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OFFICIAL REPORT
(HANSARD)

Wednesday, October 29, 1997

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, October 29, 1997

The House met at 2 p.m.

Prayers

● (1400)

The Speaker: As is our practice on Wednesday we will now sing *O Canada*, and we will be led by the hon. member for Halton.

[*Editor's Note: Members sang the national anthem*]

STATEMENTS BY MEMBERS

[*English*]

CLEARNET

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I rise today to recognize the company whose headquarters have just relocated to my riding of Scarborough Centre.

Clearnet is a Canadian controlled and managed company which is on the leading edge of wireless communications. In just three short years Clearnet has increased its employment by more than six times to well over 1,000 employees and is expected to create several thousand more jobs across Canada.

This company's success is an example of what our government hopes will be the future for all Canadians in the next millennium. Our commitment to invest in knowledge based economies such as telecommunications will help success stories like Clearnet become the norm. Keeping Canada and Canadians on the leading edge is our ultimate goal.

Not only do I want to welcome Clearnet, but I congratulate it on its tremendous success which I hope will continue in the future.

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CANADIAN WHEAT BOARD

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, it looks like the minister responsible for the Canadian Wheat Board has a death wish for the board. How else can we explain his erratic behaviour? Let us review the facts which go back several years.

Farmers are unhappy and want change so the minister hand picks a committee to make recommendations. When he does not like the recommendations, he asks for direct consultation. He asks people to write him. He does not like that either. Then he holds a plebiscite but he does not ask the question that captures the debate in the farming community. Then he introduces Bill C-72, a bill that nobody likes. It dies on the Order Paper. Then the phoenix that rises from the ashes is even worse. In the new bill, Bill C-4, he has made provisions to include commodities such as canola, oats and flax that are not presently under the jurisdiction of the board.

Just when you think it cannot get any worse, it does. If there is anything that is going to cause the Canadian Wheat Board to die, it is a minister who has shown how little he understands about what farmers want.

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TERRY FOX RUN

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, once again this year Canadians and people around the world took part in Terry Fox runs to support cancer research. In Peterborough riding, runs in Havelock, Lakefield and Peterborough itself raised thousands of dollars. So once again did inmates of the Warkworth Institution.

But this year as last, our high schools deserve special mention. Nine schools, among them St. Peters, Crestwood, PCVS, Lakefield, Norwood and Bethany Hills raised more than $130,000 and beat last year's record of $118,000. St. Peter's alone raised $40,000. Crestwood is the leading high school in Canada for Terry Fox contributions during the last decade.

When Terry passed through Peterborough city and county 17 years ago, he could not have imagined the outpouring of good he was triggering. Our thanks to all those who take part in Terry Fox runs around the world.

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CANADIAN GENERAL-TOWER LIMITED

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, Canadian General-Tower of Cambridge, a leading North American manufacturer of vinyl car interiors and other vinyl products, today received

the Environmental Management Award from the *Financial Post*. CGT's environmental management plan impacts on every decision that is made from the top of the company through to the plant floor.

A founding sponsor of the Ontario Children's Groundwater Festival, Canadian General-Tower is a company with vision, a company with pride in its home community of Cambridge and above all a company always ready to face challenges and to lead by example. I congratulate CGT on this and its many other achievements. I also welcome Mr. Gord Chaplin to the House today.

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[*Translation*]

CHILD LABOUR

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, a meeting is being held this week in Oslo, where ministers, and leaders of labour organizations and NGOs are discussing the serious problem of child labour.

Representatives of more than 40 countries will be trying to find solutions to the most serious forms of child labour: slavery, prostitution and unsafe work. The Bloc Quebecois salutes and fully supports this endeavour.

The Bloc Quebecois is aware that forced child labour is primarily the consequence of poverty and underdevelopment. The drastic cuts to government aid to development imposed by the Liberal government are not likely to lead to any improvement in this situation.

We call upon the government to act promptly to follow up on the report by the Committee on Foreign Affairs and International Trade on the exploitation of child labour and to conclude development pacts to eliminate what we consider a blot on the record of humanity.

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● (1405)

[*English*]

ROYAL CANADIAN LEGION

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I am proud today to rise and advise you of a special occasion which occurred on October 25 and October 26 in New Hamburg, Ontario. The New Hamburg Branch 532 of the Royal Canadian Legion celebrated its 45th anniversary.

The members of this branch are widely recognized for the many hours of community service which they perform each year. In particular their support of minor sports programs is truly exemplary of the important role they play in the development of the community.

On behalf of all constituents of Waterloo—Wellington I wish to commend the New Hamburg Royal Canadian Legion on its record of public service. In particular the 10 continuous and charter members from 1952 to 1997 should be acknowledged for their dedication.

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GOODS AND SERVICES TAX

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, this Liberal government has begun its second mandate with the mission statement ''We never met a tax we did not like''.

One of the first times I ever wrote to a politician was to oppose the GST on what was deemed a luxury item, diaper rash cream for my daughter. My daughter is now seven years old and that GST rash is still burning butts across the country. Now the Prime Minister has adopted that diaper rashed baby as his own and Uncle Brian is smiling.

Last week the government stated that it would turn this lemon into lemonade. All the sugar in Canada cannot make GST lemonade sweet enough for any hardworking Canadian to swallow.

We ask what is next. Tainted HST Kool-Aid?

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IODINE DEFICIENCY DISORDER

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, October is IDD month. IDD stands for iodine deficiency disorder, which is the single greatest cause of preventable brain damage and mental disability in the world today.

More than 1.5 billion people, including approximately 500 million children, in more than 115 countries are estimated to be at risk of having IDD.

To prevent IDD a person needs just one teaspoon of iodine over a lifetime. Every 5¢ raised will save a life by providing one person iodine in their diet.

Kiwanis International has taken on the challenge of eliminating iodine deficiency disorder by the year 2000. As an honorary member of the Ottawa-Vanier Kiwanis Club, I am proud to be a part of this effort.

We have with us today in the gallery representatives of the Kiwanis movement and on our behalf I welcome them.

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[*Translation*]

TOXIC METALS

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, scientific analyses that have been unearthed by Greenpeace indicate that PVC plastic items manufactured for use by children contain dangerous concentrations of two toxic metals: lead and cadmium.

The list of such products that can be bought in Quebec and in Canada speaks volumes: toys, rain wear, backpacks, and video game cable coverings.

Lead poisoning is widely recognized as one of the most serious threats to children's health. Exposure to even extremely low doses causes permanent nervous system damage and decreased intelligence.

In this context, how can this government explain that, this very morning, thousands of children went to school carrying toxic backpacks? It is unacceptable for there to be only voluntary measures in this area. The government must take its head out of the sand and concern itself with children's health, not only through the anti-tobacco legislation but also through legislation to protect them from products containing toxic metals.

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QUEBEC PREMIER

Ms. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, you know as well as I do, and as do all members of this House and indeed all Canadians, that our country, Canada, is internationally renowned as a great democratic society.

Like me, you know too that our government is also recognized as a very democratic government. There are great democrats, not so great democrats and, dare I say, petty democrats.

So, when Premier Bouchard attacks the Prime Minister of Canada for deciding to allow a free vote on the proposal to amend section 93 for the Quebec school system, it is clear, and you know it as well as I do, that our Prime Minister is a great democrat and Premier Bouchard a—I don't think I need to finish the sentence.

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[*English*]

LIBERAL FUNDRAISING

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, we have uncovered the top 10 lines used by Liberal fundraisers in their successful efforts to squeeze money from prospective businesses.

Line number 10: If you give it, the cabinet ministers will come.

Line number 9: Never have so many given so much for such obvious rewards.

• (1410)

Line number 8: Come on, everybody is doing it.

Line number 7: The end justifies the means.

Line number 6: It is better to give so that you can receive.

Line number 5: The answer is in the mail and trust me, you will like the answer.

Line number 4: These opportunities usually only come once in a lifetime, although in this case it comes once every time you apply for a grant.

Line number 3: If you think we can be influenced by as little as $3,000 or $4,000, let me tell you this to your face, you are right.

Line number 2: Of course it may be that you will receive the grant without a donation. I mean, anything is possible.

The number one line used by federal fundraisers to squeeze money out of prospective business people: Cheques are fine, but cash is better.

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[*Translation*]

TEAM CANADA INC.

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, our government is delivering on its promises with respect to employment support.

In the red book, on page 34, we read that ''a new Liberal government will create a Trade Promotion Agency that builds on the Team Canada approach to international business''.

To follow up on this commitment, the Minister of International Trade announced a few days ago a series of new measures to better co-ordinate trade promotion initiatives by Canadian businesses already on the export market or looking to be.

Under the umbrella of Team Canada Inc., all public and private stakeholders interested in exports will form an on-going network, we will have more trade commissioners abroad, and a special small business unit will be established within the department, not to mention the 24 hour a day telephone and computer information services that will be made available.

This is good news for businesses in Canada and in my riding of Anjou—Rivières-des-Prairies, whose growth depends on finding new export opportunities on the international market. This is good news because it will result in job creation.

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[*English*]

LIBERAL POLICIES

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, recently Canadians have been treated to the spectacle of two Atlantic Liberal premiers opposing federal Liberal policies they once supported when they were members of the government.

When he was a member of this House, the premier of Nova Scotia supported the HST. Now that he sees that the HST does not

work, he comes to Ottawa with hat in hand asking the finance minister to reduce the HST premiums.

When he was federal Minister of Fisheries and Oceans the premier of Newfoundland allowed the department's policy to destroy the livelihood of Newfoundland fishers. Now that he sees how wrong he was, the premier wants the Standing Committee on Fisheries and Oceans to go to Newfoundland to re-examine the early cutoff of the Atlantic groundfish strategy that would devastate fishers in his province.

Given this double flip flop, Canadians now wonder if the present Minister of Fisheries and Oceans or the Minister of Finance ever became the premier of a province whether they would oppose their own policies because they do not work.

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[*Translation*]

QUEBEC PREMIER

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, yesterday, the leader of the Bloc Quebecois' head office, Quebec's premier designate Lucien Bouchard, concluded that the Prime Minister of Canada was washing his hands of the fate of the amendments designed to help establish linguistic school boards in Quebec by allowing a free vote on this issue.

How dishonest, how hypocritical, how heretical on the—

Some hon. members: Oh, oh.

The Speaker: The hon. member for Brandon—Souris.

* * *

[*English*]

FOOD INSPECTION

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I rise today on the concerns Canadians have about our food inspections. Consumers need to be assured that the food they eat is as safe as it can be. There are a number of reasons for this cause of concern.

With the creation of the Canada Food Inspection Agency, the government has estimated that it will save $100 million over the next few years, hopefully not at the expense of the consumers.

