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OFFICIAL REPORT
(HANSARD)

Tuesday, October 22, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Tuesday, October 22, 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 Standing Order 36(8), I have the honour to table in both official languages the government's response to 14 petitions.

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[*Translation*]

CANADA LABOUR CODE

Mr. Bernard St-Laurent (Manicouagan, BQ) moved for leave to introduce Bill C-337, an act to amend the Canada Labour Code.

● (1005)

He said: Mr. Speaker, this is the second anti-scab bill I have introduced in the House. This one takes a somewhat different approach, although the objectives are still the same, the only objectives debated and defended by the Bloc Quebecois here in the House of Commons. And we will go on doing so. Only the approach is different.

The House will recall that the previous bill was voted down with a majority of only ten votes. I have reason to believe that the approach I have taken in this particular bill will get us the majority we need to initiate legislation that will eliminate the use of scabs by firms regulated by the Canada Labour Code.

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

CANADA LABOUR CODE

Mr. Osvaldo Nunez (Bourassa, BQ) moved for leave to introduce Bill C-338, an act to amend the Canada Labour Code and the Public Service Staff Relations Act (scabs and essential services).

He said: Mr. Speaker, I welcome this opportunity today to introduce a bill whose purpose is to add anti-scab provisions to the Canada Labour Code and the Public Service Staff Relations Act. It also contains provisions for maintaining essential services in the case of a strike or a lockout.

I would like to point out that more than 700,000 workers work in the federally regulated sector. Quebec passed similar legislation in 1977. I hope that when the time comes, the Liberals will support this initiative as they did when they were the official opposition.

Before becoming a member of Parliament, I worked in the Quebec labour movement for 19 years. By introducing this bill, I am keeping a promise I made to the workers of this country, and it also shows that the Bloc Quebecois is listening to the unions.

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

* * *

[*English*]

UNITED EMPIRE LOYALISTS LAND RECLAMATION ACT

Mr. Peter Milliken (Kingston and the Islands, Lib.) moved for leave to introduce Bill C-339, an act to permit descendants of the United Empire Loyalists who fled the land that later became the United States of America after the 1776 American Revolution to establish a claim to the property they or their ancestors owned in the United States that was confiscated without compensation, and claim compensation for it in the Canadian courts, and to exclude from Canada any foreign person trafficking in such property.

He said: Mr. Speaker, I am pleased to rise today to introduce a bill that will be known once adopted as the Godfrey-Milliken act.

The purpose of this bill is to permit the descendants of the United Empire Loyalists whose lands were confiscated or occupied by others when they fled the United States in the years following the American Revolution to assert their claims in the Federal Court of Canada.

The court is then required to make a determination as to who the owner of the property was and order it returned to the claimant or the person otherwise entitled; to order that the claimant be compen-

sated by the payment of damages; and to list the names of the persons who are trafficking or who have trafficked in the property.

Those persons then will not be permitted to enter Canada, nor will their families be permitted to enter Canada, and they will be forced to leave Canada if they are in Canada until they return the confiscated property to the rightful owners.

● (1010)

The bill is quite a short one. I think it is one that will find widespread support in the House. I have had indications of support from members opposite. I am looking forward to an opportunity to present the bill.

I hope all hon. members will agree to make it votable so that we can get this bill passed with dispatch and give to Canadians the same rights that Americans enjoy under the Helms-Burton law passed in that country.

I am also aware that, on adoption of this bill, many of the difficulties of finance in the federal government will be satisfied because of the substantial awards of damages that will be available to Canadians.

I suspect that the Minister of Finance will be looking at those for taxation revenue and will be able to solve our deficit problems with the additional tax.

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

Mr. Williams: Mr. Speaker, I rise on a point of order. Perhaps you would like to seek unanimous consent of the House to refer the bill just proposed to the Standing Committee on Foreign Affairs before second reading under section 73(1) of the standing orders, recognizing the sincerity with which it has been proposed and, as the mover mentioned, proceeding with dispatch.

Mr. Gray: Mr. Speaker, when you seek leave of the House to refer the bill immediately, I am going to say no and I will explain why.

Members of this House agreed that a committee of their peers, other members, would make the decision of whether a bill would be votable or not. It is unfair to the other members of the House who have accepted this procedure, as most have, if there is a short-circuiting of the procedure even though for the best of motives.

Mr. Strahl: Mr. Speaker, on the same point of order, I am surprised you listened to that intervention. Normally when there is denying of unanimous consent is it not just a yea or a nay? Are there explanations offered?

The Speaker: The hon. House leader speaks so quickly that he got most of it in before I had a chance to intervene.

Mr. Strahl: Mr. Speaker, I do not want to make this into a debate but a point of clarification. The House leader for the government side said that it was necessary because it is not proper to refer this without a committee of peers. Is it not proper to refer it with unanimous consent of the House?

The Speaker: This is the situation, if I may. We had first reading of a bill. We had another member standing on a point of order. I heard the hon. member's point of order. We had someone from the government side wanting to intervene on the same point of order. I had to listen to what he had to say before making a decision.

Having heard all the members who want to intervene on this point of order, we will do what we usually do when unanimous consent is asked. Does the hon. member have the unanimous consent to present the motion?

Some hon. members: No.

The Speaker: There is no unanimous consent.

* * *

PETITIONS

PEACEKEEPING

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition duly certified by the clerk of petitions on behalf of 1,965 individuals residing across Canada.

The petitioners call on Parliament to honour and recognize their Canadian peacekeepers in the form of a Canadian peacekeeping medal.

● (1015)

NATIONAL PARKS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, it is my pleasure to present pursuant to Standing Order 36 a petition signed by people from all across Canada as they have travelled through our national parks.

The petitioners state that they believe our national parks belong to all Canadians and our first priority is to ensure the cost for Canadians and their families to use and enjoy the parks remain affordable. They are asking that there be a standard fee of $2 per passenger vehicle and that the current fee structure of Canada's national parks be overturned.

TAXATION

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I have a petition presented to me from citizens in my own riding. This one is from Chilliwack, B.C.

The petitioners call attention to the fact that the new tax convention between Canada and the United States reduces the social security benefits received from the United States by Canadian residents and the implementation of this tax convention has had the effect of unduly penalizing those with low incomes. As it is

the responsibility of the Canadian government to ensure that Canadian citizens are treated fairly and equally, the petitioners call upon Parliament to take the necessary measures to ensure that Canadian citizens who are recipients of American pensions are not unfairly penalized.

* * *

POINT OF ORDER

STANDING COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I rise on a point of order regarding what I consider a violation of a standing order through activities that occurred yesterday. I am referring to Standing Order 114(2)(c) which states:

> At any time when no list has been filed with the clerk of the committee pursuant to paragraph (a) of this section or when no notice has been received by the clerk of the committee pursuant to paragraph (b) of this section, the Chief Whip of any recognized party may effect substitutions by filing notice thereof with the clerk of the committee, having selected the substitutes from among the Members of his or her party and/or the independent members listed as associate members of the committee pursuant to Standing Order 104(4); and such substitutions shall be effective immediately they are received by the clerk of the committee.

Yesterday as an associate member of the committee, I was asked to attend the justice committee, at which time I filed the proper forms, the paper that said I would be substituting for the rest of that day which would entitle me to present a motion at the committee.

The motion I had intended to give was with regard to asking the justice minister to immediately bring forth legislation that would toughen penalties against convicted pedophiles, therefore protecting young Canadians from this most heinous crime. It was based on the movement in Belgium and the actions that are being taken by some people in Canada in that regard.

When the meeting had come to an end of the regular business and when it was my turn to present this motion, the chairman of the committee said that she could not receive the motion from me because I was out of order, I was not a regular member of the committee.

I would like to lay that protest at this time.

The Speaker: My colleague, as a general rule when these points of orders deal with the committees, I much prefer to have them settled in the committee.

I would take it that the hon. member has raised this complaint with the chairman of the committee himself or herself, depending who the chairman is. If that has not been done, I would encourage the hon. member to do so.

• (1020)

Has this been done? Could the hon. member answer that question? Has the hon. member raised his complaint with the chairman of the committee?

Mr. Thompson: Yes, Mr. Speaker. Prior to the vote last night I had a word with the chairman of the committee, who stated to me that she was following the direction from the clerk of the standing committee at the time. If that is the case, it makes it very difficult to function in the manner I had intended. Knowing that the clerk obviously was not familiar with the standing order, I do not know what—

The Speaker: I thank the hon. member for that information. Of course, the chairmen of our committees as well as myself very often refer to the advice of our clerks here in the House of Commons. It is a practice which has stood us in good stead.

Having said that, I will look into the matter for the member and if it is necessary, I will come back to the House with information.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I have some additional information for you to consider when considering the point of order raised by my colleague from Wild Rose. The member for Yukon was illegally sworn in to the committee. I raise that for you to consider when making your ruling.

The Speaker: Of course, we would hope that this information would always be dealt with in committee.

Just in passing, I would note that all hon. members should be in their proper seats when they rise to be recognized in the House. I am sure that is followed for the most part.

If it is necessary on the point of order, I will return to the House.

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QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 6 could be made an Order for Return, this return would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[*Text*]

Question No. 6—**Mr. White (North Vancouver):**

> What was the total number of full time employees at each job classification in the respective federal departments for fiscal year 1995?

(Return tabled.)

[*English*]

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA ELECTIONS ACT

On the Order: Government Orders:

October 21, 1996—Leader of the Government in the House of Commons and Solicitor General of Canada—Second reading and reference to the Standing Committee on Procedure and House Affairs of Bill C-63, an act to amend the Canada Elections Act and the Referendum Act.

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

That Bill C-63, an act to amend the Canada Elections Act and the Referendum Act, be forthwith referred to the Standing Committee on Procedure and House Affairs.

I want to begin by speaking briefly about the objectives of the bill. This bill would create a permanent register of electors and would set 36 days as the minimum period for a federal election campaign. The bill achieves this by a vast series of amendments to the Canada Elections Act.

Following passage of the legislation, one last door to door enumeration would take place outside of a federal electoral event. This last enumeration would likely be conducted in the spring of 1997. The enumeration would serve as the basis for the preliminary list of electors to be distributed within five days following the issuing of the writs for the next federal general election. The enumeration would also serve as the basis for a permanent register of electors which would be fully operational for other subsequent electoral events. The campaign for the next general election and subsequent elections therefore would last a minimum of 36 days rather than the present 47 days, of course, if the bill becomes law in a timely fashion.

• (1025)

The permanent register of electors, once created, would be updated with information from existing federal and provincial databases; names, addresses and birth dates from income tax returns filed with Revenue Canada; lists of new Canadian citizens compiled by Citizenship and Immigration Canada; and data from provincial registrars of vital statistics and provincial registrars of drivers and vehicle licences. The permanent register would also be augmented by proven provincial electoral lists.

I want to stress that personal information taken from federal data sources to update the register would be used only with the active informed consent of the individuals involved. I understand that the federal privacy commissioner had been fully consulted before the preparation of this legislation. I understand he has expressed himself as being satisfied with the steps that have been taken to meet concerns he had earlier expressed on issues of privacy.

[*Translation*]

This bill stems from the report of the Royal Commission on Electoral Reform and Party Financing, the Lortie Commission, and from the recommendations made by the Chief Electoral Officer of Canada.

I am very happy with the extensive consultations held with the three recognized political parties and the other parties in the House of Commons before this bill was drafted. I want to thank all the members of the Standing Committee on Procedure and House Affairs as well as Mr. Kingsley, the Chief Electoral Officer, and his staff for their contribution and efforts in carrying out this project.

[*English*]

The permanent register, which would eliminate door to door enumeration, together with a shortened election period would save the federal government about $30 million for each federal general election. Actually, the saving is not for the government but ultimately for each and every Canadian as taxpayers. Sharing the register with provinces, municipalities and some school boards for their elections would generate additional savings for Canadians as provincial and municipal taxpayers. I should add that the shortened election period would generate about $8 million of the $30 million savings to the federal government and federal taxpayers for each federal general election.

To conclude, a few words about why I believe this bill should go to committee before second reading. While the objectives of the bill are simple, achieving them requires a large number of complex amendments to our existing election law. This is the kind of measure for which the new approach of studying a bill in committee before second reading is, in my view, ideal.

If the amendments that Bill C-63 proposes require adjustment or fine tuning, if there are further amendments to help achieve the purposes of the bill and its objectives more effectively, then it is easier for the government to consider positively and in fact accept amendments before the principle of the bill is voted on at second reading in the House. I want to say that I am certainly open to positive consideration of further amendments that would help the system proposed by the bill to work better in the interests of all Canadians.

It is also proposed that the bill go to the procedure committee of the House of Commons where there are a number of members of various parties who are already familiar with the issues and concepts involved with this bill. Therefore, I commend to the House not only the bill itself, but this motion that it be referred to the procedure committee for detailed study before second reading.

• (1030)

[*Translation*]

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, it is customary in this House not to make reference to the absence of other hon. members, but we can talk about our own. I was not in the House yesterday, but I saw on television that the government House leader and member for Windsor West was back in the House. I wish to join my hon. colleagues and yourself, Mr. Speaker, to say, as you did yesterday, how much he was missed in this House and how happy I am to see him back in good health.

Regarding Bill C-63, on the basic principle of having a permanent electoral list, the official opposition cannot have too many reservations. It can therefore be said that we support the bill in principle.

That said, let us now look at the timing of this legislation. As it enters the last year of its mandate, the government is now proposing to change the rules of the game.

The hon. government House leader referred earlier to discussions among the parties. A very broad consensus will be required, on the government side as well as on the side of the official opposition and the Reform Party, for any changes to be made before the next election, given how close we are to an election. That is why I salute and greatly welcome the government House leader's decision to refer immediately to the Standing Committee on Procedure and House Affairs the matter of establishing a permanent electoral list.

But I do have some concerns already, at this stage. Mr. Kingsley, no doubt and other people who have been involved in establishing permanent electoral lists provincially in conjunction with other witnesses and experts will have to shed light on certain problems.

The government House leader mentioned earlier that a list could be established from information collected before an election, therefore making lists available within five days after an election writ has been issued. I would just like to put on record what the chief electoral officer himself, Mr. Kingsley, told the Standing Committee on Procedure and House Affairs at our April 30 meeting.

The chief electoral officer said the following in reference to the first scenario, namely the one mentioned by the solicitor general, and I quote:

> The legislative changes to bring about the first scenario are elimination of enumeration within the election calendar and provisions to allow us to build the register outside the electoral period; reduction of the calendar to a minimum of 36 days from the current 47; authority to the chief electoral officer to use lists of electors provided by the provinces and territories; collection of additional information—as I mentioned earlier, date of birth and phone number—from electors; and implementation of a streamlined revision process. Those changes would be required by the end of June 1996.

This was several months ago and the provisions have yet to be passed. It seems somewhat illusory at this point to consider establishing a permanent electoral list for the next election.

Look at what happened in Quebec. The office of Quebec's chief electoral officer, Pierre-F. Côté, has been working for at least 18 months to establish a permanent electoral list, which is still not in effect.

First, statutory authority was granted by Quebec's National Assembly to provide legislative authority to establish a permanent electoral list for Quebec.

And then what happened in Quebec? Last year, when the referendum was held, and even before that, in September if I am not mistaken, Quebec's chief electoral officer held a census. When the referendum writ was made out, some time was spent updating this electoral list, which was used for the referendum.

• (1035)

Of course an important data bank could be set up at the federal level, which would probably help us to act faster. However, the real permanent list would be the one that would help us follow the voters and keep all the needed information thanks to computers, without invading the voters' privacy. We could follow the voters throughout Canada, but that is still not an option in Quebec, even after 18 months of work. People are still working on that project. The Standing Committee on Procedure and House Affairs will have to consider these issues.

I also wonder about something else. On October 3, in the French CBC news program *Le Téléjournal*, at 11 p.m., I happened to hear the government House leader tell Geneviève Rossier, a CBC reporter, that a permanent list will not be ready for the next election and then Mr. Kingsley, the Chief Electoral Officer, gave a somewhat different version of the facts, to say the least. This will have to be clarified before the Standing Committee on Procedure and House Affairs. Mr. Kingsley was quoted as saying that he had convinced the government to reduce the campaign from 47 to 36 days.

Who convinced whom? These questions will be asked at the appropriate time. But the October 3 news report implied that the government was far from being convinced that a permanent electoral list could be implemented in time for the next election. The government should have acted before now, and we could have supported the initiative, which does not mean that we will not support the study the government wants to embark upon. Let us carry out this study, and if we cannot implement the recommendations in time for the next election, we will be able to do so for the following one.

Given the political situation in Canada, I do not think that the government is heading for a five-year mandate and will remain in office until autumn 1998. Logically, normally, according to our

tradition, this should be an election year. The list is expected to be made in spring. Of course, no definite dates are given. An enumeration could very well be initiated by the returning officer outside of a campaign period and then writs could be made out at some point. What would happen then? Would we go back to the old legislation? Would we go back to a 47 day electoral period? Would we proceed with a new enumeration, a new revision, new training for the enumeration and revision officers?

If that were to be cast in stone, with a 36 day period, the danger is that, under the existing law, we would have the preliminary list of electors not five days after the writs are issued, but ten days before election day. That is the first danger. It would be rather strange to have the preliminary list of electors ten days before election day.

What would be the adverse effects of that? The amount each political party is authorized to spend for the election is based on the preliminary list of electors. Therefore, we would know only ten days before election day what budget is allocated to each of our ridings. It is difficult to plan our election expenses if we do not know what our budget is until the end of the campaign.

Even though everybody agrees that the 47 day period is too long, if it is not compatible with a computerized list available at the beginning of the electoral period, we will have to make sure, at the hearings of the Standing Committee on Procedure and House Affairs, that it is not reduced to 36 days because we would then be forced to run an election campaign and a door-to-door revision campaign at the same time. For rural Mps like me, this would mean a revision of our 60 or so municipalities, street by street, concession by concession, to see if electors have been forgotten.

These are some of the points I wanted to raise with regard to the dangers. Of course, on the substance of the bill, it is not appropriate to take a stand at this stage since, according to the new Standing Orders of this House, what we are having now is a preliminary debate to clarify the issue and to see where we are headed.

There is another question that could be raised in committee and that the minister forgot to mention when he introduced the bill. I do not know if it is because of a difference in opinion between the government House leader and the Minister of Justice, but about ten days ago, the Minister of Justice told us that he would not contest an Alberta Court of Appeal decision authorizing third parties, including interest groups, corporations and unions, to spend as much money as they want to support one particular political option.

• (1040)

When the Minister of Justice said that he would not appeal to the Supreme Court, we might have thought that he would introduce a bill to control expenses by third parties. Since this is not the case, how can we not feel that the measure is directed at us somewhat?

Since the issue will not be submitted to the Supreme Court or to this House, it will have to be studied in committee. The question must be dealt with. We must know what control measures and limits the political parties may exercise during an election campaign and also the limits of third parties' participation. I can still recall the convincing arguments put forth by the Minister of Finances in support of the limitation of expenses of third parties.

These and other questions will have to be asked during the debate and they are the main themes I wanted to touch upon this morning after the speech made by the government House leader.

[*English*]

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I rise to speak to Bill C-63, an act to amend the Canada Elections Act and the Referendum Act. On a personal note I would like to convey my own best wishes to the solicitor general. We are all glad to see him back in the saddle.

The bill provides for the establishment and updating of a computerized register of electors. It also reduces the electoral period to a minimum of 36 days from 47 days. I will discuss the two main sections of the bill beginning with the permanent registry of electors.

To establish this list it would still be necessary to do one final enumeration after which a permanent list would be created. The list would be updated by consultation with other governmental bodies and by using other records including provincial drivers' licences and records from Revenue Canada.

The second main part of this bill would reduce the electoral period from 47 days to 36 days. In general, reducing the electoral period will mean cost savings. The Reform Party is open to measures to ease the burden on Canadian taxpayers.

In general, the Reform Party is certainly not opposed to the philosophical direction of either change proposed in Bill C-63. In terms of the shorter period, personally I have favoured such a move for a long time. The first time I participated in a federal election the campaign was 56 days. It has been shortened over the years, yet it has still seemed lengthy to me as a participant.

This is something we want to examine in terms of the specifics. I gather that officials of my party including the House leader have indicated that we favour this change, but we would want to look more carefully at the mechanics to make sure 36 days is the correct period of time.

Concerning the permanent register, this is an area where we for some time favoured improvements that would see cost savings, although I will raise a number of possible concerns that the committee should look at.

The Reform Party has also called for other changes to the electoral system including measures that are not found in this bill. My colleagues will address some of these measures.

Reform also supports measures that represent real cost savings to Canadian taxpayers. Although we support measures to reduce the cost of elections for Canadian taxpayers and to streamline the process, we have concerns, some of which I will briefly outline. In outlining these concerns we are happy that the solicitor general and government House leader has said that he is open to amendments. This bill may require some technical amendments in a number of areas.

The first and main concern is the privacy issue. The existence of a permanent voter's list leads to these concerns since the information is to be shared by different levels of government and different governmental bodies. There is a risk that privacy can be compromised. The more information is transferred and shared, the greater the risk of security of the information.

The government assures us that it will ensure the privacy rights of Canadians are respected. However, we all know that no system is foolproof, especially a brand new one.

• (1045)

The existence of a permanent voter's list raises concerns about exactly who could get the list through more advanced technology. The government assures us that it is impossible for the list to circulate but we know mistakes can happen.

The government also assures us the consent of all voters will be sought in terms of the use of information and its release to different agencies. We sincerely hope this is the case but we are concerned first and foremost with ensuring that this bill does not compromise the privacy rights of Canadians.

Let me mention one specific issue in this regard. It appears in this legislation that a voter's list will continue to identify the gender of voters. It has always been a mystery to me why this is necessary. Concerns have been raised with us and we will raise them in the committee about why it is necessary, for example, to identify on a voter's list a single female living alone. This raises concerns in the minds of certain individuals and I think it is one that the government should address.

The second concern is proof of citizenship. It has been often raised in the past about the process for verification of the genuineness of citizenship and the reliability of electors' lists as they apply to new voters and new Canadians. This is a problem we have had in the past. Hopefully this new process will address that. However, we will want to study more carefully what the proposals are in Bill C-63.

The third concern is getting on and off the list. To me this is another fascinating area, in particular as it applies once again to new Canadians. One oddity of this legislation is that while old Canadians are automatically on the list unless they request to be taken off, new citizens or new Canadians must specifically request to be put on the list in the first place. Should this not be a right and a responsibility that applies to all Canadian citizens equally? Why should the regulations for voting depend whether or not you are a new citizen or have previously been a citizen?

The third concern is technology. Will we be ready to begin this after the next election? Will all the systems and technology support be up and running? How reliable are the systems being set up? We all welcome the use of technology to save money and streamline the process but we must admit the possibility for mistakes. The last thing we would ever want to see are mistakes in a federal election or one that would involve having to start from scratch with another enumeration.

Let me echo in that particular concern the comments by my hon. friend from the Bloc Quebecois. It is a bit of a mystery to us why we waited until this late stage to introduce some of these changes so that they cannot be possibly be implemented for the next election. We have waited so long and now are faced with a situation where we are going to possibly have to rush the study of this legislation.

There are other technical concerns that I could raise, for instance, people who do not have drivers' licences, in particular young people, students who also do not file tax returns. There may be technical issues we will have to look at there.

Let me mention briefly the issue of cost. As I said, we welcome the fact that we will be able to save in the future roughly $30 million per election with a permanent voter's list. Furthermore we are prepared to share this technology with provincial and municipal governments and school boards. In theory they all could benefit from this list.

That raises additional questions about the sharing of information. I point out that only three provinces, Alberta, Ontario and New Brunswick, have said categorically that they are interested in this. From a federal cost standpoint we should also consider whether we should not share some cost benefit here at the federal level by sharing this list with provincial governments. If all of the costs have been incurred at the federal level it seems to us that there should be some provision for the federal government to gain something from the savings that will be achieved at the provincial level if there is co-operation.

These are the various concerns that I would like to raise. I am sure there will be others. They are mainly technical in detail and nature. I suspect they are all resolvable and all can be addressed. We look forward to studying this bill in committee.

• (1050)

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I have a few comments to make about Bill C-63, an act to amend the Canada Elections Act and the Referendum Act.

As has been mentioned by my colleague, we are anxious to study the bill in committee, to hear witnesses and the explanations that the government and experts have on how this can help the electoral system. Obviously Canadians are receptive to some of the changes that are being proposed, at least in theory, if some of the obstacles can be overcome.

I suspect there will be much interest in the idea of a permanent voter's list. The government believes it will perhaps save $30 or $40 million a year. Canadians would like us to look at that seriously for the cost savings alone.

Another aspect is the shorter period of time. The argument goes that 47 days were necessary in the days of train travel and when it was difficult to get around to communicate in the country. Certainly the shorter electoral period is worthy of consideration. I am sure that is why the chief electoral officer has brought this forward.

As members know, a permanent voter's list will eliminate 100,000 jobs in a sense. During the enumeration process 100,000 enumerators travel the country. Enumerating is not a permanent job, but there is an understanding that those positions, while they may be eliminated in a sense, I will not be sorry to see them go.

While it is always nice to have somebody knocking on your door for the enumeration, it has been used by MPs who submit lists of people for that position. I will not be sorry to see that go. I would just as soon have it outside the political arm of all parties. To get rid of it would not be a bad thing.

There is the question of the length of time someone can advertise during the election period. Will there be enough time to arrange for advertising when it comes down to taking the blackout period from there and so on, in a 36-day campaign? It will have to happen very quickly. Again, it is not an insurmountable matter. I would think that all political parties will be willing to look at the concept of a shorter period of time, meaning fewer expenses and less advertising.

I do not think the Canadian people would get their knickers in a knot if advertising was cut back substantially. That is worthy of consideration.

There is the concern about privacy. I have spoken to the electoral officer about this. He has assured me that this idea of getting access to Revenue Canada for the names for the voter's list, access to those who have drivers' licences and so on will be safe and secure and will not lead to any loss of privacy.

Nowadays the privacy aspect is becoming more and more important. As the privacy commissioner said, right now Canadians find themselves almost inundated or overwhelmed by technological change and the fact that an address, a phone number or even a tax return given to one department is not as sacrosanct as it once was.

That is obviously something we need to make sure is kept private for the sake of those voters who might otherwise not give their names willingly to Elections Canada people. The Privacy Act is another issue, certainly something that Canadians have a lot of concerns about.

I would like to spend my last few minutes mentioning that, although this bill is entitled an act to amend the Canada Elections Act and the Referendum Act, it is almost a misnomer. Referendums are so seldom held in Canada that it is almost not part of the Canadian political scene. It is something that the Reform Party has proposed as one of the ways to democratize this institution and involve Canadians in the political process.

• (1055)

Reform has proposed electoral changes over the years that could be discussed at some time and I hope taken seriously by the House and actually adopted as policy. Some changes involve parliamentary reform. Members have heard me speak about changing the MPs oath of office so that members swear allegiance not only to the Queen but also to constituents. In other words, it would be a shift in allegiance to the people that actually elect us.

Reform proposes parliamentary reform to support the restricting and limiting of the number of order in council appointments that a party can make. We spoke on a bill yesterday that reduced the number by 200 positions. However, over 2,200 positions still are filled by order in council appointments. It is a huge opportunity for a governing party to launder its political friends through the system and get a pay back.

One of the fundamental changes that Reform has proposed and continues to propose would be good for democracy is the whole idea of referendum initiative and recall. No doubt members have seen on the news our Fresh Start campaign literature. It is not really a fresh start for Reform. This has been a longstanding demand of many people who are looking for changes in the system. The Referendum Act we are discussing today should become a legitimate tool of the Canadian people to democratize the Canadian system.

The Reform Party supports the mechanism of binding referendums on the Government of Canada by a simple majority vote of the electorate, including a simple majority and at least two-thirds

of the provinces. Canadians could actually pass laws themselves at election time where they have an opportunity to cast their ballot first for the person they are going to elect and second on the big issues of the day.

The Reform Party supports the idea of citizen's initiatives by way of referendums. If 3 per cent of the electorate were to present a petition to the chief electoral officer and it was duly recognized, authorized and went through due process, that proposal would then be put before the people in a referendum. The citizens could seize the day, seize the issue and force it through, not necessarily to win, of course, but to force it on to a ballot so they too could have a direct say in issues they consider very important.

One of the issues that comes up periodically is the idea of a referendum on capital punishment. Others involve the expansion of the free trade agreement and moral issues. People say they would like to have a say in these policies. They do not want any political party to have the final say. They have to live under the law and they would like the final say.

The Reform Party, as part of their guarantee of good government with changes under the system, is the right to have recall for members of Parliament. When MPs have violated their oath of office and have contravened the very things they swore they would uphold, citizens in that constituency should have the right, if they go to a certain amount of work, to have that member come back and stand for re-election. The way it stands now, short of murder or a serious criminal offence, there is no way a member of Parliament can lose his or her job.

We have seen all kinds of boondoggles over the years. We have seen ex-MPs being charged with accepting graft or some other odious crime.

● (1100)

A lot of that was known when they were office holders but there was no way for the constituents to get at that person and say: ''You are not doing your job. Worst yet, you have broken your oath of office. I demand that you come back and answer to the people''. If they had that opportunity, which they would have under a Reform government, they could ride herd on the members of Parliament. Members of Parliament would not have four to five years to run their own show, do their own thing and answer to no one. That would obviously be a big advantage.

In conclusion, as I am almost out of time, other proposals that we have brought forward which are not part of this bill but are Reform Party policy include support for holding elections every four years at a predetermined time of the year. Another advantage of planning for reducing expenses and making Canadians buy into the electoral process is a specific length of time, not exceeding six months, by which time byelections should be held for any vacant Commons seat. The whole issue of the funding of political parties and how they are funded by corporations, special interest groups and so on needs to be addressed as well and it is not in this bill.

While the bill is worthy of study, and we are happy to do that in committee, there is much more that could be done, should be done, must be done and will be done under a Reform government.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I rise today to make a few comments on Bill C-63 which is intended to develop a central electronic registry for voting purposes.

In reviewing this legislation and in being in a briefing yesterday, there are a lot of things about this bill that I would like to point out, touch on and leave a few comments with the government on this issue.

The purpose of a central registry, the overall outline and concept of it make a lot of sense. It can be used by federal, provincial and municipal governments for election purposes and also school boards. It would be a sharing or pooling of information. This does have some economic benefits and some convenience to it as well.

It requires the consent of electors. In other words, it is voluntary. If an individual voter does not wish to have his or her name in the registry they do not have to. It does not deny the individual the right to vote. The current system stays in place where if they wish to show up on voting day with the proper identification at the polling booth they will be allowed to register their vote.

Another benefit I see in this bill is the savings, which has been pointed out by a lot of people. In current dollars this is estimated to be $138 million over the next 20 years with an election every four years. However, even if we discount the present value it is still over a $100 million savings. It is definitely a plus in that category. It will, however, cost $41 million in the spring of 1997 to conduct one more door to door enumeration.

It is also a convenience because the candidates will get their voters list sooner and will be able establish their budgets and spending limits based on the size of their constituency. They will also be able to get rolling 31 days before polling day versus the current 25 days before polling day. This would give them six days more to decide how and where to spend the money in order to get themselves elected. It also allows four extra days for the revision of the electoral list for errors, mistakes and moves, which will also help with getting out the vote.

Another feature, which has been mentioned by other members, is that the voting period gets reduced from 47 days to 36 days. This is an interesting concept because it may cause concern for a lot of people. A lot of people who are interested in the political process believe that time is needed to explain issues. Let us look at what former Prime Minister Kim Campbell said during the last election campaign when she claimed that there was not enough time to discuss social policy during the election campaign and she had 47

days to do it. Therefore if 47 days is not enough time to discuss the major issue of social policy will 36 days be enough? We are reducing it by 11 days. That is an interesting concept and one that I think the Standing Committee on Procedure and House Affairs will have to review.

• (1105)

It would seem to me, however, as an individual who has participated in one federal campaign that as we go along in the House issues are always percolating and being brought to the forefront. The basic platforms of parties become obvious and the party issues become relatively well known. I think most Canadian voters are aware of the issues.

When it comes time when they are ready to send representatives to Ottawa and they elect a prime minister who becomes a dictator once he is in office under the current system, they at least know what the hot issues are. I would think that five weeks would be enough time for discussion and to know whether one party favours a tax cut or whether another party wants to increase spending, or a bigger government.

I think the debate on the period we have to campaign will be sufficient and the issue will not be that complicated if arguments are positioned in a proper fashion.

