINGS	
Nuclear Test Ban Treaty	
Mr. Allmand	5405
Mr. Chan	5406

MAIL  POSTE

Canada Post Corporation/Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

8801320

Ottawa

If undelivered, return COVER ONLY to:

Canada Communication Group — Publishing

45 Sacré-Coeur Boulevard,

Hull, Québec, Canada, K1A 0S9

En cas de non-livraison,

retourner cette COUVERTURE SEULEMENT à:

Groupe Communication Canada — Édition

45 boulevard Sacré-Coeur,

Hull, Québec, Canada, K1A 0S9

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliamentary Internet Parlementaire at the following address:
Aussi disponible sur le réseau électronique «Parliamentary Internet Parlementaire» à l'adresse suivante :
<http://wwwparl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Additional copies may be obtained from the Canada Communication Group — Publishing, Public Works and Government Services Canada, Ottawa, Canada K1A 0S9, at \$1.75 per copy or \$286 per year.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

**On peut obtenir la version française de cette publication en écrivant au Groupe Communication Canada — Édition, Travaux publics et Services gouvernementaux Canada,
Ottawa, Canada K1A 0S9, à 1.75 \$ l'exemplaire ou 286 \$ par année.**