Recent reports have suggested that food imports arriving at Canada's borders are not being inspected thoroughly enough. The November 1996 auditor general's report stated that the level of inspection activity aimed at different food products may not be consistent with their potential risk to human health.

It is time for the federal government to recognize that there are improvements which should be made to our food inspection. The questions that have been raised about our food inspection system deserve to be examined by a parliamentary committee. The CFIA must take a stronger federal role in the area of food safety.

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THE LATE CHIEF JUSTICE NATHAN NEMETZ

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, Nathan, Sonny, Nemetz, who died on October 21 had a distinguished career in the professional practice of law in Vancouver and then served for many years on the Supreme Court of British Columbia being later named as chief justice of the province.

He and equally his wife, Bel Newman, who predeceased him, provided intellectual leadership with a very strong liberal activist bent within the Vancouver Jewish community and also in the more general political and social thinking within the province.

ORAL QUESTION PERIOD

• (1415)

[*English*]

ENVIRONMENT

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, Canada is now the only country left in the G-7 that has not revealed its targets for greenhouse gas reductions.

The Kyoto summit is only five weeks away and the Liberals have not made up their minds. If all our trading partners have their act together, surely it is time the Liberals made their position clear on what they will be doing. Canadians taxpayers, environmentalists and the industry need to know.

Why is it that Canadians always have to pay the price for more Liberal cabinet squabbles? When will they produce the real targets?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have nothing to add to what I said yesterday. We are consulting with the provinces and with the stakeholders. We have made a very clear statement that we want our position to be better than the American one. We are working at the same time with other nations to develop a consensus.

We could just grandstand here, but instead we are being very practical in our efforts to find a solution that will be acceptable to everybody in Kyoto. We have to involve both the industrialized nations and the developing nations.

At least we know we want to do something about climate change, but I know the Reform Party has absolutely no interest—

The Speaker: The hon. member for Edmonton North.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, yes, we are concerned about all these things. The prime minister has already said that they have agreed to sign whatever comes up in Kyoto. They are doing this absolutely backward.

The Kyoto deal reminds Canadians a lot of the failed Meech Lake accord. Back then a bunch of suits got together behind closed doors and decided what would be a constitutional proposal, and no Canadians liked it.

It is the same thing today. The Liberals refuse to wait for the provinces to agree. They refuse to make any proposals public, yet they have guaranteed that they will sign anything that comes forward.

What makes our prime minister think that Canadians would—

The Speaker: The hon. prime minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are going to Kyoto to negotiate with everybody. At this moment no consensus has been reached at this moment between nations. We are consulting Canadians. We are consulting with people abroad and we want to make progress in Kyoto.

I know the Reform Party has no interest in protecting the environment and has no interest in the problem of climate change around the world.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, they need to get their story straight. It seems as though the prime minister is more concerned about looking like a big time operator overseas than developing a made in Canada workable solution.

He brags about how he will beat Bill Clinton at whatever he does. Surely that is not the first priority of the government.

Why are the minister and the prime minister more concerned about winning a little ego war with Bill Clinton than listening to Canadians? Whose deal is this anyhow?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have explained to everybody the position of the Canadian government.

We on this side of the House think it is important to consult with the provinces and the stakeholders. I can see now that members of the Reform Party do not want us to talk with the Alberta government or the Saskatchewan government. They do not want us to talk with environmental groups. They do not want us to talk with anybody.

As usual we will have a good and reasonable Canadian position that will be completely acceptable to the Canadian people.

PENITENTIARIES

Mr. Allan Kerpan (Blackstrap, Ref.): Mr. Speaker, my question is for the solicitor general, so I will speak very slowly.

We have the minutes of a meeting of the inmate committee of the Joyceville Penitentiary. We showed the minister a copy of this document last week. The minutes show that the assistant deputy warden is actually setting up a payment plan so prisoners can pay off illegal drug debts. Last week the minister said this was bad, and that is good.

What is he going to do about it?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as usual the member is not accurate.

Mr. Allan Kerpan (Blackstrap, Ref.): Mr. Speaker, here is another example of this minister's benevolence to help ease the financial burden of convicted criminals. This one comes from the outside.

• (1420)

According to public accounts released yesterday, the minister's department has lent thousands of dollars to criminals on parole and then his department forgave over $25,000 of these loans. At least somebody is getting out of debt.

I have a question for the temporary minister. Did he know that his department was giving loans to criminals and then not even bothering to collect them?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, we have had repeated questions for two or three weeks now, none of them based on fact.

I bring to the attention of the House that there are no tattoo parlours. We are looking for gloves for people. Labour Canada has been in to visit the kitchens in Kingston and there is no problem. The inmates in Kingston do not have keys to their cells.

We cannot take these questions seriously.

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[*Translation*]

PROGRAM FOR OLDER WORKER ADJUSTMENT

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, next Saturday the BC mine in Black Lake will close down, leaving 300 workers without jobs. More than a third of these workers are aged 55 and over and their chances of finding other work are extremely slim, given the high unemployment rate in the region.

An application under the Program for Older Worker Adjustment, or POWA, was filed on March 17, 1996, while the government did not terminate the program until March 31, 1997.

Since the active measures the Minister of Human Resources Development is so proud of do not apply in this case, does the minister intend to reactivate the application—

The Speaker: The Minister of Human Resources Development.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I do not agree with the assumption by the Leader of the Bloc Quebecois that active measures do not apply in this case. I do not think that we should underestimate workers who, over the years, have acquired experience and skills.

I do not underestimate these workers. On the contrary, I think they are still capable of re-entering the job market, and our government has made a perfectly generous and flexible offer with respect to certain active measures to help them in the coming weeks.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it is not a question of underestimating these workers. I met with them. I, for one, took the trouble to meet with them.

But I remember when the Liberal Party was in opposition and kept on tabling petitions to extend the POWA program. The Minister of Human Resources Development should remember that. He should ask the member for Saint-Léonard to fill him in.

Why will the Minister of Human Resources Development not agree to the offer made by Minister Harel in a letter dated October 6 in which she asks that the POWA program be extended?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the POWA application was withdrawn at the express request of the workers' union, which felt that the program's benefits were not sufficiently generous later on. Let us be reasonable.

On the contrary, what has been proposed until now is an improved POWA program. One of the reasons the program was terminated was that it was very often unfair and inequitable, particularly because it applies only to workers over the age of 55. In the present case, the average age of workers is under 55 and the program would therefore not even apply to most of the workers we are talking about.

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

Contrary to what they were advocating when they formed the opposition, the Liberals decided last year to eliminate the program for older worker adjustment, or POWA.

Will the minister go beyond fine speeches and formally pledge to do what is necessary to help the victims of the closure of the mine in Black Lake, giving them access to POWA, as Louise Harel, in Quebec City—

The Speaker: The Minister of Human Resources Development has the floor.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I am meeting with representatives of these workers immediately after question period.

I can tell you, however, that my officials have already met with these people. We put together a $2.5 million package of active measures to help these workers re-enter the labour market. We are committed to being flexible by adjusting these measures to their specific situation. And I believe this is the decent and respectful attitude we must have toward these people right now.

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, former minister Young, who led the unemployment insurance reform, had pledged to establish an income support program to replace POWA.

• (1425)

Will the Minister of Human Resources Development follow up on the former minister's commitment by establishing an income support program for older workers or, alternatively, by restoring the original POWA?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I am very concerned by the plight of older workers. It is a problem that affects a number of our fellow citizens across the country, even though older workers generally fare better than the younger ones who want to join the labour force.

What I do want to point out is that, if we restore programs, these will be fairer than POWA. Under that program, a seamstress losing her job was not entitled to any protection, unless she lost her job as a result of a mass layoff. POWA was too restrictive.

* * *

[*English*]

CANADA PENSION PLAN

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Minister of Finance. Last night in committee the finance minister acknowledged that women are forced to depend disproportionately on benefits they receive from the Canada pension plan.

We know the CPP changes will affect survivors benefits, death benefits and reduce benefits overall by 10%.

Will the minister acknowledge that the cuts to CPP benefits disproportionately affect women? Does the government really believe it is legitimate to penalize women for the fact they live longer than men?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, precisely because women depend on the public pension plans more than do men it is important that we guarantee not only their survival but their success.

Because of that this government along with the provinces put in place a series of measures which will guarantee to Canadians young and old, both men and women, that the public sector pension plan will be there for them.

This was an agreement among all the provinces. The fact is that there were differences with two provinces on certain things, but there were no—

The Speaker: The hon. member for Halifax.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the finance minister gave assurances last night that the government conducted a gender impact analysis on the CPP changes.

Now that I have seen the study I can understand why the government was not particularly keen that it see the light of day. It is a narrow actuarial study. It completely fails to measure the real economic and social impact on women of the proposed CPP changes.

How does the study live up to the government's commitment made in Beijing to submit all government initiatives and legislative changes to comprehensive and detailed gender analysis?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the consultation document that went out to the country was agreed to by all provincial governments, including the two NDP governments, as well as by the federal government.

The NDP was at the table for the discussions. All the issues the hon. member raises were extensively discussed. We will continue through track two to deal with a number of issues raised by the federal government. One of the members from Ottawa raised them, as well as a number of provincial governments.

* * *

HUMAN RESOURCES DEVELOPMENT

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Minister of Human Resources Development. Last Friday I met in British Columbia with representatives of the Community Fisheries Development Centre, Coastal Communities Network, United Fishermen and Allied Workers Union, and representatives of the north and aboriginal communities.

Essentially they said that the Mifflin plan had been an unmitigated disaster that affected their communities disastrously and that the government had no plan.

When will the human resources development minister come forward with an adjustment plan for coastal communities on the west coast? When exactly will he deliver on that? What amount of money will they put to it?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, if in British Columbia the hon. member had actually bothered to find out what was taking place, he would have discovered a document I am happy to table, namely the report for the first eight months of the employment development program, indeed had $12.5 million of contracts with the department of the hon. minister of human development.

The organizations that make up the body, the Community Fisheries Development Centre, are exactly the same ones that he has referred to today.

In other words he was either—

The Speaker: The hon. member for Sherbrooke.

• (1430)

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, I doubt I can be misinformed. One of the things they told us is that they could not get a meeting with the minister of fisheries.

Today we learned from Canada's negotiators that the Americans lacked political will to solve the problem of the Pacific salmon treaty. Envoys Ruckelshaus and Strangway are in Ottawa this week, according to the minister of external affairs.

I would like to know from the Prime Minister whether he will give a mandate to the envoys to report to him and President Clinton at the APEC conference when they will have their bilateral so that British Columbians and the coastal communities can finally see some political will exercised by the government to solve this problem.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, whenever our man wants to report to me, he can report to me, and the American envoy will report to the President of the United States.