Another feature of the bill is invasion of privacy. To protect the privacy factor, the privacy commissioner has been consulted. This is a very serious matter. When information is given to Revenue Canada, to federal and provincial governments about the personal lives and personal status of voters, that should remain between the people and that agency or government. Cross sharing should require permission. When permission is given, that is fine, but consent must be given.

The right to opt out of the central registry is included in the bill and the right to obtain that information for the registry is also in the bill. These are important, comfort factors that should be there.

The legislation which will be passed on this issue will clearly state that the central electronic registry is simply for the purpose of elections, nothing else, and should not appear anywhere else. If an advertising groups gets hold of it or if people are harassed based on the information, then they can simply opt out. It would be their right to take their names off that central registry and it does not affect their right to vote. I think that is a good balance.

Also the Chief Electoral Officer, Mr. Kingsley, once the bill is passed, may enter into extensive information lectures to educate and inform the Canadian public about what this really means.

This has the somewhat conditional but more or less major support of all members of all parties in the standing committee. The Chief Electoral Officer has been communicating with authorities at the provincial and territorial levels and they show interest as well.

This will save a lot of money and it makes a lot of sense. I thought the voters may be interested in hearing some of the dynamics of change in this country: 20 per cent of the electoral information changes every year; 3.2 million people move every year. That means they live in a different electoral boundary. Through this central registry, provincial governments, Revenue Canada, municipal governments, drivers licences, and updating the information will help to keep track of those moves and the information will be at their fingertips at election time.

There are about 200,000 new 18-year olds who are qualified to vote every four or five years. Once gain, through Revenue Canada and drivers licences, this central registry can be updated and maintained.

There are roughly about 180,000 to 200,000 new citizens which of course would be tracked through citizenship and immigration. Unfortunately deaths occur; 195,000 people pass away yearly. These can be obtained through provincial vital statistics and, once again, the central registry stays somewhat current.

• (1110)

The central registry also would eliminate the cumbersome, expensive, door to door enumeration prior to elections. Enumerators come to our door for federal elections and they come to our door for provincial elections. I am not sure if they come to our door for municipal elections.

There will be one last enumeration prior to the next election because we have increased the size of the House of Commons from 295 to 301, so there will be 301 electoral boundaries. That is a shame in a sense. The Liberal government is once again preaching restraint. It is giving us lectures on how to reduce the deficit, but it is not attacking the real problem, which is the debt. Yet it wants to have bigger government. It is adding six more members of Parliament to the House. There will be six more backbenchers who will sit over there, or there will be six more opposition members who will sit over here, while the freely elected dictator will do what he wants. He runs the country the way he wants to with his small cabinet.

Bigger government means a higher cost. A higher cost means higher taxes. That is why the government does not favour a tax cut. That is why the government cannot afford to give a tax cut. Reformers say that if we reduced the House of Commons to 250 members and did the door to door enumeration based on 250

electoral boundaries we would be better off. There would be a lower cost. With a lower cost we could reduce taxes. The cost of running government would be lower and we could lower taxes.

Our role in opposition is to question the wisdom of government expansion and other pieces of legislation which it brings in which recommend changes in order to improve efficiency and effectiveness to save money. Yes, it will save $100 million over 20 years, at a discounted value. However, each additional member of Parliament will cost Canadians $600,000 to $800,000. The government will be adding millions and millions of dollars to the cost. It is unfortunate that the government cannot be consistent in everything it does.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

(Motion agreed to, bill referred to a committee)

* * *

BANKRUPTCY AND INSOLVENCY ACT

Hon. Douglas Peters (for Minister of Industry, Minister for the Atlantic Canada Opportunities Agency, Minister of Western Economic Diversification and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved that Bill C-5, an act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act, be read the third time and passed.

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I am pleased to rise today to begin third reading of Bill C-5.

Hon. members will recall that the bill amends an act which was last changed in 1992. Before that, however, it had taken 40 years before legislators were able to bring bankruptcy laws in Canada up to date. That is because the laws are complex and there are many competing interests that must be taken into account.

When we debated this legislation on second reading we outlined some of the various interests that had to be considered: lenders and borrowers, businesses and consumers, insolvency practitioners and Canadian workers whose jobs may depend on effective reorganization provisions. These are just a few of the groups affected by bankruptcy law.

I remind the House that we were able to produce a piece of legislation acknowledging the needs of these competing interests because of the input we received from the Bankruptcy and Insolvency Advisory Committee.

• (1115)

This legislation was introduced last November during the last session as Bill C-109. In the months that have passed since then, insolvency practitioners and stakeholders have had a good opportunity to study the bill carefully and recommend ways to improve it.

One indication of the quality of their advice is that the legislation has now come back from the Standing Committee on Industry ready for third reading essentially intact. There have been many amendments designed to tighten up the legislation and clarify its intent, but in its fundamentals the bill is essentially unchanged.

The committee heard many witnesses who represented many different points of view. They provided advice on how to improve the bill, but they also agreed on the broad principles that Bill C-5 represents. The witnesses agreed that the intent of the clauses contained in the legislation was excellent, but they were able to suggest slight changes to the wording to clarify the purpose of the bill. That being said, I would be the first to acknowledge that the bill before us is a much improved version of the bill sent to committee for study.

I commend the work of the committee, chaired by the hon. member for Winnipeg North. Bankruptcy legislation is never easy. Members of the committee had to work hard to formulate the agreements and the compromises represented in the amendments before us. However, it is a tribute to the ability of all members, especially the chairman, to build consensus that the legislation has come before us in this improved form.

In that regard I would especially like to single out the contributions of the member for New Westminster—Burnaby. I think his colleagues on the committee would join me in acknowledging the role he has played in ensuring this legislation fairly addresses the issue of sexual assault judgments.

As a result, clause 105 has been changed. Awards of damages for assault are non-dischargeable in this legislation. Under the amendment proposed by the hon. member, this provision is expanded to clarify that it covers awards for intentionally inflicted bodily harm or sexual assault or wrongful death resulting from either of them.

Another important amendment concerns clause 15 respecting trustee personal liability for environmental damage. The super priority given to claims for costs of cleaning up environmental damages will be limited to crown claims. The intent of the legislation is clearer now. It will ensure that only ministries of the environment and not, for example, third parties will claim super priority for environmental clean-up costs.

Clause 42, affecting lease disclaimers, has been amended. The bill before us gives a disclaiming tenant more options in framing

his organizational proposal. He can now offer compensation based on the landlord's actual losses in all instances. This simplifies the laws considerably.

Clause 60, which involves the procedures for determining the surplus income of an undischarged bankrupt payable to his creditors, has been clarified.

Clause 87 deals with spousal support claims. It has been amended so that spousal claims provable in bankruptcy are as specified in section 178, and that they must be pursuant to orders or agreements made while the spouses were living separate and apart.

Clause 103 has been amended to clarify the responsibility on consumers to opt for reorganization rather than bankruptcy. By simply choosing bankruptcy instead of making a consumer proposal, the consumer should not be penalized when it comes time to decide whether to grant a conditional discharge. This legislation makes it clear that the option must be between bankruptcy and a viable consumer proposal.

Several provisions of clause 118 have been clarified, including the definitions of ''securities firm'' and ''security''. The provision that specifies the type of suspension of a firm authorizing a securities commission, securities exchange or customer compensation body to petition the firm into bankruptcy has also been clarified. As well, the provisions have been made more clear on which assets are to be included in the customer pool fund and on how these assets are to be distributed.

I emphasize that the amendments made by the committee do not undermine the fundamental principles of this legislation. For example, the provisions involving directors' liability remain fundamentally intact. It provides a due diligence defence for directors against civil liability. It also gives a provision whereby actions against directors may be stayed during reorganizations. Further, it provides that directors would be allowed to propose liability relief as an integral part of the reorganization plan submitted to creditors, and creditors, not governments, not the law, will accept or refuse to provide relief to directors.

• (1120)

Why are these provisions important? Because the thrust of the government's objectives in this framework law is to move away from liquidation in favour of preserving businesses and jobs. These provisions offer protection to board members so that they are encouraged not to leave the sinking ship. We want them to stay on to make the bold decisions to help reorganize the business.

Other elements of the legislation relate to the insolvency of farmers and fishermen. At present section 48 of the BIA provides that an individual who is solely engaged in farming or fishing cannot be petitioned into bankruptcy. Recent case law has interpreted ''solely engaged in farming'' quite strictly. Any revenue which is not generated by the farm will expose a farmer to petitioning.

As members of this House are well aware, to avoid insolvency most farmers and fishermen will turn to other means of employment in the off season. This is a responsible action on their part. The amendment in Bill C-5 restores the situation intended in the original legislation to protect farmers and fishermen from being petitioned into bankruptcy during the off season. Both the Minister of Agriculture and Agri-Food and the Minister of Fisheries and Oceans supported this proposed amendment.

Bill C-5 also addresses consumer bankruptcy. It provides an opportunity for debtor consumers to be rehabilitated quickly and to act responsibly. I believe the vast majority of consumers who run into major financial difficulties want to fulfil their obligations. I am sure we all know of stories where someone has run up their debts and regard bankruptcy as an easy way to discharge their responsibility, easier that is than taking the rough measures necessary to pay back creditors over time.

The legislation before us puts more pressure on debtors to rehabilitate. It encourages consumer debtors to act more responsibly by repaying at least a portion of their debts where they can.

The fundamental objectives of Bill C-5 remain. We have reformed both corporate and consumer bankruptcy law in Canada. Thanks to the work of the industry committee, the bill has been strengthened by several technical amendments. This is good legislation and it deserves the support of this House. I urge all members to vote for it.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I am pleased to speak, and, through you of course, to tell my colleagues across the way, particularly the member from Saskatoon, for whom I have great respect and with whom I had the honour to sit on the industry sub-committee examining Bill C-5, the bill before us today, that I do not entirely share his optimism.

I must admit that while Bill C-5 meets certain requirements and restores certain situations, it is far from satisfying everyone. It is from this sort of bill that the party in power has the habit of hauling out vague and imprecise notions, not clearly spelled out in the text, when and where it suits them. The result is that we foist our problems off on the courts and tribunals and expect them to establish the jurisprudence.

But the primary role of a legislator is to try, in good faith of course, to produce legislation that can be interpreted in and of itself. Furthermore, it is stated early on in the Interpretation Act passed by this Parliament a number of years ago that every enactment shall be given such interpretation as best ensures the attainment of its objects.

This is described as being *sui generis*. Legislation must be interpreted with reference to its own contents. When a text is unintentionally ambiguous, and no one here, particularly no one in

this House, is above error or oversight, then the courts have a role to play.

● (1125)

When general principles are invoked, when we ask the party in power what happens in a particular case, and we are told that the courts will decide, the courts will rule, that is just adding to the backlog in the courts.

I would point out one, or a few, examples the member has just mentioned when, in reference to farmers and fishermen whose earnings come primarily from their agricultural or fishing activity, he said that they could not be declared bankrupt. That is what the bill says. However, if in the winter, for example, farmers, and I know some in my riding who do this, have large equipment and take contracts to remove snow from shopping centres, they therefore have an activity allowing them to keep operating, so to speak, and to get through the winter without doing too badly economically. Since they are then earning income from an activity other than farming, could they be declared bankrupt?

The member from Saskatoon tells us they cannot, or maybe, if the courts hold that the activity is not strictly related to farming. Or at least that is what I understood. But the fact remains that it is still the court that will decide. When new legislation is drafted, there is an attempt to include prior trends in jurisprudence, not to produce a legislative text that is often unclear and makes a further ruling necessary.

That is what I object to generally in this bill, some of whose principles, however, I find acceptable. An effort could have been made, in committee, if members of the party in power on the committee had had the latitude to accept the obvious. Not at all. To change even a comma, committee members know they have to refer to the minister who tabled the bill. Even in the case of a particularly obvious mistake, if they happen to be members of the party in power and sit on a committee where that party has the majority, they first have to refer to the minister and tell him: ''Now, the members of the opposition want to change this comma. They may be right. We think they are right''. They do not say yes. They cannot do that on their own. That is what is so frustrating in committee. We saw this many times during consideration of Bill C-5 by the industry subcommittee.

A number of stakeholders appeared before the committee at that time. We could name the whole range of socio-economic and social stakeholders, on the right as well as on the left. Everyone came to defend their particular points of law. And most people were struck by the ambiguous treatment in Bill C-5 of the nature of duties of a bankruptcy trustee.

Many people told us that more often than not, the trustee had a conflict of interest. I may add that these were people with a certain reputation, university professors from the University of Toronto, for instance, and people from across Canada. Even bankruptcy and insolvency experts came and told us the bill was in many cases sending contradictory signals, thus putting a trustee appointed to oversee a bankruptcy in a very awkward position. Quite often, his duties were not clear-cut.

The first Bankruptcy Act—as it was called at the time—which was passed in 1949, started by providing that the trustee represented the creditors. His role was clear. His role was defined. There was no problem: he represented all creditors.

● (1130)

In 1992, with the tabling of this new bill on bankruptcy and insolvency, which became the Bankruptcy and Insolvency Act, the trustee's role became a little more ambiguous. The trustee represented in certain cases the mass of creditors and acted on the advice of the inspectors, but he also had to consider certain dispositions that might benefit the trustee himself or his family. It is not immoral, and it is not unthinkable, that the trustee could, and I think it was good legislation, represent both the creditors and the bankrupt.

However, it would have been even better if the legislation had contained a provision saying that the trustee was a public officer, like a notary in Quebec or like a surveyor—they have those in other provinces too. When a surveyor surveys a property, he does not work for the benefit of the person who is paying him but to establish the truth, the real state of affairs. He draws lines where they should be drawn, even if he would rather not, even if he would rather help his client. Under the legislation that regulates his profession, in Quebec and elsewhere, he is obliged to be neutral. Therefore, he assumes impartiality.

In Quebec, notaries conclude transactions. They represent neither party and I know something about this, since it happens to be my profession. He does not represent either of the parties involved. His duty to be neutral is part of his code of ethics. The trustee is careful about that, and if a notary—this does not happen often, thank goodness—fails to be impartial, the order would intervene and make him realize he should not benefit either contracting party, but maintain a strictly neutral position.

That is what I would have liked to see in Bill C-5. Of course, that required the minister's permission. I am not even sure if committee members went to see the minister, but I will not question their good faith. Let us assume they went to see him, but nothing happened and clause 13 or 14, I think, was left unchanged.

Other provisions in this bill could have been amended. A case in point in clause 13.4. The CNTU opened our eyes in this regard when it presented its brief. Clause 13.4 in this bill reads as follows:

(1) No trustee shall, while acting as the trustee of an estate, act for or assist a secured creditor of the estate to assert any claim against the estate or to realize or otherwise deal with the security that the secured creditor holds—

And here is the hitch:

—unless the trustee has obtained a written opinion of a solicitor who does not act for the secured creditor that the security is valid and enforceable as against the estate.

The CNTU told us, either one is neutral or one is not. You can see the kind of message that is being conveyed to the trustee. We made representations when we asked questions, when we discussed among ourselves. We said: ''Why not accept reality?'' If a secured creditor in a bankruptcy case feels wronged, he can appeal to regular law courts, to the civil courts in his province or, in case of fraud, file a complaint under criminal law.

But why should the trustee be given the message that, yes he is neutral, but not exactly, if he has obtained a legal opinion? We saw what happened in the case of Mr. Sirois, who prepared the 1992 act. He went totally bankrupt, and we then realized that the very father of the bill that became law was not beyond reproach. It was easy at the time to take him to task, at least for his vested interests.

● (1135)

This should be avoided, we told the party in power. They then do everything that follows from this. As the hon. member for Saskatoon clearly explained, the bankruptcy act makes it possible for someone to get a fresh start after a financial misadventure or misfortune, the kind of thing that can happen in life. But in doing this, we sometimes fail to realize that we are penalizing ourselves in another respect.

Let us take for example clause 14.7, I think, which provides that the money needed to remedy any environmental damage to the land must come from the bankrupt individual's general assets. I asked that specific question of experts and professors from a Toronto university who testified before the committee, and nowhere in this clause is it said that the trustee acting in a bankruptcy case who faces decontamination expenses must recover the money from the proceeds of the sale or resale of the contaminated building. Nowhere in this bill is it specified that the money must come from there. It can come from other sources. The trustee may liquidate assets, sell the car, the house, anything, and use this money to decontaminate the land.

A priority may be applied to the real property in question, and this is a fact, as provided for in section 14.7, which takes precedence over any existing rank of hypothec under civil or provincial law and the trustee may assert his decontamination claim that way. This is allowed, there is a statutory warranty on that. But the money does not have to come from there; it can come from elsewhere.

So, it would not be unthinkable, especially on the basis of clause 13.4 regarding the secured creditor, which I referred to earlier, since the trustee's decontamination claim will take precedence over that of the secured creditor, that, if they are on good terms and do not hate each other too much, the trustee may be tempted to say: ''Very well, I will have the land and surrounding property decontaminated, but the funds required will be taken from the body of realized claims. I will pay for decontamination out of there''. The secured creditor is happy. Because of his rank of hypothec, he gets his decontaminated property back, free from everything, and realizes the security. He can resell it, recouping his equity, his mortgage. Of course, good faith must always be presumed, and you can vouch, Mr. Speaker, for that fact that everyone here is acting in good faith.

But this can nevertheless invite criticism, raise suspicion, lead to questions. One wonders why the wording is not clearer, and why the trustee is not required to recoup his decontamination costs on the property in question first. I am trying to understand why. Sometimes, what appears to be a good turn can have unforeseen negative effects.

Take section 14.7 for example and this creditor that has a mortgage on a property, or is not yet a creditor. Let us say I want to start up a business, or young people want to start a business on the premises of which chemicals, not necessarily highly toxic chemicals, will be processed. There will be a potential environmental impact involved.

We would go to our bank manager and ask him to lend us money so that we can buy the property on which we want to build our pork manure treatment plant or whatever. The creditors will say they do not want to have anything to do with that because dangerous substances are involved. They will argue that, should our business fail and the property have to be resold for them to realize their mortgage security, they will first have to have it decontaminated and that could cost a pretty penny. Hence their unwillingness to lend money.

● (1140)

The idea was to recover for decontamination, but—and this is not from me but from various financial interests who came and told the committee—lenders will be much more cautious when lending money to businesses that could handle toxic materials. It is believed that it will now be almost impossible to finance a gas station. No one will want to lend money to a gas station, unless the major companies—and this is surely what will happen, since they provide the raw materials such as gas, oil, etc.—are prepared to finance their franchisees.

The mechanic interested in opening up an independent service station will have a hard time getting financing. A good intention may end up having perverse effects. We have to seriously think about this. A number of stakeholders came before the committee and said: ''This clause 14.7 scares us''. Several asked that it be

removed or at least that some guidelines be provided, because it does not affect only the contaminated land, but also the adjacent lots and those connected to the operation.

The lots connected to the operation are not necessarily the ones immediately adjacent to it. It could be a lot located further away. It could even be a lot located in another community. It could be the site of the head office. This becomes dangerous. It is dangerous for the person who lent money for the head office lot, and for the one who lent money for the lot where the economic and business operations of the company take place.

There is another thing which really bothers me as a Quebecer and which I find very hard to accept. I tried to stress it in committee. I was told this is not an amendment to the bill that was introduced. I did not agree, but I did not argue more than necessary, because they formed the majority. However, I want to raise the issue here.

In committee, we realized that, to a large extent, the assets that can be seized and those that cannot depend on provincial legislatures, because they determine what assets can be seized or not. For example, we know that in Ontario homesteads are unseizable. From what I understand, because I am not very familiar with the Ontario land register, a homestead is a farm that has been owned by a family for generations. It is unseizable and its value can be very high. In Ontario, someone who becomes bankrupt can have his or her homestead worth half a million or a million dollars exempt from seizure.

In other provinces, the value of the property liable to seizure is pretty high. In some provinces, it is much lower. For example, in the Quebec Code of Civil Procedure, in the former section 553 I think, the value of the property not liable to seizure was set at around $2,000. In order to respect the provincial areas of jurisdiction, the bankruptcy act had always gone by these classes of property exempt from seizure.

This is why section 49 of the former act and sections 93(1) and (2) of the new act, provided and still provide that any settlement in consideration of a marriage—and when we talk about marriage, we are talking about a provincial area of jurisdiction—published and made before the marriage, because it often takes the form of a donation between spouses at the time of the marriage, is not void and cannot be revised. This is still the case.

● (1145)

Except that paragraph 177(*a*) of the current act that is being amended by clause 104 of the bill stipulates that, in the case of a bankrupt who has abided by section 93, an order of discharge will be refused. Pursuant to paragraph 177(*a*), an order of discharge can be refused and conditions can be set.

I do not understand. How can someone act legally pursuant to section 93 and be treated as if he or she broke the law under section 177(*a*)? We are directly infringing upon provincial areas of jurisdiction: civil law, marriage, marriage contracts. People are told: ''You have abided by the provincial legislation, we know it, so there was no fraud. However, as far as we are concerned, if you want to be discharged, we will set more expensive conditions than if you had not respected the provincial legislation and if you had not benefitted from the legislation in force in your province''.

This is sheer nonsense. This is just one example. The hon. member for Saskatoon—Dundurn, to whom I have mentioned this problem in committee, did not answer me directly—he was sitting with me on the committee—but the chairman told me than repealing section 177(*a*) made no sense and did not come under the purview of our committee, but I still have my doubts about that.

I would also have liked to put forward other amendments in committee. When I think about Bill C-5, I would have liked to see, after subsection 90(1), a new subsection 90(2) that would have amended paragraph 136(1)(*d*) of the existing act to raise the value of non-seizable assets from $2,000 to $3,653. And I will explain why, because this figure has not just come out of the blue.

In 1949, 47 years ago, when the first Bankruptcy Act was introduced, the value of non-seizable assets was $500. With inflation, what was worth $500 in 1949 is now worth $3,653. I am not talking about improving the fate of the bankrupt, but if we want to give the bankrupt the same level of protection, the value of non-seizable assets in section 136 should be raised from $2,000 to $3,653, an amendment that was moved in committee but was defeated. Do not ask me why, I have no idea. But this refusal was certainly not dictated by common sense. That much I know.

We saw that all amendments to the bill that made sense were systematically refused when they came from an opposition member sitting on the committee. It is unfortunate because, right now, the Bankruptcy Act is a source of problems, questions and bitterness for creditors as well as for bankrupts.

Often, following their generally recognized principles, the Liberals put forward ideas that are sometimes eccentric, include them in a bill and say: ''We have fulfilled our red book promise and now we will let the courts decide''. I think the Liberals are blatantly misusing their parliamentary majority, as they have always done. When, as legal practitioners or as experts in this field, we proposed amendments to correct certain contradictions such as those in sections 93 and 177, we were told that it is not within the committee's mandate. My colleagues who sit on other committees tell me that it is almost always the same.

The government wants to hold the opposition in check no matter if it is right or wrong. It will stick to its bill and will not budge, except for obvious punctuation mistakes, or should I say without being disrespectful to the House, for trifling matters.

• (1150)

In my view, they have missed a great opportunity to do something productive about bankruptcy and insolvency. They could have tried to make people a bit happier.

There is poverty in Montreal. It is said that Montreal is the poorest region in Canada, that it has the highest rate of poverty right now. It is also the city with the greatest numbers of homeless people, a happy bunch according to the Prime Minister, who would prefer to be on the move and sleeping outdoors, often in a puddle, that in an institution being treated for schizophrenia or other similar ailments. The Prime Minister told us that he has spoken to them and that they are perfectly happy. But there are also people who are not homeless, who honour their obligations, in so far as their incomes permit, but it is becoming increasingly difficult to do so because they are unemployed, not something the government has knocked itself out finding a solution to so far.

As well, some people are casualties of the economy. I have had visits from people in their fifties, in charge of human resources in a very large company that merged. From $100,000 a year, they have found themselves on welfare, after selling their homes and spending the proceeds. This is happening now to a great many people, people who used to live with dignity and earned a good living.

You have all undoubtedly seen the American movie about the electrician with a wife and two children who loses his job. Finding himself unemployed, he puts off paying his fire insurance. And since misery always plagues the poor, his home burns down. He moves to another city in search of work, and finds a part time job, a few hours a week, which does not even cover his move. To make a long story short, we see him at the end of the movie reduced to living with his wife and two children in the basement of an uninhabited and condemned building, in with rats and mouldering boxes, stuck with no hope for the future. The movie ends with the reminder that in the United States there are three million Americans living in similar situations, situations we are now beginning to see in Canada.

I know people who were once proud, who used to have good jobs. Times got tough and they found themselves on welfare, which is shrinking with decreasing transfer payments, which means they will be even more destitute. The homeless will not just be happy schizophrenics, as the Prime Minister was saying, but people who have gone from a life of dignity to one of extreme poverty. We will see more and more of this in Canada.

This government has no compassion for the dignity of these people. Right now, $2,000 will buy, for a family with four children, not much more than sheets, beds, pillowcases, and certainly not a large refrigerator and a small, two-burner, 110 amp hotplate. That is about as far as it will stretch.

I find it hard to believe that people are using bankruptcy to their benefit. There is a tendency to blame them, to view them in a critical light, but in reality do they have a choice? They have only one life to live, as do we all, and they realize that, unless they take a risk, unless they go out on a limb, they will have spent their lives in poverty and misery.

This is what the bill could have tried to address, but once again, they have failed. It is for this reason that my party and I will be voting against this bill.

• (1155)

[*English*]

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I am pleased to comment on Bill C-5, an act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act.

Many provisions in Bill C-5 are commendable but this legislation could have been greatly improved if more Reform amendments had been accepted by the Standing Committee on Industry. Before I discuss the positive provisions of Bill C-5, however, and how Reform is willing to help to improve the bill, I will comment on the general state of bankruptcy in Canada.

Bankruptcy is a very serious problem in our country. Consumer bankruptcies have soared in the past 10 years from approximately 20,000 in 1986 to a new record of over 60,000 in 1995. Sadly, analysts estimate that Canada is heading for another record level of bankruptcies in 1996 as there have been 46,827 consumer and business failures so far this year across the country. That is up from 37,937 in the same period in 1995. I repeat that bankruptcy is a very serious problem across Canada.

Why are consumers and businesses failing financially? The answer can be found in a recent report by Industry Canada. It states:

> Bankruptcies are a critical indicator of the country's economic health and at the same time the key indicator of the economic difficulty facing individuals.

The government study goes on to point out that high unemployment is the main reason for bankruptcy rates. When people have jobs they can pay their debts. When they do not have jobs they cannot pay their debts. It is that simple. Therefore, the way to help people stay solvent is to give them jobs. I know that members opposite understand this very simple equation. I also know that members opposite probably do not want to see Canadians go bankrupt. Why are members opposite not doing something to help create jobs in the country?

On October 15 the Prime Minister said: ''Canadians don't need to read my lips, they can read our record''. Let us read that record today. There are 1.4 million people presently unemployed; two million to three million people are underemployed; four million workers are worried about losing their jobs and it is the longest stretch of unemployment above 9 per cent since the great depression. It has been like that for a long, long time and it has not been addressed by the government.

The Liberals would have us believe they have a plan to create jobs but we have not seen one. The finance minister's message to Canadians is that low interest rates are the best medicine for the economy. Despite the lowest interest rates in years, unemployment increased last month from 9.4 per cent to 9.9 per cent. It is quite clear you cannot push the economy up a hill with interest rates. There must be income growth and job growth.

On top of giving Canadians high unemployment, the Liberals have dished out more pain through social program cuts. They 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 $600 billion federal debt. All Canadians receive from the Liberals is pain and pain and more pain, not jobs, jobs and more jobs.

To create jobs and reduce bankruptcy rates the government must reduce taxes. A reduction in taxes means more money in the pockets of consumers, small business people and investors. Consumers that spend more money will create the permanent well paying jobs that Canadians needs. What consumers need is a tax cut, not another interest rate cut.

• (1200)

As far as I know there are no provisions in Bill C-5 that would directly create jobs in this country. There are, however, some commendable aspects of this legislation which I will discuss next.

First, in the Bankruptcy and Insolvency Act spouses are not considered creditors for the purpose of proving claims for spousal and child support in bankruptcy proceedings. Bill C-5 would amend the act so that claims for spousal and child support accrued in the year before the bankruptcy took place would be claims provable in bankruptcy proceedings.

This means that a person who is receiving support payments from a bankrupt individual who is in arrears in his or her payments will be treated as a preferred creditor in bankruptcy proceedings. Ranking spousal and child support claims as preferred claims is a positive amendment to the Bankruptcy and Insolvency Act.

Second, clause 93 of Bill C-5 amends paragraph 157.1(1)(b) to extend the range of persons for whom the trustee may arrange counselling. Counselling may now be arranged for those persons who are financially associated with the bankrupt person. This means that not only can the bankrupt person be given professional help so that he or she does not become bankrupt again, but others such as common law spouses can also receive counselling.

Third, paragraph 105.2 of Bill C-5 makes student loan debts non-dischargeable where the bankrupt has ceased being a full time or part time student or within two years of ending their studies. This clause means that people can no longer graduate, declare bankruptcy and then walk away from their student loans. Bill C-5 would close a major loophole in the BIA which costs the federal government $60 million a year.

Some people argue this amendment is unfair because most students declare bankruptcy out of need rather than for convenience. They also assert that students must have the right to be discharged from all of their debts when they declare bankruptcy. Both of these arguments may have some substance but we all have an obligation to pay our debts.

Moreover, Bill C-5 recognizes that students may experience genuine economic hardship and it allows a student loan debt to be discharged after two years where the bankrupt has acted in good faith and is experiencing financial difficulty. This is a fair and equitable position.

I have just discussed three positive provisions of Bill C-5. There are more but the most laudable sections of Bill C-5 are those that were amended by my hon. colleague from New Westminster—Burnaby, clauses 1 and 105.

The amendments made to these clauses by my hon. colleague provide greater protection to the victims of crime. Under the Bankruptcy and Insolvency Act, criminal offenders could be released from having to pay damages arising from assault which have been awarded in a civil suit when they declare bankruptcy.

With my colleague's amendments to Bill C-5 an order of discharge does not release the bankrupt from any award of damages by a court in civil proceedings in respect of bodily harm intentionally inflicted or sexual assault or wrongful death resulting therefrom. With these amendments victims of crime now have greater protection.

I have outlined many of the commendable provisions of Bill C-5. Overall it is a good piece of legislation but, as I have mentioned, it could have been even better if the Standing Committee on Industry would have accepted all of the Reform amendments.

• (1205)

For example, Reform proposed that Bill C-5, in clause 6, be amended by replacing the word ''may'' on line 12 with the word ''shall''. In this instance the Superintendent of Bankruptcy has too much discretionary power. It is only fair that when applicants for trustee licences meet the superintendent's criteria they should be

issued the licence. It should not be up to the superintendent's discretion.

An argument against our amendment came from the hon. parliamentary secretary. He said that the inclusion of such words as ''shall'' creates nothing but an increase in the size of the bureaucracy necessary to administer the act. I do not know how this can be possible. It seems to me that our amendment would decrease bureaucratic activity.

Exchanging words such as ''may'' with ''shall'' reduces the amount of consideration the superintendent must give a trustee application. For example, if an applicant meets the criteria set out by the superintendent a licence is issued. The superintendent does not have to think about whether the licence should be issued after an applicant meets the criteria. Bureaucracy is reduced, not increased.

The Superintendent of Bankruptcy also opposed our amendment. He said: ''Mr. Chairman, the issuance of a licence requires an individual assessment or evaluation of the character, the competence and qualifications of the individual. The other thing that may not always set out criteria are grounds of public interest, which may not all be spelled out specifically. All the criteria require a level of appreciation, a level of discretion in the decision of issuing the licence. Some of the criteria may, by itself, require the use of some discretion''.

By the superintendent's response we can see that the word ''may'' actually allows a certain element of capriciousness to enter into the issuing of trustee licences. This should not be the case. There should be no avenues for acts of favouritism in any legislation.

The superintendent should follow a specific and objective set of criteria in issuing licences. If an applicant meets the criteria the licence must be issued. There should be no discretionary power given to the superintendent.

I have been hearing lately that the granting of discretionary power is becoming a favourite activity of the government. For example, a few weeks ago a lawyer who works closely with federal government legislation told me that he has seen the government use the word ''may'' to replace the word ''shall'', which we just talked about, and the phrase ''in the opinion of the minister'' more often than ever before. Why is this the case? Why is the government placing more discretionary power than ever before in the hands of the minister and government appointees?

An hon. member: Partisan politics.