I do not think APEC should be mixed up with this problem. We are in touch with the two gentlemen doing the work. They will report to the President of the United States and to myself in due course.

* * *

TOBACCO ADVERTISING

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, tobacco advertisers have quite a new friend in our health minister as he allows tobacco ads to be put on racing cars again. He does not think it is a very big deal. Let me read what one of the tobacco advertisers had to say. ''This Formula One car is the most powerful advertising space in the world. It will carry your brand to 1.8 billion TV viewers in 102 countries''.

Since the health minister has publicly admitted that he knows this decision is not right, why has he caved in to the tobacco companies?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I hope the hon. member knows better than to swallow the ad copy of advertisers. Let us instead look at the facts of the case.

The government committed last April to amend the Tobacco Act in order to permit Formula One racing to happen in Canada. As the hon. member knows, this is a government that respects its commitments. We are going to respect it. We are going to introduce an amendment in the House of Commons to change the Tobacco Act to that effect.

Let me also point out that Formula One races last 90 minutes more or less. The Tobacco Act works 365 days a year to discourage smoking in this country.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the letter they sent in April was a stupid idea then and it is a stupid idea now. The minister actually admitted in public that he is uncomfortable with this decision.

It is interesting that the health ministers of England, Germany and France were also uncomfortable with race car ads. What did they do? They stopped them and their Grand Prix races are just fine today.

Why did the minister cave in to tobacco companies so that the health of our youth is affected?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, we are respecting a commitment. The health of our youth, when it comes to smoking, will be protected by the $100 million the government is going to spend over the next five years on a tobacco reduction strategy. That is the way to get kids to stop smoking. That is the way to prevent young people from starting. That is the effective measure the government is going to take.

* * *

[*Translation*]

PRISON SYSTEM

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, my question is for the Solicitor General of Canada.

The Correctional Service of Canada and the warden of the Leclerc penitentiary joined forces to try to calm our concerns about the unthinkable situation Mr. Deslauriers has put himself in. It was all very well for the Correctional Service to say that it was aware of Mr. Deslauriers' business activities, but a serious problem of ethics remains.

Is it not a serious error in judgment for the head of a penitentiary to own and, more importantly, manage a hotel two feet away from a bikers clubhouse, when we know—

The Speaker: The Solicitor General of Canada.

[*English*]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, it is very important to point out that yesterday the members from the Bloc made some serious allegations. They referred to this hotel as a haven for biker gangs and Hell's Angels.

We have worked diligently since yesterday to find out if we could confirm that. We have called the Sûreté du Québec, the RCMP, the municipality and the mayor. The allegations that were put have not been established. I think it is shameful that a 30 year veteran of CSC would be put under that light.

• (1435)

[*Translation*]

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, how can the solicitor general allow the Correctional Service of Canada to permit the head of a penitentiary to put himself in such a vulnerable position vis-à-vis a biker gang? Does acceptance of this situation not indicate serious negligence?

[*English*]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, it has to be established that the issue is whether the hotel we are talking about is a haven for biker gangs. It is not. Four very reputable law enforcement agencies have established that is not the case. I think it does a disservice to a 30 year veteran of the correction service to make such allegations.

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AIRBUS

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, RCMP Staff Sergeant Fraser Fiegenwald, the government's fall guy in the Airbus scandal, quit the force today. Millions of dollars were doled out to settle Mulroney's legal bills but the government refused to pay a penny toward Staff Sergeant Fiegenwald's legal bills. Someone is responsible and must be held accountable for the $3 million Airbus scandal.

I ask the Prime Minister, who is the next target? Who is the fall guy that has been lined up to take the blame and to protect the Liberal government and the former justice minister?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member undoubtedly knows that Staff Sergeant Fiegenwald decided to resign voluntarily from the force today.

Some hon. members: Oh, oh.

Hon. Anne McLellan: That led to a decision by the RCMP to discontinue its internal investigation against the actions of Staff Sergeant Fiegenwald. I do not think it would be appropriate to say anything else about the matter at this time.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, we have reached the Liberal utopia of absolutely no accountability.

The Liberals spent millions of dollars fighting Mulroney and millions more to pay for his legal bills. But they would not pay a single cent for Staff Sergeant Fiegenwald's legal bills and they drove him from the force. Is this Liberal Airbus justice?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the government settled the damages for Mr. Mulroney because a superior court judge in the province of Quebec said we had to. It was binding arbitration.

* * *

[*Translation*]

PRISON SYSTEM

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my question is for the Solicitor General of Canada.

The solicitor general is telling us that he is prepared to accept the situation the director of the Laval-des-Rapides penitentiary put himself in.

Given the biker gangs' persuasion tactics, is the minister not somewhat concerned about his penitentiary director owning a hotel next door to the Hell's Angels clubhouse, whose members are aware of the fact and could exert pressure on him?

[*English*]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I would bring to the member's attention that the director we are talking about just recently transferred 12 biker offenders from his institution to maximum security. Two Hell's Angels challenged that transfer. Last Friday the court found in favour of the director and the biker gang members were transferred to maximum security. I do not think that suggests he is in league with the biker gangs.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the minister should understand that the prison director's error in judgment lies not in allowing in two, ten or a dozen Hell's Angels. That is not the point. The error in judgment is owning a hotel beside the clubhouse and being subject to constant pressure from a highly criminal element that is not shy about making itself heard.

[*English*]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I can only say after the fact that it has not been established that the hotel is a hangout for biker gangs. In fact, the RCMP, the municipality and the mayor of the community have all said that. It is very unfair to that gentleman that these people would impugn his reputation with nothing more than that.

* * *

● (1440)

CANADA PENSION PLAN

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, the latest report of the chief actuary for the Canada pension plan shows that under the finance minister's CPP pyramid scheme, our children and their children will get only a 1.8% return for a lifetime of CPP investment.

How can the minister disagree with his own actuary that he is shafting every young person in this country?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the chief actuary said that if the federal government and the provinces did not act that the premiums would have gone to 14.4%. We acted and as a result of that they will be capped at 9.9% There is no cost-free way of solving this problem.

Reform Party members have an obligation to tell Canadians how they would handle a $600 billion liability. If they are not prepared to do that, then they should admit that they are going to renege on an obligation to working Canadians and those who have already retired.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, Canadians are noticing that every time the minister is asked to justify his pyramid scheme he changes the subject. He wants to talk about anything but his own plan.

Let us talk about the $600 billion unfunded liability. There is a Liberal-Tory national debt of $600 billion that is already crippling our children's future. Now the minister admits that the CPP puts them another $600 billion in the hole. Young Canadians are being saddled with a second national debt.

Will the finance minister admit—

The Speaker: The Minister of Finance.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, for the first time in two years of debate the Reform Party finally admits that there is an existing liability of $600 billion.

Last night in committee, with the leader of the Reform Party at the table, there was an expectation that instead of sound bytes and political rhetoric, Reform Party members would tell us how they intend to deal with it. They refused to do so. For two hours Reform members gave us smoke and mirrors.

Tell us, how much longer are you going to try to flog it by young Canadians? When are you going to come—

[*Translation*]

TIP EMPLOYEES

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

Starting next January 1, the Government of Quebec intends to require all tip employees to report all of their income. Therefore, unemployment insurance benefits for tip employees will be determined according to their total income, but this requires a minor regulatory amendment that will greatly simplify income reporting.

Can the minister make a firm commitment that Revenue Canada will make this regulatory amendment before the end of 1997?

[*English*]

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, I want to thank the hon. member for his question. I am working with my colleagues, the Minister of Finance and the Minister of Human Resources Development, to respond to the letter which I received from Mr. Landry to look at EI earnings on their change in the way in which they collect their taxes on tips.

As soon as we are able to look at the details of that we will be getting back to Mr. Landry.

* * *

TRADE

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, because of the large number of departments involved, my question is for the Deputy Prime Minister.

Following the passage of Bill C-29 last spring, the MMT bill, Ethyl Corporation launched a NAFTA trade challenge. Can the Deputy Prime Minister tell us what is the status of this case?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the panel to respond to the NAFTA trade challenge was launched on September 2. There was a meeting October 2 to discuss procedural matters. The next meeting of the tribunal will be in February.

I am sure we all look forward to a fair outcome in the interests of all sides.

* * *

NATIONAL DEFENCE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the defence minister likes to talk about this new era of openness in his department, yet yesterday in committee I asked the defence minister about an incident involving a stray missile in the Pacific. Surprise, surprise, neither the defence minister nor his chief of defence staff had any idea of what I was talking about, but his department sure did.

If the department is so open, why was the minister kept in the dark?

● (1445)

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, as I indicated to the hon. member yesterday, I would look into the matter and have looked into the matter. Yes, there was during exercises in the middle of the Pacific back in the spring some firing of missiles. These are unarmed missiles. Some of them failed in their firing but that is why they have practice, so that in real conditions these kinds of things will not happen.

There was absolutely no damage to personal property, absolutely nobody injured.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the minister is trying to confuse the issue by talking about a couple of other matters that happened on the *Vancouver.* I am talking about what happened on the *Huron.* The minister is trying to confuse the issue. He knows it.

In the past few months the privacy commissioner, the information commissioner, the Somalia commissioner all reported there is a lack of openness at defence headquarters. I do not know how much more evidence the minister is going to need.

The next time a missile goes astray is the minister going to get a ship to shore or is the message going to come via carrier pigeon?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I think the hon. member is confused because back when this incident happened there was a report in the Vancouver *Sun* and in other western media. It seems that the hon. member is taking a long time to catch up with his press clippings.

* * *

[*Translation*]

PROGRAM FOR OLDER WORKER ADJUSTMENT

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the BC mine near Thetford Mines will close Saturday. Three hundred jobs will be lost and this will have a serious impact on the region's economy.

There have been repeated requests for an adjustment program for older workers, but the Minister of Human Resources Development has rejected them all, saying that the workers had to report to the employment centre. Does this government take pleasure in seeing people suffer? Because of such heartless policies from the Liberals, all the communities in Thetford Mines will suffer.

Is the minister willing to set up an early retirement program for the BC mine workers, so that he can show that he cares a bit for the people losing their jobs?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the general issue of older workers is a great concern because there is no doubt that many of them have difficulty re-entering the labour force.

I do know however that many of them prefer to work again when they still have 10 or 15 years ahead of them, instead of receiving money to stay home and do nothing. That is why this government is strongly committed to policies that actively help these people re-enter the labour force.

I am being asked to resuscitate a POWA program whose own criteria made it extremely unfair and unjust. It was great for people who could enter the program, but the majority—

The Speaker: The member from Burnaby—Douglas.

* * *

[*English*]

FISHERIES

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the minister of fisheries. As the minister knows, the recent report by Yves Fortier, Canada's chief Pacific salmon negotiator, noted that B.C. fishers and coastal communities wonder whether their livelihoods will survive another season of U.S. greed and violations of the treaty and MOU.

Does the minister endorse in full this very significant Fortier report and, specifically, will he insist that the equity issue be settled as a priority and oppose any U.S. efforts to two track these negotiations?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, Mr. Fortier was our very distinguished negotiator in the very frustrating four years that led up to the impasse this summer which is left over from the Mulroney negotiated treaty of 1985. We certainly think he has outlined a situation, an historical build-up and the issues of equity and conservation effectively. Shortly after I took office I indicated my support for Mr. Fortier's work and I still have full confidence in him.

* * *

[*Translation*]

HIGHWAY SYSTEM

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, my question is for the Minister of Transport.

The minister held an important meeting with the Quebec Minister of Transport, Jacques Brassard, who is also the MNA for Lac Saint-Jean.

Could the minister confirm that the priorities defined by the Quebec minister included highway 175, the most deadly highway in the country? I would like to know whether this road is one of the priorities the Quebec minister indicated.

• (1450)

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I did indeed recently meet my Quebec counterpart, Mr. Brassard, and we discussed a number of topics in the area of transport.

As he knows, this government is concerned about the national highway system. I would point out that since the last election we have invested $9.1 million on roads in his own riding. I think that is a strong response by our government.

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, I was not elected to pretend to be humiliated during each Oral Question Period, but this agreement was signed in 1993 and has lapsed.

I would like to know whether the minister is prepared to make a commitment before this House and the 300,000 people I represent to make Talbot boulevard, the deadliest road in Quebec, a priority?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, once the federal budget is balanced, perhaps we can talk about more money for road repairs, but not right now.

* * *

[*English*]

NATIONAL PARKS

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, my question is for the Secretary of State for Parks.

In June 1996 Tuktut Nogait national park was created. Recent concerns have surfaced surrounding the already agreed to borders of the park.

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

[*English*]

What is the Secretary of State for Parks doing to ensure that the borders of Tuktut Nogait national park are protected?

Hon. Andy Mitchell (Secretary of State (Parks), Lib.): Mr. Speaker, the establishment of the park is subject to a tripartite agreement. As part of that agreement, all parties would have to agree to a change in the boundaries. As a signator to that agreement, the federal government has no intention of changing those boundaries.

With the amendments I intend to bring to the National Parks Act shortly, we will be establishing this as an official national park in the near future.

[*Translation*]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, my question is for the Prime Minister.

Canada remains the only G-7 country that does not have a position on the reduction of greenhouse gases in preparation for the Kyoto summit next week.

My question is a very simple one: How can the Prime Minister justify Canada's not yet having a position in preparation for the Kyoto summit, when the European Union, which is made up of 15 sovereign countries, managed long ago to reach agreement around a clear objective?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I had the opportunity to answer that question both yesterday and today. We are in the process of consulting the provinces, the petroleum industry and the environmentalists in order to find a solution to the Canadian problem.

At the same time, we have positioned ourselves for discussions to ensure that progress is made in Kyoto. At this time, there are three different basic positions, and we are trying to get the supporters of those three positions to find a compromise in Kyoto which will advance the situation and make it possible to control the problems related to the global climate.

* * *

[*English*]

JUSTICE

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, yesterday the inquiry into the wrongful conviction of Guy-Paul Morin heard allegations of judicial bias. In recent months the Supreme Court of Canada has been critical of federal court judges, and a retiring supreme court justice has called for a new process for judicial appointments.

The Minister of Justice has said she is open to suggestions. Will the minister take action to restore the public's faith in our justice system by creating a special committee of the House to examine proposals to reform the judicial appointment process?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I have said many times in this House, I think Canadians, quite rightly, have the highest degree of confidence in the integrity of the Canadian judiciary.

I have also indicated on a number of occasions in this House that I am willing to look at mechanisms by which I can receive greater input from interested Canadians and other interested stakeholders as it relates to the judicial process.

● (1455)

IMMIGRATION

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, Section 110 of the 1996 U.S. illegal immigration reform act will create long lines for Canadians at U.S. entry points, delaying and discouraging legitimate trade and travel.

This act was before Congress for 13 months. Where were Canadian diplomats during this period? Amending a bill that is already passed in Congress is very difficult.

Will the Minister of Foreign Affairs table a list of the specific representations made by our ambassador in Washington during the 13 month period?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I have to say that it would be a very long list to table. Within our embassy in Washington we have a very active program to ensure we are able to protect Canadian interest.

I give the hon. member full assurance that we are now working with a coalition of American business organizations, American congressmen, senators and others to ensure the open border stays open and that we are able to maintain the full flow of goods.

I enlist his support in this very important cause to maintain this open border.

* * *

[*Translation*]

TOURIST INDUSTRY

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, my question is for the Minister of Industry.

[*English*]

In an article that appeared in yesterday's media, Canadians were given the impression that Canada has lost ground in the tourist industry.

[*Translation*]

Can the minister confirm that Canada's tourist industry will continue to play a lead role world wide?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I would like to underline the importance of tourism, an industry that brings in $42 billion in revenue every year, in Canada.

[*English*]

I also want to underline the importance of the formation of the Canadian tourism commission in 1994. It has not only created a partnership with provincial governments and the industry itself, it has not only increased Canadian promotion of tourism products

internationally, but it has resulted in moving Canada from 2th to 10th place in tourism receipts and increased—

The Speaker: The hon. member for Vancouver Island North.

* * *

PACIFIC SALMON TREATY

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, the United States caught $650 million more in salmon than allowed under the Pacific salmon treaty.

The Liberal government has known since 1993 that this has been happening. We now know that the Liberal's own negotiator advised that the U.S. federal government, and not the states, is responsible for the treaty.

Why has the government ignored the advice of its negotiator and taken a softball approach to the United States government?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, we have known for four years, ever since this Mulroney negotiated treaty failed, that there was no provision for continuing and no provision for dispute resolution.

We tried year after year to get the Americans to come to the table so they would recognize the need for continuing arrangements for fishing. In most of those years we have been successful with the north and south regional arrangements or with an overall annual arrangement.

There is no question that American fishermen have taken larger numbers of fish than we feel they are entitled to and which the treaty suggests they should have.

* * *

[*Translation*]

TOBACCO LEGISLATION

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

Yesterday, the Minister of Health said that he would amend the anti-tobacco legislation so as to allow international Grand Prix races to be held. The secretary of state for regional development indicated, and I quote: ''It goes without saying that the Formula 1 changes will apply to all events''.

Will the minister confirm the statement by his colleague, the secretary of state for regional development, that the measures applied in the case of the Grand Prix races will apply to all major sports and cultural events?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, in recent weeks I have stated this government's position many times. We must and we will keep the promise made last April.

I am now working with my colleagues, in particular the minister responsible for economic development in Quebec, on the amendment. I would suggest that the hon. member wait until I am prepared to table this amendment.

* * *

● (1500)

[*English*]

PRESENCE IN GALLERY

The Speaker: I would like to draw to members' attention to the presence in the gallery of His Excellency Alvaro Ramos, Minister of Foreign Affairs of the Eastern Republic of Uruguay.

Some hon. members: Hear, hear.

The Speaker: Colleagues, I have two points of order and a question of privilege. I am going to do it a little bit in reverse today because I think the points of order might be a little shorter and I want to give the hon. member a few minutes at least to put his question of privilege.

* * *

POINT OF ORDER

TABLING OF DOCUMENT

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, earlier in question period I made reference to a document that I would like to table at this time. It is entitled ''Employment Development Program: Program Report, January 1997 to September 1997, of the Community Fisheries Development Centre''. In it, in particular in annex one, you will discover the $12.5 million in programs that this one organization has from Human Resources Development Canada.

The Speaker: Of course we will table the document. The other point of order has been withdrawn so I am going to go directly to the question of privilege.

* * *

PRIVILEGE

CANADA PENSION PLAN INVESTMENT BOARD

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I rise today on a question of privilege to bring to your attention an issue which I think compromises the rights and privileges of all members of this House.

I speak in particular of a news release dated Thursday, October 23 brought to my attention last night in which the Government of Canada announced that provincial and federal governments had constituted a nominating committee to nominate candidates for the new Canada pension plan investment board.

This nominating committee consists of 10 members and will be responsible for drawing up a list of recommended candidates for

the new CPP investment board proposed by Bill C-2 presently before this House.

From this list the federal Minister of Finance will select 12 directors, including a chairperson for this board. This is what the finance minister is quoted in his release as having said, that ''the nominating committee will play a key role in selecting the CPP investment board''.

The press release ends by saying that the nominating committee is expected to submit its list of recommended candidates to the federal finance minister and the finance ministers of the participating provinces before the end of this year.

The nominating committee I have just described is provided for under clause 10(2) of Bill C-2 which reads:

> The minister may establish a committee to advise the minister on the appointment of directors. The committee shall consist of a representative designated by the minister and a representative of each participating province designated by the appropriate provincial minister for that province.

I want to refer to two precedents from *Hansard.*

● (1505)

On March 9, 1990 Speaker John Fraser ruled on a question of privilege brought by the member for Kamloops in which a pamphlet regarding the GST was disseminated by the government prior to the passage of the GST legislation. Speaker Fraser ruled it not to be a question of privilege but only because the pamphlet stated within it that the legislation was before the House and that the information in the pamphlet was only a proposal.

The second precedent also concerns the goods and services tax. The member for Cape Breton—East Richmond brought a point of privilege on March 16, 1991 on exactly the same point. Speaker Fraser once again ruled on March 25, 1991 that it did not constitute a point of privilege, on the grounds that the newsletter indicated that the information it contained were proposals only. Specifically he decided that the minister had not acted as if the House had already passed the budget measure approving the GST and that the advertising did not prejudice a future decision of the House.

The situation before us is similar but much, much more serious. Obviously the Minister of Finance has already designated a committee defined under clause 10 of the bill. He clearly expects the committee to meet, to incur expenses and to make important decisions that will obligate the Government of Canada in various ways, in other words to perform a function that is essential to the thrust of Bill C-2.

The question of privilege arises in that the bill only went to the Standing Committee on Finance for consideration on second reading yesterday. Members of the committee may want to alter clause 10 of the bill and the government is proceeding as if Parliament has already given the minister authority to act under that section when it clearly has not done so.