Mr. Thompson: Partisan politics, my friend says. I certainly agree.

As I pointed out earlier, too much discretionary power in the hands of one person leads to abuse. When the phrase ''in the opinion of the minister'' is used in legislation, ministers can make any kind of decision they want. There are no guidelines. There are no written rules to follow.

Using these kinds of words in legislation takes away the certainty that all Canadians will be treated fairly and equally. Therefore I urge the government to stop using language in legislation which increases the amount of discretionary power which is placed in the hands of cabinet ministers and government officials. That much power in the hands of one individual is not necessary; in fact, it can be very harmful.

A second proposed Reform amendment rejected by the government was changing lines 31 to 41 on page 8 of the bill. Our amendment would have greatly improved Bill C-5. It would have allowed creditors to be treated more fairly during the trustee investigation process.

• (1210)

For example, the way Bill C-5 is presently worded, requirement to pay restitution is only an option that the superintendent may chose to apply when the trustee has defrauded an estate. In our opinion, it is only fair that a trustee be required to pay restitution in all cases where necessary. If a trustee has defrauded an estate in any way the superintendent must order the trustee to pay restitution to the creditor. Our amendment would have given the superintendent no discretionary power in this situation. Reform would have secured greater fairness for the creditor.

In closing, I want to reiterate that bankruptcy is a major problem in Canada. The way to help those who are bankrupt and in fact all Canadians is to balance the budget and then reduce taxes. Giving people back the money that they earned will increase spending which in turn will create jobs. Canadians with jobs can pay their bills and pay off their loans.

Bill C-5 has many positive provisions, the most important sections being the ones amended by my hon. colleague from New Westminster—Burnaby.

Also, Bill C-5 could have been a greatly improved piece of legislation. Reform offered several amendments that would have made the Bankruptcy and Insolvency Act a fairer and more just piece of legislation, but our suggestions were rejected.

Nevertheless, Reform will still support the passing of Bill C-5 through the House. We will also continue to make further recommendations to improve the Bankruptcy and Insolvency Act. When it comes up for review at a later time we will be there.

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

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, it gives me great pleasure to enter the debate on Bill C-5, an amendment to the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act.

Let me begin by saying that changing both these acts is an ongoing process. The minister, along with his officials, consulted very extensively on the insolvency business in Canada over a long period of time. All those consultations with stakeholders have come together and basically formulated this act. I believe it was an amendment by the member for Prince George—Bulkley Valley which was accepted by the committee.

I sit on that committee and there were almost 100 amendments made to this piece of legislation. It is something that the government initiated, industry has been involved in and something that all parties have participated in.

I would like to discuss some specific aspects of the bill but also a general concept of bankruptcies. The previous speaker mentioned rising consumer bankruptcies and he could not be more correct. I have a statement here showing that in January total business and personal bankruptcies were 7,320 compared to only 5,000 for the previous year. In February the total bankruptcies were 7,947 compared to only 5,900 for the previous year. In March the total was 7,775 compared to 7,100. We can see that there is no question that there is a trend line and it is upwards. A huge portion of this is consumer bankruptcies.

I also listen to the Reform Party from time to time talking about tax cuts and how it would stimulate demand. I would like to point out why I do not believe tax cuts would do that. The bottom line is that consumers are living in a sea of debt. As governments back in the 1980s and earlier did not match their spending with their income, neither have individuals.

• (1215)

It causes me great pain when I talk to some of the people in my riding who have mortgages on their houses and consumer debts well in excess of their ability to pay for them. Often those mortgages are well in excess of the value of the properties. There are many people who are caught up in a debt spiral. They are two income families and hardly ever see their kids. Some people work shifts and hardly ever see each other. They are caught in that debt spiral and are not breaking out of it.

As a government we should be concerned about how that happened and what it means to the future. It will have a big impact on our policy directions here in Ottawa.

Another indication of this problem is the rise in the percentage of disposable income which is allocated to fixed debt payments. By disposable income I mean the amount of the take home cheque after taxes have been deducted. The percentage of that income which is now allocated to fixed debts in Canada has risen dramatically.

In 1980 the figure was 71 per cent, in 1981, 65 per cent. By 1989 it was up to 74 per cent; in 1990, 80 per cent; in 1992, 85 per cent; 1993, 88 per cent; 1995, 93 per cent; and in the second quarter of 1996, 94.3 per cent. This is a clear indication that there is a problem. There is rising personal debt and people are caught on a treadmill trying to get out of this.

It shows up in many other areas of our economy. I saw an article in the newspaper today about consumer retail sales for this Christmas. A survey done by Arthur Andersen basically shows a lack of optimism. Retailers do not believe they are going to have a very good Christmas this year. That is part and parcel of the same problem.

For registered retirement savings plans, while last year was a good one in quantum, in fact the percentage of people who had available funds relative to their income to contribute to RRSPs went down. In other words people are saying that they do not have any money.

Bad debt losses in Canada relative to consumer debt are rising. Some people do not think that is alarming, but in Canada that represents 1 per cent. In other words 1 per cent of total consumer credit card debts outstanding every year are delinquent.

Some people like to look at the United States to see certain future trends. In the United States consumer debt delinquencies are now up to 5.7 per cent. It has become a whole business on how to deal with debt in that country. It should also be noted that the banks are getting out of the debt business directly. They have actually been able to factor out their consumer card business. In other words, they create the debt and then they factor it out to other companies to collect it.

Industries are popping up in the United States finding different and intrinsic ways of getting people into debt. There are credit card companies that deal almost exclusively with the poor, people who are high credit risks. Do we do that in Canada?

I am amazed when our young people show up at university or community colleges and one of the first things put into their hands is a consumer kit. This so-called consumer kit is a composite of 5 or 10 credit cards, one from a bank and others usually from a number of retail stores and gasoline companies. These people have very low earning power.

I am not saying that university students are incompetent or unable to deal with their debt and deficit problems. However, it is clear when we talk to credit counsellors that it is a rising problem in this town. They tell us that the percentage of university students coming through their doors for their counselling services is rising.

● (1220)

What are our institutions doing to be responsible for creating this problem? General Motors is a big feature in my riding. I am hoping very much that they will get back to work pretty soon. It has a tremendous impact on business in Durham.

Be that as it may, another interesting observation from General Motors in its marketing procedures is that its market in Canada is shrinking, as car markets generally in Canada are shrinking. Not only are they shrinking but the type of cars Canadian consumers are buying is significantly different from what they were buying even 10 years ago. They are smaller dollar purchase items, even compared to their American cousins to the south.

We are seeing a tendency where people have less liquidity, less ability to consume. I suspect if there are tax cuts, and the province of Ontario has already done that, I do not see any change in consumer demand. The bottom line is those people will take the money, and justifiably so, and pay it against the debts they already have.

I should bring to the fore the recent report of the Office of the Superintendent of Financial Institutions. This gentleman's job is to supervise financial institutions. His report is very interesting. In it he states that levels of household debt reached an all time high in 1995-96 but they have not appeared to have plateaued. Both consumer and business bankruptcies increased in 1995. Mortgage and credit cards at real levels, though low in his estimation, began to climb. Despite improving profitability and capital levels, and he is talking about financial institutions, the risk profiles of some financial institutions increased as they expanded beyond their core activities into new lines of business.

I suggest that those new lines of business are consumer credit and also paper currency transactions, derivative markets and so forth. I will get to that later in my dissertation.

Some of the macroeconomics belie the real problem that lies beneath these statistics. We have an intergenerational problem. Almost 33 per cent of our population is now considered to be baby boomers. I suggest that the baby boomers in some small way are consumed out. They may well have had their two cars in their driveway. They already have a television, a VCR and all the good stuff that goes with the good life. The bottom line is they do not really need a lot more. They may even have their houses paid off.

There is another group whom I would consider above middle income, maybe around 35 years old who are basically on the debt treadmill. Also the younger generation coming behind that group seems to be copying the same basic tendency.

This bill talks about Canada student loans. The Government of Canada has over $1 billion in defaulted student loans. Undoubtedly some abuse is taking place where people declare bankruptcy so they can wipe off their loans before they start to work. This bill deals with that problem. It requires a two year stay prior to those people declaring bankruptcy. If within that two year period they have a job and so forth, they are able to pay off the debt and well they should.

The issue is somewhat larger than the bill actually deals with. That is, why is it that these young people are being persuaded into debt which they basically cannot sustain? It is not just student loans. It is also the consumer credit card. What is wrong with consumer credit cards? Absolutely nothing. If you want to give your daughter a credit card so she can come home on the weekends from university and she just uses it for that, you pay it off, fine, it is a convenience.

Most people see us moving toward a cashless society with more convenience in business transactions. I applaud that. I do not think I have actually stood in front of a teller in about a year and a half. Some people still like standing in line and talking to people in their communities and I understand that issue as well. For a lot of people it is a convenience and financial institutions are addressing some of that demand, but along with that, we are developing a second scenario.

People are being constantly pushed more and more into living beyond their means, quite frankly. They are told that they can do this, that all they have to do is have a credit card. The question is, do lending institutions check for total credit exposure? What do I mean by that?

● (1225)

That credit card chit I talked about probably gave the individual up to $800 worth of credit. It does not take a lot of intuitiveness to see that if you pay your $20 a month, you can probably jump that up and keep on jumping it up. Worse than that, within the credit industry there does not seem to be a system of cross-checks in this country. In other words, it is possible for that student to get $10,000, $15,000 or $20,000, way beyond their ability to pay without a lot of checks going on within the financial institution structure itself.

What do the banks do in a situation like that? They say: ''Well that is too bad. I guess that is one we lost on. We will just charge that to the good customers''. It is incredible to watch the deviation in interest rates between the prime bank lending rate and credit cards.

Industry Canada put out a statement for the month of September. The spread between the Bank of Canada credit card rate, currently 4.25 per cent, and the sample VISA card tracked by Industry Canada has continued to increase on average since 1994. We all know that interest rates have been declining. It is currently 13.25 percentage points compared to its average of 8.9 per cent, the difference between the prime bank lending rate and what people are being charged on their credit cards. The spreads between the bank rate and standard rates presently range between 11.65 and 14.65

points while the spread between the bank rate and the retail card rate is 24.55 per cent.

What am I saying? Basically, interest rates are going down and the actual credit card costs are going up. How do banks explain that to the public? They explain it by saying they have rising consumer bankruptcies. It is a self-fulfilling prophesy. They advanced more money. They did not really spend a lot of time on how they advanced it because they wanted to get that interest rate up there to pump the bottom line showing an increased profitability. At the same time, when they take a hit on it, they apply it to everybody and charge them more interest.

It is a great system, but it is not in the best interests of the consuming public. I do not think it is in the best interests of public policy.

Some of the European countries deal with this. In some of the European countries, if there is a credit card default and it can be proved that they did not check with other institutions to see the total quantum of debt, they cannot collect it. In other words, we should be taking those debts off the bottom line of those banks, not allowing them to charge them within the interest rate structure where everybody pays for them. That would do a lot to reduce the number of bankruptcies in Canada.

We want financial institutions to take responsibility for the lending that they make. It is not good enough just to take a shotgun approach to the industry and say: ''Who cares about any of those who fall by the wayside? We are going to get the other guys to pay for them and we will still make lots of money''. This is what is wrong with the banking industry in Canada.

One of my major interests here is small and medium size businesses. We all know that small and medium size businesses have complained constantly about their ability to access credit. Someone who has a good idea goes to the bank. The bank says it is not interested because that person is a small business operator. This has improved marginally but not very significantly.

I note that the banks are coming before us again with their quarterly statistical report. There has not been in quantum much change in the total amounts of money advanced to small and medium size business.

More remarkable, a study which the banks themselves had done trying to show how effectively they were dealing with small and medium size businesses identified that 44 per cent of all small business operators look on consumer credit card debt as a source of financing for their businesses. That is profound. In other words, people who cannot get normal bank loans to run their business are having to run it up on consumer card debt.

• (1230)

This happened in my office recently. A gentleman came in with a good idea for fixing computers. He had no debts, his house was paid for and he had assets. He had gone to the bank to borrow $20,000 and the bank manager told him he was not interested. I told him to go back to that bank and tell the manager he wanted $20,000 on his credit card. He got the $20,000.

The banks are changing their whole attitude toward small business lending. They are going to make them all on credit cards. They are saying that anybody with $50,000 or under will have a credit card system. The bank will not check the financial statements every year because they really cannot be bothered. What the banks are not telling the borrower is he or she will pay a minimum of prime plus 3 per cent on loans.

The point I am trying to make is that banks are a major part of the bankruptcy problem and they are a major part of the problem of creating jobs. The banks, banking institutions and other financial institutions have gone into the business of paper transactions. The major growth in the financial sector is in derivatives. These are all paper transactions that occur on Bay Street or somewhere in Paris or New York. This does not mean much to the average person who has a good idea, who wants to develop a product that consumers can use and will employ more people.

We need a different attitude toward how we lend. We have to lend responsibly but also have to lend on the brainpower of Canadians.

A number of major changes have been made to the bankruptcy act which are important. We have underpinned the concept of remediation rather than forcing people into bankruptcy. I am apologetic to some of my colleagues in the bankruptcy industry that promotes bankruptcy. It is a big business now. You can hear the jingles on the radio: ''Come down here, we will solve all your credit problems''. We have to stop that. We have to move toward greater accountability, financial responsibility by our financial institutions toward small and medium sized businesses and the young people who are in debt way beyond their means.

Mr. Paul Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, it is a pleasure to speak on Bill C-5.

I want to highlight one section of the bill that the victims of crime should note. It should be noted by victims of incest or abusive relationships in a marriage, by someone who has been involved in an unpleasant employment situation or a victim in a residential school. Anyone who is a victim of an assault is specifically included from a Criminal Code offence. All of these can be included in the changes.

Sometimes the Liberals can be reasonable and amenable to opposition proposals to improve government initiatives. The government accepted my changes to this bill and everyone will be better off.

Prior to the last election I served as a probation officer and a family court counsellor in the provincial attorney general's ministry in British Columbia. I spent each day working with the Criminal Code. I have learned firsthand the code's weaknesses and its strengths. I discovered loopholes that aided many to walk free when they should have been put behind bars. Far too often I saw justice not being served. The criminals were benefiting, the victims were suffering and there was nothing that they could do.

When constituents in New Westminister—Burnaby elected me as their representative in 1993 I made a commitment to take a firm stand on behalf of victim. Whether it be changes to the Canadian Criminal Code or to some other statute I promised that something would be done to protect the public from further harm and suffering.

In May 1995 I had the distinct pleasure to introduce private member's Bill C-323, an act to amend the Bankruptcy and Insolvency Act (order of discharge). Subsequently the government incorporated my private member's bill into this legislation.

When a person commits an assault or battery, a victim can claim damages through a civil law suit. However, under the old Bankruptcy and Insolvency Act if the offender claimed bankruptcy, the damages owed were cleared causing the victim to once again suffer inconvenience and hardship.

● (1235)

Subsection 178(1) of the bankruptcy act lists various things from which an order of discharge does not release a bankrupt person. It takes into account alimony, maintenance and support of a spouse or child, debt arising from a fraud, embezzlement or any fine, penalty or restitution order imposed by a court in respect of an offence.

Therefore, according to the way the old act read, a bankrupt person could not be relieved of paying a traffic fine yet that person could be relieved of paying damages for something like sexual assault.

I read an article in the Vancouver *Province* about a woman who was awarded about $200,000 in damages for sexual abuse by her stepfather. After a civil trial her stepfather was ordered to make payments of $500 a month. According to the article he made one full payment of $500, four payments of $100, then he filed for bankruptcy.

Tammy Carr of White Rock, B.C. sued her stepfather for sexually assaulting her for six years and was awarded about $42,000 in damages. Her stepfather, David Graham filed for bankruptcy six months after the judgment.

Cynthia Shefford of Alexis Creek, B.C. was awarded some $357,000 by a Supreme Court jury for the sexual abuse committed by her father Leonard Klassen. The father was ordered to pay his daughter $500 a month for 12 years. Three months after the trial, Klassen filed for bankruptcy.

The amount of Shefford's award at that time was the largest award in the country. What good is it to have such a record amount if not a penny is received by the one who needs it most, the victim?

My amendment is a fundamental change to the act. It is not just a small change. Not only does it strengthen the statute in legal terms, but it fundamentally strengthens the public's view of the operation of the criminal justice system.

Family violence is mitigated against by this bill. The weak and the dependent have made a further gain in recognition in law by the improved bankruptcy provisions. Victims of violence, whoever they may be, have a measure of increased protection from my refinements to the bill.

It especially relates to women's issues about which I am particularly concerned. In the past as a community service professional in helping these victims I have been in the sad position of having few resources for healing or overcoming traumas. Often medical plan resources were limited, especially for psychological services or fees for support groups in peer counselling. I desperately made many phone calls in an effort to find resources for the people with whom I was dealing.

Now at least the door is being opened to the possibility that the perpetrator will have to give the resources to assist in the healing of the victim. It more appropriately places the financial responsibility where it belongs. If a civil court after a trial makes an award for assault, the perpetrator cannot now escape through bankruptcy because of the new clause in Bill C-5.

The section in question, 105.(1), begins on page 62 and states:

> Subsection 178(1) of the Act is amended by adding the following after paragraph (a):
>
> (a.1) any award of damages by a court in civil proceedings in respect of
>
> (i) bodily harm intentionally inflicted, or sexual assault, or
>
> (ii) wrongful death resulting therefrom;

It is a short phrase but I anticipate it will mean an awful lot to the residents of my constituency and the victims of crime across the country.

I extend my compliments specifically to the minister's staff for their professionalism. This technical bill has 99 pages and we will eventually see how it will operate in the real world. I will

especially be watching how a number of civil trials, which are now on hold, will move forward as a result of the passage of this bill.

I thank the minister and lawyer David O. Marley of Burnaby, British Columbia.

● (1240)

Mr. Ron MacDonald (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, it is a pleasure to rise in debate on this bill. I listened to the comments of the member opposite, who has done a significant amount of work trying to ensure that the bill is amended in a way that meets the needs of those who find themselves in financial difficulty, be they individuals or corporations, as well as outlining the clear responsibilities which those individuals or corporations that are debtors must assume in a system that is fair and reasonable.

It is a bit of déja vu for me because back in 1992 I was the consumer and corporate affairs critic when Bill C-22 was before the House. At that time the then minister of consumer and corporate affairs, Mr. Blais, did something very innovative. He knew that this was very complex legislation and that many attempts had been made since the late 1940s to amend it. Each and every time, because of the various interest groups, every valiant effort to amend the act was met with failure and had to be withdrawn.

There were instances in the past when this legislation was introduced in the Senate to try to take it away from the public's attention. Even over in that place some of the special interest groups rose up and each and every attempt hit the shoals and the act was not amended.

One of the few good things the Conservative government did in the last Parliament was to allow very open and vigorous debate in committee to try to get a bill that addressed all of the various concerns. It did that in a wholesome way which allowed the full input of members of Parliament. Since I gave that government credit back in 1992 I will do it again today in the House and, by extension, to the former minister, Mr. Blais, who is now practising law in Quebec City. He did the right thing. It showed that Parliament can work when committees are allowed to have real input on technical bills which can have a very real effect on the lives of Canadians.

I was pleased to hear from my Reform colleague that a private member's bill which he put forward in this place has been incorporated into this bill. It is very healthy for democracy when we allow members, no matter what their political stripe, to input to the fullness of their capability as legislation goes through this place.

I will make another pitch for more bills of this kind, hopefully from the government side, to be referred to committee after first reading, before they are approved in principle, or if they go after second reading to ensure that we allow the huge wealth of knowledge and ability that we have in this place, regardless of the political stripe, to be used to come up with better legislation for Canadians.

I am very pleased to see that there have been a number of amendments. When we worked on this legislation back in 1992 it took us well over a year to get it done. It was a very complex piece of work. We paid attention to detail. There were various opinions as to what we should be doing. The Speaker knows well because at that time he was the associate critic for consumer and corporate affairs. He knows the hours of debate and the work that went into that bill.

However, a number of pieces were left unfinished. Sometimes we have to go with a cake that is three-quarters baked rather than leaving the cake in the oven. That is what we did the last time.

We set a process in place whereby the bill had to be reviewed by a parliamentary committee, which is what is happening here. We also made sure that there would be an advisory committee put in place to go over the technical aspects of the bill, as well as some of the practical applications of what we had done when we amended the act with Bill C-22.

Back then I had a number of concerns. Some of them have been addressed. The fine tuning absolutely had to be done. I am pleased to see that the work has proceeded. We were worried about the last bill about having two competing pieces of legislation as a remedy for companies that got into financial difficulty. The CCAA, which has been in place for years, was used many times almost as a chapter 11 in Canada. Because of what we did in Bill C-22, with the reorganization provisions that we put in place, we had sort of a Canadian version of a chapter 11 which encouraged reorganization instead of liquidation.

● (1245)

It encouraged companies and individuals who got into difficulty financially, instead of having the banks which always had the priority to pull the rug out from underneath, to put some structures in place. It took the gun away from the head of the business or the individual and facilitated some discussion and dialogue to try to get over the debt problem.

Rather than laying waste to Canadian companies and individuals because of debt problems, we wanted to see if there was some way the debts could be rehabilitated and put over a longer period of time. In this way, Canadians could maintain their dignity. It is not a dignified thing for many Canadians to be forced into personal bankruptcy. Indeed, we need to assist companies that find themselves in some financial difficulty so they do not go belly up, as we say back home, and that the employees are found without a job and on the government dole.

A number of those changes that were put in the last bill have been built upon. I understand the CCAA is in this bill. We sort of anticipated that perhaps during the review there may not be a

necessity to keep the CCAA. I am pleased to see that it is there after careful review by the committee of industry. However, it is only to be used with firms whose sales are in excess of $10 million. I think that is a good starting point.

I am very pleased to see that there are some amendments in this piece of legislation dealing with environmental costs, remediation and rehabilitation of environmental sites. We spent a considerable amount of time on this in 1992 and there was generally no consensus at the end of the day on how we proceeded with it. We were concerned because we did not want companies to be able to walk away because of environmental liabilities and leave effectively the crown or the trustee or the municipality with the burden.

I am very pleased to see that basically there is a type of super priority given to environmental clean-up of these orphaned sites.

I am also pleased to see that there have been some changes in this legislation dealing with potential actions against directors and officers of companies during periods of reorganization. Clearly we have to understand that when companies get into financial difficulty we are perpetrating an even greater challenge to the company if the directors feel that they are going to be challenged during a period of reorganization because then they will leave. Therefore the very people needed to hang in to make sure that the reorganization proposal is implemented are the people who are forced out because they are concerned about potential liabilities through the legal system. I commend the committee for the work it has done in bringing these challenges in.

I can remember when this happened a few years ago. Canadian airlines was in financial difficulty and because of potential directors liability we saw some of the directors jumping ship from that airline. That clearly is not in the best interest of the rehabilitation of companies such as that. Therefore I was very pleased to see that those amendments came forward.

On farmers and fishermen we argued heavily back in 1992 that there had to be some changes in the old bankruptcy legislation to recognize that agricultural and fishery products were different than other commodities. What we did in the last bill was pretty innovative and kind of risky. The banks did not like it at the time but accepted it after we did it. We put in provisions for revindication which was key to stopping the destruction that happens many times and splashes all over the place from bankruptcy or insolvency proceedings.

At that point in time we made it very clear that if the supplier of goods, which supplied goods to a company, went bankrupt within a 30 day period of receipt of the goods and the goods were not paid for, we wanted to make very sure the banks or whoever was financing did not then run in and cause a secondary problem by seizing and liquidating the goods to put against the loans that the company had to do its operations.

What was happening in many cases is that the small business would be under the financial hammer and the crunch would be on. The banker would call and say: ''You are $20,000 over your credit line. What we really have to do is apply for a higher credit line for you but you are overdue and you will have to pay down your credit line''. The small businessman or woman may then be compelled to take additional stock on their own credit line back from their suppliers, sell it at a discount to try to get that liquid, to get the cash, give it to the bank. The bank would get it paid down and then say: ''Sorry, our head office has looked at this and we are going to have to foreclose''. That did not happen just once or twice. That was a pattern we heard from businesses, trustees in bankruptcies and accountants in our hearings.

• (1250)

We said that from now on the banks are not going to be able to seize. If the goods are sold within 30 days then they have the right to take them back before anybody realizes the liquidity of the assets.

However, there was a problem with farmers and fishermen because the act as it was proposed in 1992 said that they had to be able to identify their goods. What happens to a fisherman who just picked up some halibut and dropped it off to the fish dealer, along with the halibut of 30 other fishermen? Unless he can identify his particular fish, barley, oats or wheat, if one happened to be a farmer, he could not get them back.

At the 11th hour in 1992 there was agreement that this had to be done differently and changes were made. I am very pleased to see that the committee has gone further and made other changes. As the act stood after 1992, it still did not recognize the changes with respect to encouraging rehabilitation. But this bill does. It recognizes that if farmers and fishermen opt for seasonal work, which is what we are trying to encourage them to do so they can increase their income, that in and of itself would not be a reason for somebody to petition them into bankruptcy during a reorganization. In other words, the fact that they worked and made additional income to apply against their debt through reoganization is very positive.

I would like to reference a couple more things. There have been some very positive amendments to the bill. There are responsibilities that the debtor must assume and they have been outlined and highlighted in some of the amendments.

I am very pleased to see that individuals will not be able to avail themselves of provisions of the legislation in order to skirt their court ordered responsibilities with respect to support payments or restitution to victims of crime. I applaud the member for putting those proposals forward. Constantly in this place we have to review

legislation because many times it is used in a way for which it was not intended when it was debated here or examined by committee.

Clearly the amendments from 1992 never anticipated that somebody who had a court ordered restitution to a victim of crime or was ordered to pay support payments would be able to make application to effectively have them wiped out even though because of their earning potential they still had the ability to pay.

I applaud the member opposite for keeping up the fight on that. He has truly made this a better piece of legislation because of his actions. I am encouraged that every one of the amendments continues to work toward the goal of reorganization versus liquidation of assets.

However, I am slightly discouraged about the role of the crown. In 1992 we argued at length about the role of the crown when dealing with a crown debt. A crown debt is effectively treated as a super priority. In 1992, I remember specifically grilling officials from the Department of National Revenue and the Department of Industry and the members of the Superintendent of Bankruptcies' office about the role of, let us say, Revenue Canada. If a company or an individual decides to apply under the reorganization provisions to try to order their debt in such a way to have it reduced and then pay off when they can to keep from going bankrupt, I was worried that the crown because it had super priority would sit back, twiddle its thumbs and after the exhaustive and difficult process say ''that is all well and good, but I want 100 per cent of my debt paid back''. I wanted the crown to be treated the same way as others in the same class of secured creditor.

At the time we were told not to worry, that the minister had indicated to department of revenue officials that they were to work in these cases of reorganization and that they should be silent unless the proposals under reorganization treated them in a harsher fashion than other secured creditors.

I am dismayed that over the last four years I have had to deal with at least three cases where the crown through Revenue Canada has simply not done that.

● (1255)

We have a case that I am currently pursuing through the regional director of an individual who went under a reorganization three years ago under the provisions of this act. He had a debt owed to Revenue Canada but he had a lot of other debts as well. All the creditors got together and said it is better if we reduce this individual's debt and we have an orderly payment of the agreed upon debt afterwards to allow the individual to go on plying a living, making some money and rehabilitate his debtor situation.

They did that. Everybody agreed. Three years later after he sold his house, he sold all of his properties, he liquidated all of his retirement annuities and all that type of thing, he felt good about himself. He was able to pay off 60 per cent of his debt. After he has gone through three years literally of hell to pay off these debts because of the reorganization provision, he could claim that he had never had to go bankrupt, that he did what he thought he should do and that he had the financial capability of doing it. Three years later a notice comes from Revenue Canada which says: ''Please be informed that you owe Revenue Canada X number of dollars plus interest over the last three years''.

Somebody might ask did he pay Revenue Canada. Yes, he did. Under the terms of the reorganization provision he paid it the same as other secured creditors. I think it was 60 per cent of the debt. Revenue Canada lay in the bushes, as it were, for three years until his reorganization was completed and was discharged and then sent him a bill for the balance with interest accrued, effectively forcing this individual who had gone through the very good provisions of Bill C-22, had gone through the very positive provisions of rehabilitating his debt of now having to face a bankruptcy proceeding.

It is not the first case. It is the fourth case. Over the last number of years each time I heard of one of these cases I would call the Superintendent of Bankruptcies who agreed there was potentially a problem. It was kind of regional in nature because a lot of it was to do with the head of collections in each of the regions with Revenue Canada.

I am dismayed that this aspect of crown priority has not been fully addressed. However, I encourage members with constituents having similar problems to raise those at the appropriate level and at the political level with the Minister of Industry, who is responsible for the administration of this act, as well as with the Minister of National Revenue, where it seems in my experience at least the problem still lies in various regions of the country.

The last thing I want to say on this bill is that there is still a piece of unfinished business. Back in 1992 in order to get this bill completed I and Mr. Rodriguez, the former member for Nickel Belt who was the NDP critic, knew this file well. He had a couple of private member's bills dealing with wage earner protection: what happens when a company goes belly up which has a lot of employees, and what happens to the wages owed and the benefits owed to those employees? Under the old act there was a major problem. There was a very low limit that had not been updated in about 20 years. The new bill, Bill C-22 in 1992, made some movement in the right direction.

However, there was still a major problem that in many cases the wage earners, the people who by the sweat of their brow or the grey matter in the brain, through their inputs to the business were a key component of the business, were not treated in as fair a fashion as

the banks or the suppliers of goods or other services. The labour component was never treated fairly.

We came up with a number of proposals, none of which was acceptable to the government of the day, but at the end of the day we had made an agreement with Mr. Blais, the minister at the time, that we would look at various options for wage earner protection. Indeed, part of the agreement was to set up some type of all-party committee to look at the best ways to deal with in many cases a very major loss of wages to individuals who work in corporations that go bankrupt. They are always left at the bottom of the heap and that is unfair. That has not happened today. The agreement was not something that officially was done on the floor of the House.

However, I will jog all of my colleagues' memories who were on the committee in the last Parliament that indeed that was the commitment. As a result of that commitment we amended the entire section dealing with wage earner protection out of Bill C-22. That was a key operative component of that bill and we amended the whole thing at report stage because we were going to put a process in place to examine it.

• (1300)

I encourage members who have an interest in the industry committee to look at a few of those shortfalls, to take credit for the good work that has been done and further modernizing this very important piece of legislation.

Continue to ask the questions that must be asked over the next few years as to whether the wage earner protection clause are sufficient, whether further work has to be done and whether somebody has to keep a closer eye on the role of the crown and crown agents in discussions leading up to reorganization, whether they are living up to the spirit of the debate and the legislation of 1992 and 1996.

In conclusion, I appreciate having had the time to relive some history. Members are very familiar with most of what I said. I also commend the current members of the industry committee for doing a bang up job.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

[*Translation*]

Accordingly, the recorded division on Bill C-5 stands deferred until tomorrow, Wednesday, October 23, after Government Orders.

* * *

MANGANESE-BASED FUEL ADDITIVES ACT

The House resumed from October 21, 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.

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I welcome this opportunity to speak to this bill. I would like to start by saying that I fully support the amendments presented previously by the hon. member for Laurentides. The Bloc Quebecois had many good reasons for wanting to postpone third reading of the bill.

Since the government has decided otherwise, we will continue the debate. Manganese is an additive that we get mainly from our neighbours to the South, the United States. Now if it were produced in Canada, in Ontario, for instance, would the government have spent so much energy on trying to ban it? I wonder.

The government says that this bill represents a serious threat to public health. It also says that it may cause serious damage to antipollution devices on cars, and third, it has confirmed that it must harmonize its policies with those of the United States.

• (1305)

I may remind the government that we now have an agreement on the free circulation of goods. I also realize that the Minister of the Environment is under enormous pressure. There is a very strong lobby, I agree. But who are these people who are putting pressure on the minister? Who are they? Auto manufacturers? Friends of the government? Other people, other companies, including car manufacturers who think that this product damages antipollution devices?

However, many studies have shown beyond a shadow of a doubt that manganese can even be beneficial to the environment. It has been scientifically proven that it helps reduce emission levels of nitrogen dioxide, which causes urban smog, by up to 20 per cent.

And we all know that nitrogen dioxide is itself harmful to the environment and to the health of Quebecers and Canadians. In

other words, by passing this bill, we are helping to destroy our environment and consequently endangering the health of our constituents.