If the government is allowed by the House to proceed to enact a bill that has not been passed by the House, a dangerous precedent will have been set, a precedent that undercuts the authority of Parliament and derogates from the rights and privileges of every member to have input into legislation prior to its enactment.

Once again the action considered today is a matter of privilege for the reasons I have already stated. The minister has actually designated a committee under an act yet to be passed or even considered in the standing committee, and the nominating committee has already been given a deadline to submit names as the bill directs if it were to be passed in its present form. Since the bill only went to committee yesterday, this matter is very timely and is very time sensitive.

Mr. Speaker, I would urge you to give this matter careful consideration so that the rights and privileges of all members of Parliament and ultimately the rights and privileges of all citizens of Canada will be protected and preserved and that the proper constituted authority is followed.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there are a number of things that the Chair may want to consider before it rules as to whether or not this a prima facie question of privilege.

First the member referred to proposed Bill C-2 and that recommendations would be made by the minister. In other words, in both instances where the hon. member across the way made such references, he made references to things that were not definitive, namely a proposal and a recommendation as opposed to a specific action of appointment.

Second, when referring to the March 9, 1990 decision, the hon. member recognized that the action at that time did not constitute a question of privilege. Again in 1991 the advertising at that time was not deemed to be a question of privilege because, according to the hon. member and I agree with him, it did not jeopardize the passage of the bill.

One would have to be pretty hard pressed today in the House of Commons to arrive at the judgment that the House would be influenced to pass or not pass the bill, as to whether or not a proposal has been made or recommended to have people to sit on an advisory committee to recommend others to sit on a future committee to be put in place after the passage of the bill. As such, it would be overstating the facts considerably.

No one is saying that the government in that advertisement will put this bill in place or put in place the eventual board of directors whether the bill is passed or not. That is not claimed at all by the government. As a matter of fact, I say to the people across the way that this is an advisory committee to recommend people to sit on a future committee. Of course the future committee would only exist with the passage of the bill.

● (1510)

Obviously if the bill does not pass there is no need to have the permanent committee in place. Nor do I think the government would ever consider putting such a permanent committee in place if that were the case. It is an advisory committee to select members to sit on the future permanent committee which is not yet in place.

One has to hold the following proposition before Canadians and before Your Honour this afternoon. The bill if passed, and I would like to say when passed, will come into force next January 1. If it does not pass, it will cost Canadian taxpayers the sum of $400 million if there is a delay of one year. Therefore the government has to be ready with all the proper recommendations just prior to the January 1 tentative implementation date. The implementation date will only be firm once the bill is finally passed.

Once the bill is passed, the government would only be prudent to take the necessary lead time to make the necessary preparation in order to then have at that time the final nomination of the people for the permanent committee. It is the prudent thing to do. It is one that saves taxpayers dollars which is essential not only in the eyes of the federal government but in the eyes of the eight provinces that have signed on to the agreement and even in the eyes of the other two that have also said they want to place people on the board of directors should it come into place once the bill is adopted.

The Speaker: Colleagues, as I mentioned the last time, I want to have a look at any question of privilege that impinges on members of the House. The hon. member for Fraser Valley quoted from a document which I have not seen. I would ask him to please leave me the document so I can read it. I want to have a look at this thing and I want to reserve judgment on it.

If the House will grant me, I will return to the House if and when it is necessary, but I want to have a look at the document before I make a ruling.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

OFFICIAL LANGUAGES

Hon. Sheila Finestone (Mount Royal, Lib.): Mr. Deputy Speaker, first it is a pleasure to welcome you in that seat. It is very nice to have you call for this report which I am honoured to present as the chair of the official languages committee. It is the first report of the Standing Committee on Official Languages.

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Procedure and House Affairs regarding the membership and associate membership of the Standing Committee on Citizenship and Immigration. If the House gives its consent, I intend to move concurrence in the sixth report later this day.

* * *

● (1515)

PARLIAMENT OF CANADA ACT

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.) moved for leave to introduce Bill C-13, an act to amend the Parliament of Canada Act.

The Deputy Speaker: The hon. government House leader, on a point of order.

Hon. Don Boudria: Mr. Speaker, I wish to seek unanimous consent to deal with this bill later this day.

The Deputy Speaker: Perhaps we could have the bill read a first time and then I will deal with the minister's motion.

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

The Deputy Speaker: When shall the bill be read a second time? The hon. government House leader on a point of order.

Hon. Don Boudria: Mr. Speaker, rather than the traditional later sitting of the House, I wish to seek unanimous consent that the bill be dealt with later this day. There has been consultation among all parties.

The Deputy Speaker: Is there agreement that the bill be ordered for consideration later this day?

Some hon. members: Agreed.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

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

(Motion agreed to)

* * *

PETITIONS

LABELLING OF ALCOHOLIC BEVERAGES

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have two petitions today. The first has to do with health warning labels on the containers of alcoholic beverages.

The petitioners would like to bring to the attention of the House that the consumption of alcoholic beverages may cause health problems and that fetal alcohol syndrome and alcohol related birth defects are preventable by avoiding alcohol consumption during pregnancy.

The petitioners therefore pray and call on Parliament to mandate the labelling of alcoholic products to warn pregnant women and others of the certain dangers associated with the consumption of alcoholic beverages.

PUBLIC SAFETY OFFICERS COMPENSATION FUND

Mr. Paul Szabo (Mississauga South, Lib.): The second petition, Mr. Speaker, has to do with our public safety officers, police officers, firefighters and RCMP.

The petitioners say that police and firefighters are required to place their lives at risk on a daily basis and that when one of them loses his or her life in the line of duty all of us mourn that loss.

The petitioners therefore pray and call on Parliament to establish a public safety officers compensation fund for the benefit of families of public safety officers, including police officers and firefighters, who are killed in the line of duty.

THE FAMILY

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I have two petitions.

The first petition calls on the government to amend the charter of rights and freedoms to (a) recognize the fundamental right of individuals to pursue family life free from undue interference by the state and (b) recognize the fundamental right and responsibility of parents to direct the upbringing of their children. They furthermore urge the legislative assemblies of the provinces to do likewise.

CRIMINAL CODE

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): The second petition, Mr. Speaker, petitions Parliament to affirm the duty of parents to responsibly raise their children according to their conscience and beliefs and to retain section 43 in Canada's Criminal Code as it is currently worded.

GOODS AND SERVICES TAX

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is my honour to rise, pursuant to Standing Order 36, to present a petition on behalf of a number of constituents, as well as a number of individuals from the Guelph—Wellington constituency, who have signed a petition which states they are deeply concerned about the government's decision to continue taxing reading with the GST.

They go on and on about all the reasons why we need to encourage people to buy books to practise their reading skills, and to encourage young people to buy books.

● (1520)

In particular, a young person points out that she has to pay the GST on her bibles that she sends off to people in developing countries. She is very determined to have that changed.

TAXATION

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, the next petition is again about taxes. A great number of people from the city of Kamloops as well as the city of Clearwater, British Columbia point out their concerns that our tax system is unjust, biased and unfair and ought to have a complete and total overhaul.

I again endorse the comments of these constituents.

HUMAN RIGHTS

Mr. Brent St. Denis (Algoma—Manitoulin, Lib.): Mr. Speaker, I have several petitions to present today.

I have dozens and dozens of petitions from my riding from people who are concerned about the decision made last year in Ontario concerning women being allowed to be in public bare breasted.

The petitioners call on the federal government to take measures to deal with this issue.

NUCLEAR WEAPONS

Mr. Brent St. Denis (Algoma—Manitoulin, Lib.): Mr. Speaker, the second petition is from constituents in the city of Elliot Lake in my riding who are concerned about the nuclear weapons that still exist in the world and ask that something be done about it.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

Mr. Peter Adams: Mr. Speaker, I think you would find unanimous consent for a motion with regard to committee travel.

The Deputy Speaker: Does the hon. parliamentary secretary have the leave of the House to propose his motion?

Some hon. members: Agreed.

* * *

COMMITTEES OF THE HOUSE

NATIONAL DEFENCE

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.) moved:

That four members of the committee and one staff member of the Standing Committee on National Defence and Veterans Affairs be authorized to travel to Aviano, Italy; Zagreb, Croatia; Velika Kladusa, Coralici, Bihac, Druar, Zgon, Banja Luka, Sarajevo, Bosnia; and Zurich, Switzerland from November 2 to 13, 1997 in order to examine Canada's continuing involvement in the international stabilization force in Bosnia.

(Motion agreed to)

GOVERNMENT ORDERS

[*English*]

PARLIAMENT OF CANADA ACT

The Deputy Speaker: The hon. government House leader on a point of order.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe that you would find unanimous consent that Bill C-13 be dealt with at second reading, committee of the whole and third reading this day.

The Deputy Speaker: The House has heard the proposal of the government House leader. Is it agreed?

Some hon. members: Agreed.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.) moved that Bill C-13, an act to amend the Parliament of Canada Act, be read the second time and, by unanimous consent, referred to a committee of the whole.

[*Translation*]

Mr. Speaker, I am pleased to briefly address Bill C-13, an act to amend the Parliament of Canada Act.

[*English*]

The discussions with the opposition parties have now resulted in an agreement for the membership of the Board of Internal Economy and to allow appropriate representation of all parties in a way that is responsive to the present composition of the House of Commons.

● (1525)

You will recall, Mr. Speaker, that since the opening of Parliament, the House leaders of the various political parties have taken steps to ensure that processes—for instance, the size and the number of standing committees—be adjusted to ensure that the work of parliamentarians is supported by a fair and reasonable system.

We have also taken measures, in co-operation with the Speaker, to ensure that a system is in place to have a question period that was functional, given the five political parties presently in the House of Commons.

We have adjusted budgets for research offices and support services for members of Parliament, reflecting the same kind of change.

This leads me to believe that those who predicted that this would be a form of pizza Parliament, with members of Parliament unable to co-operate with each other, were wrong.

We have different points of views in the House of Commons. We will disagree with one another on various issues of substance, but we were all sent here to represent our constituents. The members of the five parties were sent here by Canadians not to make this Parliament dysfunctional. We were all sent here to make Parliament work.

I want to congratulate the House leaders of all parties for their work in that respect thus far. I also congratulate the Speaker for his excellent work and for his guidance from time to time.

The proposed changes to the Board of Internal Economy will essentially do the following. They will create a situation whereby five members of the government will sit on the Board of Internal Economy: two ministers and three members. The Leader of the Opposition, or his delegate, will be represented on the board. In addition, a member of the official opposition caucus will be on the board and also a member from all other parties, duly recognized, in the House of Commons.

There is also a formula in the new bill by which such amendments will not be necessary in the future, were there to be more changes in the numbers of of parties sitting in the House of Commons, either after the next election or in the event that a party ceases to be a political party within this Parliament.

These changes have been made with the support of all the parties involved. I want to reiterate my appreciation for the support and co-operation of everyone.

[*Translation*]

Negotiations of this type are never easy. Still, it is important to note that all political parties, regardless of their ideology, agree that we must work together to ensure the proper operation of this Parliament and to provide the best possible government to Canadians, who sent us here to represent them during this 36th Parliament.

[*English*]

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, it is a pleasure to speak to Bill C-13 which amends the Parliament of Canada Act.

This amendment provides for members of the Progressive Conservative Party and the New Democratic Party to be full-fledged members of the Board of Internal Economy.

I believe in any organization in our democracy, matters which affect employees or members of any organization should work by way of input from those members. I do not believe that the House of Commons should take a different approach than that which is taken by any other organization in our country. In fact, we should set the trend and the style for those kinds of things.

The act did not previously provide for membership on the board for those two parties and this amendment corrects that situation.

While we may differ in the House from time to time on many issues, I do not believe that the Board of Internal Economy is a place in which differences occur by way of motions. I believe it is a consensus organization. In fact, it is a management organization that keeps the members' interests at heart and, in particular, keeps the members' interests, on an ongoing basis, regardless of party politics. Presumably it is non-partisan.

• (1530)

New members should be reminded that the Board of Internal Economy operates on a consensus basis. Therefore, with the new membership and the more people we have on the board, it is imperative to keep the consensus building ideal and not get into motions and partisan issues. We should manage the way any good organization should manage. Hopefully that is what this amendment to the bill does.

We wholeheartedly agree that these two parties be active members of the Board of Internal Economy. We wish them well in future discussions and debates that will occur there.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I am pleased to address Bill C-13, an act to amend the Parliament of Canada Act, on behalf of the Bloc Quebecois.

It is definitely appropriate and timely for Parliament to amend the Parliament of Canada Act, so as to reflect what happened on June 2, when Canadians and Quebeckers elected 301 representatives from five different political parties to the House of Commons.

This reality was not recognized in the former act, or in the current Parliament of Canada Act, until the tabling of this amendment, whereby the Board of Internal Economy, which is basically the administrative body for the House of Commons, now recognizes two new official political parties in the House, namely the New Democratic Party and the Progressive Conservative Party.

However, we would have liked the amendment to also recognize that Canadians and Quebeckers elected to this House not only members from five different political parties, but a specific number of MPs from each of these parties.

I think that if there is one conclusion we can draw from the June 2 election, it is that it has shown how fragmented Canada really is, with five parties, basically representing the five regions of Canada, being elected to this place. The Liberal Party, of course, is primarily concentrated in Ontario; the Bloc Quebecois, as we know, is primarily—in fact exclusively—concentrated in Quebec; the Reform Party has its stronghold in western Canada, except for a few small pockets of resistance from other political parties, and the maritimes are divided between the Progressive Conservative Party and the New Democratic Party.

That having been said, the point I was making is that there is, in this House, a certain level of party representation that we would have liked to have seen reflected in every body of this House. We have fought to have the Bloc Quebecois adequately represented on the House of Commons Board of Internal Economy.

We must recognize however that, while the bill before us today, to amend the Parliament of Canada Act, recognizes the fact that five parties are represented in the House of Commons, it does not recognize the level of representation of each party in this House for the Board of Internal Economy.

Let me give an example. In the June 2 election, the Bloc Quebecois won 44 seats, or approximately 14.7% of the seats in this House. Under the formula proposed by the government, the Bloc Quebecois ends up a level of representation of 9% on the Board of Internal Economy, which is less than its level of representation in this House. Compared to the representation of all other

parties, the Bloc Quebecois is the only one to be penalized in any significant way by the distribution of the seats on the Board of Internal Economy.

• (1535)

The hon. government House leader was right in pointing out that the negotiations between the various political parties were long, painstaking and difficult, but also fruitful. He is right in saying that they were fruitful, because we in the Bloc Quebecois wanted to show our good faith in allowing this Parliament to function properly. We especially wanted to allow the two political parties that have made a new beginning in this House, in this 36th Parliament, to sit on the Board of Internal Economy, as provided for in the bill under consideration.

However, as I pointed out, the Bloc Quebecois is being penalized to some extent because we gave the Bloc Quebecois, the Progressive Conservative Party and the New Democratic Party the same representation on the Board of Internal Economy, that is to say, one representative. This means that the Bloc Quebecois, which has a few more elected members than the Conservative Party and the New Democratic Party combined, now has one less member on the Board of Internal Economy than the Conservative Party and the New Democratic Party combined. It is evident then that the principle of proportional representation is not being respected at that level.

I would say—I see my colleague, the chief government whip, nodding to me, and he agrees with me on this—that the negotiations were difficult but also, as I said, fruitful. These negotiations on proportional representation have been held in just about every area since we arrived here on June 2. Of course, on the Board of Internal Economy—and we can see the result today—but also in the case of the Parliamentary Internship Program, the Bloc Quebecois is penalized again by the formula that the various political parties in this House have chosen.

As for House committees, proportional representation was of course recognized for each committee, but when you take all the committees together, the Bloc Quebecois has exactly the same number of members as the New Democratic Party and the Conservative Party. Following these negotiations which were, I repeat, difficult but fruitful, this principle of proportional representation was finally recognized when the Bloc Quebecois was allowed two more representatives, one on the foreign affairs and international trade committee and another on the human resources development committee.

But the same problem still crops up, also in connection with the composition of the parliamentary delegations. With all of the good faith that has led us to a consensus on Bill C-13, I am calling upon the good will of all of the colleagues in this House so that, in all of the bodies of the House of Commons, we will acknowledge the will of the people of Canada and of Quebec that was manifested in the composition of this House, which gives Bloc Quebecois members 14.7% of the representation in this House. We would like to see that proportion respected as far as possible in all bodies of this House.

That having been said, to pick up on the words of the hon. leader of the government in the House, it was our desire, along with all the political formations present, to ensure that, to demonstrate that this Parliament can function properly, doing things well regardless of the differences of opinion which separate us.

But, as the House leader of the Reform Party has also said, the Board of Internal Economy is a body which operates on a consensual basis. In other words, the partisan aspect, the confrontational aspect, does not exist within the Board of Internal Economy and this, I believe, has fostered the desire of all political formations to move ahead with this amendment.

Last of all, and the point on which I shall conclude since it appears that the wish is to move through all of the business of the House quickly today, on Bill C-13, and the amendments in which my colleagues and I had a hand, is that I wish to make a clarification. The government was rather understanding when it agreed to not increase its representation on the Board of Internal Economy and it deserves praise for doing so.

• (1540)

Still, Bill C-13 includes an amendment allowing the government to include a member of the Privy Council on the Board of Internal Economy, which was not the case before.

Section 52 of the current Parliament of Canada Act reads:

> 52. (2) In the event of the death, disability or absence of the Speaker, five members of the Board, of whom one shall be the Deputy Speaker or a member of the Board designated by the Speaker or the Deputy Speaker to chair the meeting, constitute a quorum.

No reference is made to a member of the Privy Council. Until now, it was of course the government's prerogative to decide whether of not to send a member of the Privy Council. However, the proposed amendment expressly provides for the presence of such a member in the above-mentioned situation.

The amendment reads: ''In the event of the death, disability or absence of the Speaker, five members of the Board, of whom one shall be a member of the Queen's Privy Council for Canada appointed under subsection 50(2), constitute a quorum. The members present shall designate a member from among themselves to chair the meeting''.

This is a change to include something which, until now, was not expressly provided for in the Parliament of Canada Act. The amendment formally includes a member of the Queen's Privy Council on the committee made up of five members of the Board of Internal Economy.

I will conclude by thanking all those who took part in the negotiations leading up to today's consensus. We are pleased to be a part of this consensus, in spite of everything I pointed out.

[*English*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I too rise in support of Bill C-13, an act to amend the Parliament of Canada Act to permit New Democrats and Progressive Conservative representatives to sit on the Board of Internal Economy.

The amendment of this piece of legislation is in keeping with the spirit of parliamentary reform that brought the Board of Internal Economy as we know it into existence. I refer to the reforms of the House of Commons which followed from the special committee on the reform of the House of Commons, chaired by the Hon. Jim McGrath in 1985-86.

Fewer and fewer of us will recall that prior to that time the Board of Internal Economy was run entirely by the government. Cabinet ministers and government backbenchers sat on the Board of Internal Economy. There was no opposition representation on the board.

This had dubious advantages in the sense that opposition members never had to take any responsibility for the management of the House of Commons or for the decisions taken in that context. It was the feeling of the special committee on the reform of the House of Commons that the House, like other parliaments in the democratic world, should involve the opposition in the management of its affairs.

A recommendation was made in the report of the special committee, sometimes known as the McGrath report, which led to legislation that permitted members of the opposition to sit on the Board of Internal Economy.

As with many things we tend to be creatures of our own time and context. The legislation drawn up at that time assumed a three party House for ever and ever. The legislation was drawn up to reflect that reality, which turned out to be a contingent and temporary reality.

We found ourselves in this Parliament with five recognized parties and a piece of legislation that did not permit the spirit of reform to be lived up to unless there was an amendment such as the one we now have before us. Once passed it will enable all five parties to be represented on the Board of Internal Economy, the spirit of the McGrath report to be respected in its entirety.

● (1545)

I am very glad, as the last surviving member of the McGrath committee in this House, to see that this report is still alive and well, in some respects anyway, and that the Parliament of Canada Act is being amended accordingly.

To a couple of things that were said by my colleague from the Bloc Quebecois I would want to take issue with at least one thing he said when he spoke about the regionalization of the House.

I know he was not intentionally oversimplifying but I want to remind him that there are New Democrats from the west. It is not only Reformers in the west. In my home province of Manitoba NDP members outnumber Reform members four to two.

I notice the obsession with proportionality. Agreed that the Bloc has put aside this attachment to proportionality just as the government had to put aside its initial position in respect of the Board of Internal Economy in order for us to come to a workable solution on this.

I commend the Bloc for that but I ask the member to reflect on the fact that the position of the Bloc and of Quebec in general is not always one of strict proportionality when it comes to other matters having to do with the Constitution, having to do with amending formulas, having to do with the percentage of Quebec seats in Parliament.

In many other debating contexts it is not the traditional position of Quebec that proportionality is the first principle that needs to be held up. Perhaps that is why, in the final analysis, the Bloc was willing to make the compromise that it did.

Sometimes groups or provinces or institutions are entitled to representation by virtue of their status as opposed to their numbers. What we are representing here today is that all political parties need to be on the Board of Internal Economy. That fact has been recognized and I welcome this development.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I rise to lend the voice of the Progressive Conservative Party to supporting Bill C-13 as well. I will be brief.