In fact, this bill also increases emissions of nitrogen oxide. The effect would be the same if all of a sudden we increased the number of cars on our highways by several hundred thousand. We can imagine the harm that would do.

If the government thinks it is deleterious to our health, then why is the health department not drafting a bill to ban it outright? Asking the question is answering it, as this government is unable to prove, scientifically or otherwise, that this product is harmful.

In my opinion, there is only one real reason why the government has introduced this bill: protectionism. As several of us in this House have pointed out, we must keep in mind that manganese can be replaced with ethanol. Through this bill, the government is protecting ethanol producers, most of whom are based in Ontario and western Canada. Protectionism is one of the reasons why the government has introduced this bill.

Let us not forget either that, in 1994, the then Minister of the Environment and the Minister of Health had taken position on this issue. They were very well positioned. Did they not put forward a development program favouring ethanol production? This program was financed to the tune of $70 million. Can these previous commitments suddenly be set aside? No, we are stuck with them.

• (1310)

Having taught mathematics for several years, I think of this as a very simple equation: Ontario ministers plus proposed ethanol plants in Ontario equals the bill before us today. It is that simple.

What about the $275 million lawsuit filed by Ethyl Corporation, an American company that produces manganese? Ethyl claims that this is a violation of NAFTA. Do we as Canadians have so much money that we can afford not to take this lawsuit seriously? Did the Minister of the Environment take the time to consult with his legal advisors on this lawsuit matter before going any further with his project? At a time when this government is making cuts in social programs and the health sector, in the Canada social transfer, I think this is serious enough a matter to consider before passing this bill.

I have another concern relating directly to the bill. The government must take the opinions of the provinces into account. If it asks the provinces for their opinions, it is only natural that it take these opinions into account at some point. But it is a well known fact—this is nothing new, not just since we came here—that the federal government does not respect the provinces. In fact, it is an old habit of theirs, in almost every area.

They are not acting any differently in this matter as in others. It is no secret, the point was made over and over that six of the ten provinces strongly oppose this bill and demand that it be withdrawn.

Once again, interprovincial trade is threatened. The provinces had their say, but this government, the federal government, is a centralizing government. That is nothing new either. We must not pass blindly legislation dealing with the health of Quebecers and Canadians and their environment. We must have all the facts we need to ensure that this government bill truly protects those it is intended to protect, that is to say the public as a whole.

The government must not listen only to powerful lobbyists. It must be more open than that. As I said earlier, the minister's decision to go ahead is not based on any scientific facts. It is imperative that the government redo its homework because the homework handed in by the Minister of the Environment is full of mistakes.

While the government redoes its homework on this bill, we could take a look at all the consequences this bill may have.

• (1315)

I move that the motion be amended by deleting all the words after the word ''That'' and substituting the following therefor:

> That the motion be amended by deleting all the words after the word ''That'' and substituting the following:
>
> ''Bill C-29, An Act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese-based substances, be not now read a third time but be referred back to the Standing Committee on Environment and Sustainable Development for the purpose of reconsidering the Bill in its entirety.''

[*English*]

Mr. Caccia: Mr. Speaker, I rise on a point of order to bring to your attention that this bill has already been totally reviewed by the committee.

The Acting Speaker (Mr. Kilger): I believe the matter raised by the hon. member is a matter of debate and not a point of order. The Chair is apprised of the status of this bill. Upon review of the submitted amendment—

[*Translation*]

I declare the amendment of the hon. member for Chicoutimi in order.

[*English*]

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, there has been so much misinformation delivered to this Chamber on the subject of MMT that it is very hard to know where to start to answer it. I will make some comments in response to the member for Chicoutimi by starting at the bottom and working up to the earlier comments.

The member said that the government should be soliciting the opinion of the provinces before it proceeds with a bill of this kind. I remind the hon. member that the opinion and the co-operation of the provinces are absolutely essential for any kind of ethanol production in any province of this country.

In Ontario when the government brought in the ethanol biomass bill, it was essential that the province of Ontario participate in that project, which it did. When ethanol comes to Quebec, which it will do—and I wonder what position my friends from the Bloc will take when a huge industrial complex is built in Quebec—it will require the co-operation and the opinion of the province of Quebec, just like any other part of the country. The opinion of the provinces is not only desirable, it is absolutely essential.

• (1320)

The hon. member for Chicoutimi talked about Ontario factories producing ethanol. We should set the record straight on that one too. There is one factory producing ethanol in Ontario and it produces about half of the ethanol that is produced across Canada at the present time. Much of that ethanol is used for cosmetic, medical and industrial purposes. Only a very small percentage of it goes into motor fuel, even though the demand for ethanol blended gasoline is growing quite quickly. As a result, there is a deficit. We are actually importing the ethanol blend in order to satisfy the demand.

The two new plants that are going up in Ontario, a 66 million litres a year plant in Cornwall and a 150 million litres a year plant in Chatham, will multiply the amount of ethanol produced many, many times. It will only begin to satisfy the demand. The hon. member suggested that somehow Ontario was gaining some undue advantage here and that is not so.

With regard to the health aspect of manganese, the health ministry has declined to approve or to call manganese a noxious material of one sort or another. It does not matter whether the health ministry does or does not, what matters is that the use of the alternative, that is, oxygenates of one sort or another in gasoline, will dramatically lower the emissions of carbon monoxide. It is not a matter of whether or not manganese is noxious; what matters is if it can be replaced with something that will reduce the greenhouse gas emissions from the internal combustion engine, then it is a radical step forward.

This government set out with a goal and a commitment of reducing greenhouse gas emissions by 2004 by 20 per cent from 1988 levels. The inclusion of 10 per cent ethanol in gasoline reduces carbon monoxide by 30 per cent. It exceeds the target for that particular emission. I do not have the figures on what percentage of greenhouse gas emissions are caused by the internal combustion engine but it is significant.

Some misinformation has been put forward to this House on what has happened in the United States and what the American experience has been. To set the record straight, nearly 20 years ago the Environmental Protection Agency outlawed the use of MMT in unleaded gasoline in the United States. A year or so ago the supreme court in the United States ruled that the Environmental Protection Agency had exceeded its mandate. The word came back to us that the United States was ready to embrace MMT generally across the board. It has not happened.

If we talk to the refiners in the United States they will tell us they are no longer interested in using MMT even though they have the authority now to go ahead and put it to environmental tests. A number of states have outlawed the use of MMT. If we are talking about harmonizing motor fuel between Canada and the United States, the harmony will only come when MMT is no longer in Canadian gasolines.

A statement was made about nitrous oxide emissions, NOx as it is called, that taking MMT out could cause an increase of up to 20 per cent of nitrous oxide emissions. The question one has to ask is, how much is in there to begin with? The fact is motor fuel produces very little nitrous oxide. Even a 20 per cent increase, which has been debatable depending on whose statistics are used, but let us say it is 20 per cent, if it is 20 per cent of nearly nothing, it is still nearly nothing.

• (1325)

My hon. friend from Chicoutimi also talked about who it is who supports the removal of MMT. There are about 2.3 million members of the Canadian Automobile Association across Canada and the CAA has declared its support for the elimination of MMT in gasoline. Yes, the auto manufacturers certainly support the elimination of MMT. They came to the committee that I have the honour to sit on and delivered the evidence right there as to what an oxide of manganese does to the emission control systems in internal combustion engines.

There are new emission control systems now. We have to contend with the effects on these new control systems. If we do not get rid of MMT, then there is no point going ahead with these very sophisticated, very much improved emission control systems.

In conclusion, what we are dealing with here, the lobby to keep MMT, is simply addressing the last vestiges of kicks from a dinosaur whose day came and now has gone.

Mr. Paul Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, we would expect Canada's environment minister to do what is right for the environment. We would expect the minister to consider our health to be a major priority when drafting legislation. Ultimately, we would expect that any legislation coming out of Environment Canada would have first been scientifically tested, making sure that there are no glitches in the bill.

Canadians expect the best. Yet what we have received over the last three years from this government are two of Canada's most irresponsible environment ministers. Allow me to share a couple of examples.

When the Deputy Prime Minister held the environment post, she had no clue what axe fell under her jurisdiction. When meeting with an environmental group, she was asked how her department would deal with endangered species. She thought that Canada already had an endangered species act. When she found out that Canada did not, she rushed to produce a weak proposal that would only cover roughly 4 per cent of all the land area of Canada. It upsets me to look across the floor and see a minister like this trying to run our country.

When the Deputy Prime Minister was first approached by the Motor Vehicle Manufacturers' Association in 1994 or 1995, it wanted her to find some way to get rid of MMT from Canadian gasoline. One would think that if a lobby group such as the MVMA were to approach a minister and ask for something, the minister would have the department do a thorough investigation and perhaps even conduct interim tests of its own. However, this is where the Deputy Prime Minister is different from other ministers.

Under the Canadian Environmental Protection Act there is a schedule of substances that are declared harmful to the health of Canadians and to the environment. The minister quickly discovered that she would not be able to ban MMT under CEPA. Therefore she had to find another route.

Her only way was to ban the importation and interprovincial trade of MMT. One can only wonder if she first checked with the Department of International Trade to see how this complied under NAFTA. However, seeing how the department is now scrambling to find a way out as a result of a NAFTA challenge by Ethyl Corporation, I would wager to say she did not check with the department first.

Getting back to CEPA and its schedule to ban substances, to get a substance on that list, Health Canada first has to declare that it is harmful. I know the statement has been heard in this House on many occasions but it needs to be heard again. It is like talking to a toddler. In order for the toddler to understand what is going on, something must be explained over and over again in simple terms. There certainly is a strong parallel between the learning curve of this Liberal government and that of a toddler: slow and tedious, and they sometimes lose their temper.

● (1330)

On December 6, 1994 Health Canada issued a report entitled ''Risk Assessment for the Combustion Products of MMT''. It stated: ''All analysis indicate that the combustion products of MMT in gasoline do not represent an added health risk to the Canadian population''.

On October 18, 1995 a Health Canada official appeared before the Standing Committee on the Environment and Sustainable Development and concurred that the 1995 report remained the position of the department. I really do not know how many more times government members need to hear that MMT is not harmful to our health. It is not a toxic substance.

From the very beginning Reform has unequivocally stated that it would support the banning of MMT if the government could show through an independent scientific test that MMT was harmful to the automakers onboard diagnostic systems, OBD-IIs, as they are called in the industry.

The Deputy Prime Minister believed the argument of the MVMA and proceeded to draft legislation that would ban MMT from unleaded fuel. The minister's explanation of this was that she believed the results of the MVMA, and who is going to argue with Ford, General Motors and Chrysler? So what has happened is that the minister has exposed herself as a pushover. Any lobby group interested in changing policy should go right to the Deputy Prime Minister because she will grant your every wish.

I would like to say that the current environment minister is maybe better than the first. I would like to say that but I cannot, not in respect of this bill. The minister had the opportunity to scrap the whole bill when the House prorogued but he did not. He too suddenly felt the enormous weight of the MVMA and caved in. Canada has a minister who can neither think nor talk for himself. The minister is in the same category as his predecessor.

It looks to me like Environment Canada is being dictated to by General Motors. If Bill C-29 passes, Canadians can be sure that more substances are going to be banned using the same process of push and shove.

Bill C-29 has essentially become a war between two very powerful groups. On one side we have the automobile manufacturers and on the other side is the manufacturer of MMT as well as the petroleum companies. Both have made cases of why MMT should be banned or why it should not.

The MVMA claimed that MMT gums up onboard diagnostic systems in all late model automobiles and claims that the only reason that onboard lights come on prematurely is the MMT in the gasoline.

However, when I have confronted experts in the auto industry on why onboard lights are also coming on prematurely in the U.S. where MMT is not regularly used in its fuels, they either refuse to answer or simply claim that there are still some minor problems with the systems.

Is it not funny that a malfunction in Canada is related to a gasoline additive while the same malfunction in the U.S. is related to a minor bug in the system?

This is why the bill should never have been introduced in the first place. There is no conclusive proof that MMT is harmful to our health, to our environment or to the cars we drive each day.

It is always the intention of the members of the Reform Party to work with the government on legislation. Like the government, we want what is best for all in Canada. As the member of Parliament for New Westminster—Burnaby, I want to do what I can to represent my constituents in the best way I can. I want to be able to consider every side of an argument and bring forward the best solution.

Bill C-29 did not take all sides into account, nor did it bring forward the best solutions. There was no independent testing, but rather high powered lobbying.

Both the Minister of the Environment and Deputy Prime Minister claim that the results from the MVMA tests prove that MMT should be banned. Unfortunately not only were the tests not made for all to see, they were done in conditions not similar to those in Canada. How can we believe tests that were conducted in a southern U.S. state when Canada never sees climate such as that?

In my opinion both ministers were blindfolded and gagged when they agreed to table the bill. No minister who had any understanding at all would agree to such a bill. It is no wonder why today the Minister for International Trade, the natural resources minister and the Minister of Industry are all furious about the possible passage of this bill.

Reform does not want to see any substance being used that is harmful. This is the spin the Liberals may have taken. But it is just plain wrong. What we are looking for is an independent test conducted by a third party to find out exactly what effect MMT is having on our health, if any, our environment or the onboard diagnostic systems of automobiles.

Recently the Canadian Petroleum Products Institute conducted its own tests with respect to MMT. In its test 144 vehicles were tested for emissions and the interim results indicate that both the emission levels as well as the performance of the OBD systems were excellent.

• (1335)

I simply want to make the House aware that there are tests that prove that MMT poses no harm. Reform is not endorsing the CPPI test. However, the case that we are trying to make is that if both groups are coming up with their own conclusions and if both conclusions have completely opposite results then there is only one viable solution: the government needs to conduct its own test. By not doing so, the minister is going to show Canadians that he does not want to do what is right. He is going to show that the legislation is not constructed using the very best of scientific evidence. I say demonstrate and then legislate.

If this bill passes through the House it will be a sad day for all of Canada. It will prove that the government has put special interests ahead of the interests of Canadians. I only hope that the other place will indeed use its power of sober second thought to shelve this bill indefinitely.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, I will attempt to answer some of the questions raised by the opposition members, the distinguished members for Chicoutimi and New Westminster—Burnaby. In answer to the question has the Minister of the Environment consulted his legal advisors, the answer is a definite yes, otherwise this bill would not have come forward and would not have gone through the drafting process that is due and given to every bill by the Department of Justice.

The member for Chicoutimi was also strong in his intervention on the fact that there was not sufficient consultation with the provinces. Actually the results are in a divided field of opinion and therefore it is incumbent upon the government, at a certain point, to make a decision as to what it thinks is in the best interest of the public and the concerned industries.

The member for Chicoutimi also raised the question of increased NOx emissions but he failed to deal with the question of increased carbon dioxide, NCO emissions, which would result if the diagnostic system were not to function.

Both the members for Chicoutimi and New Westminister—Burnaby dealt with the question of health. Evidently here we see the matter from different perspectives I regret to say. As far as I know manganese is a heavy metal. It contains neurotoxin. In certain respects it is similar to lead. As we did in the 1960s, despite strenuous opposition when we removed the lead from gasoline as an additive, we are now moving into the next phase which is partially technologically driven in now removing another heavy metal, MMT, which is an abbreviation for a complex and long chemical term which includes the heavy metal manganese.

To make it perhaps as concise as I can in the limited time, I would submit that the bill is driven by four major reasons. Basically it boils down to the reason of health. I regret to see that here we have a difference of opinion. However, in order to protect the health of Canadians it is a good step to remove manganese as an additive from gasoline. Here we are taking a measure as a precautionary principle because, as many have already said, quite rightly, the final conclusive proof has not yet come in. However, there is enough evidence to conclude that because it is a heavy metal it is desirable to remove it from the emissions that come into the air which we all breathe.

Second, there is the question of technological progress. We cannot at this stage ignore the fact that the automotive industry is installing certain onboard signalling check systems that would not function with the presence of manganese. Therefore, it becomes imperative to keep pace with technological progress, but that is not all.

This leads me to the third reason which is that we have to protect the consumer. If the car manufacturer indicates that the presence of manganese in gasoline will force the manufacturer to disconnect the diagnostic system, the consumer will no longer be informed as to the malfunctioning of certain parts of the engine and therefore the warranty will be affected. Therefore the consumer will be negatively impacted by this sequence of events.

• (1340)

In order to protect the consumer and in order to give the consumer the benefits and the advantage of the new type of warranty that is emerging as a result of technological progress, something must be done in order to remove the MMT from gasoline. It is an inevitable sequence of events. In other words, we cannot in this Parliament stop technological progress.

The fourth reason, in addition to the consumer protection, in particular of the car owner, and in addition to the protection of the quality of the air we breath, is the one that the distinguished member who spoke so eloquently about ethanol indicated already in his intervention. I am sure that there are members opposite who are very keen on opening opportunities for their rural constituents in industries that are related to corn production and ethanol production. Definitely this bill also will open up opportunities for the industrial use of ethanol, which would enter the stream of additives used by way of removing the MMT additive.

What we are really trying to do is keep up with the times, taking into account health, technological progress, consumer protection because of the warranties in the cars that will be produced in the very near future and also the potential for ethanol producers.

We know, despite the denial on the part of my distinguished colleagues, that MMT causes the malfunctioning of the newest emission control technologies on cars. If that is going to happen, then the result will be more pollutants entering the air. I fail to understand therefore the rationale of some of my colleagues who talk in the same vein as I do, namely in support of public health.

Carbon dioxide emissions would increase as a result of the decreased fuel efficiency if the diagnostic systems on board were not to function because of the presence of this MMT additive. The automakers when we were working in committee indicated to us that if MMT remains in gasoline they will have to disconnect the onboard diagnostic system and provide decreased warranty provisions, the ones I was referring to a moment ago, for consumers. Among them are General Motors, Ford, Chrysler and so on. These are the people who are progressing with their technology. We have to take into account that fact.

I am sure there are automotive manufacturers in Quebec and workers at Saint-Thérèse who would want to see a positive attitude developed with respect to this bill. I am referring in particular to my distinguished colleague in the Bloc Quebecois.

Much has been said of the ban on the uses of MMT in the United States. This has been often raised in debate by the opposition. If I were in the opposition obviously I would do the same. The fact is that even after the ban in the U.S. MMT is still prohibited from use in 37 of the U.S. states.

More important, according to the U.S. Environmental Protection Agency the court overturned the ban on MMT because it rejected a certain specific argument. It was only a technical procedural argument, namely that the public health impacts of fuel additives should be fully evaluated prior to broad use. In other words, it was the procedure by which MMT was banned that led to the court decision to overturn the ban. The lifting of that ban says nothing about the potential health effects of MMT. There has been a substantial misinterpretation here.

• (1345)

This is not a war between automobile manufacturers on one side and the U.S. based Ethyl Corporation on the other, as some participants in the debate have said. This is a question of understanding the technological process that is taking place, as I mentioned, and taking health into consideration and, subsequent to that, taking into consideration the car owner and the warranty, which are the driving forces behind this bill.

Who is opposed? As we learned in committee, the opposition comes from one large corporation, Ethyl Corporation of the United States, which exports into Canada the MMT additive. That is the only major, massive opposition that has been mounted. We heard from that corporation, of course, in committee. That is the same corporation which 12 years ago opposed tooth and nail the removal of lead from gasoline. The lobby that it mounted was considerable. Nevertheless, gasoline with lead no longer exists. Ten years from now MMT in gasoline will no longer exist as well. Subsequent generations of legislators will see a connection and a progression from health damaging additives in gasoline being gradually replaced and removed as we learn through technology how to find alternatives which are not health damaging.

Manganese is a heavy metal. It contains neurotoxins, as does lead. There is not a chemist or an engineer who will dispute that point.

As my colleague indicated, we have to move toward cleaner burning fuels. We have to improve fleet performance, increase the performance for every 100 kilometres, both in Canada and the U.S., because the number of motor vehicles on the road is increasing. Therefore, every time the quality of emission controls is improved, the increase in volume does not allow us to make progress as fast as we would like in terms of protecting the public.

[*Translation*]

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, I am pleased to address Bill C-29, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese-based substances.

The purpose of Bill C-29 is to prohibit manganese-based substances, including MMT, which the government and the automotive industry suspect of damaging the anti-pollution systems of cars, even though this product has been used since 1977 to produce the vast majority of unleaded gasolines in Canada.

By the same token, MMT would also be harmful to the environment and to the health of Quebecers and Canadians. However, this is not the case. It has been demonstrated that MMT is not dangerous when used in minimal amounts, such as in gasoline, whether for the environment or for one's health.

Since Health Canada's findings were not the ones expected by the government, it had no choice but to resort to a special act to prohibit interprovincial trade in and the importation for commercial purposes of certain manganese-based substances, including MMT. After reprimanding the auditor general, will the Liberals now scold Health Canada's researchers, one wonders.

• (1350)

Environmental concerns or Canadians' health are not the reasons why the federal government wants to legislate in this area. Rather, it is because of the pressures exerted by lobbyists. If it had been proven that MMT is harmful to the environment, to one's health, or to automobiles, the use of this additive would have been banned a long time ago.

In order to better understand the controversy surrounding the use of MMT, we should take a look again at the stakeholders concerned by this issue. First there is Ethyl Corporation, a U.S.-based company. Ethyl produces additives for lubricants and fuels to improve engine performance. It is also the sole exporter of MMT to Canada. MMT is added to fuel in Sarnia, in Ontario.

Second, the U.S. Environmental Protection Agency, the EPA, has been fighting Ethyl in court for years now to maintain the ban on MMT. On November 30, the EPA regulations banning MMT were revoked by the U.S. Court of Appeal, District of Columbia. The EPA has announced that it does not intend to appeal that decision.

Third, the automotive manufacturers are against any kind of fuel additive and against MMT. They are threatening to increase the price of Canadian cars and to reduce the scope of their guarantees if MMT is not banned. There is no conclusive evidence showing that MMT is detrimental to cars' anti-pollution system.

Fourth, the oil companies are in favour of MMT for technical reasons. MMT requires less intensive treatment, which means less pollutants from the stacks of plants producing gasoline.

Fifth, the ethanol producers are probably against MMT, since they argue that ethanol would be an excellent alternative to MMT. It is important to note that the Deputy Prime Minister, formerly the Minister of the Environment, is from a region where ethanol is produced in huge volumes.

The ban on MMT is costing a lot of money to the oil industry. These costs amount to $7 million in Quebec alone. Also, the oil companies could start rumours about massive lay-offs and increases in gas prices if the use of MMT is not allowed.

We must not forget also that Canada is facing a $275 million lawsuit by Ethyl Corporation on the principle of free movement of goods included in NAFTA. Personally, I think the Minister of the Environment is taking a big risk that could have repercussions way beyond what he expects, on top of the problems this would cause for Ethyl's Canadian subsidiary.

Last February, the Minister of International Trade wrote to the Minister of the Environment to remind him of that, but it seems that the Minister of the Environment has decided to take the risk of seeing the federal government being sued by Ethyl Corporation or by the American government for having violated the free trade agreement.

Moreover, as I was saying a while ago, banning MMT favours the ethanol industry, which is highly developed in Ontario and in western Canada but which is just starting to develop in Quebec.

I am happy to state the Bloc Quebecois' position. I should remind members that, when the bill was introduced, the Bloc was open to the idea of adopting a law banning the use and the importation of MMT provided it could obtain proof that this substance is indeed harmful to the environment and to our health. The Bloc Quebecois even voted in favour of Bill C-29 so a more detailed study could be done to shed some light in this issue.

• (1355)

However, I must say that it is not the harmful effects of MMT that emerged from these debates and discussions, but rather the stubbornness and the partisan attitude of the Minister of the Environment and his predecessor, the Deputy Prime Minister. Through this action, the Liberal government is showing no respect

for the international trade agreements it has signed and is ignoring the Canadian Constitution with regard to the provinces' responsibilities.

In conclusion, the Bloc Quebecois is opposed to Bill C-29. It has been demonstrated on several occasions that the threat of MMT to the health of Canadians and Quebecers and its potential harmful effect on our cars' emission control systems are totally unfounded.

Moreover, the Liberal government is showing no respect for provincial governments, for the international agreements it has signed and for Canadians and Quebecers. It would be in the Liberals' best interest to find solutions to the real problems instead of looking for solutions to problems that do not exist.

[*English*]

The Speaker: It being almost 2 p.m. and rather than another speaker starting a speech, we will go directly to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

MENTAL ILLNESS AWARENESS WEEK

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, last week from October 13 to 19, Canadians marked National Mental Illness Awareness Week.

One out of five Canadians or six million people will suffer from a mental illness at some point in his or her life. For example, schizophrenia alone affects one in every 100 Canadians.

The cost of mental illness to society is high in terms of impact on health care requirements, loss of productivity and on the individuals it affects.

This year's theme Mental Illness, Teamwork in Service Delivery highlights the role that all of us can play in destigmatizing mental illness. Through public education and awareness we can work to achieve this goal.

I would ask that all my colleagues work to promote mental illness awareness in their constituencies.

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[*Translation*]

THE INTERNATIONAL POETRY FESTIVAL

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, the International Poetry Festival was recently held in Trois-Rivières, which has gained international renown as the site of a major cultural event for the past 12 years. Last year, over 100 poets from some 20 countries presented their work.

This poetry festival arouses the interest and relies on the involvement of hundreds of participants of various backgrounds from school children to seniors. I am proud to say that this festival democratizes poetry, as is eloquently demonstrated by the hundreds of poems posted throughout the city and the monument to the unknown poet, the only monument of its kind in the world.

I would like to pay a special tribute to Gaston Bellemare, the festival's founder and driving force, to his team of hundreds of volunteers, and to the various partners who have turned the festival into an event recognized as a great moment in our cultural life.

In Trois-Rivières, democracy rhymes with poetry.

* * *

[*English*]

TAXES

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, here are the top 10 reasons why taxpayers hate paying taxes to a Liberal government.

Reason No. 10: Grants, grants and more grants, including a grant from Telefilm Canada for a film about the joys of necrophilia.

Reason No. 9: $150,000 spent on propaganda to help Liberal MPs explain why 10 per cent unemployment is a good thing.

Reason No. 8: The gold-plated MP pension plan when other pensioners are being asked to cut back.

Reason No. 7: A $600 billion debt.

Reason No. 6: An unbelievable Liberal standing ovation for a $28 billion deficit.

Reason No. 5: Because of the tax the Liberals promised to kill, scrap and abolish, the GST.

Reason No. 4: The 15 per cent BST on reading material. A little on the BS there.

Reason No. 3: An employment insurance system that overcharges by $5 billion.

Reason No. 2: The office of propaganda Canada and the heritage minister's provocative ''plan of the week'' unity strategy. The number one reason why taxpayers hate paying taxes to the Liberal government—the heritage minister herself.

* * *

● (1400)

POST-SECONDARY EDUCATION

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, yesterday I joined students from the University of Regina at the Canadian Federation of Students National Day of Action to protest Liberal cutbacks to post-secondary education.

The Liberals' cutting of $2 billion to post-secondary education represents a $2,000 per student cut, a straight offload of federal debt to those who can least afford it: young Canadians.

The Liberals have chosen to declare war on students with major cuts rather than reform the tax system to make the wealthy and big corporations pay their fair share. This is another broken promise in a litany of Liberal broken promises. Once again the Liberals have sided with corporate interests over the interests of middle class families. A tax system based on fairness and ability to pay is what Canada needs now.

Today the crisis facing students in Canada because of the Liberal cutbacks is every bit as destructive as any war. Unfair Liberal tax policies support the wealthy and big corporations and threaten the future of Canada.

The Liberal red book has become a red faced book that is killing off future opportunities for today's students.

* * *

MINING

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, I would like to take this opportunity to congratulate two Newfoundlanders who were named Mining Men of the Year for 1995 by the *Northern Miner* newspaper and Prospectors of the Year by the Prospectors and Developers Association of Canada. There is no doubt in my mind that they are also qualified as Newfoundland and Labrador's Men of the Year. They are Albert Chislet and Christopher Verbiski.

In 10 years, hundreds of millions of dollars will have been invested in Voisey's Bay, creating thousands of local jobs. In addition, millions of dollars will be pumped back into the provincial and national economies.

It is because of people like Albert Chislet and Christopher Verbiski that this is possible. Because of their expertise, we can look forward to a better future.

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CANADIAN BROADCASTING CORPORATION

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, T. Sher Singh of Guelph recently helped organize a rally which was held Saturday in Toronto in support of the CBC.

I recently called on CBC officials to consider membership from their viewers and listeners. TV Ontario is committed to reducing its dependency on government grants from 80 to 60 per cent of its revenues by the end of the decade. The Public Broadcasting System in the United States counts on the support of its viewers for 25 per cent of its revenues.

Now is the time for imagination and new thinking. Many Canadians have indicated to me that the CBC is an important source of entertainment and news.

The CBC's motto this year is: television to call our own. Memberships from Canadians may be a way to truly call the CBC our own.

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SMALL BUSINESS

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, as this is small business week, I want to speak on the importance of small and medium size businesses to the Canadian economy.

There are nearly 2.4 million small businesses in Canada. Small businesses account for 43 per cent of all private sector business in this country. Sixty per cent of Canada's economic output is produced by small business. Eighty-eight per cent of new job creation comes from companies that employ 50 people or less. These numbers are impressive.

Because we are aware of the crucial role these businesses play in Canada's economic health, we have taken measures to alleviate the burdens placed on them.

Since 1993, 20,000 new businesses have been created. We have worked toward reducing restrictive regulations, paperwork, taxation and duplication. We have improved access to capital, streamlined business registration and efficiency and provided more support services.

Thanks to initiatives such as the program for export market development, Canadian—

The Speaker: The hon. member for Calgary Centre.

* * *

TOBACCO ADDICTION

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, a national neighbourhood tobacco recovery network has taken root and is growing in communities across this country.

This network is dedicated to helping smokers recover from tobacco addiction with a proven track record of providing low cost effective products and services to smokers who wish to break free.

The network is driven by smokers helping smokers and has the support of health professionals all across Canada. But, however, nevertheless, this non-institutional, non-bureaucratic, community anchored response to the number one threat to the health of Canadians requires and could use the assistance of Health Canada.

In the next federal budget, why not invest or commit a few pennies or two per pack and support this non-profit national organization to help the five million Canadians who want to quit or recover from tobacco addiction and break the chain of infection

from one generation to the next? By funding a recovery group in every province, the government would help reduce the number one drain or cost on our shrinking health budget and perhaps save taxpayers money in the long run.

* * *

• (1405)

UNEMPLOYMENT

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, while the Prime Minister continues to play games about the number of jobs his government has created, the true number of Canadians without jobs is startling. The jobless rate in Canada is presently at an unacceptable 10 per cent level. This means that more than 1.5 million Canadians do not have jobs. It does not include the thousands and thousands of Canadians who have given up looking for work.

Many of these individuals are well educated but face a bleak future with no employment opportunities on the horizon. When we include over 300,000 young people who have given up looking for work, the statistics are even more astonishing.

These Canadians will not forget the many promises made by this Prime Minister three short years ago. They were promised jobs. The hard fact is that they are still waiting. How long will 1.6 million unemployed Canadians have to wait to support their families?

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EMISSIONS TRADING

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the idea of emissions trading is old hat which, if adopted, would allow a company to pollute by purchasing a tradable permit. In other words, emissions trading is a licence to pollute, allowing dirty industries to buy pollution permits from cleaner industries and continue to pollute unabated.

Emissions trading runs counter to the government's commitment to pollution prevention announced in ''A Guide to Green Government'' signed by each and every cabinet minister in 1995.

Pollution prevention means energy efficiency and minimal waste in the use of materials rather than costly clean-ups after the fact. This is the goal we should be striving for instead of surrendering to the old idea of emissions trading which accepts pollution as an inevitable cost of doing business.

S. O. 31

CANADA COMMUNITY INVESTMENT PLAN

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, earlier today the Minister of Industry announced that Canada's technology triangle, comprised of the municipalities of Cambridge, Guelph, Kitchener and Waterloo, is one of 11 successful communities that will participate in the new Canada community investment plan.

The CCIP is an innovative program to facilitate access to equity capital for smaller firms with potential for growth. Under the CCIP the federal government partners with eligible communities to help their businesses grow so that they can create jobs and economic growth. Industry Canada will contribute two-thirds of the cost, up to a maximum of $600,000 per community over five years. The remaining third will come from the community.

The project will add economic vitality to Canada's technology triangle. That is part of the new economy, an economy where traditional industries modernize and new information and environmentally based industries are growing. It means more jobs and more research and development for the people in Canada's technology triangle.

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STARLAB

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, in Halifax West our government is fulfilling its commitment to youth and technology by funding an innovative project.