I want to thank the government House leader as well as all the House leaders present for their participation and co-operation with respect to this agreement. I think it does show an important sign to this House and to the Canadian people that there is a spirit of solidarity and co-operation that can help to facilitate bills such as this.

I think it is important particularly when there is a breakdown in the House as we experience here where there are five parties for the first time in Canadian history.

It is also extremely important democratically to have representation on behalf of the Progressive Conservative Party as well as my friend in the New Democratic Party to participate in the important decisions that are made at the board.

This bill continues with a floor level of 12 members of a party that gains access to the board. I believe that the House, at some point in the future, should take a look at this number after an

election because it may help to avoid some unpleasantness that arose in the last Parliament.

There is nothing particularly significant about 12 other than the fact that this happened to accommodate the political situation decades ago.

The bill will also make amendments to provide for the operation of the board in the event of the demise or the disability of the Speaker and to ensure that a minister of the crown is included in the quorum of the board if it should have to select a new chairperson. Obviously we hope and pray this will never occur.

I will also acknowledge, as did my friend in the NDP, the spirit of co-operation and the concession that was made by the Bloc. We appreciate that. With respect to the proportionality, there was a concession made and we do acknowledge that.

• (1550)

I want to congratulate all the members who participated in this decision. It is our hope that once we gain actual participation within the board of economy this spirit will continue.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

(Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Milliken in the chair)

The Chairman: The House in committee of the whole on Bill C-13, an act to amend the Parliament of Canada Act.

(Clause 1 agreed to)

The Chairman: Shall clause 2 carry?

[*Translation*]

(On clause 2)

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Chairman, further to my earlier intervention regarding clause 2, and for the benefit of members of the House and all those now listening to the debate, I would like to ask the minister a question.

In view of the information provided by the House leader of the Conservative Party, can he explain to us the addition to section 52 of the existing Parliament of Canada Act of the words ''a member of the Queen's Privy Council for Canada'', in the event of the death, disability or absence of the Speaker, for the purpose of appointing a new Speaker?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Chairman, the explanation is a rather simple one. As you know, the amendment to the bill means that there will henceforth be an equal number of government and opposition members on the Board of Internal Economy, which is of course chaired by the Speaker of the House.

In the event of a death, and we all wish the Speaker a long life, but in the event of a death in another Parliament, perhaps, it must be pointed out that the following situation could arise: there could be a quorum on the Board of Internal Economy consisting entirely of opposition members.

Mr. Stéphane Bergeron: Which is highly unlikely.

Hon. Don Boudria: I know it is highly unlikely, as my colleague opposite quite rightly points out, and we all wish the Speaker of the House the best of health, making it even more unlikely. A situation could nonetheless arise in which there could be a quorum consisting entirely of opposition members on the House of Commons Board of Internal Economy. The addition of this clause means that there would be at least one government member, in this case a minister.

It is merely in order to ensure that there could not be a quorum composed entirely of opposition members. That is the purpose. Naturally, with the Speaker in the Chair, the situation does not arise, but should there be no Speaker, it is still technically possible to have a quorum without government members. The amendment in question is designed to ensure that such a situation, however unlikely, cannot arise.

Mr. Louis Plamondon (Richelieu, BQ): Mr. Chairman, what the minister is saying surprises me. He is saying that of course this will not happen, because the Speaker is there. Are you assuming that the Speaker is partisan?

Hon. Don Boudria: No, Mr. Chairman, the situation is this: the Speaker is not partisan. Of course no one wants to imply that. The fact is that with the new board, the quorum is six, that is half of the members plus one. Therefore, since there are only five members from the opposition, this will mean the five members from the opposition plus a sixth member, who must be a government member or the Speaker.

• (1555)

So the fact is that they are not all members from the opposition, since the Speaker, as the member from Richelieu pointed out, is at least neutral by definition. So he is not partisan in favour of the opposition.

[*English*]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Chairman, I want to pose the question again to the government House leader that is this not covered by the fact that the Deputy Speaker could fill that role.

This seems to be the omission with respect to this. The Deputy Speaker would automatically assume the position of the chairman. I have never seen a situation where there Deputy Speaker would be anyone other than a government member. This seems to be an automatic ascension to the chairperson's position. This would prevent any concern on the part of the government side.

Hon. Don Boudria: Mr. Chairman, there was a certain gleefulness in the chair, I seem to detect, when the hon. member was making that statement.

No, that is not the case because the bill in question removes the reference to that effect. From here on in it will be a number of members of the governing party and opposition party, plus the Speaker. There is no longer a reference to the Deputy Speaker from here on in. That is why that is necessary because the deputy speakership will no longer be referred to in the act once we pass this amendment.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Chairman, on the same question, would it not have been wiser to provide that in such a situation, the Deputy Speaker would automatically take charge of the Board of Internal Economy to ensure that its operations can continue, instead of requiring that a member of the Queen's Privy Council be present, because it is clearly specified that it must be a minister and not simply a government member.

I ask the question following my colleague, the House leader of the Conservative Party. Would it not have been better to include in the proposed amendment on those present in such a situation that we do not want the Deputy Speaker to take over the duties of the Speaker until a new Speaker has been appointed?

Hon. Don Boudria: Mr. Chairman, this issue of the Speaker and of the number of members from the government and from the opposition has been dealt with in lengthy negotiations.

Without going into the details, because these are negotiations between the House leaders, this was in fact an issue in the negotiations, where it was finally agreed that there would be five members from the government, two members from the official opposition, in this case the Leader of the Opposition, who can of course be its representative, plus another member, and a representative from each other political party. That was one of the issues in the negotiations and it was in fact the last issue that was resolved, so that today we have this agreement.

[*English*]

(Clause 2 agreed to)

(Title agreed to)

(Bill reported, concurred in, read the third time and passed)

• (1600)

MACKENZIE VALLEY RESOURCE MANAGEMENT ACT

The House resumed from October 28 consideration of the motion that Bill C-6, an act to provide for an integrated system of land and water management in the Mackenzie Valley, to establish certain boards for that purpose and to make consequential amendments to other acts, be read the second time and referred to a committee.

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, it is with pride and pleasure that I rise in the House today to give my first speech in the Chamber.

By way of my opening remarks, I thank the voters of Nanaimo—Cowichan for allowing me the privilege to serve as their member of Parliament. It is an honour for me to be able to represent the views of my constituents in Parliament, and I will do so to the very best of my ability.

In debating Bill C-6, which is before the House today, I feel it is necessary to discuss the background of the legislation. In this regard, Bill C-6, the Mackenzie Valley Land and Water Management Act, is the reincarnation of Bill C-80 which was tabled in the last parliament.

As with Bill C-80, the bill provides for the establishment of management boards to co-ordinate environmental assessment as well as land and water regulations in the Mackenzie Valley of the Northwest Territories. In this respect it fulfils the requirements under a land claims agreement reached in the 34th Parliament calling for such co-ordination.

Bill C-6 requires that 50% of the new board members be nominated by first nations, with the other 50% by the governments of the Northwest Territories and Canada. The intent is to give aboriginal people and other northerners a stronger role in resource management decisions. This is a very commendable goal.

As a Reformer I have no problem with giving our aboriginal peoples more control over their destinies. When we in Reform talk about equality for our aboriginal peoples, it is to put them on the same footing with their fellow Canadians.

I must say, however, that in this regard I do get rather tired of pious criticism of Reform Party policy on aboriginal affairs. It comes mostly from a Liberal government which in the main has not put its money where its mouth is.

For many years now a number of us in this party have taken a grassroots interest in our native peoples. From a personal perspective it has been an experience that I have shared with my wife over the past 18 years. During this time, and even now, we have cared as foster parents for many aboriginal children with medical prob-

lems. Three of our eight children are aboriginal. We love them as much as we do our first family of birth children.

What really gets me is that we have had to care for these little ones as a direct result of the Liberal and Conservative mismanagement of a system which has effectively abused our native population for decades.

I remind members of the House that when they start to attack Reform Party policy in this area they ought to be prepared to walk in my shoes and in the shoes of others who have actively helped and supported our native peoples.

• (1605)

When I criticize the bill before us, when I indicate that I will not vote for it in its present form, when I state that changes must be made, when I do all this, it is not because Reform is insensitive to the needs of aboriginal people as my Liberal friends believe. To do so would be insulting.

I urge hon. members across the way not to attack my position because they somehow construe it to be anti-native. It is not that at all. It is because the bill is flawed.

Aside from aboriginal concerns, the issue we are addressing also seems to be one of environmental and economic concern. The media communications office of the minister of aboriginal affairs seems to want this to be the focus when it claims that industry will benefit from improved efficiency and cost effectiveness of a regime which purports to build a single environmental impact assessment process and to streamline the process of obtaining water licences and land use permits.

Reform recognizes the validity of the goals in the legislation, in particular the need to resolve commitments made by Canada under land claims agreements. In this regard agreements on land, water management and protection of the environment in the Mackenzie Valley are issues of importance to residents of the region and Canadians in general.

Reform's objections to Bill C-6 centre on the creation of yet another level of bureaucracy and the resulting duplication of services. In addition there are specific industry concerns which need to be addressed, as the Northwest Chamber of Mines notes, ''before the confusion, delays and cost of this new system grind mineral exploration to a painful halt''.

The chamber of mines points to the recent decision by Inco to defer development at Voisey's Bay because of the onerous and poorly defined regulatory demands, and this in a system that is ostensibly far better defined and more unified than that which is being proposed for the Mackenzie Valley.

Reform is further opposed to Bill C-6 as it erodes the standards of resource management regulation for the perception of stronger northern influence. But it does so at a price. The new system would repeat the difficulties present within the existing system and would compound them with additional burdens.

Let me illustrate. First, it will create yet another layer of interjurisdictional confusion. Second, there will be even less clarity in the rules and standards. Third, all this will result in an inevitable increase in the costs of compliance.

The Northwest Territory Chamber of Mines speaks for business and individuals active in the area. It outlined its concerns following an information session held by the Department of Indian Affairs and Northern Development officials in Yellowknife on September 25, 1997.

The chamber stressed a number of points. There would be new obstacles for resource development including the potential for interference with staking of mineral claims, the change in the role of leases and land use permits, new powers to boards to suspend permits and leases, poorly defined terms for new rights to compensation, and a confused enforcement policy.

They also felt the lack of clarity would instigate litigation. In this regard attendees at the Department of Indian Affairs and Northern Development information session in September raised many questions and far too many were answered with uncertainty.