Recently I had the pleasure of attending the launching of Starlab, a cutting edge teaching tool. For school children, this mobile planetarium generates interest in the sciences by changing the focus from lecturing to experiencing. This was made possible by funding from ACOA and InNOVAcorp.

Two priorities of the industry portfolio are: developing youth and enhancing technology. Starlab does both.

The $20,000 in federal funding for Starlab is an investment in Canada's future and evidence of our government's commitment to youth and technology.

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[*Translation*]

EAST TIMOR

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, for over 20 years, the international opinion has ignored the East Timor tragedy.

Since this former Portuguese colony was violently annexed by Indonesia, over a quarter of the 600,000 Timorese may have died. No one can ignore this genocide, or the Indonesian authorities' policy of reducing native populations, notably by forcibly sterilizing young Timorese women.

Last week, the Nobel Peace Prize was awarded jointly to Jose Ramos-Horta and Carlos Filipe Ximenes Belo for their sustained efforts to reach a peaceful settlement of the conflict in East Timor.

By giving them the Nobel Prize, the international community is paying tribute to and greatly encouraging these resistance workers.

The Bloc Quebecois condemns the invasion of East Timor by Indonesia and calls for the withdrawal of Indonesian forces. We urge the Liberal government to do the same.

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• (1410)

[*English*]

THE SENATE

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, this past week the Reform Party presented its fresh start platform. Our proposal includes reforming federal institutions to make them more accountable, including the creation of a triple E Senate. All future appointments to the Senate would be made by means of elections based on the model of the 1989 Alberta Senate selection process.

On October 16, 1989 Stan Waters made Canadian history twice. He was the first elected senator in Canada and he was the first Reform Party member to sit in the Senate. In fact, Senator Waters was elected by more than 148,000 Albertans. Senator Waters had a most distinguished career in the Canadian military and went on to become a prominent Calgary businessman and was a founding member of the Reform Party.

On the anniversary of the election of the first and only elected member of the other place, Reform Senator Stan Waters, I would like to pay special tribute to the senator. His short senatorial career was a tremendous achievement for democracy in this country and one which the Reform Party is determined to see continued in a triple E Senate.

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[*Translation*]

CHILD POVERTY

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, on November 24, 1989, the House of Commons unanimously passed a motion to eliminate poverty among Canadian children by the year 2000.

During that debate, the foreign affairs minister of the day stated, and I quote: ''A day does not go by in this House of Commons when we do not hear ministers of the Conservative regime talk about the deficit. [—]I never heard the Minister of Finance talk about the real deficit in this country, which is those one million kids in poverty. [—]When you have a million children living in poverty, that is the greatest lack of investment. That is the greatest deficit we face''.

In 1989, when this speech was made, there were one million poor children in Canada. Today, there are 1,362,000.

When will the government act on this motion passed in 1989?

* * *

COMPUTERS FOR SCHOOLS

Mr. Guy H. Arseneault (Parliamentary Secretary to Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I am pleased to rise in this House today to mark the first national computers for schools day.

This initiative, which brings together volunteers, companies and governments, will provide surplus computer equipment and software to public schools and libraries across Canada. Through this unique program, Canadian schoolchildren will be able to develop the skills necessary to meet job market requirements.

There is a fly in the ointment, however, regarding this program to equip schools with computers: Quebec schoolchildren will not be able to take advantage of the program, as the PQ government has refused to take part in it. Faced with the prospect of $700 million in cuts in the area of education, how can the Government of Quebec afford not to join in this partnership, thereby depriving young Quebecers of a privileged access to computer resources?

* * *

REFERENDUM PRISE DEUX/TAKE 2

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, in *La Presse* this morning, Mario Fontaine wrote that 23 filmmakers were involved in the making of the movie ''Référendum Prise deux/Take 2''.

The text contains a major inaccuracy, which we feel the need to correct. Referring to the non-partisan nature of the movie, the journalist made the following comment:

> Everyone is given equal speaking time, except perhaps for francophones favouring a no vote, a choice advocated almost exclusively by anglophones and new Canadians.

This interpretation is mistaken and gives the impression, wrongly, that all francophones in Quebec were on the yes side. To represent the referendum in such a way is to distort reality, given that the no vote of 50.6 per cent largely exceeds the proportion of anglophones and new Canadians living in Quebec.

* * *

[*English*]

CONSTRUCTION TECHNOLOGY FOR WOMEN

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, during Women's History Month we reflect on our history to determine our progress and our future. Earlier this month I was pleased to be part of the launch of a Youth Internship Canada

initiative that will give young women from across Canada an opportunity to stake a claim to Canada's high tech future.

The three year construction technology for women demonstration project will provide 260 Canadian female high school students with the chance to explore the rapidly expanding field of construction technology. It will bring together industry, labour, educators and government and is designed to provide young women with the knowledge, skills and confidence to pursue careers in largely male dominated fields.

• (1415)

With women currently making up less than 1 per cent of the workforce in trades, technology and blue collar operations, this excellent project will help steer young women to further studies in engineering, architecture, urban and land use planning, surveying, energy conservation retrofit, building trades, communications networks and computer design.

ORAL QUESTION PERIOD

[*Translation*]

ADVERTISING CONTRACTS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, before this government took office, advertising agencies had to be 51 per cent Canadian-owned in order to get contracts from the federal government.

However, the government changed this rule and now requires these firms to be 100 per cent Canadian-owned to get federal contracts. This change clearly benefits BCP, which, incidentally, was in charge of the publicity for the Prime Minister's leadership campaign, for the Liberals' 1993 election campaign, and for the No committee at the last referendum.

Will the Minister of Public Works confirm that BCP gets almost all federal advertising contracts in Quebec, for a total of $35 million?

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, we deal with all kinds of companies. We have very strict rules and we follow them.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, indeed it would have been surprising to hear the minister say that the government does not follow the rules. I am pleased to see that she is following the rules, but these rules have been changed by the government.

Will the minister admit that the government's decision to change the rules governing the award of advertising contracts has made it almost impossible for other advertising companies to get contracts from the federal government?

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, when we set rules, it is for a reason. It goes without saying that if conditions change, we are prepared to review the situation and change our way of doing things. We are prepared to do so.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we learn more bit by bit. First, the minister tells us the government follows the rules and then she points out that these rules exist for a reason. We are making progress.

From these two highly intellectual statements, will the minister admit that, even though BCP has been bought out by the French agency Publicis and is no longer a 100 per cent Canadian-owned company, as the rule supposedly requires, it still gets $35 million in advertising contracts from the federal government?

[*English*]

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, we have a competitive process and contracts for publicity are given out following this very open process. There are certain rules. The rules are established and we follow them. That being said, nothing prevents us from looking at the way the rules are set up to ensure that there continues to be as much competition as possible for Canadian companies.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is also to the Minister of Public Works and Government Services.

As we all know, advertising contracts are not awarded to the lowest bidder, but to the firm that is the most creative, which is a good idea. After being sold to foreign interests, BCP Canada is a mere shadow of what it was when it obtained the government contracts. The company that received the contracts had more than 200 employees, whereas this company has barely 20.

• (1420)

How can the public works minister justify maintaining the contracts awarded to BCP Canada before this company was sold to Publicis since, today, BCP Canada is just a small foreign subsidiary disguised as a Canadian company?

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, so long as companies qualify as Canadian companies, they can continue to work for the government until the end of their contract. We see no reason to change what has been done before.

As you know, when new contracts have to be awarded, there will certainly be an open process, and we will study that process to make sure it is equitable.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, the minister said she was ready to change the process if necessary.

What is she waiting for to put an end to the 100 per cent Canadian ownership rule and to go back to a public tender process involving all companies that have majority Canadian ownership, the real ones this time, as the other advertising firms in Quebec are asking her to do? What is she waiting for to put an end to patronage?

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, as I explained earlier, it is obvious that we want to encourage competition in the advertising industry and we will certainly continue to study the rules to achieve that goal.

* * *

[*English*]

EMPLOYMENT

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the finance minister never tires of telling the House that the government has deficit targets, but the finance minister fails to provide targets when it comes to the government's number one promise of jobs, jobs, jobs.

Under the Liberals we have 1.4 million unemployed, we have one-half million to one million people who have dropped through the cracks, we have youth unemployment in excess of 18 per cent, two million to three million underemployed and one out of four Canadians fearful for their jobs.

The government says it believes in measurable targets. What are the government's targets for reducing the numbers of unemployed and underemployed?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, as the Prime Minister and the Minister of Finance have said time and time again, job creation is the government's number one priority.

We do not have a set target for jobs. Does the Reform Party have a target for jobs? No it does not. It has just found out that there is a need for jobs in this country. It is the first time we have heard about jobs from the Reform Party.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the secretary says that the government has no targets for jobs. The reason that it does not have targets is because it cannot meet them in the first place. Big government, big spending and high taxes kill jobs. The best way to create jobs is to lower taxes by making government smaller.

When will the government give the House some firm targets for reducing the numbers of unemployed and underemployed in this country?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, to quote a statement of the Reform Party, it is the private sector that creates jobs.

Do Reform Party members not believe that? Why are they asking us for targets when it is the private sector that should be targeting job creation?

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the debate on jobs in this House and in the country is going to come down to this. Reformers are going to offer Canadians a $94 billion a year federal government. The finance minister is going to offer Canadians a $109 billion a year federal government.

We will take the $15 billion difference and give it to taxpayers and entrepreneurs to create jobs. The finance minister will put $15 billion in the hands of the tax man.

Why does the government believe that $15 billion in the hands of the tax man will create more jobs than that $15 billion in the hands of Canadian investors and consumers?

● (1425)

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, if the leader of the Reform Party does not want to listen to the advice of the government, perhaps he should listen to the advice of a friend of his in Alberta who said: ''Before federal politicians talk about tax cuts they should get the budget balanced and start paying down the debt''. That was said by the premier of the province of Alberta.

* * *

[*Translation*]

THE CANADIAN ARMED FORCES

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Minister of National Defence.

The new Minister of National Defence promised to clean things up in the armed forces, but his first move after his appointment was to hide from the public the amount of the compensation granted to General Boyle to get him to resign.

Since taxpayers' money was used, could the minister of defence tell us the terms of the settlement reached with General Boyle when he handed in his resignation? In other words, how much money was General Boyle given to resign?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am sure my hon. colleague would agree that some rules apply, whatever the circumstances.

General Boyle did resign. People who reach an agreement at the end of their careers, just like General Boyle did, are entitled to have their settlements respected and kept confidential. If the hon. member believes that all the settlements agreed upon with every employee leaving the civil service or the army should be divulged, he should tell the House that this is the policy of his party.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, since the minister uses the taxpayers' money, the taxpayers have the right to know. This type of information is available elsewhere, in Quebec for instance.

When General Boyle resigned, the Prime Minister stated that the general's departure was handled according to the rules that normally apply in such situations. In other words, when the Prime Minister and the minister talk about normal rules, could it mean a golden handshake of over half a million dollars?

[*English*]

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, it is very unfortunate that the hon. member does not wish to respond to the suggestion that I made to him.

If he is suggesting that in every case where taxpayers' money is used to arrive at settlements with people who are leaving the public service or leaving the military, that it should be made public, then let us not zero in just on General Boyle, let us make sure that it is a rule across the board. In that case I would be prepared to entertain the suggestion of the hon. member.

He said in his second question that this was the rule in Quebec. For the Quebec army?

* * *

TAXES

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, Reformers think it is immoral for Canadians to work seven months out of the year before they get to keep their own money. We think it is immoral to raise taxes 35 times over three years and see the after tax income on nurses, truck drivers, steelworkers and teachers fall by $3,000. We think it is immoral for the government to allow some wealthy families to income split when most cannot.

Why does the Minister of Finance not acknowledge that his taxation policies have punished all Canadian families and that all Canadian families deserve to see the government balance the budget and give all Canadians lower taxes?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the Reform Party is giving lessons on taxes when its proposals or its so-called fresh start would tax the poor to pay the rich. Tens of thousands of Canadians, according to the press, who make over $150,000 a year would be paying no taxes under its scheme.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, actually the smallest percentage cut is for the wealthy and that is probably what is really bothering the finance minister and his friend, the minister for financial institutions.

Under our plan families earning under $20,000 would see a minimum 32 per cent drop in their taxes. Are those the wealthy people the minister is referring to? For single parent families that figure will be a 95 per cent drop in taxes. Are those the people the member is referring to? I do not think so.

• (1430)

Why is the minister so determined to pummel ordinary Canadians? When will he offer tax relief to real Canadians who work too hard to pay taxes that are just too high?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, there is a difference of opinion here on the effect of the so-called fiscal plan of the Reform Party. The fiscal plan of the Reform Party was designed to tax the poor to the benefit of the rich. It is mean spirited.

Mr. Hermanson: You have not read it.

Mr. Mills (Red Deer): Have you read it?

Mr. Peters: We in this government are not going to follow the advice to do that.

Almost every group has said a broad based tax cut is not the way to go and we are not going to go with that.

* * *

[*Translation*]

COPYRIGHT

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, my question is directed to the Minister of Canadian Heritage.

Today, groups of performing artists and record producers have said in no uncertain terms that the government's proposal on neighbouring rights is unacceptable. According to this proposal, 72 per cent of advertising revenues of broadcasters will not be subject to neighbouring rights.

Since in this case two-thirds of Canadian radio stations, the government's proposal means paying 13 cents per day in neighbouring rights for performing artists, does the Minister of Canadian Heritage admit that this is clearly insufficient and should be changed along the lines of the ADISQ proposal, for instance?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, when the hon. member opposite was a member of the Conservative Party, for years ministers promised to go ahead with a bill on copyright. None were able to come up with this kind of proposal.

We promised to do so, and we did it. We are now before the committee, which, for the first time, is examining recognition of composers' rights. This is a step in the right direction, a step that

unfortunately was not taken when the hon. member opposite was with the government.

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, if I understood the minister correctly, 13 cents per day is enough. I assume she will give them a flag as a consolation prize.

All creators agree that the exceptions this bill makes for museums, libraries, archives and schools change the nature of copyright by in fact denying them that right.

Will the Minister of Canadian Heritage support the cause of the artists or will she cave in to pressure from users?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I am glad to hear the hon. member mention the flag campaign, because one of his own sovereignist colleagues sent a request for a flag. Even separatists want to fly the Canadian flag.

My second point, and it is an important one, is that several ministers, including Marcel Masse, a former Tory minister and now a separatist, had promised to go ahead with the copyright bill, but they were unable to do so.

Finally, by working together with ADISQ and those who broadcast Canadian music on the radio, we have managed a compromise. It is not perfect. It is being examined in committee, but for the first time, it endorses the principle of copyright for composers, something the Conservatives were unable to do.

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[*English*]

FISHERIES

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, look who is robbing the poor to pay the rich. Devastated fishermen in Atlantic Canada were appalled to learn that the government has siphoned $1.7 million of TAGS money to give to its friends at Bombardier Incorporated.

Can the Minister for Human Resources Development explain to the House and these fishermen how giving $1.7 million of their TAGS money to Bombardier Incorporated, a manufacturing company located in central Canada, is going to help the devastated Atlantic cod fishery?

• (1435)

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 technology partnerships program, under which money was loaned to Bombardier, is a program in which the Government of Canada is committed to increasing awareness in the high tech industries, and improving and expanding employment in this country. This is a program which we intend to pursue.

There have been other announcements, of which the hon. member should be well aware. Last week the minister announced a $9 million program loan to PetroCan in Vancouver. These are matters which improve employment and the high tech industry. It is good for those industries and for all Canadians.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, this was not a loan. The government has disclosed that it made $1.7 million in non-repayable TAGS contributions to Bombardier in 1988 and 1993. There was not a TAGS program in these years. In fact, this Liberal program only came into existence in 1994.

Can the minister explain why $1.7 million in retroactive TAGS payments were made to Bombardier many years before there was actually even a TAGS program?

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 refers to a program between 1988 and 1993. Perhaps he should talk to his friends who were defeated in the last election for an answer to that.

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[*Translation*]

BROADCASTING

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, my question is for the Minister for International Trade.

Yesterday, the Minister of Canadian Heritage told us she had granted a broadcasting license to DMX, an audio programming company, although Canadian and francophone content will represent only 20 per cent and 13 per cent respectively of its programming, well below Canadian content broadcasting requirements.

Since the heritage minister's decision was made in response to pressure exerted by the U.S. Secretary of State for Trade on her Canadian counterpart, will the Minister for International Trade release all the correspondence between them?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, what the hon. member opposite said is totally false.

Mr. Benoît Sauvageau (Terrebonne, BQ): In that case, Mr. Speaker, the Minister of Canadian Heritage will have no problem tabling the letters in this House. We have one from DMX referring to this. Will the minister agree to table the letters?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, as I said last week, the letters are available and they show that Canadian content was raised from 30 to 40 per cent, which represents a 25 per cent

increase. This increase was negotiated through the policies we have put forward because we believe in Canadian culture, unlike the sovereignist members, unfortunately.

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[*English*]

VETERANS

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, my question is for the secretary of state for veterans affairs.

Canada's veterans at the Perly and the Rideau Health Centre are distressed to learn that the Ontario government plans to reduce the level of care at the centre. Since the federal government pays 65 per cent of the bill for looking after our veterans, what steps will it take to ensure that the current level of care continues for Canada's veterans?

Hon. Lawrence MacAulay (Secretary of State (Veterans) (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, my officials are working with the Government of Ontario and the workers at the Perly and the Rideau Health Centre to make sure that the interests of veterans are well protected.

We have an agreement with the province of Ontario to ensure that we have 250 beds in this institution. I fully expect that the province of Ontario will stand behind this commitment.

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● (1440)

BOMBARDIER

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the finance minister never misses an opportunity to boast about stimulating the private sector with low interest rates so they can borrow cheaply. Yet somehow the government feels the need to provide Bombardier with an interest free $87 million loan guaranteed by the Canadian taxpayer.

I had better ask the Deputy Prime Minister this question because of her fiscal management prowess in this country. Why does she feel it is right to dole out an interest free loan to a company that has raked in almost $1.2 billion in government handouts in the last 15 years and which, coincidentally, donated $170,000 to the Liberal Party from 1993 to 1995?

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is interesting that members of the Reform Party refer to this particular loan that was given to Bombardier for $87 million for a project that is well in excess of one third of a billion dollars, and Bombardier is investing the balance of that money.

However, they never mention the investments of the Canadian government in programs such as the TRIUMF program in British Columbia for $167 million, or the tax incentives for the oil industry in Alberta which will amount to 1 million construction jobs and 40,000 permanent jobs. They never refer to those.

We are trying in Canada to simply equalize the whole country in programs.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, what this fellow here does not recognize is the question. The question is about $170,000 given to the Liberal government. Why do they not just make it easy and cut themselves a cheque and do away the companies that are getting these other grants?

Let me get this straight. Bombardier gives the Liberals $170,000, then the Liberals give it back a tax free gift. Right? So how much have the Liberals budgeted next year—

The Speaker: Colleagues, as you know, in question period we give as much room as we possibly can. But I do not know where the member is taking me on this particular preamble. I would ask the hon. member to go directly to his question.

Mr. White (Fraser Valley West): My question is this. Have the Liberals budgeted for how much money they intend to rip the taxpayer off next year when their buddies come knocking at their door?

The Speaker: The question is out of order.

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[*Translation*]

VIETNAM

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, my question is for the Minister for International Cooperation. During an official visit to Asia last week, the Minister for International Cooperation announced an additional grant of $11 million to Vietnam. Once again, the question of human rights has been overshadowed by the government's desire to secure a good position in the Asian market, particularly in Vietnam.

How can the minister justify so much generosity on the part of Canada towards a country which is showing great willingness in its economic reforms, but a sorry lack of interest when it comes to respecting its own promises concerning the respect of basic civil and political rights?

Hon. Don Boudria (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, first of all I am pleased to inform my colleague and this House that I did indeed raise the case of Trân Triêu Quân with the Vietnamese authorities, including the deputy prime minister and the minister of foreign affairs, and that some progress was made.

Second, the member across the way seems to be suggesting that the Canadian government should use economic pressure to resolve the situation of Trân Triêu Quân. I wish to inform the member that

his provincial counterpart in Quebec, the minister responsible for francophonie, refused to make any such promises, and I do not intend to do so either.

● (1445)

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, since the minister has come back from Vietnam empty-handed, can he tell us what he now intends to do to bring about Trân Triêu Quân's release? Does he at least have a strategy in mind, any idea at all?

Hon. Don Boudria (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, I thank my hon. colleague for his supplementary. The government is consulting with Vietnamese authorities further to my meeting last week with the two ministers I mentioned earlier.

We are continuing our talks, and I hope that we will see some progress shortly. We are more optimistic than we were before the meeting, and I hope that the Vietnamese authorities will understand, following my efforts, that Mr. Quân should be released on humanitarian grounds.

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[*English*]

FISHERIES

Mr. John Cummins (Delta, Ref.): Mr. Speaker, the New York *Times* reports that in Alaska large quantities of salmon are being sold for dog food or are being ground up and dumped at sea. Alaska is not alone. Because of this government's mismanagement, B.C. salmon has been sold as pet food and disposed of in landfills.

Can the fisheries minister explain why this happened? Why the waste?

Hon. Fred Mifflin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, no.

Mr. John Cummins (Delta, Ref.): Mr. Speaker, I am not surprised that the minister cannot explain it, but it is curious that the Canadian taxpayer constructed the very spawning channels that the fish died in. They paid big bucks to operate them, and the minister says that he cannot explain it. I guess there is no point in asking a supplementary, is there?

Hon. Fred Mifflin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, yes.

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SMALL BUSINESS

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, companies with fewer than five employees spend 8 per cent of their annual revenue, an average of $10,000 per year, just providing information to the federal government.

What has national revenue done to cut costs for small businesses so they can stay focused on productivity and competitiveness?

Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I would like to thank the hon. member for Lincoln not only for this question but for his very hard and continuous work on the issues of small business.

Yesterday at the start of small business week, the Minister of National Revenue announced a new simplified T4 short form that will significantly reduce compliance costs for small businesses. This will allow small business owners to spend less time filling out tax forms and more time growing their businesses for the benefit of all Canadians.

This is the end product of the work of the small business advisory committee through which Revenue Canada consults small businesses across this country.

The new T4 short form will be mailed out directly to those businesses that have six employees or less. It will also be available at all our tax offices.

This is government working at its best, as it should be.

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[*Translation*]

IRAQ

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is directed to the Minister of Foreign Affairs.

It has been more than six years since the UN ordered an embargo against Iraq, following the invasion of Kuwait. For several months, the UN has been negotiating an agreement with Iraq that would allow this country to trade part of its oil for food and medicine, in order to relieve the suffering of the Iraqi people.

Considering the humanitarian reasons that motivated the oil for food agreement, could the minister inform us of Canada's position on the suspension of the proposed agreement, following the Iraqi incursions into Kurdish territory?

● (1450)

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, we supported the UN resolution, and right now the UN must examine the resolutions concerning Iraq to ensure that the principles of the resolution are honoured by Iraq. Subsequently, I would certainly be glad to continue to support the resolution on humanitarian aid for Iraq.

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, could the minister report on the resumption of negotiations regarding this agreement, especially with respect to the rules to be followed by

the observers responsible for monitoring implementation of the agreement in Iraqi territory?

[*English*]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, when the resolution was passed there were undertakings given by Iraq regarding the accessibility of UN monitors to the country to make sure that any assistance was being properly given to the people of Iraq.

We want to make sure that those kinds of conditions are fully honoured, fully met. We are in full agreement with the basic thrust of the whole UN resolution which is to ensure there is humanitarian aid. We certainly do not want to ensure that aid goes to the Iraqi government which, as we have seen in the past several years, uses it only for mischievous or malevolent purposes.

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VIET NAM

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, earlier this year Quebec businessman Tran Thieu Quan was sentenced to 20 years in prison in Viet Nam.

The Canadian government, after an investigation, is well aware that Mr. Quan is being used as a scapegoat and is a victim of fraud, that his family is suffering from this injustice.

Yet last week, as was mentioned, we find that the Canadian government gave the Viet Nam government $11 million in unconditional foreign aid. The minister's explanation of this would be cold comfort to the Quan family.

My question is for the Minister for International Co-operation. Why would the Canadian government give unconditional foreign aid to the Government of Viet Nam when it continues to perpetrate human rights violations, especially against a Canadian citizen?

Hon. Don Boudria (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, I am sorry that the hon. member is under the mistaken view that the grants were given to the Government of Viet Nam. That is factually incorrect.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Prime Minister on two separate occasions has asked for the release of Mr. Quan. The finance minister has asked for the release of Mr. Quan. The minister says that he is carrying on negotiations in this direction.

Why, if this is the object of the Government of Canada, would it give unconditional foreign aid to a country that is deliberately violating the human rights of a Canadian citizen?

Hon. Don Boudria (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, I guess it bears repeating. The Government of Canada did not give unconditional foreign aid to the Government of Viet Nam, pure and simple. Funds were given to individual projects, to local groups, humanitarian aid, women's groups and for organizing le Sommet de la Francophonie. I hope the hon. member is not against that initiative.

No government funding went to the Government of Viet Nam, period.

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CANADA POST

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is directed to the minister responsible for the post office.

At a time of tragic increases in the number of jobless in Canada, will she admit that just six days after Christmas, the result of her decision on regular ad mail will result in up to 17,000 people losing their jobs, another 1,500 supervisors losing their jobs, that most of these 17,000 people work less than 15 hours a week and therefore are not eligible for EI? The majority are women living below the poverty line.

Is this the minister's idea of a Christmas present to the people who presently work for Canada Post?

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the hon. member's numbers are wrong. I suggest he speak to Canada Post.

That being said, Mr. Radwanski travelled the country. He held hearings across the country. They were supported in correspondence which I received in letters by the thousands.

● (1455)

Canadians have said to us they do not believe that Canada Post should be delivering junk mail. We have listened and we have asked Canada Post to exit from the economy unaddressed ad mail in as compassionate a way as possible.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is a pathetic response to the 17,000 people who are going to lose their jobs six days after Christmas. Is that the best she can do?

If the small business sector is expected to pick up the slack and provide alternative delivery service, will the minister acknowledge that in many cities between 10 per cent and 30 per cent of the households will not receive these distributed pamphlets and so on because they are either dependent on postal mailboxes or mailboxes in apartments? The market will be excluded for perhaps up to 30 per cent of the small business operators?

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, we believe that getting out of the economy unaddressed ad mail is a good move for the private sector. Many small business people will be picking up these jobs. As a matter of fact, there are already ads in some areas in some newspapers for workers so they can be in a position to take over this particular work.

As well, many small community newspapers welcome this move as it will allow them to continue to give good service to their communities.

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AFGHANISTAN

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, my question is for the Minister for International Co-operation and Minister responsible for Francophonie.

Following reports in Afghanistan indicating that human rights are not being respected, especially for women, can the minister indicate to this House what actions Canada is taking to deal with this grave situation in Afghanistan?

Hon. Don Boudria (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, the Canadian government is extremely concerned about human rights not being respected, in particular women's rights, in Afghanistan.

That is why we have suspended all Canadian funds for local initiatives until further notice. The only aid that remains in Afghanistan is humanitarian assistance through the Red Cross and United Nations agencies.

It is our hope that stability will be restored to that part of the world for the good of all people in Afghanistan, in particular the women who are so mistreated by these human rights abuses.

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[*Translation*]

AIR TRANSPORT

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, my question is for the Minister of Transport.

On October 11, the Minister of Transport stated in this House that his government's international air transportation policy is flexible and that the ''use it or lose it'' principle applied only if another airline wanted the route. Otherwise, things would remain unchanged.

Are we to understand from the minister's comments that he had been pressured by Canadian before he took the Prague route away from Air Canada, which would otherwise have kept it, and reassigned it to Canadian last July?

[*English*]

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, the policy that we have with respect to routes to countries such as the Czech Republic is very straightforward. It has been established now for over a year and a half.

The routes are assigned to one of our major airlines and if the airline does not pick up that route and use it within a period of 365 days it is reassigned to the back-up or supplementary carrier, the secondary carrier. This is a well established procedure.

The minister is concerned about pressure. There is no pressure whatsoever from Canadian because it is essentially an automatic procedure. The only area where there might be some concern is whether we issue a letter to the first carrier at the end of the first year or whether we wait some time, and the normal process is to within a reasonable time send out that letter.

In the case of Prague I believe the letter was sent out some two months after the one year period expired.

* * *

FLAG PROGRAM

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I have in hand a letter from a gentleman in Peterborough, Ontario wherein he returns the flag that the minister sent to him. As a matter of fact, he says: ''A strange thing about this flag is that we never made a request for the flag. What I have done is, I have written many MPs, including the minister, whom I may say never replied''. Apparently she did reply by sending him the flag. He says: ''I am sick and tired of the arrogance and waste of this Liberal government. I am tired of being misled''.

• (1500)

My question, very simply, is the same one that I will continue to ask until I get the answer. Is this flag program being financed from the TV production fund, yes or no?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I can tell the hon. member, if he is truly interested in the concerns of the people of Peterborough, that the member for Peterborough informs me that the people of Peterborough have replied in record numbers, calling his office and seeking flags.

I would point out that constituent Mary Wurmbach of the riding of Simcoe Centre went to her member of Parliament with a request from nine members of the Reform Party for flags, and was basically told by her member's office to go fly a kite.

Some hon. members: Shame.

Ms. Copps: As a result, Mary Wurmbach is asking the member for Simcoe Centre why he is not doing his job for the nine members of the Reform Party in his riding who wanted flags.

* * *

PRESENCE IN THE GALLERY

The Speaker: Colleagues, I would like to draw to your attention the presence in the gallery of the Hon. Justice Daniel Annan, my brother Speaker of the Parliament of the Republic of Ghana.

Some hon. members: Hear, hear.

* * *

THE LATE JAMES W. BOURQUE

Hon. Ethel Blondin-Andrew (Secretary of State (Training and Youth), Lib.): Mr. Speaker, I stand in the House today to honour the work and life of Mr. James W. Bourque who died suddenly in Ottawa on Saturday. It is a great loss for the north and many others across the country and around the world.

Mr. Bourque was a tireless aboriginal activist whose commitment to his family and to his community were paramount. Mr. Bourque was a most respected, honest, hard working and committed individual.

Appointed to the privy council in 1992, Mr. Bourque was born in Wandering River, Alberta, and learned at an early age the traditions and cultures of his Cree background to which he remained faithful throughout his life.

His sense of duty and contribution to his community came at an early age. He was elected president of the local hunters and trappers association in Port Chipewyan when he was 18. He went on to work as a park warden in Wood Buffalo National Park between 1955 and 1963.

• (1505)

This man deserved the attention of all Canadians, including those in the House of Commons who serve with us every day. He served as the president of the Metis Association of the Northwest Territories from 1980 to 1982, was deputy minister of renewable resources for the Government of the Northwest Territories from 1982 to 1991 and chairman for the commission for constitutional development until 1992.

Mr. Bourque was a vocal spokesman for the aboriginal people and the environment. In 1984 he founded the Fur Institute of Canada where he served as the chairman for four years. He was also named co-director of policy for the Royal Commission on Aboriginal People in 1994. Most recently Mr. Bourque was working with the Museum of Nature in its development of the centre for traditional knowledge.

In the words of Premier Don Morin who represents the Northwest Territories:

> This is a great loss for myself personally and for all northerners. Jim worked hard on behalf of all the people in the north. He was honest, well liked and well respected. Everyone knew him as a fair man who believed in the rights of all people, who treated everyone with respect, from trappers to world leaders, and who had a deep love of his family.

Our deepest condolences and regrets are sent to his wife Sharleen, his children Arthur, Valerie and Edwin as well as to his grandchildren. Mr. Bourque left behind a legacy of respect, sharing, commitment and responsibility. He will be missed by all who knew him.

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, as the Bloc critic on Indian affairs, I wish to express our most sincere condolences to the family and friends of James Bourque, who passed away last Saturday in Ottawa at the age of 60.

Mr. Bourque was very active in native circles. His political career started very early. At the age of 18, he became president of the hunting and fishing club in Fort Chipewyan, Alberta. He then served as president of the Metis Association of the Northwest Territories, as Deputy Minister of Natural Resources for the Government of the Northwest Territories, and as chairman of the Northwest Territories' Commission for Constitutional Development.

In 1984, he founded the Fur Institute of Canada where he served as chairman for four years. Mr. Bourque also performed important functions within the native community of the Northwest Territories.

[*English*]

One of his friends said: ''Jim often expressed that his role as an elder was to keep cultural fires burning bright''. I think that statement summarizes this person well. Aboriginal peoples and environmentalists of Canada lose a great friend.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I rise today on behalf of the Reform Party to pay tribute to James Bourque and to give our respects and condolences to his family.

As was stated by our colleagues, Mr. Bourque was a well known aboriginal leader from the Northwest Territories. His heritage is truly Canadian. He was of both Cree and Ukrainian descent, but he devoted his life to Canada and to the betterment of all its people.

All too often in life, public service goes unrecognized. Mr. Bourque gave a great deal of his life to the service of his country and for this effort we thank him. We encourage others, especially young people, to follow in his footsteps.

We are looking forward to receiving the work that he has done with the commission on aboriginal affairs which we expect to be tabled in the House later this year.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, on behalf of my colleague, the hon. member for Sherbrooke and the Progressive Conservative Party of Canada, I would like to extend our heartfelt thoughts and prayers to the family of the Hon. James Bourque.

Unfortunately I did not have the privilege to know Mr. Bourque personally but from listening to the hon. member for Western Arctic that is definitely my loss.

When I sat on the Citizen's Forum on Canada's Future representing Atlantic Canada I had the opportunity to travel the country and meet many of our aboriginal people. They are beautiful and we owe them a great deal.

● (1510)

Mr. Bourque was a well respected man. He served as president of the Northwest Territories Metis Nations from 1980 to 1982. His commitment to and leadership of the aboriginal community was a driving force which will be missed by all those who had the opportunity to work with him.

Mr. Bourque has left behind a distinguished record of public service. He was named co-director of the policy for the Royal Commission on Aboriginal Peoples in 1994 and was appointed to the Privy Council in July 1992 by the Progressive Conservative government. Mr. Bourque served this country well and his record stands as a shining example for us all.

I would like to extend the sincere condolences of the Progressive Conservative Party to Mr. Bourque's family, his wife Sharleen, his three children, Arthur, Valerie and Edwin, and his grandchildren. His loss will be deeply felt by all Canadians.

THE ROYAL ASSENT

[*Translation*]

The Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa,

October 22, 1996

Sir,

I have the honour to inform you that the Hon. Peter dec. Cory, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 22nd day of October, 1996, at 4.15 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Anthony P. Smyth
Deputy Secretary
Policy, Program and Protocol

GOVERNMENT ORDERS

[*English*]

MANGANESE-BASED FUEL ADDITIVES ACT

The House resumed 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 of the amendment.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, Bill C-29 should have a subtitle ''this is the bill that time forgot''. It seems we have been debating this bill forever. This may be the first bill I ever spoke on. It has been going on and on. It is kind of like that bunny on television, it just keeps going and going.

I am not sure what has happened except that there have been some interesting developments over the course of time. It is an opposition's duty to reveal the weaknesses of a bill and to see exactly how the ministers' arguments have unravelled when it comes to the reasons for bringing the MMT issue to the floor in the first place.

Let me recap for a moment. Bill C-29 is a bill to ban the importation and interprovincial trade of MMT. MMT is a chemical that has become the substance of much controversy in Canada and to a lesser extent in the United States. It is a chemical added to unleaded gasoline to increase its octane.

The makers of MMT argue that it makes engines more efficient. But in juxtaposition, the auto giants want Canada to stop using MMT because they say that it harms their onboard diagnostic systems in new cars.

That is the essence of the argument. The minister has decided to ban the importation of MMT into Canada.

● (1515)

The American courts on April 14, 1995—and we warned them that this was coming—ordered the Environmental Protection Agency to grant a temporary waiver of its ban on MMT to the private company that wants to market it again. The U.S. Court of Appeals came out in favour of MMT once again. We hear that the Environmental Protection Agency is not going to appeal the latest ruling. In other words, the Environmental Protection Agency, a very stringent agency with standards as high as one could want, is not going to appeal the ruling that allows MMT. MMT is now allowed in the United States.

In December 1994 Health Canada published a study which said that there is no health risk from MMT. That is why the minister cannot ban the substance. In order to ban it, it has to be proven to be unhealthy. Regardless of what the chairman of the environment committee might have said in the House just before question

period, Health Canada published a study saying that there is no health risk from MMT.

Even more ironic is that the new substance which will replace MMT is also known to cause increased pollution. Even while MMT is determined to be safe by Health Canada, the banning of MMT, Environment Canada itself says will increase nitrogen oxide emissions by a full 20 per cent. It is no wonder that this bill has been batting around the House of Commons now for a couple of years. The minister has not been able to supply to the House the reasons that this substance is being banned.

It is the Reform Party's belief that we ought to make decisions of this type based on pure science, on rational logical arguments rather than on silly political considerations. That is why we continue to protest the government's trying to push this bill through. If the truth be known, I think it is why the government has been reluctant to push it too.

The government could have pushed this through. It could have passed it long ago, but there is a little niggling doubt about whether or not the government is doing the right thing. That is why the bill has been around for so long.

It is symbolic at least to me that this bill was introduced by the Minister of Canadian Heritage, one of the more political ministers in this House. Way back when she was Minister of the Environment, she brought this bill in.

This is the same minister who seems to get up in the morning with a plan of the week national unity strategy, who seems to get up and scratch on the back of a breakfast napkin in the parliamentary restaurant regarding how we are going to hold Canada together. She comes up with flag programs, with the Canadian propaganda office and so on.

This bill is opposed by people even within her own cabinet. The Minister for International Trade said that an import prohibition on MMT would be inconsistent with Canada's obligations under the WTO and the NAFTA. He said that Canada may also be susceptible to an investor state challenge under Chapter 11 of the NAFTA. That is from her own colleague, a minister, a warning to her.

Nothing but the heavy hand of party discipline has kept this thing chugging along through the Liberal benches. They keep pushing this through and I can hardly believe why.

To quickly recap, when the Minister of Canadian Heritage was the Minister of the Environment, three personal kerfuffles before her present position, she cited case after case that this study says that MMT is bad for the environment, and another one and another one. I stood at the end of the speech and asked the hon. minister to please table those reports in the House. This is the reason, right? It is bad for the environment. It is going to cause all kinds of death, destruction, havoc and what have you.

I asked her to table the studies in the House. The answer was no, that they were private studies. The private studies were done by whom? By the automotive industry, which happens to be heavily concentrated in her neck of the woods.

We said to the government not to believe Ethyl Corp. if it does not want to, and not to believe the auto giants because they have a vested interest. We asked the government to commission a neutral study to determine the effects that MMT has on onboard diagnostic computers.

● (1520)

Ethyl Corporation says it has done tests. It has a test to slap down here which says MMT does not harm the computers. The auto giants say it does harm the computers. Of course both sides have a vested interest.

We say throw all those reports out. Let us have a neutral body, some research facility, either government owned or government commissioned, to study whether it has any negative effect on the environment. That would put the thing to rest for me. Let us get the scientific proof, not the political shenanigans, once and for all get it out on the table and we will know whether or not this stuff is harmful to the environment or to the computers.

The government will not do that. What does it do? It continues to ban the substance for import and export, interprovincial trade and so on. Yet it has no independent scientific proof that it does any harm.

Just before the break, the chairman of the environment committee mentioned that there is no real opposition to banning this in Canada, that it is strictly from one giant U.S. based corporation and that is the only reason there is any opposition to this. I have not seen those particular people here in the House of Commons speaking against it, but he says that is the only opposition. Let me read a few quotes from some of the other people who have raised the red flag over this.

The premier of Alberta states: ''Banning MMT is likely to increase, not decrease emissions and Bill C-29 will cost refiners in western Canada alone approximately $100 million in capital investment and an ongoing annual cost of $15 million''. For Bombardier that is not a big deal. It can get a no interest loan, donate a little to the Liberal Party, get $87 million to $100 million in loans, $1 billion plus in loans over the last 10 years, it is no big deal. But for western Canadian refiners they are saying this is going to be a cost of $100 million and as the premier says, it will not decrease the emissions.

Ty Lund, the Alberta minister of the environment, states: ''There is no indication and there is no scientific backing to suggest that there would be an improvement in the environment by banning

MMT. As a matter of fact, there is a risk''. Of course, that is just a guy from the west. What would he know anyway? I am sure the minister would say yes, but there are all these vested interests again.

Let me quote Vaughn Blaney, the former New Brunswick minister of the environment, an easterner: ''Health Canada advises that there is no health related reason to restrict the use of MMT. Environment Canada advises that in fact they are not able to regulate the compound as being deleterious to the environment''. In other words, it is outside their purview. There is no reason to ban it.

Of course, that is an easterner and a westerner. How about somebody from the middle of the country? How about the Saskatchewan minister of the environment, Bernhold Weins? As far as I know, Bernhold Weins being a member of the NDP government is not a close associate of mine. I will just quote what he said as someone from middle Canada: ''In our view the scientific data on MMT does not indicate a net environmental gain will result from the passage of this legislation''. But of course that is the NDP.

We have had Conservatives, NDP, people in the east and people in the west. But this is probably a national unity issue so let us quote somebody from Quebec. François Gendron, former Quebec minister of natural resources, said: ''The use of MMT even provides some benefits''. We are making progress. ''In fact it does reduce nitrogen oxide emissions which are ozone precursors''. In other words, the minister from Quebec says that MMT is not just neutral, it may even be beneficial to the environment.

Guy Chevrette, the current Quebec minister of state for natural resources, states: ''It appears that the use of MMT could provide some benefits to the environment. The bill will have a major impact on the competitiveness of Quebec refineries''.

Alberta refineries are saying it is $100 million, Quebec refineries as well. In other words, this is not a national unity issue at all. It happens to be a common sense scientific problem and the government for some reason, and I am perplexed as to why, has decided to avoid the logic, the scientific arguments and has decided to press ahead with this. I just do not understand it. Unless there are some political considerations in here I do not know why this is proceeding. That is all those governments and who knows what they know.

• (1525)

Health Canada is a fairly neutral body as far as I know. Health Canada said: ''Airborne manganese resulting from the combustion of MMT in gasoline powered vehicles is not entering the Canadian environment in quantities or under conditions that may constitute a health risk''. Health Canada, a neutral body, is saying this is not an issue.

The chief monitoring and criteria division of Health Canada said: ''All analysis indicates that the combustion products of MMT in gasoline do not represent an added health risk to the Canadian population''. How much more does the government need? The U.S. Environment Protection Agency said: ''MMT will not cause or contribute to the failure of any emission control device or system''.

We could do a similar study in Canada if that is what the government would like. I am willing to support that but the government will not do it. It is going to push this through apparently.

The board of trade of metropolitan Montreal said it is going to hurt jobs, it is going to hurt Canadians. A Toronto *Star* editorial said: ''Ottawa ought to watch and wait, not legislate'', a nice little rhyming conclusion.

I wish the minister would reconsider his position, listen to his cabinet colleagues and others in the House who have said and proven time and again that this is a lousy piece of legislation for ill considered political gain.

The Speaker: Is the House ready for the question?

Some hon. members: Question.

The Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Call in the members.

And the bells having rung:

The Speaker: The vote is deferred until tomorrow at the end of Government Orders.

* * *

[*Translation*]

ADMINISTRATIVE TRIBUNALS (REMEDIAL AND DISCIPLINARY MEASURES) ACT

The House resumed from October 21, consideration of the motion that Bill C-49, an act to authorize remedial and disciplinary measures in relation to members of certain administrative tribunals, to reorganize and dissolve certain federal agencies and to make consequential amendments to other Acts, be read the second time and referred to the Standing Committee on Government Operations; and the amendment.

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I am pleased to take part in the debate on Bill C-49, an act to authorize remedial and disciplinary measures in relation to members of certain administrative tribunals, to reorganize and dissolve certain federal agencies and to make consequential amendments to other Acts. Some title!

• (1530)

You will agree that with sentences that long, without a single comma, we have no idea what this bill is supposed to do. Let us try to wade through all this verbiage and see what it all means. We are told that the proposed amendments have the effect of abolishing 271 positions to which appointments are made by the governor in council. This is absolutely ridiculous. The 261 positions mentioned are now vacant. There is no one filling those positions. There is no money to be saved. This is a lot of smoke and mirrors, nothing else.

People often forget that administrative tribunals are above all a court of first resort for the citizen, one of the initial levels where citizens can be heard. We have, for instance, the Employment Insurance Tribunal. If a citizen is dissatisfied with a decision made by a public servant, he can go before an arbitration board before filing an appeal at any other legal level.

There are a host of administrative tribunals that are creatures of the federal government. This bill confirms that many of them are useless, since the government proposes their outright abolition. Others will simply be reorganized, while the majority will not be affected.

So this bill does not cover all administrative tribunals. The government is just giving us a sample. This is not a thorough reform, nor is it an in-depth study of each tribunal.

If the government wants to preserve these administrative tribunals, as is the case here, it should have arranged for these authorities to play a real role. For instance, the Quebec government is also making an inventory of its arbitration boards and its administrative boards, but it is asking the real questions. The real questions are not being asked here, in other words, the independence and impartiality of judges and tribunals. Is the government asking these questions?

Certainly not. The present government prefers to hide its head in the sand instead of asking the real questions. Are the people in these positions really independent? That is one of the questions that keeps coming up in connection with the appointment of the people who sit on these tribunals. I will get back to that later on.

• (1535)

The bill creates a new mechanism to remove from office people sitting on these tribunals. This is a good thing. It is about time the government realizes that some people it has appointed are simply unfit to sit on an administrative tribunal.

In fact, in a report on the future and mandate of the Canada Post Corporation recently tabled here in the House, under recommandation 28, the author said that the government should only appoint to the board of the Canada Post Corporation people having the necessary expertise and wherewithal to manage a company of that size.

This confirms that political appointments— there are close to 2,000 of them—are not suitable since the appointees are creatures of the government. They are being rewarded for services rendered.

With this bill, the government is establishing a process allowing the chair of an administrative tribunal to ask the minister in charge whether any member of the tribunal should be subject to remedial or disciplinary measures. Of course, this can only be done on grounds such as infirmity, misconduct, failure to properly execute the office, and incompatibility.

We are led to believe that an in-depth inquiry will be held. But we are fully aware that once again it is the minister who will decide. We always go back to the same issue, because it all boils done to this: the independence and impartiality of decision-makers or lack thereof. How can these tribunals be impartial when already the question of appointments is creating a problem? It is having repercussions within the board.

A new provision of this bill also proposes a standard procedure for the appointment of chairpersons of administrative tribunals. It says that, from now on, chairpersons will be designated and not appointed.

Can someone in this House tell me the difference? This is only a charade, smoke and mirrors, pure and simple. Once again this will undermine the credibility of all administrative tribunals. In other words, administrative tribunals are patronage heaven. As the elders in my region used to say, they are «patronage heaven». We could have carried out a true reform of these tribunals or at least of the way they operate.

• (1540)

It is of the utmost importance that these bodies be at arm's length with the government. They are not. These tribunals must absolutely be totally independent from the government. How can that be when they are appointed by the government? We have to admit that these appointments serve as rewards for friends of the government.

You only have to look at the last *Hill times*; you will find a full half-page, in very small print, of Liberal patronage designations or appointments, whichever way you chose to call them, a list of

members of the Liberal Party who now hold positions everywhere, in the Senate, MP offices and administrative tribunals. The list goes on and on.

Of course, when someone pays $1,000, $1,200 and up to $3,000 to attend a political event or dinner, one expects at one point, whether they be lobbyists or others, to get something in return. Are these famous administrative tribunals not a way to get something in return?

When these people must take major decisions that would embarrass the government—let us recall the last bill that was discussed earlier—might they not be tempted to go back, to step backwards, because they would have this sword of Damocles over their heads, which could bring about their removal from office?

These people might also be reluctant to develop a case law that would be favourable, for instance, to a particular citizen and, in taking this decision, they could penalize the government. In this structure, in this whole hierarchy, it is not easy for the ordinary individual to finally be heard.

Consequently, it is a measure that ensures the members of an administrative tribunal would be much more inclined to thank whomever appointed them. Of course, if someone embarrasses the government, he will be fired. Let us remember the maxim that says: ''Do not bite the hand that feeds you.'' I think it applies in this case.

The government is going the wrong way with its Bill C-49, because it simply refuses to deal with the thrust of the matter, which is the appointment of people. The government must stop making appointments once for all. I am puzzled at the favouritism it is showing. When I was elected in 1993, some of my constituents came to tell me how there was favouritism in the appointment of some administrative tribunals. Since we were under the Conservative government, we saw a number of heads roll afterwards. They were rolling all over the place and in all the ridings ofof Quebec.

• (1545)

Changes were even made to mandates, as in proceedings before the Federal Court for instance. There were changes in counsel, changes in government, changes in the make-up of administrative tribunals. That is what parliamentary life is all about. Do not come and tell me that there is no connection between those in power and these individuals. As I said and as we know full well, these appointments are made to reward the friends of the government. There are several examples of this.

New returning officers were just appointed by Elections Canada in the various ridings. Just by chance, a former Liberal member was appointed in my riding. What a coincidence. No one will have me believe that this person will be able to remain totally impartial in the performance of his duties.

Looking at other appointments in neighbouring ridings, I realized that the same thing happened there. They have appointed all over the place Liberal candidates defeated in the last election, and God knows there were many Liberal candidates defeated in Quebec. Just take a look at *The Hill Times*. We would have to be blind not to see that these people will not be able to carry out their duties with all due impartiality.

There is another concern, which we have experienced in this place as a matter of fact. The House will recall how those in charge of taking the census were appointed recently. That was done just recently. The government simply interfered with the process at Statistics Canada by sending its priority list. Do not come and tell me that the purpose of Bill C-49 is a sound reform of administrative tribunals. Patronage is the Liberal government's trademark, but we must not think that the Conservatives are any better. Nothing changes, except the patronage appointees, when one government goes out and a new one comes in.

With this bill, the government retains control over all appointments. This kind of flies in the face of the basic principles of democracy, which are usually the impartiality and independence of administrative tribunals. One could naturally question the legitimacy of certain tribunals. I will address it later or another member of my party will complete my remarks.

Since you are signalling that I have two minutes left, Mr. Speaker, let me just say that I believe this bill should be defeated without further ado. I request the unanimous consent of the House for tabling the following motion:

> That Bill C-49, an act to authorize remedial and disciplinary measures in relation to members of certain administrative tribunals, to reorganize and dissolve certain federal agencies and to make consequential amendments to other acts, having been passed by the Liberal majority of this House at second reading, be referred to every standing committee of the House of Commons dealing with an administrative tribunal covered by the bill.

• (1550)

[*English*]

The Speaker: Does the hon. member have the consent of the House to propose the motion?

Some hon. members: No.

[*Translation*]

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I am pleased to take part in the debate on the bill dealing with government organization.

Most of you know that this bill introduces the amendments announced in the second phase of the agency review, which deal primarily with governor in council appointments to government agencies and boards, and with the salaries paid to appointees.

These amendments will create a more effective and efficient system, streamline activities and increase accountability. This omnibus bill stems from the government's commitment to streamline its administration, to ensure that the existence of federal organizations other than the departments is still justified, and that their activities, structures and resources remain appropriate.

In other words, as was pointed out earlier, these measures reflect the commitment made by the state to provide Canadians with a good government. In my opinion, the large support enjoyed by this bill shows how important it is to amend relevant legislative provisions.

Let us take a look at its impact. The bill abolishes seven organizations which, after an in-depth review and consultation, were deemed no longer justified, while restructuring 13 others. In total, 271 positions filled by governor in council appointments will be eliminated which, contrary to what the hon. member who just spoke said, will result in savings of close to $3 billion. These savings are in addition to the ones that will result from Bill C-65 and the administrative measures taken following the two phases of the agency review. In total, Canadian taxpayers will save at least $10 million, thanks to these initiatives.

Just as important is the fact that the bill standardizes the appointment criteria for six organizations, as well as the level of accountability.

[*English*]

Allow me to turn now to the specific effects within the solicitor general's ministry. The legislation proposed by this bill will affect three specific areas, the National Parole Board, the external review committee of the RCMP, and the RCMP public complaints commission.

The National Parole Board, as members know, is a significant component of our Canadian criminal justice system. It is responsible for making decisions about the timing and conditions of release in a manner that contributes to the long term protection of society.

Experience has shown that gradual controlled re-entry of offenders into the community works well for the majority of offenders. In addition, conditional release minimizes the cost of the criminal justice system as the approximate costs of incarceration are in excess of $46,000 compared to the costs of supervision in the community of approximately $9,000.

The second organization that will be affected by this proposal is the RCMP external review committee. This is a quasi-judicial body which reviews appeals of formal discipline, appeals of discharge or demotion and certain types of grievances involving regular and civilian members of the RCMP.

The committee has over the last three years undertaken several initiatives which have resulted in a significant downsizing. This restructuring, in addition to the measures now being proposed, should further streamline the committee's organization.

As for the RCMP's public complaints commission, this was created in 1986 to review complaints from the public concerning the conduct of members of the RCMP in the performance of their duties.

The commission must ensure that individual members of the public have their complaints dealt with in a fair and impartial manner, and that the RCMP members against whom allegations are made are treated with fairness and objectivity. The legislation that is now before us will put into place needed reforms to make each of these three agencies more flexible and effective.

• (1555)

I would like to remind my colleagues of the important changes which are being proposed. In addition, in relationship to the National Parole Board, the Corrections and Conditional Release Act will be amended to remove the ceiling on the number of National Parole Board members so the government can appoint more full time members instead of part time members. The result in this change will be an overall reduction in the number of individuals appointed as board members, resulting once again in cost and efficiency savings.

In addition, the quality of decision making will be enhanced as board members will have more opportunities to use their experience, knowledge, skills and training.

[*Translation*]

In addition, the Corrections and Conditional Release Act will be amended so that board members will hold office for a maximum of five rather than ten years, as is now the case, and may be re-appointed for a further five years. This amendment will bring the board into line with other agencies and boards and will allow it to renew the mandate of experienced and competent full-time board members.

Given the importance of decision making and of the fundamental principle according to which the protection of society is the determining criterion in all cases, the act will drop any reference to an office of the board, giving the National Parole Board greater flexibility concerning the composition of such an office and its functions.

With respect to the RCMP external review committee, the position of vice-chairman has been dropped and the size of the committee reduced from five to three members. The proposed amendments were considered very carefully and will allow the committee to continue to carry out its mandate satisfactorily.

Similar changes were made to the RCMP public complaints commission. In the bill, the position of vice-chairman has been dropped and the number of members reduced from 29 to 15. This will not in any way, however, hamper the commission's effective-

ness. Instead, these amendments will improve management of the agency and resolve the issue of accountability.

I would like to point out that the present government promised Canadians that it would reorganize government agencies and boards so that they could operate as effectively and efficiently as possible. These initiatives, which are part of our promise to manage the public's money better will mean that government commissions, agencies and advisory boards have the resources necessary to operate properly.

This bill is another of the key elements this government is using to try to improve the integrity of institutions and to increase accountability to all Canadians.

As you know, the department of the solicitor general is also prepared to do its part and is looking for more efficient and effective methods of operation. In order to achieve this, it is reducing the size of certain agencies and rationalizing activities so as to better respond to the challenges it must now face and to provide better service and be better prepared for the pressures to come in the years ahead.

The solicitor general is pleased to contribute to the reform of legislative provisions regarding governor in council appointments to government agencies, commissions, and advisory boards as well as the remuneration of such persons.

I am certain that all members recognize the importance of the changes proposed in the government organization bill. In conclusion, I hope that we will be able to count on the support of all members in the House to pass this bill as quickly as possible.

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I listened with great interest to the speech given by my brilliant colleague, the hon. member for Vaudreuil. I find him very optimistic. I notice however—

An hon. member: Are you making a comment?

Mr. Lebel: Did you say: ''Resuming debate''?

The Speaker: This is debate.

• (1600)

Mr. Lebel: Mr. Speaker, for the benefit of the hon. member for Vaudreuil, who seems not to have heard, I reiterate that he portrays Bill C-49 as the greatest thing since sliced bread. This is far from being the case.

As we can see, the hon. member for Vaudreuil, too, may benefit from bills like this one after the next election, because he will lose the only city in his riding where he received a majority of votes, so that the next member for Vaudreuil may well be a Bloc member.

The current member for Vaudreuil, too, will have to stand in line in front of the Prime Minister's office, and he will probably be appointed to an administrative tribunal, as suggested in Bill C-49. I think the hon. member for Vaudreuil has all the qualities required to do a good partisan job as a member of an administrative tribunal. I am not denying his skills and abilities.

But let us get back to serious matters. In his 10-minute speech on Bill C-49, the hon. member for Vaudreuil was very careful, and with good reason, not to refer to clauses 1 through 13, preferring to focus on the reorganization of administrative tribunals, which may be dissolved, merged or combined. I agree with this. If some of our administrative tribunals are ineffective, inefficient or obsolete, the government's first responsibility is to abolish them.

Except that the bill is much more vicious. This is not the real purpose of the bill. One just has to look at the calendar to understand why the bill was introduced in this House. Let me explain: the Conservatives were defeated on October 25, 1993. During that last month, in October 1993, they proceeded to make hundreds of partisan appointments. Just imagine the worst: they did it. It is true. They appointed about 500 people to various administrative committees.

But if we take a look at the list of Liberal candidates who were defeated in the 1993 election in Quebec, and there were a lot of them, we see that the Liberal Party always rewards its friends. It always manages to find a place for them somewhere.

That is what Bill C-49 does, because the Conservatives in many cases appointed their Conservative friends for five years, which means from October 1, 1993 until October 1, 1998, and thus outmanoeuvred the Liberals. In other words, the Liberals will have been in power for four years and a few months before the mandate of these people appointed by the Conservatives expires. So they have to find a way to get them out and appoint Liberals instead, and that is the role of Bill C-49. Through you, Mr. Speaker, I wish you would say this to the hon. member for Vaudreuil.

Of course, I never saw a government come here and say: ''I am going to do some patronage, some favouritism, that is the purpose of my intervention''. Of course not. It is always about the government's effectiveness and about restoring fairness and equity. It is like the ministers of finance. I never saw a minister of finance, although I am certainly old enough, come here and say: ''My budget is not worth a damn. It is just garbage. Just throw it in the garbage, it is not worth a damn''. They always presented the budget as though it were the best thing in the world, but all these goodies, and I have been following this for the past 35 years have led to a deficit of more than $600 billion.

Bill C-49 makes no difference. It does exactly what has always been done in this Parliament, in the name of equity and justice. But

that is not what it is all about. The Liberal philosophy is not as noble as all that. It is about rewarding our friends, about not abandoning friends who will have the courage to run in the next election and be defeated as we can expect to see happening in Quebec very shortly.

● (1605)

They are actually achieving the dream of tendentious legislation. This is extraordinary. I must admit that in this regard you have something to teach me and all other Bloc members.

Look at the first clauses, which the member for Vaudreuil refuses to debate, preferring to linger over cuts made here and there, the outdated administrative courts no longer necessary. Look at the essence of this bill. This bill actually contains 14 clauses, and not the 300 the member for Vaudreuil wants us to believe.

Those 14 clauses have repercussions on existing administrative courts. Take the CRTC, for example. If only we had had Bill C-49 when the minister of industry overturned the decisions of the CRTC regarding Power DirecTv, but the minister regretted he did not have this bill. If this bill had been in force, instead of having to bear the unbearable and having to overturn the decision of the CRTC, the minister could have simply fired the chairman of the CRTC. He could have asked the new chairman to review this decision. The minister did not do that. He could not, so he had to bear this odious decision and to take a decision which the public completely misunderstood. I can see why. Even we in this Chamber have still not understood it.

Let's take for example, clause 5. It says that ''The Chairperson of an administrative tribunal may request the Minister—not a judge of a superior court—the Minister. Of course, if the Minister is looking for favours, he must have the upper hand. Therefore, the request is made to the Minister.

> 5. The Chairperson of an administrative tribunal may request the Minister to decide whether any member should be subject to remedial or disciplinary measures for any reason set out in paragraphs 13(2)(*a*) to (*d*).

It is not difficult to understand, paragraphs 13(2)(*a*) to (*d*) read as follows:

> (*a*)has become incapacitated from the proper execution of that office—
>
> (*b*)has been guilty of misconduct;
>
> (*c*)has failed in the proper execution of that office;
>
> (*d*) has been placed, by conduct or otherwise, in a position that is incompatible—

This is beautiful: incompatible. Remember this, Madam Speaker, you or the member for Vaudreuil can understand what incompatible means.

Anyway, the request is made to the minister, who is told: ''There is on the committee a member whom we do not particularly like. First, he is not a true Liberal.'' This is already incompatible. He was probably appointed by a previous government. Automatically, he is incompatible for the very reason that he is not a Liberal.

The Minister is requested to do something about it.

Mr. Discepola: Like Mr. Drouin, from Hydro-Québec.

Mr. Lebel: I let the member for Vaudreuil speak when he had the floor. I did not interrupt, and I would ask him, through you, Madam Speaker, to return the favour.

Mr. Discepola: It will be my pleasure, Madam Speaker.

Mr. Lebel: Then, a request is submitted to the minister from a good Liberal sitting on the same committee. You can imagine any committee in this case. The government has decided to beseige administrative tribunals. The minister will refer the case to a judge of the Superior Court, who will determine if the case is worth it. But the minister may even do something as soon as he receives the request. Even before he submits the case to a judge, he could ''obtain [. . .]in an expeditious manner''.

This is quite something. To go as far as to take advantage of its majority in the House to slip words like ''expeditious'' in a bill, the government must be bold. In fact, it must have lost all sense of decency.

Nothing can stop it. ''—obtain, in an informal and expeditious manner, any information—'' means that the job of a guy is at stake and the minister may act ''in an informal and expeditious manner''. He may oust a guy who may carry on his duties in an able and honourable way, except for the fact that he does not think the same way as the minister.

● (1610)

He may also refer the case to mediation, which would be quite similar to what the minister of defence—I was about to say the minister of war. It was not so bad as a name, ''minister of war'', because it is more or less what he is doing now—the minister of defence referred the case to mediation. How? He mediated with Jean Boyle and, apparently, we ended up with a bill of half a million dollars, which means we can as well just forget about it, the guy simply lost his job. In such a case the minister can negotiate the leave in order to appoint a friend because two cannot sit on the same chair.

> 6(*c*) request of the Governor in Council that an inquiry be held under section 7;

or, at the next paragraph:

> (*d*) advise the Chairperson that the Minister considers that it is not necessary to take further measures under this Act.

Paragraph (*d*) may be interpreted as saying to a member of an administrative tribunal criticizing a colleague before the Minister: ''No, no, you are wrong, this is a good Liberal just like us. We will keep him. Do not touch him''. They are keeping that road open, because even between themselves they do not always recognize each other, they do not always know who is who and what they are

doing. Therefore the Minister is wise enough to reserve that way out. What if someone comes to report a good friend of his, he does not want to be stuck, he is not foolish enough to do that.

On the other hand, if the member being denounced is a Tory or a Reform member, or, very improbably, a Bloc member, then of course it will no holds barred. They will stick it to him; his case will be brought before a higher court judge, probably a good friend of the party, like the judge recently appointed in Alberta, a Liberal, Justice Gerald Allbright. This is exactly the type of person whom such a case would be referred to because he has a Liberal background. I do not doubt his integrity, I would say that one would trust this judge, he would do the dirty work and get rid of the administrative tribunal member.

Now, you are going to ask who is going to get rid of the chairperson of an administrative tribunal, since the chairperson is the one who blows the whistle on the members. Who can blow the whistle on the chairperson? A member does not have the power to do so. The minister, who is not crazy, has understood all this. He has made it his business to appoint a chairperson who will side with him, decide for him, agree with him. In other words, a chairperson who will not abide by the ethics rules of the administrative tribunal.

This will be to the glory of the minister, who will be able to remove from office a chairperson appointed by the former Prime Minister, to appoint his own. Should there be an electoral defeat, he wants to be able to fill positions with his chums. The issue of contracts has been dealt with. The opposition is on the look-out. There are still some contracts without tender, but in fewer numbers. The government can no longer say: ''Here is the purse, run with it''. We are in the hole, we have had it up to here with the deficit. What it is saying is: ''I cannot give you too big a reward, but at least I will give you a little job. You will have it for five years and, with luck, we might be able to renew your mandate two or three times. You will not have to work too hard and you will have a nice pension. But never cross me''. This is what perverts administrative tribunals.

In Quebec, we have looked into this problem, which is common place throughout Canada. I will tell you what I know from personal experience with the Commission de protection du territoire agricole, for instance. One thing leading to another, the Commission de protection du territoire agricole reached a point where it was having to defend the Quebec act to preserve agricultural land. It was acting as a defender of the act, as if it had passed it itself. The situation was rectified, sure, but the danger remains that an administrative tribunal could lose the neutrality it should have as a tribunal and devote itself entirely to enforcing the law as its mandate requires.

● (1615)

There is an important nuance here, which I hope the hon. member for Vaudreuil will grasp.

An. hon. member: I would be surprised.

Mr. Lebel: I would be surprised too, but you never know. This is the problem with Bill C-49. It was given a very impressive title: an act to authorize remedial and disciplinary measures in relation to members of certain administrative tribunals, to reorganize and dissolve certain federal agencies and to make consequential amendments to other Acts. Is it not great! A better title would have been: an act to profit the friends of the Liberal Party of Canada. It would have been more to the point and more accurate, truer and franker. Of course they would not have the guts to do that, but this really is the spirit of the bill.

When, for example, the chairperson of an administrative tribunal realizes that refusing an application to the CRTC from a member of the family of the Prime Minister would be synonymous with loss of job, he or she says yes. Should that chairperson have the misfortune to be honest and fair, after all he or she is exercising the duties he or she has sworn to perform and deny the application—as it happened with PowerTv Direct—the minister, by the powers he has provided for himself would—

The hon. member for Vaudreuil will understand it is not enough that justice be done. I said the hon. member for Vaudreuil, Madam Speaker, looking at you of course. I tell you that the hon. member for Vaudreuil—even if you tried to psyche me out, but I recovered—should understand that it is not enough that justice be done there should also be a perception that justice has been done. There should be an appearance of justice, no matter what the hon. member for Vaudreuil might say. That is what will not come out of decisions now. That is what will ensure we will always be—You know, with the opinion the public has of politicians, this is not going to improve matters.

There are some rules within an administrative tribunal. The administrative tribunals have been called, it is not I who say it, but a journalist, and it is true, because we can find the same definition in Dussault, René Dussault, a former Liberal candidate in Quebec and a superior court judge. Recently, the president of the bar in Quebec was very clear on that when she said, and I quote: ''The lack of employment security could have unsuspected psychological effects on the decisions of a person who might be more concerned with pleasing the authorities than doing justice.'' This is self-explanatory.

As hard as the Liberals may try to defend that, they are defending the undefensible, and the public will hold it against them. When justice will no longer be meted out by an administrative tribunal unless a Liberal Party membership card is displayed, the Liberals will have to give some explanation and then live with the consequences.

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Madam Speaker, since I have been singled out in this debate, I feel I have an obligation to speak up even if I spoke earlier. I have a point to make. True, previous governments have always made appointments. Just before the last

election, the previous government gave us the finest example of patronage.

It is wrong to say in this House that this bill is aimed only at rewarding and placing our Liberal friends. We have no lessons to receive from Bloc Quebecois members or the PQ government.

• (1620)

The day after the PQ government was elected, they fired a whole bunch of people, starting with none other than the President of Hydro-Quebec, who was respected by everyone and doing an excellent job. Coincidentally, they replaced him with a PQ member. They also systematically replaced all foreign delegates who refused to serve their cause. These officials were dismissed and replaced with separatists. This government has no lesson to receive from them.

The purpose of this bill is to cut positions. I will give you a few examples: the number of appointments will be reduced from 29 to 5. Appointees will serve for 5 years instead of 10. Future governments will thus be prevented from always replacing appointees or increasing their numbers.

As for my re-election, I did lose the Island of Montreal, my greatest city, because I served as mayor of the City of Kirkland, something I am proud of. I challenge them to come and campaign in my riding. We will fight them and we will win. We will take another 20 seats in Quebec in the next election.

Mr. Lebel: Madam Speaker, the hon. member says the Bloc has nothing to teach him. We have indeed nothing to teach them about patronage. Let me just name a few names: Gerald Allbright. Do you know him? He is a true Liberal who has been appointed to a court in Saskatchewan. Lucie Blais. She has been appointed to the National Council of Welfare. She was defeated as a Liberal candidate in Abitibi.

Claire Brouillet, defeated in Terrebonne. Rémi Bujold, a loyal lobbyist is well rewarded. Yves Caron, appointed to the Canada Pension Commission, another former MP from 1972 to 1979 and secretary to the Minister of Agriculture for a while. Guy Chartrand, listen to this, defeated in Longueuil, appointed to the staff of the defence minister.

Caroline Chrétien, no comment, her family name says it all. Denis Coderre. This guy tried on approximately five separate occasions to get himself elected under the banner of the Liberal Party of Canada in ridings in Montreal's east side. He went as far as to claim, after a former member for Laurier—Sainte-Marie whose name I forget died, that he was a buddy of his, when in fact he could not stand him. There is also a certain René Cousineau, a former member of the Liberal Party of Canada and member for Gatineau.

I must agree with the hon. member for Vaudreuil that, on the whole stinking subject of political patronage, they are indeed the winners, there is nothing we can teach them.

THE ROYAL ASSENT

• (1625)

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Madam Speaker, the Honourable Deputy to His Excellency the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker and the House went up to the Senate chamber.

• (1635)

[*Translation*]

And being returned:

The Acting Speaker (Mrs. Ringuette-Maltais): I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-4, an act to amend the Standards Council of Canada Act—Chapter 24.

Bill C-56, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1997—Chapter 25.

Bill C-243, an act to amend the Canada Elections Act (reimbursement of election expenses)—Chapter 26).

Bill S-7, an act to dissolve the Nipissing and James Bay Railway Company.

GOVERNMENT ORDERS

[*Translation*]

ADMINISTRATIVE TRIBUNALS (REMEDIAL AND DISCIPLINARY MEASURES) ACT

The House resumed consideration of the motion and of the amendment.

Mr. Lebel: Madam Speaker, I would like to know if I still have some time left to finish my reply.

The Acting Speaker (Mrs. Ringuette-Maltais): There is five minutes left for questions and comments. I believe you had the floor when we interrupted the proceedings.

Mr. Lebel: Madam Speaker, I simply wanted to assert my rights. As I was saying to the hon. member for Vaudreuil, who is still

listening and who certainly, through the Chair, agrees, I ask him to rise and to tell me whether what I am saying is false.

David Berger was appointed Canadian ambassador to Israel and he is not a Bloc member. He is a well-known Liberal. All the names I have here are those of well-known Liberals.

There is a lady, who ran in Laval East but was defeated. Her name is Raymonde Lacour and she was just appointed on an immigration committee with an annual salary of $84,000. I say to the Liberals that they have become masters at looking after their friends.

Going back to the original question, the Conservatives were not far behind the Liberals. By early October 1994, the Conservatives had filled just about every available and unavailable position with Conservative appointees, usually for a period of five years.

Now, the Liberals will call an election before the five-year terms of these Conservative appointees is over. Consequently, they feel cheated because they cannot postpone it, they cannot distribute the patronage goodies the way they would like to. So, with Bill C-49, they will show the door to just about all the Conservatives who hold these positions, by invoking of course the provisions contained in clauses 5 and 6. They will thus be able to fill the positions left vacant by appointing long-time friends and new ones as well.

I am even told that in the Quebec city area, an old Conservative MP was just appointed to a very lucrative position and is considering, as a way of thanking the government, running under the Liberal banner at the next election. This is quite something and it is even worse considering it is in Quebec.

• (1640)

This is why I was saying to the hon. member for Vaudreuil that, when it comes to patronage, we have nothing to teach the Liberals. They are the undisputed champions of patronage, and they have been since the early days of the Canadian federation. No, we will not try to compete with them in this area.

[*English*]

Mr. George Proud (Parliamentary Secretary to Minister of Labour, Lib.): Madam Speaker, I am happy today to participate in the debate. The bill before the House, as we know it, Bill C-49, is very much in line with our government's policies.

In 1993 one of our platform policies was getting government right, and this measured approach has resulted in benefits to all Canadians.

One might ask how was government wrong. I think we have heard some things this afternoon and we all have stories of how government is wrong and we could talk about them all day, but I am not going to do that. I think the best way to answer this is by illustrating how we are getting government right.

I would like to start by outlining the key objectives of such a policy: reducing the financial burden of the federal government, reviewing all government activities in light of today's realities, and restoring integrity in the system. Those are the three Rs of government: reduce, review and restore. They are the cornerstone of much of what this government has done, what it is doing now and what it will continue to do.

When attacking the deficit we wanted to set goals and we wanted to meet them. The last thing Canadians needed was another government with broken deficit targets.

Members will recall that the previous government promised reduced deficits but in fact each year of that administration the deficit increased.

The financial markets wanted to see a government meet its targets. In fact, we did more than that. We have exceeded our targets. In 1994-95 we beat our target by $400 million. Last year it was beaten by $4 billion and we are on target again this year. By the end of the 1997-98 fiscal year we will have reduced the deficit by at least 60 per cent in just four years. I think these are very good results.

As a result of these actions the market again has confidence in the federal government and we are seeing the benefits. Interest rates have just fallen again. The prime rate is at its lowest level in 38 years. And that, my hon. colleagues, is because this government is meeting and exceeding its deficit targets.

The government is creating the right economic environment for job creation. Businesses can invest more when the cost of borrowing is lower. Entrepreneurs have better access to capital to realize their dreams. Not only that, but they in turn hire and employ their fellow Canadians.

I do not think I could make my point any stronger except if I would be allowed to give a few examples of expansion projects and the creation of new firms that have occurred this year in my province. I will list a few of them.

In my city of Charlottetown, currently under construction is a $4 million expanded Canadian Tire. In December McCains will open a new $3 million expansion. This summer I participated in the opening of Diversified Metal Engineering. DME is world renowned for its manufacturing equipment for the micro brewery industry. Cycor Communications merged with a local hook-up communications to establish a new call centre, creating 50 new jobs. I could go on but these are some of the major expansions.

Now for the entrepreneurial achievements of Prince Edward Islanders. Let me remind this place that Prime Edward Island is a small province and these projects make a big difference. The start-up of some of the new firms, although small, may have the

same effect in Prince Edward Island as a large auto plant opening in Ontario. For instance, Prince Edward Island Wild Blueberry Company has a $5 million new processing plant in the riding of my colleague from Cardigan with 40 full time jobs. Simscape Development Corporation, an information technology firm in Charlottetown, has started with international sales as far away as Australia, Singapore and Hong Kong.

• (1645)

I have saved the best for last. Prince Edward Island has a brand new and completely modern fibre optic telephone system. A second fibre optic connection with the mainland will be achieved next spring when the Confederation bridge is completed. In the light of all of this, many companies are investing in Prince Edward Island.

The examples I have given of the achievements of the islanders illustrate just how the government is getting government right. Businesses are expanding and new businesses are being created. We have set the stage for the private sector to create jobs which Canadians want and need.

However, so far this is only part of the big picture. When cutting the deficit we did more than just cut departmental budgets, we initiated the most extensive program review the federal government has ever seen. Everything was analysed and evaluated. By doing so, we reduced waste and duplication. Some departmental programs were redesigned and consolidated. Some government services that should be delivered by the private sector or by other levels of government were rationalized without jeopardizing the interests of Canadians.

It is not enough to modernize federal departments and agencies, we have also modernized Parliament. We know that we have not gone far enough, but measures were introduced to improve reporting to Parliament and to give more influence to individual MPs and standing committees in developing policy and legislation. There is much more to do in this area but this is a great beginning.

Many activities that affect our daily lives are governed by federal regulations. In this fast paced world these regulations must reflect today's realities. The Liberal government modernized the regulatory process in areas such as health, safety, the environment, international trade and interprovincial matters. In the same spirit, other administrative changes have been made. Prior to Bill C-49 the government conducted a review of federal agencies and advisory bodies, with eliminations and reductions affecting some 70 bodies and 600 governor in council appointed positions.

Continuing that modernization, Bill C-49 will eliminate another 271 governor in council appointments and result in annual savings of $2.5 million. That will bring the total annual savings in the review to about $10 million.

I will save my hon. colleagues the torture of not going into detail on the whole bill. However, I will cover the implications of this bill on the labour branch of Human Resources Development Canada.

The obvious question is how this bill will affect the Canada Labour Relations Board. The CLRB is an autonomous, quasi-judicial tribunal responsible for the interpretation and application of part I, industrial relations, and parts of part II, dealing with occupational safety and health of the Canada Labour Code. The changes to the board, which are done by way of amendments to the Canada Labour Code, are only of an administrative nature.

In keeping with current conventions of more neutral terminology, appropriate modifications are proposed. Clarifications will be made to the travel provisions to which appointees are entitled, thus increasing the board's cost effectiveness.

Another change will be to amend the requirements for a board member to be a Canadian citizen, to allow a permanent resident eligibility for a board position. This complies with the Canadian Charter of Rights and Freedoms.

Also under the labour branch is the Canadian Artists and Producers Professional Relations Tribunal. It too will have minor changes, such as clarification of the travel provisions for tribunal members, standardization of the remedial and disciplinary measures process and the inclusion of part time members of the tribunal as a protection of the Government Employees Compensation Act.

The coverage entails compensation for death or injury while performing duties or while on a flight taken in the course of duty. It is only common sense to have members covered in the case of unfortunate incidents.

Another agency affected is the Canadian Centre for Occupational Health and Safety. It is a departmental corporation under schedule II of the Financial Administration Act and reports to the Minister of Labour. This centre was created in 1978 with a mandate to promote the fundamental right of Canadians to a healthy and safe working environment.

There is agreement among the members of the council of governors that the council is too large. Costs to the organizations which sponsor members who sit on the council of governors will be reduced, as will the administration costs for meetings and the processing of appointments. CCOHS has been directed to become revenue self-sufficient and these amendments will contribute to

that goal. As in changes to the CLRB, some minor modifications will be made to the terminology of the act.

• (1650)

In closing, I would like to cover the effects of Bill C-49 on the Labour Adjustment Review Board. My hon. colleagues may wonder why the government is making amendments to this board. The fact is the board has not been required since 1987. The Labour Adjustment Benefits Act under which the Labour Adjustment Review Board was established was replaced in 1988 by the program for older workers adjustment.

As of March 31, 1995 there were 1,855 Canadians still receiving benefits under that program. To maintain the legal authority to continue payments to current recipients, the government is amending rather than repealing the act. Consequently, these amendments have no effect on the remaining recipients. These benefits end at age 65. Therefore, the number of beneficiaries and the amount of total annual benefits are diminishing each year.

As I have pointed out, the government is doing what previous governments have failed to do. The deficit has been reduced to its lowest level in over a decade. Federal institutions have undergone a program review that will increase their cost effectiveness while improving service to Canadians. In short, Bill C-49, the Administrative Tribunals Remedial and Disciplinary Measures Act is just one more example of us getting government right.

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, my very hon. colleague across the way talked about how well the government is undertaking programs, basically patronage and grants and so on, in P.E.I.

When I was a young fellow about 16 years old I left Nova Scotia because basically there were no jobs. I joined the military. I thought that was the only way that a lot of us down there at the time could get jobs. In those days a lot of young fellows went to Toronto to get work. Today they seem to be going even further west to British Columbia.

When I went to Nova Scotia this summer, as I do from time to time, it was almost 30 years to the month when I left. I was back talking to some young people in Nova Scotia who were very discouraged and who saw no real job proposals on the line. It reminded me of the situation I was in in my younger years.

Government after government over the last 30 years, Liberal and Conservative, have consistently bragged about how well they have done in Atlantic Canada creating jobs, when in fact the unemployment situation down there is no better than it was 30 years ago. To stand in the House today and say that our government is doing a great job, our government is dealing with this situation through a series of grants, subsidies and so on, I think the members across the way know that is probably really not the case.

I would like the hon. member to tell the House how and if he can relate to the situation I have described, whether or not these programs in the long term really have helped Atlantic Canada.

Mr. Proud: Madam Speaker, I thank my hon. colleague for Fraser Valley West for his questions and comments. What he said about the way it has been in Atlantic Canada for as long as I can remember certainly is true. I cannot remember probably as long as he can but pretty near.

There have been many ideas put forward over the last 50 years on how to improve the plight of Atlantic Canadians. Some have worked and some have not. We all know the stories, the good ones and the bad ones. As I said in my speech, the government is getting things in line. There are many more permanent jobs in Atlantic Canada today than there was certainly in my time as a young person there. As I said, we are doing the right thing in the telecommunications industry and in the food processing industry. In my province, for instance, the food processing industry has stabilized the potato industry. A few years ago they were processing about 15 per cent of the crop. Today the average is much higher than that. More potatoes are grown and prices have stabilized.

• (1655)

The premier of New Brunswick over the years has done some things with infrastructure dealing with communications and has brought to that province a lot of permanent jobs.

Many mistakes were made in the past. Nobody would ever dispute that. They tried to do industry the same as they did industries in bigger centres closer to the big markets of the United States. We have to look at what we are doing in Atlantic Canada. We have to deal with the areas we can deal with, that is, in natural products and in the high tech industry. We are on the right road.

We need these regional development agencies. Members kind of talk about these things as great giveaways. They are not great giveaways. They are organizations where money is loaned to entrepreneurs to help get a start in the private sector to get these jobs going. Ninety-eight per cent of ACOA's programs are successful. Any entrepreneur will tell members that is the way to go.

We do not have to make any apologies for this. Regional development programs are a great thing for every province of the country. Certainly they are doing a great job today in Atlantic Canada and I look to many more years of them.

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I have a quick question for the member.

I have heard quite a bit today. I have been reading in the news lately about the number of loans that the government is giving to various corporations and businesses so those businesses can expand and create jobs.

I am a little curious about exactly why the government would do that when the country has a $600 billion debt. We are trying to fight a deficit and the government has been working hard to get interest rates down.

Why does the government not let the banks loan the money to these businesses? Let them borrow the money. Is that not what banks are for? Are interest rates not lowered for that reason? Would it not make more sense to ask these people to borrow their money from lending institutions and stop giving away taxpayers' dollars?

Mr. Proud: Madam Speaker, I thank the hon. member for Wild Rose for his question but I disagree. The government is not giving away taxpayers' dollars. There is no money being given away any more. We are leveraging jobs by loaning money to large corporations. They, in turn, are borrowing money from the banks also. That is creating an environment where there will be jobs created. These people will come into an area, either set up plants or expand plants to do these things.

This is a very good investment by government. In my province there are what would be considered big companies that have received loans from the federal government. For every dollar that is loaned to them, if they could get the return from everything else on that, then we will not have to worry in the years ahead about unemployment.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Madam Speaker, I listened with great intent to the words of wisdom coming from my hon. colleague from Hillsborough. I congratulate him on his remarks.

I have a brief question. The hon. member will recall very vividly when we arrived here as a government party in the late fall of 1993 that we were faced with a $42 billion plus deficit, a $500 billion plus debt, $6 billion deficit in the unemployment insurance fund. Magazines in New York were saying that we were almost on the point of being a third world country.

Does it not give the hon. member and his constituents, indeed all the constituents of Atlantic Canada, and I would think all of Canada, a lift to know that they have a government in place that has met its commitment, its goals and in fact exceeded its goals in the past three years.

• (1700)

We are on the road to meet our goals this year and next year. A week or so ago the finance minister announced that in 1998-99 the deficit would be down to $9 billion. I think that is exciting news. I would ask my hon. colleague from Hillsborough to comment on that.

Mr. Proud: Madam Speaker, I thank my hon. colleague for his comments and questions. Yes, this is a time when people in Canada are feeling very good. It is noted as we look at the newspapers each day.

My hon. colleague talked about the magazines in the United States talking about us getting to the status of a third world country. Now the magazines in New York City and the financial centres are saying that Wall Street loves Canada. This is an example of what has happened in three short years of what this government has done. It has the deficit under control. It has put a surplus in the unemployment insurance so that we know if it gets into a deficit situation again the money will be there to take care of it.

We are on the road to a great recovery. I feel very good about it, as I know everybody does in this House.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I am happy to speak to Bill C-49. Before getting to the heart of the matter, it would be appropriate to examine the title of this bill.

This bill is entitled an act to authorize remedial and disciplinary measures in relation to members of certain administrative tribunals, to reorganize and dissolve certain federal agencies and to make consequential amendments to other Acts.

My first comment is that we realize once again that this government, with a title—

[*English*]

Mr. White (Fraser Valley West): Point of order, Madam Speaker. I understand that the sequence of speakers was Bloc, Liberal, Reform. Did you not go Bloc, Liberal, Bloc?

The Acting Speaker (Mrs. Ringuette-Maltais): I will ask the clerk if we have the right sequence.

We have checked the sequence. I resumed debate with the hon. member for Beauport—Montmorency—Orléans and then the hon. member will have his time.

[*Translation*]

Mr. Guimond: Mr. Speaker, my colleague may certainly raise a point of order, as for me, I will try to land on my feet.

I was saying that, with such a mellifluous title, this government is proving to be a master of illusion and deception, for it is presenting a harmless looking bill to rectify a problem. Remedial and disciplinary measures must be taken in relation to members of administrative tribunals. Nobody could argue with that. We have seen that in other areas, where the government tried to make us believe it had plugged the loophole of family trusts by taking energetic and quick measures, nothing had been plugged at all.

So, at first sight, without the serious and in-depth study that the Bloc members have done, one might think this bill was a good one and wonder why we are opposing it.

• (1705)

Well, I will tell you what we have against it. In the few minutes I have left, I will try to demonstrate that this bill will perpetuate the principle of patronage appointment of political friends. I explain: this bill brings major changes into the working of administrative tribunals.

But first, let us ask ourselves: what is an administrative tribunal? The *Dictionnaire de droit québécois et canadien* defines administrative tribunal as a body, in principle autonomous and independent from the government, to which the government has given the power to settle disputes between itself and the citizens.

I stress the words ''in principle autonomous and independent from the government''. Let us remember these words and keep them in a little file somewhere in our memory; I will get back to this point in my remarks. Let us see if this bill corresponds to the definition of maintaining autonomous bodies, independent from government.

At the outset—I wanted to do it and I nearly forgot to do it—I gave the legal definition of the term administrative tribunal, but what does that mean in the real world? It represents a level of authority where ordinary citizens can be heard before judges or commissioners with some degree of independence and the confidence that his or her point of view will be heard.

Why is the ordinary citizen asking to be heard? Because he or she feels himself or herself the victim of injustice from the machinery of government, and we know how complicated it can get. All hon. members certainly have had constituents come to their riding offices on a Friday or a Monday and tell them: ''It is just unbelievable. I have been had by the system. This interpretation of the legislation is wrong. The official was unfair to me because he does not like me''.

I do not want to make any blanket statement about public officials, because they are human beings, after all. They may not feel too good certain days and dislike anybody stepping on their toes. They may make a restrictive interpretation of the legislation. That is what is so marvellous with human beings. Sometimes they feel fine and sometimes they feel bad.

A private citizen who thinks he has been unfairly treated can appeal to the relevant administrative tribunal. This bill gives a list of such administrative tribunals. Let me name a few just so we can see what kind of issues in our daily lives federal administrative tribunals can deal with.

There is the Canadian Transportation Accident Investigation and Safety Board, the RCMP External Review Committee, the Canadian Grain Commission, the Immigration and Refugee Board, the RCMP Public Complaints Commission, and the Public Service Staff Relations Board. This board is for public servants who feel they have been treated unfairly by their immediate supervisor. They can take their case to the Public Service Staff Relations Board. They hope their case will dealt with according to the basic rules of natural justice.

There are also the Copyright Board, the National Parole Board, and so on. This is just to give you an idea of what an administrative tribunal is all about in federal law.

This debate has been going on in Quebec for more than 25 years, and many reports and studies have been tabled in the National Assembly. I would like to take this opportunity to praise the splendid work of Quebec justice minister Paul Bégin in his reform of administrative tribunals. I know the justice department in Quebec is working very hard on this, and some good points should come out of this endeavour.

• (1710)

But what we are discussing here is very important: the independence and impartiality of judges of administrative tribunals. The fundamental problem resulting from the political appointment of administrative tribunal judges could have remedied by Bill C-49. We have to admit that, once again, the Liberal majority—and a majority government is a fine democratic institution—decided in this case to bury its head in the sand.

And that, at a time when people are so suspicious about politicians. I remind the House of a poll published last year in the magazine *L'Actualité*, which said that only 4 per cent of the people still trusted the politicians. When people follow the debates or come here for question period, they can see that we do not deserve more than 4 per cent support, given the abuse, insults and invective hurled about in this place, when it is not expressions of love.

We, Quebecers, remember that people from the rest of Canada came to see us last year to say how much they loved us. We appreciate such demonstrations. This is overwhelming love. It hurts us, but we love to be loved.

The President of the Treasury Board should have done the honourable thing and made a courageous stand by dealing squarely with the issue of the political appointment of administrative tribunal members. On the contrary, he is leaving even more room for party politics, by increasing the power politicians have over the administrative tribunals. How can we trust an administrative tribunal when we know that its members were appointed by the government party, whatever its political stripes?

We, the members of the Bloc Quebecois, will be repeating in the 1997 election what we said in the 1993 election, that is: ''Liberal or Conservative, it is six of one and half a dozen of the other. They are are all alike. Pop them all in a hat, then pull them out one by one, and they are are just the same''. During the nine years of the Mulroney government, partisan appointments were legion. Since

1993, the current government has been making partisan appointments.

I am convinced that, later, if my Liberal colleagues ask me good questions, I will be able to refer to the list published in *The Hill Times* of last week, and it appears that we will have the second part in this week's edition, with respect to appointments. These were compiled by the Hon. Senator Marjory LeBreton.

In this bill, there were two changes of particular interest to us. First, there is the issue of new disciplinary measures. Once again, we are not against what is good, we agree. All depends on the way the issue is approached.

Clause 3 of the Bill provides for a new mechanism for the removal from office of a member of an administrative tribunal appointed by the Governor in Council. Following certain procedures, the Governor in Council will be able to remove a member from office with reason. The Chairperson of the tribunal will be able to set the process in motion by asking the minister if the member should be subject to remedial or disciplinary measures. This is the meaning of clause 5.

The Chairperson will then invoke one of the four following reasons: the member has become incapacitated, has been guilty of misconduct—

[*English*]

Mr. White (Fraser Valley West): Madam Speaker, I rise on a point of order. Could we have a quorum count, please.

And the count having been taken:

The Acting Speaker (Mrs. Ringuette-Maltais): There is a quorum.

[*Translation*]

Accordingly, we will resume debate.

Mr. Guimond: Madam Speaker, I must admit that this was a very difficult delivery. I do not know whether it will be a breech birth and whether forceps will be needed to finish my speech.

Maybe I am too good and the hon. member for Fraser Valley-West is trying to distract me. This is the second time I have been interrupted. I wish the Liberals would not go. Continue listening to me, even though I am not as interesting as you would like, but at least try to see to it that we have a quorum. It is your responsibility to see to it that we have a quorum, since there are 177 of you to do it anyway.

• (1715)

So, the bill will standardize the appointment of the administrative tribunal chairpersons; this is the second point on which our party wants to focus. This is the core of the issue, what I would call the heart of it. From now on, chairpersons will be designated instead of being appointed for a determinate and renewable mandate. That is a subtle nuance. I am sure that everybody here understands the difference between ''designation'' and ''appointment''. Someone who is designated can be removed at pleasure, for whatever reason, while someone who is appointed is there for three, five or seven years, according to the duration of his or her mandate, which ensures some degree of stability in the position. And I have not even mentioned the appointment process, which is defective from the start.

When partisan appointments continue to be made according to political stripes or favours obtained, we must conclude that the process is biased. The fact that the chairpersons will be designated instead of being appointed is cause for concern. Things are a lot easier when people are designated, because they can be removed at the first opportunity. This situation makes chairpersons extremely vulnerable to political pressures from the government since they can be replaced at will by that government.

The new measures could very well further undermine the already shaken credibility of administrative tribunals and make them even more submissive to political power. Without a complete overhaul—this is what we were expecting from the President of the Treasury Board—of appointments to administrative tribunals, it is unacceptable to introduce measures that seriously undermine the independence and impartiality of administrative tribunals. It becomes a vicious cycle of perpetual patronage.

We all know that the President of the Treasury Board, by his attitude in this matter, is refusing to tackle these important issues, because he does not want to give up the sacrosanct power of ministers to make appointments to administrative tribunals.

Any change or amendment to administrative tribunals must focus on the arbitrary nature of the process to appoint and re-appoint administrative judges. Political favouritism in the quasi-judicial process should no longer have a place in a modern democracy such as ours.

Obviously, the Liberal government does not hesitate to flout the principles underlying the existence of administrative tribunals. The sword of Damocles that the President of the Treasury Board wants to dangle over the heads of members of administrative tribunals may well taint the whole administrative tribunal process.

Let us now take a look at what certain well known legal figures in Quebec have said on this topic. Jocelyne Olivier, president of the bar of the province of Quebec last year, was very clear when she said, in the Quebec City daily *Le Soleil* on July 8, 1995, while still holding that position: ''The absence of job security might have unsuspected psychological effects on decisions made by a person

who might be more preoccupied with toeing the line than seeing that justice was done''. This is worrisome.

Members of administrative tribunals might even hesitate to adopt a direction favourable to citizens for fear of penalizing the government.

In conclusion, the government's bill is unacceptable because it is an outright attack on two fundamental principles of justice that cannot be ignored. These two principles are the impartiality and independence of members of administrative tribunals.

In the case of superior courts, whether the Superior Court, the Court of Appeal or the Supreme Court is involved, even if the appointment is by the Minister of Justice of Canada, there is no doubt about the independence and impartiality of judges.

• (1720)

I think that citizens and clients of our courts have confidence in our justice system. However, as far as administrative tribunals are concerned, if the government keeps up the same patronage system that has existed since Confederation in 1867, there is something wrong.

There are two principles that are fundamental to a modern democracy, two principles that the government seems to ignore without any compunction, just so it can keep the power to make partisan appointments to administrative tribunals. These appointments are often a way to reward friends of the government who may not necessarily have the qualifications to exercise these important duties. The Liberals are merely perpetuating a tradition of patronage that has become their trademark as a government.

In concluding, I would ask the unanimous consent of the House so that, when Bill C-49, an act to authorize remedial and disciplinary measures in relation to members of certain administrative tribunals, to reorganize and dissolve certain federal agencies and to make consequential amendments to other acts, is adopted on second reading by the Liberal majority of this House, it shall be referred to all standing committees of the House that are responsible for the administrative tribunals affected by this bill.

The Acting Speaker (Mrs. Ringuette-Maltais): Does the hon. member have the unanimous consent of the House?

Some hon. members: Yes.

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): There is no unanimous consent.

Mr. Nic Leblanc (Longueuil, BQ): Madam Speaker, I would like my colleagues to talk about the enormous powers the federal government is giving itself. As my colleague pointed out, the power to appoint tribunal members seems excessive. I think the power to change very quickly and without any compensation, as the federal government sees fit, the commissioners or chairs who do not meet all its requirements is really excessive.

I would like my colleague to elaborate on this, which I think is very important. Especially since this bill specifies that the provinces have no say in the appointments. As we know full well, the decisions taken in certain economic, social and other areas often affect one province more than another, and nowhere in the bill is it mentioned that a province could have a say in the appointments. I think this further centralization of powers benefits the federal government at the expense of the provinces, especially Quebec, which is a very important province.

Energy is a case in point. As we know, a tribunal could side with an energy industry against Quebec, for example with western oil interests at the expense of Quebec, whose main source of energy is electricity. I think the government is granting itself excessive powers by failing to consult with the provinces on appointments.

I would like my colleague to elaborate on this. Personally, I think there is danger of further federal centralization. The government claims it wants to decentralize powers, but I think that, with this bill, it is taking concrete action to further centralize powers.

Mr. Guimond: Madam Speaker, I would like to thank the hon. member for Longueuil for his unexpected question. I heard some members yawn across the way while his asked his question. What we get are unexpected questions. I would like the people watching us or following question period to realize that, when a Liberal member puts a question to a Liberal minister, the minister has received the text of the question ahead of time and is then able to read his answer. Conversely, when the question comes from the official opposition, they do not get the text ahead of time. Just between us, the questions we are asking one another are real questions. I did not know ahead of time what my colleague, the hon. member for Longueuil was going to ask me.

I will answer him by expressing a difference.

• (1725)

I am talking about the distinction made in this bill between a superior court judge, be it the Quebec superior court, the Court of Appeal or the Supreme Court, and the judges sitting on administrative tribunals.

At the superior court level, judges normally remain on the bench until the age of 75, unless removal is considered in extremely serious and rare cases. A resolution has even to be passed by Parliament to have a remove federal jurisdiction judge.

It is like this case that was almost referred to us—it is common knowledge—the case of Judge Bienvenue, who eventually decided to retire. I think that was a wise decision on his part. Perhaps he suspected how the House of Commons would vote. Following a serious investigation conducted by the judicial council, judges from various provinces recommended that Judge Bienvenue be

removed from the bench. That is the procedure to have a superior court judge removed.

The offence has to be really very serious to warrant such action, while, with this bill, if the trust of the jurisprudence is not to the liking of the government, a judge may be removed, because, unlike the situation I described earlier, where judges were appointed for a fixed period, which provided a degree of job security and ensured a degree of independence in the decision making process during the three, five, or seven years of the mandate, they are now designated. ''I designate you today and I can take your designation away the next day. You can get sacked whenever the minister feels like it.'' That is the difference.

[*English*]

The Acting Speaker (Mrs. Ringuette-Maltais): The hon. member for Fraser Valley West has three minutes for debate.

Mr. Randy White (Fraser Valley West, Ref.): Three minutes. Thank you very much, Madam Speaker. It is a far cry from the 20 minutes I should have had.

It is said and it is true that a government that robs Peter to pay Paul can always depend on the support of Paul. That ideal is what pervades the whole issue of patronage in this country, in particular Bill C-49.

When we are talking about patronage, whether we are amending a bill or adjusting a bill or adding to a bill in this House we have to question whether the bill is even needed. Most people in my riding of Fraser Valley West would suggest that the issue of patronage is crude, embarrassing, insulting and very Liberal.

I have dealt in Atlantic Canada with a number of issues involving patronage. Today in question period I asked about it. It is not necessarily an appointment but we will get to that maybe tomorrow in question period. When we see a government like this that gives out $87 million and in return from a company like Bombardier gets $170,000 put into its coffers, we have to wonder exactly what kind of democracy we are in today.

I wonder how many people from where I come from are aware that this government in fact hands out their money to corporations and in return for that handout gets a share of that money back to its party in order to run elections.

An hon. member: Hear, hear.

Mr. White (Fraser Valley West): One of the members says hear, hear. He is very proud of it.

The concept under which this government runs is a terrible example of what is wrong with this country. If we take situations like in my riding where I ran and handily beat the Liberal candidate, what does the Liberal government turn around and do? He wins. It offers him a position with the Canada Development Corporation. If he runs again against me and when he loses, what is he going to get? He will go up to the next plumb, perhaps a harbours board job. Maybe a Senate seat, but those usually go to people who flunk out here.

I will be back tomorrow to talk about patronage. I know they do not like to hear what I say, but I will leave them with this. Economic dependence, which is the philosophy of this government, ensures political dependence. That is another reason this Liberal government must be defeated the next time around.

The Acting Speaker (Mrs. Ringuette-Maltais): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

COMPETITION ACT

Mr. Raymond Bonin (Nickel Belt, Lib.) moved that Bill C-266, an act to amend the Competition Act (protection of whistle-blowers), be read the second time and referred to a committee.

He said: Madam Speaker, I rise today to present Bill C-266, an act to amend the Competition Act, protection of whistle blowers. This bill is a relatively straightforward piece of legislation which seeks to improve the ability of the competition bureau to gather evidence of anti-competitive activities. More important, it legislates the principle that no Canadian should lose their job because they report a contravention of the laws of this Parliament or refuse to participate in the commission of an act which contravenes the laws of this Parliament.

This principle is sound and must be upheld as a test of our commitment to ensure the respect of the laws enacted by the duly elected representatives of the House. Anything less sends a signal to corporations and employers that they can entice or coerce law-abiding employees to engage in illegal activities. This is wrong and must not be tolerated.

With respect to the Competition Act, Bill C-266 legislates in three areas. First, it allows Canadians to report violations of the Competition Act anonymously and guarantees that their identity or the source of the information will be kept confidential. Second, it makes it illegal for an employer to discipline or fire an employee who refuses to participate in, or who reports a violation of the Competition Act. Third, it grants to an employee disciplined for respecting the Competition Act the right to sue for damages or reinstatement.

Although Bill C-266 was born from the need to redress the problems in the marketing and sale of gasoline in Canada, it is important to recognize that the bill applies to all businesses in all sectors of the economy.

I am sure that every member of this House has received complaints about the fluctuations in the price of gasoline. The retail price of gasoline fluctuates in unison. In any market when the price goes up, it goes up everywhere at the same time. Mysteriously, it always increases by the same amount. The gas industry calls these price fluctuations conscious parallelism. My constituents call it suspicious and they even call it price fixing.

The gas industry says it only reflects the industry's cost structure and the nature of supply and demand for petroleum products. Independent gas retailers say that the price fluctuations are an attempt by the majors to force them out of the market, to control the market and to lessen competition.

Here is the bottom line: Canadians do not trust how gas prices are set and Canadians have lost confidence in both industry and governments on this issue. They have both failed to adequately explain why gas prices fluctuate in unison and why the price of gas is higher in certain areas of the country.

Every week I drive to Ottawa from my riding in northern Ontario. The further east I get, the lower the price of gasoline. I can tell the House that higher prices in northern Ontario cannot be explained away by transportation costs.

This is an issue which irritates all Canadians. This is a problem for Canadians and they are calling on their elected officials to take action. Some governments have acknowledged the problem and are moving to address it.

In Nova Scotia the provincial government is concerned that the pricing policies of refiners are squeezing out the independents. It believes that this would eventually lessen competition, reduce consumer choice and lead to even higher prices. It is considering the introduction of anti-trust laws to protect independents and guarantee competition.

• (1735)

In response to the Ultramar situation of last summer, the Quebec government announced last week that it would legislate margins above wholesale prices. Prior to the announcements, even Quebec's Fédération canadienne de l'entreprise indépendante had requested that the government legislate to protect independent gas retailers and consumers at the pumps.

The premier of British Columbia is on record as stating that government action may be required to protect consumers at the pumps.

In Ontario the MPP for Ottawa West has introduced a private member's bill on fair gas pricing in the province. Even the premier of Ontario has acknowledged the problem. When in opposition, he pressured the Rae government to keep its promise to take action on the pricing of gasoline.

The Americans have and are facing the same problem. Their responses, more daring than ours, provide us with useful insights.

In the midst of the gulf war crisis, President Bush warned U.S. oil companies not to use the crisis as a pretext to gouge consumers at the pump. In the spring of this year, President Clinton ordered the sale of 12 million barrels of oil from emergency reserves in an attempt to hedge down the price at the pumps. However, these are incidental actions. The real tests are the actions taken by state legislators.

A large number of states, 21 I believe, have legislation that mandates refiners to sell gas at the same price to all retailers, independent and company owned stations. Maryland, Connecticut, Delaware, Virginia, Washington, D.C. and Puerto Rico have gone further by enacting gasoline divorcement laws that prohibit the producer or the refiner of gasoline from operating service stations.

I find it ironic that on this issue the Americans are ahead of us in protecting consumers. Here in Canada the response from the federal government has echoed the petroleum industry's line that price fluctuations simply reflect supply and demand. Canadians are not convinced.

The competition bureau has held industry wide investigations but has failed to uncover price fixing. Investigations and prosecutions of gas companies and retailers suspected of price fixing have not met with resounding success. Another such industry wide probe is now under way.

Consumers and independents are travelling to Montreal and Ottawa to provide testimony on their experiences with anti-competitive pricing in the industry. However, they remain sceptical that the investigation will lead to any significant change even though they and their consumers know that they are being wronged.

There is little doubt that addressing the whole issue of pricing in the gasoline industry will require concerted action by both the federal and provincial governments, each acting within their respective jurisdictions. Some provinces are moving in this direction. It is now time for the federal government to follow suit. Bill C-266 is an important step along this path.

Industry Canada informs us that the sections of the Competition Act dealing with conspiracy, abuse of dominant position and others are adequate to ensure competition and protect consumers at the pumps. If this is the case, how do we explain the lack of successful prosecutions? I doubt that the majority of Canadians are wrong about the pricing of gas.

According to the former director of the competition bureau, Mr. George Addy, the problem lies in the collection of evidence needed for successful prosecutions. To prove the existence of illegal agreements to fix prices at the pumps, the assistance of the individuals who make and implement the agreements is needed.

In June 1995 Mr. Addy testified at the natural resources committee hearings on gas prices. He stated: ''I need the co-operation of individuals and firms who have information''. He later added: ''A law is only as effective as the evidence one is able to assemble when a genuine contravention occurs''.

I believe it is even more revealing to quote from the *Globe and Mail*, May 14, 1996 edition: ''Last year George Addy, the bureau's director of investigation and research, said his agency would be able to police the petroleum industry more effectively if it were easier for people to blow the whistle on illegal practices. Direct evidence of wrongdoing is difficult to obtain without the help of insiders, said Addy. As it stands, he noted, anyone who comes forward puts his livelihood at risk''.

• (1740)

In his testimony before the committee, Mr. Addy proposed to improve the operations of the Competition Act by better protecting informants and witnesses who disclose illegal conduct, and by pressuring firms to adopt voluntary whistle blowing mechanisms within their organizations.

Bill C-266 takes up and legislates Mr. Addy's recommendations because industry self-regulation of competition matters is simply nonsense. Delegating the responsibility for competition to corporations goes against public interest. Guaranteeing free and open competition in the marketplace is too important.

This brings us to the two fundamental questions that must be addressed in this debate. The first question is: Should an individual lose his or her right to earn a livelihood because he or she reports a violation of the Competition Act or refuses to participate in a violation of a law passed by this House?

The answer must be no, unless the members of this House deem that individuals standing up in defence of Canadian law are not worthy of protection. Here we are talking about individuals standing up for consumers, for us, for our constituents. The preamble of the Competition Act states as one of its purposes ''to provide consumers with competitive prices and product choices''. We must never lose sight of this.

The principles legislated in Bill C-266 are not new. They are well entrenched in Canadian and even in American law. For illustrative purposes, members can consult the Canadian Environmental Protection Act, the Ontario Environmental Bill of Rights, 1993 and the Alberta Freedom of Information and Protection of Privacy Act.

American law is also no stranger to whistle blower protection. For example, the Fair Labour Standards Act of 1938 and the Occupational Safety and Health Act of 1970 among many other laws protect employees who report illegal conduct.

I would like to draw particular attention to New Jersey's conscientious Employee Protection Act. This law protects employees who report or refuse to participate in a breach of any law, whether federal, state or local. This type of protection implements the principles of Bill C-266 in the largest possible sense in all fields of human activity. It fully recognizes the premium society places on respect for the law.

The first principle on which Bill C-266 is founded is therefore sound.

The second question is whether a Canadian in possession of information that a breach of an act of Parliament has or will be committed should have the right to file an anonymous complaint.

An individual should have that right. That option serves as the operational foundation of Crime Stoppers. Few would question the effectiveness of that program. It is important to note that many of the violations of the Competition Act are also infractions under the Criminal Code.

Therefore, we have before us in Bill C-266 a bill that is founded on fundamental principles that I am confident the majority of Canadians and members of this House support, a bill that legislates recommendations made by the former head of our own competition bureau, recommendations which he stated would improve the detection and investigation of violations of the Competition Act in relation to price fixing in the gas industry.

In May 1996 the Minister of Industry stated that he would review the desirability of introducing whistle blowing protection into the Competition Act. That is the bill before us today. I regret to inform the House that the Department of Industry has advised me that it does not support Bill C-266 even though it follows the recommendations of the former head of the competition bureau.

Although we have all come to expect the near automatic disapproval of private members' bills by government departments, I was disappointed to learn of the department's continued inertia on the pricing of gasoline, a real and serious concern for consumers. Nonetheless, I am heartened that the final judgment on Bill C-266 lies with the elected and accountable members of this House and not the bureaucracy.

On a positive note, the department does support enhancing confidentiality protection offered to complainants, a key element of Bill C-266. The department states that it disapproves of Bill C-266, because it favours industry self-regulation of whistle blower protection. It wants employees of gas companies to lobby their bosses to permit them to report breaches of the law. It wants gas companies to offer bonuses to employees who report illegal

acts committed by the firm. It wants gas companies to establish internal procedures for reporting crimes. This is nonsense. Gas companies are the problem and the department wants them to self-regulate their own breaches of the Competition Act.

• (1745)

In the real world the employee who reports a breach of the law and costs his or her firm a fine, loses his or her job. They certainly do not get a bonus and a promotion. ''Anyone who comes forward puts his or her livelihood at risk''. Those are the words of the former head of the competition bureau, George Addy.

There is no doubt that we need legislation in this area to protect the individual who stands by the law and who stands up to protect our interests against anti-competitive practices.

There is also a double standard and contradictions in the department's approach. In June 1995 the competition bureau released a discussion paper on amendments to the act. It makes interesting reading. Do consumers know that the department wants to repeal the section dealing with price discrimination? This is the section that ensures that gas refiners offer similar price advantages to all outside retailers. I am confident that independent gas retailers and consumers will pay the price for this initiative should it ever become law.

It also wants to give the court the power to force a company to initiate a whistle blower program. This of course does not protect the employee from dismissal. Why extend any benefit to the employees of one firm and not to all Canadians? Why should we have to go to court to force the company to institute any program to facilitate the gathering of information?

It also wants to give the competition tribunal the power to make restitution orders when an individual or firm has suffered a loss due to anti-competitive and misleading advertising. Good for the company. But by rejecting Bill C-266 it is refusing the right of restitution to the employee who respects the law.

It wants to give firms the right to launch their own cases before the competition tribunal. But it wants to deny the right of an employee to keep his or her job after he or she makes a stand in support of the Competition Act.

It is clear that we are witnessing in matters of competition the development of double standards. An expansion of remedies for firms, including gas companies, and a denial of remedies for law-abiding employees who defend the interests of consumers in free and open competition.

I am sure we are going to hear representatives from the government raise jurisdictional issues. Often times a preference for the status quo and inaction is clouded in jurisdictional issues. The Competition Act is a valid federal statute as is any disposition which adds to the arsenal of tools needed to investigate and gather evidence of anti-competitive behaviour.

In June 1995 the competition bureau stated before a committee of the House that the measures found in Bill C-266 would improve policing of the gasoline industry. Bill C-266 only implements what the bureau recommended and I know the slew of lawyers at the bureau would not recommend anything outside their jurisdiction.

This bill does not regulate or mandate prices. This is the jurisdiction of the provinces and they must make their own choices. It improves the operations of the act and offers new tools to protect law-abiding Canadians.

Finally, the department objects to the use of the word commission in Bill C-266. I have reviewed the objection and I have consulted with the legislative counsel's office. In the proper housekeeping and the interests of open and free debate, I recognize this technical point. The issue can be resolved by simply replacing the word commission by director. I will propose an amendment when the House forwards the bill to the committee. It must be noted that this technical amendment in no way affects the general scheme or intent of the bill.

In closing, I would like to re-emphasize that this bill is straightforward. It makes sense. Canadians need it. Canadians want it. It brings us one step closer to solving the problems of pricing in the gas industry.

• (1750)

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Madam Speaker, I would like to say a few words on Bill C-266, introduced by the hon. member for Nickel Belt. This is in fact an amendment to the Competition Act.

I am not saying I oppose this measure, but I do have some concerns. I believe that, in principle, it is a step in the right direction to allow employees, people who work for certain businesses, to enjoy an environment that is better, more fair and more honest. We cannot lose when we seek to promote honesty.

Honesty is the key to the establishment of stable, balanced and lasting societies. In this sense, the fact that the employees or contractors of an employer will be allowed to report injustices and to speak freely on illegal tactics by the company can bring some stability in businesses and promote fairness in our economic system.

But I do have some concerns. I fear that a business could be infiltrated by employees from competing companies who could then find all sorts of motives to blame the business. The hon. member referred to oil companies. We know that these are powerful corporations. It could happen that, from time to time, companies of this type might secretly delegate individuals to

infiltrate the competition and make accusations that could be harmful to their operations.

That may occasionally happen, but probably not often enough for me to want to oppose the bill. I think that overall the benefits outweigh the disadvantages.

Similarly, I also wondered whether certain dishonest, mistreated employees, if they had complete freedom to criticize their employer, might also abuse the privilege and blow the whistle on their own company, their own employer, and create an unpleasant atmosphere within the company.

Once again, having examined this question, I think that it would be a minority of these employees who might act in this way. Generally, an employee works for his employer, for the company. He does what he can to help the company operate as well as possible. For these reasons, I think that it is still a good idea to support Bill C-266.

There is also the fact of having employees or contractors, consultants within a company who act as watchdogs. As I said at the beginning of my speech, this also helps the company to continue to operate honestly, and to observe the Competition Act.

Sometimes an employer does not realize he is doing something wrong, but if all his employees have the right to point this out nicely, to advise their employer that they are in contravention of the Competition Act, they might avoid serious consequences for this company.

• (1755)

The fact that the employee has the right to advise his employer of fraud, of a tendency to commit fraud or of the fact that he is not complying with the Competition Act will also give the company a chance to quickly adjust its behaviour. Employees will be able to work in an environment where honesty is appreciated. And finally, this would give the industry a chance to clean up its act, and in the long run, everyone would benefit.

It is always important to have watchdogs, although sometimes people may find this unpleasant. It always leads to more fairness, a better balance and better continuity in the industry or the company in which we work.

I do not want to take up much more of your time with my speech on this bill. I will simply say I support the bill. It is a free vote, so I suggest hon. members support this bill in order to improve competition, as the hon. member for Nickel Belt pointed out, especially in the oil industry.

We know that in this industry, there are often cases of unfair competition, but perhaps when the rules are more clear-cut, when employees are able to advise their bosses or the shareholders that they are engaging in unfair competition which basically is harmful to the economic stability of the industry, this will benefit everyone, both the consumer and the companies. I will stop here, and I repeat that I support this bill.

[*English*]

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, I am very pleased to speak to Bill C-266, an act to amend the Competition Act. I support this bill although I do have a concern about it. I will address that in a moment.

I like the idea of there being a benefit to the consumer. I like the fact that it improves the policing and the consumer watch over product. That is something much needed.

Unlike previous bills which have sought to find measures that will prevent unfair gasoline pricing at the pumps, this bill works within the current provisions of the Competition Act without overtly increasing the size and the cost of the bureaucracy, or imposing unnecessary regulation on the marketplace.

The bill will enhance the commission's ability to conduct an investigation by allowing the commission to act on confidential information. Under the current legislation an investigation can only be carried out by the commission if supported by a six resident application for inquiry into allegations of wrongdoing or at the minister's request. We know where that goes with ministerial requests.

The Reform Party policy supports vigorous measures to ensure the successful operation of the marketplace through such means as the promotion of competition, competitive pricing, the strengthening and vigorous enforcement of competition and anti-combines legislation with severe penalties for collusion of price-fixing. This bill fits quite well within the scope of the policy that Reform has. There was mention by a previous speaker of the impact on employer-employee relations. Having negotiated collective agreements for many years in my career, there is an aspect of this that basically provides for an employer to be libel for a fine of up to $100,000 or two years imprisonment if found guilty of retaliatory action against an employee under the circumstances that were laid out.

• (1800)

I do not know of anywhere in this country that it is legislated where an employer may receive a $100,000 fine and in particular two years imprisonment for a dispute between and employer and an employee. In many cases we can probably get situations where a disgruntled employee, an employee who has been fighting with the organization itself, the owners themselves, says ''I am going to rat on this certain circumstance'', and perhaps they are wrong or half right. All of a sudden we find the employee taking the employer to task through court and demanding that there not only be restitution

but demanding that the employer be libel to a fine of $100,000 or two years in prison.

Those are the kinds of difficulties that legislators, in particular the federal government and provincial governments, get into when they try to right a situation, especially in the competitive markets and by doing so over react on the other end to the punitive measures if that situation is not fulfilled.

I worry about any kind of legislation where we are actually talking about employers who through a fault of their own are fined $100,000 or two years in prison.

In this country we have a hard enough time getting individuals for sexual assault to have these kinds of fines and two years in prison. I am not sure whether that strong punitive measure belongs in this bill.

I would sincerely hope that the member who brought Bill C-266 forward would reconsider that aspect and downsize the punitive measure. It should not be $100,000 and two years in prison, but something a bit more reasonable than that.

I recognize that there is a respect for the confidentiality of the employee except in cases where upon inquiry the commission finds that employee knowingly accused an employer falsely. Therein we get into employer-employee relationships again and the problems that can happen.

I do think this is a good bill. The difficulty with the other side of the bill is that the measures taken to ensure that it is enforced are too harsh. If the member wishes the support of this member, I would ask him to reconsider that. Then I think he has something that is very worthwhile. Indeed, it fits in with our policy. I would certainly be happy to go with it.

Mr. Mac Harb (Ottawa Centre, Lib.): Madam Speaker, I would first like to take this opportunity to congratulate the member for Nickel Belt on his excellent initiative. This is an issue that I have been involved with for over eight years now. This issue has received a lot of attention both in terms of public attention and attention in this House. A number of members have raised this issue on a number of occasions. I want to take this opportunity to thank everyone who has pushed forward the agenda on this subject matter.

The idea is an excellent one. It is not a question of whether there is a need for whistleblower legislation when it comes to gasoline pricing in Canada but a question of when and how fast we can introduce such legislation.

● (1805)

I have had a chance to look at the proposal of the hon. member for Nickel Belt and I must admit that on the surface it seems that a lot of adjustments would be required for his proposal to be effective. However, to reject it out of hand would be unfair. I suggest that the fair thing for us to do would be to allow this proposal to go to committee. At committee, if members of any party have suggestions or amendments which they would like to make, that would be the appropriate time to do that.

I do not think it is fair to reject it out of hand because the people of Canada have asked us to take action on this issue. They want a system which is transparent, just and fair. They want a system whereby if someone sees a wrong or a mishap in the industry, that person will be able to come forward with the information without the fear of prosecution, peer pressure or employer pressure.

The Minister of Industry and his department have done an excellent job. After eight years of pushing and shoving, finally we have a government that is very responsive. It is responding to a request by the people. The department has taken action on this issue and there is an inquiry under way.

I want to commend the minister for his leadership, as well as the people who are working on the inquiry, without commenting on the proceedings of the inquiry. It is an excellent beginning. It is my hope that in the near future the inquiry will produce a set of recommendations and the government, as has been promised by departmental officials, will complete its review of the Competition Act and will introduce measures similar to those introduced by my colleague from Nickel Belt so that we can once and for all return some justice to the system.

There is price fixing across the country. Sometimes it is sporadic but sometimes it is properly orchestrated and organized. I have said this over and over again and I will continue to say it.

For us as a government to be able to get to the bottom of it, we have to implement provisions to protect people who have information. We do not only have to protect employees, as my colleague has proposed, but also employers, independent retailers, people who have outlets on consignment and anybody who has information about price fixing. They should be able to come forward with that information without fear. Unfortunately within the present system it is extremely difficult for someone to come forward with information because they are afraid for their lives. They are afraid for their jobs. They are afraid that their supply might be cut off.

My colleague from Saint-Denis told me about a difficulty which exists in the province of Quebec.

[*Translation*]

There have often been fierce battles in the oil industry. People from various parts of Quebec have mentioned the incredible pressures that were felt when an oil company decided to sell its gas below cost. This is really running roughshod over the competition. It was incredible. Such procedures also violate the Competition Act.

[*English*]

There are unfortunate things happening. Certain companies and individuals know there are loopholes in the act and they can drive camels through them in some cases. They have studied the act and they know it inside and out.

In fairness to consumers, retailers and everyone, we have to come up with something which is fair and square and which will ensure transparency in the system. I would say it is fair to have legislation with a provision for people to come forward with information without fear.

● (1810)

I want to commend the department for taking the initiative to introduce the 1-800 line, an excellent initiative. I want to congratulate the department for taking the initiative in terms of the inquiry. I also want to congratulate the department for reviewing the act, which it is presently doing. That is excellent.

It would be fair to send the initiative proposed by my colleague to committee. There should be a provision within the committee to look at it. If the government comes forward with a proposal a month or two from now, my colleague may very well combine his initiative with what the government is trying to do.

In private discussions I had with him on a number of occasions he clearly stated that his intention was to see something happen because his constituents were demanding action. I join with him although I have a number of concerns. For example, retailers are not mentioned.

Discrimination also takes place against independent retailers, retailers on consignment or other individuals in the community who may have information. I discussed those concerns with my colleague and he was open to an amendment to his proposal. He was also open to allowing the government to make his recommendations part of a government proposal. That would be wonderful.

There is another element which is not addressed in this proposal, the relationship between oil suppliers and retailers. The relationship between the supplier and the retailer is not properly defined in the act and it must be. Unless we define the relationship between the supplier and the retailer we will find an undue influence.

Consider that a supplier of gasoline that owns company *a* sells to an individual who also sells gasoline from the same supplier. That particular supplier can influence the price of gasoline through his outlet and force the other person who is buying his gasoline to set their prices as per company *a*. It is a complicated issue to explain in the House but the bottom line is that it is time to pass this bill to committee.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I too would like to take this opportunity to congratulate my colleague, the member for Nickel Belt, a fellow northerner from northern Ontario, on his private member's Bill C-266. It is important before we get into the substance of the bill to examine the historical context of why we are here today.

Madam Speaker, if you were a northerner from Ontario you would know that over the last number of years from the sixties through to the nineties a number of studies have been done. There have been discussions between northerners and southerners about the unequal treatment of consumers depending on where they live in the province of Ontario.

Those individuals have asked their governments, both provincial and federal, on a number of occasions to look at the fairness to consumers of gas prices in the south versus the north, to look at gas prices at the pumps at different times of the year and at different times of the week.

● (1815)

By looking at different studies, I know that every time one of those studies is completed its results and recommendations show that there is no proof that there is price fixing, but obviously something seems wrong with the system.

I will give an example from a southern Ontario perspective, which is hard to believe coming from a northerner from Kenora—Rainy River. When I drive to my residence during the week after I have finished my day's work in the House of Commons, the gas price will be fixed, at around 56 cents a litre. Lo and behold, come Friday night the price goes up. The price then stays up around 57 cents to 58 cents all weekend long. Monday morning the price goes back down again. It does this in unison at practically every service station all the way down Bank.

If the price changed every three or four months when there were fluctuations in oil prices around the world, I think consumers could buy the argument that because the price of oil was going up or going down by the barrel then the prices at different pumps at different service stations could be the same. The perception is that the prices are fixed but at least they could feel comfortable that it makes some sense to them as a consumer.

However, we do not like to drive down the road and see the price changes on a weekend. As consumers, we know there is more business, more travel, more tourism and more people coming and going because they have Friday, Saturday and Sunday off. Gas companies are going to allow prices to go up in order to make a bigger profit.

That is sort of the long and short of why people have some major concerns about the way prices at the pumps are arrived at. They wonder whether something needs to be looked at in depth by parliamentarians or provincial governments in their jurisdiction

which will make us feel more comfortable as consumers that we are getting a good price and a fair price.

Obviously my colleague's inspiration is gasoline pricing. People need the opportunity to have it explained to them as I have. As the ex-chairman of the natural resources committee who instituted the investigation a couple of years back, I had the opportunity to ask Mr. Addy in committee why these fluctuations occurred and whether there was an explanation for them. I also brought the industry in to explain it to us as well.

Even when I sat as the chair of that committee I never got an explanation that I could buy, that I could feel comfortable with, that I could go and tell my constituents: ''Here is the reason''. They were all over the map.

I will give another example. We buy our gas in northern Ontario from Winnipeg. It is shipped by Paul's Hauling. Paul's Hauling ships gas from Winnipeg right across my riding. It takes about two and a half hours to get to different points in the riding.

The gas prices in Kenora, which is about two hours from Winnipeg, let us say for the sake of argument are 63 cents or 64 cents today. I have not called so it may even be higher. It might even be 66 cents. Fifteen miles outside of town close to Winnipeg gas prices are five cents less. For people who are listening in major centres, this is in the middle of nowhere. It is small tourist place called Clearwater Bay. All the folks in Winnipeg come to spend their holidays in their cottages at this particular place. We have a little wee liquor store, a convenience store and two little gas pumps which have gas prices at five cents less. Drive to Kenora and the price goes up five cents. Drive to Dryden, an hour to an hour and a half away, and it goes down two cents from the price in Kenora. Dryden and Kenora are almost identical in size. I have asked the competition bureau and the people who run these companies to explain this. Members would like a fair explanation of how those prices could vary like that.

• (1820)

You cannot say ''it has to be the transportation cost '' as my colleague has said. We are not buying that answer because I am told it is about a half cent difference, in the neighbourhood of 300 or 400 miles on a litre of gas, based on the cost of transportation if you are hauling a huge semi. They said that is not the real reason. There are differences in the local competition. Local competition means that different gas stations have prices that they build in, therefore, the prices will naturally be different in a different community.

We spent time blowing holes in that argument and they switched gears on us again. They said the reason why the gas prices are high is because there is no competition. Now we do not have any competition, transportation is not the problem and the different gas stations have different mechanisms of coming up with what their expenses are. Therefore the cost would be different but everybody's price is the same in the same community. At this point we still do not have a legitimate explanation of why those prices are the way they are.

Madam Speaker, you can understand why we have difficulty when politicians from either the provincial or federal level tell us everything is okay.

My colleague from Nickel Belt has taken the bull by the horns and has said that if what the corporations say is true and if what governments say is true, then let us put in a mechanism to make it very easy for people to give us information if they believe there is something wrong with the industry. If the industry is clean and its explanations are solid, it should not have any problem with whistle blowing legislation.

We have whistle blowing legislation in other jurisdictions, for example, in different acts, labour codes and labour protection acts. We have mechanisms where employers will be fined for breaking the law and helping employees. All these arguments are legitimate arguments that should be looked at.

For the sake of my colleagues thinking it is a wrong term, this is a very simple bill. It is not complicated at all. All it asks is that the Competition Act have built into it a way for the competition bureau to make sure that there will be anonymous information given by employees or contractors without them feeling they are putting their livelihoods at risk.

Some of the members I have listened to this evening suggested there may be individuals who will put in frivolous complaints just for the sake of getting back at their employers or a competitor. I doubt that very many people will realistically get into that kind of scenario where they are going to phone the competition bureau and suggest that there is an illegal act, if it does not have some legitimacy, for one simple reason. Can you imagine the hassle that would incur once they start putting forward these potentially illegal acts into the system? What could they incur if it was found to be nothing more than a frivolous act?

We have waited as consumers—I put myself in the position of a consumer—for 30 years in northern Ontario, to have someone explain the best way to deal with this perception that things are not right. At this point we still have not had a government willing to look at this in a comprehensive way.

If we continue to ignore the wishes of Canadian people and consumers, then what you will get is a process that is driven in a much more radical fashion. For example, in Quebec just lately, a process was brought into play where that government is going to pass legislation that which will be much more severe than what my colleague is suggesting. It is less competitive in the sense of having free market forces deal with how prices will be set.

They are now getting into and going down the road of setting limits and monitoring the price of gas in such a way that it may hamstring fair competition.

What a lot of people who believe in capitalism in this country would suggest is it is not good overall for the economy or for the consumer in the long run.

That is what they get when they continue to ignore consumers and good solid pieces of legislation and ideas like those of my colleague from Nickel Belt.

Another issue is that this is a very cheap way to deal with difficult problems. In times of financial difficulty, in times when there is financial restraint and we are looking for ways to improve the efficiency of the system, we ask members to come up with innovative solutions.

My colleague has done that. He has come up with a solution that we all could live with financially and which may just help us with the problem we are trying to solve.

I have said this in my constituency and I will say it here on the floor of the House. If governments are not willing to be reasonable and act in the best interests of their constituents, they will be surprised with radical ideas like those we see coming from the third party which are a simplistic way of solving problems.

It will eventually catch fire and be worse for a lot of individual Canadians because people get very frustrated when they know there is a problem, they are waiting for a solution and they are not getting one.

In the last few seconds I have, this is a very good private member's bill, a very good start. In the next two hours that we have at this reading, there will be other members talking about examples in their regions saying how difficult it is to show that there is nothing wrong with the way the pricing of gas is arrived at. We need to look at mechanisms to be sure that it is fair.

The government would be smart to enact this as part of an overall package of reforms to the Competition Act to make sure that Canadians are protected not just now but of course in the future.

Mr. Bodnar: Madam Speaker, I suggest that with mere seconds until 6.30 p.m. you declare it 6.30 p.m. and we adjourn the House.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): Is there unanimous consent to call it 6.30 p.m.?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Ringuette-Maltais): The time provided for 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.

It being 6.30 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.28 p.m.)

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