• (1610)

Far too often they were given the worrying response that such matters would have to be settled in court. If legal recourse is now recognized as the only way to settle matters the chamber says regularly arise in the north, surely this is the time to amend the legislation before it ever gets that far.

Critics also point to the vulnerability to deliberate, delaying tactics inherent in the legislation. There is the fear that deficiencies in the act will encourage parties to use delay as a tactic to impede environmental review. It is believed that this would be done in order to rest concessions that are largely unrelated to the protection of the environment or to the specifics of the proposal.

While Department of Indian Affairs and Northern Development officials dismiss this concern as improbable, the chamber pointed to the region's recent experience with federal environmental reviews. It referred to them as growing pains encountered in Nunavut and to current difficulties in Fort Providence as evidence. On these matters the chamber said:

> It is our extensive experience with operating in this region that leads us to put such a high priority on clarity, fairness and consistency in the rules and their application.

The Northwest Territory Chamber of Mines also had reservations about public representation on public boards. In this respect it

feels there is also a lack of clarity in the process for selecting members to serve on various panels and boards.

Bill C-6 introduces three new board levels, but it does not spell out what criteria will be used in determining who is a proper representative of the public interest. A process that is not open and clear can surely lead to a perception of mistrust and bias.

Some conclusions reached in regard to Bill C-80 will ostensibly apply to Bill C-6 as well. In particular, conversations with other industry representatives consulted by the Department of Indian Affairs and Northern Development during the development of Bill C-80 confirmed their belief that a single review process which avoids duplication of time and effort is the single most important issue. The bill does not address this concern.

In addition, the Canadian Energy Pipeline Association and the Canadian Association of Petroleum Producers have not made comment since the fall of 1996. At that time they too stressed the need for an agreement with the goal of efficiency.

In view of all of this, amendments at committee stage may well save the day for the bill.

The chamber of mines represents about 600 companies and individuals currently engaged in mineral exploration, mine development and mine operation in the Northwest Territories. The chamber of mines has called for substantial amendments in two areas which we in the Reform Party can support.

First, the lack of clarity in the law and in the rules is likely to produce very uneven regulations. It will do so across the region from one applicant to the next, resulting in a highly litigious process.

Second, the new system is seriously under-resourced, especially in its technical capacity. This will likely prove to be a disadvantage in dealing with the large workload created by transitional arrangements. It will also affect changes to leasing.

• (1615)

In conclusion, unless there are changes which address the shortcomings of this legislation, I serve notice of my intent now to vote against this bill. I urge my colleagues on both sides of the House to do the same. As I said earlier, voting against this bill does not somehow mean you are insensitive to the needs of aboriginal people. It does however mean that you recognize that the bill is flawed and that there are changes which are necessary.

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I would like to thank my colleague from Nanaimo—Cowichan for his speech and his dedication to the First Nations. I would like to tell him some of the features of the Mackenzie Valley Resource Management Act.

First, an advantage to the Mackenzie Valley First Nations without land claims settlements is that the aboriginal and treaty rights will be protected. The act will also be reviewed in consultation with First Nations with respect to any self-government agreements that might be negotiated. It does not affect the Indian Act. First Nations may also nominate members to the boards, providing a much stronger voice in resource management decision making throughout the Mackenzie Valley. It also allows for permanent regional land and water panels upon settlement of claims.

What are the changes for the industry? The implementation of land claims brings the certainty required to enhance the investment climate. The integrated resources management brings efficiency and consistency to the Mackenzie Valley. The land and water system is based on familiar regulations: the Northwest Territories Water Act; the territorial land use regulation with some changes to reflect the land claims; aboriginal water rights, clauses 73 to 79; modernizations from security deposits in clause 71; and a penalty for offences clause.

Finally, it encourages and provides for co-operation to eliminate duplication and environmental reviews.

We know the people living and working in the Mackenzie Valley are in favour of this bill. We know the large majority of the population of the Mackenzie Valley is from the aboriginal population, and the Northwest Territories government with a majority of members coming from the aboriginal people is supportive of this bill. The Council of the Gwich'in First Nation and the Council of the Sahtu Nation are in favour of this bill.

Knowing that this bill brings many advantages to the actual situation, my question to my colleague is, why is it that the Reform Party wants to impose its solution knowing that this proposed solution is one drafted with and for the population of the north?

Mr. Reed Elley: Mr. Speaker, I want to thank the hon. member very much for his comments and question. I am sure that the hon. member would agree that in our parliamentary democratic system it is the responsibility of a good opposition to take a very constructive look at government legislation. We would be remiss if we did not say here is an area where we feel there needs to be some changes.

As I have already pointed out, there are some very good things in this bill. At the same time we know there are some concerns. I would hope that the government would take a good look at the concerns that have been raised by the chamber of mines and others. After all, if we run into problems in this thing later on and it is seen that this kind of bill actually does impede the development of mining in the north, then all the people are going to suffer, natives and non-natives alike. It will mean fewer jobs and less money going into our northern areas. No one would want that.

We in the Reform Party are saying we should take a little closer look at this bill. Let us see some areas where there are flaws. Hopefully in committee work we will be able to iron some of these out.

● (1620)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I would like to commend my colleague from Nanaimo—Cowichan for a very powerful and eloquent speech on this issue. He has worked for many years with aboriginal peoples and has given more than most people ever will.

My colleague brought up a number of very interesting questions relating to this issue and also on the larger issue of aboriginal peoples in this country. I am very interested to know his views on the following.

We know that the social parameters among aboriginal peoples in this country rival those in third world nations: a lifespan which is eight years shorter; an infant mortality rate which is 1.7 times higher; a tuberculosis rate that is eight times higher than that of the non-aboriginal community; and a diabetes rate that is three times higher.

As the member mentioned in his speech, this bill has actually prevented a lot of employment from taking place in the north.

I ask the hon. member the following question. Does he believe that the inability of government policies to work with aboriginal peoples in creating jobs has been a prime motivating factor in contributing to the social ills that they see in a lot of these communities?

I ask whether or not he believes that the factor of aboriginal people not having responsibility and control over aboriginal people's affairs and their inability to develop long term constructive employment within their communities has been a prime factor in contributing to the despicable and horrible situation one finds in some of these aboriginal communities.

Mr. Reed Elley: Mr. Speaker, I thank my hon. colleague very much for both his observations and his question.

It has been my experience in my own lifetime of observation and working with our native peoples that indeed over a large period of time now, government mismanagement in this whole area has led to the terrible conditions that exist on many reservations across Canada. We in the Reform Party have had a number of concerns in this area for a long time.

What concerns us about a bill like this in regard to our aboriginal peoples is that far too often the negotiations go on with the band chiefs and the band councils and if I might use the term, a band elite. They have very little reference to the ordinary aboriginal person who makes up the majority of the band population.

When speaking to aboriginal peoples, their concerns differ very little from yours and mine. They want a good job. They want to be a useful productive person in society. They want to live a good and peaceful life.

Unfortunately the kind of mismanagement of aboriginal affairs by consecutive Liberal and Conservative governments has just driven our native peoples into a land of despair and one that is without hope. It grieves me tremendously to see what is happening with our aboriginal peoples today.

Somehow we have to fix this problem. We have to work with our native brothers and sisters to do something about it. From my perspective it really does start at the grassroots level, our making constructive contacts with native peoples to work at this whole concern.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, let me start by congratulating the minister for introducing Bill C-6. It is a very fine Liberal initiative in the tradition of modern Liberal thinking. It will go a long way in the long overdue recognition of the rights of our native people. It will provide for a land claims agreement which we have all wished would see the light of day and finally the day has come.

Bill C-6 would implement the terms of the Sahtu Dene and Metis comprehensive land claim agreement as well as the Gwich'in comprehensive land claim agreement. This is to be done in terms of land use planning and land and water management. Also it takes into account environmental impact review as to the implications of certain specific proposals. This is a long overdue initiative as the land claim agreement in question deserves full implementation as soon as possible.

● (1625)

There are a number of important issues that should receive the attention of the Standing Committee on Aboriginal Affairs and Northern Development. I would like to indicate a few through this intervention.

The committee could study ways and means to ensure that there is an integrated system of management of land use planning, land and water management and environmental impact assessment. This is the first and most important consideration if the bill is to live up to the considerations and goals relating to sustainable development.

The second point is the committee would be very wise in examining the effect of this bill on the quality and type of environmental assessment that will be done in the Mackenzie Valley. It might be worthwhile noting that the Mackenzie Valley covers quite a wide territory. It includes everything north of 60, south of the Inuvialuit claims area, east of the Yukon border and west of the Nunavut settlement area. It is a huge area.

At present the Canadian Environmental Assessment Act applies in much of the land north of 60. Together with other existing and

proposed regimes we could over time end up with a patchwork of environmental assessment regimes as they apply in the north. That is something we would like to prevent.

The existing regimes include in addition to the federal act, the process under way under the Inuvialuit land claims agreement process and the James Bay and northern Quebec agreement. The proposed regimes include the Yukon development assessment process, better known as DAP, and the process to be administered by the Nunavut impact review board, plus the framework proposed in part 5 of this bill.

Before such a patchwork is to emerge, it might be worthwhile for the committee to examine certain questions. For instance is the system which is currently in place working? Will the proposed additional regimes improve the situation? Will each of the new regimes address transboundary, international and environmental impacts? A cursory review of clause 141 of the bill which is entitled ''Transregional and External Developments'' seems to indicate the need for stronger wording so as to ensure a comprehensive review of potential effects whenever they may occur.

Mandatory rather than permissive language will also make for greater certainty of the process to be followed which is in the interests of all participants. This is a point of discussion in almost every piece of legislation relating to the environment. They are more effective when mandatory rather than permissive language is used.

The fourth point has to do with the following question. Is there adequate provision in the bill for participant funding in environmental assessment? Participant funding is a critical component for decision making because it requires meaningful public participation. Members of the public do bring important contributions to the discussion of what comprises their health and what effects there may be on the environment of an area where industrial development is proposed. In addition, the public can bring important input to whether there are health and environmental trade-offs for the development that is being proposed.

• (1630)

Canada has many environmental assessment regimes. The federal act provides for funding for participants. We are very proud of that fact. This funding was introduced by Liberal legislation some years ago.

I would like to add that the co-management bodies established under this bill will constitute institutions of government. Therefore, it will be essential for parliamentarians to become involved. This will require thorough committee reviews. Of course, the availability of funding for participants is very essential. With that thought in mind, might I say that the aboriginal affairs and northern development committee would be well advised to travel to the northern communities to hear the views, which I am sure are diverse, on this bill.

To save time in this debate, because this is a fine measure which ought to be given speedy passage, I would like to congratulate the Minister of Indian Affairs and Northern Development for introducing the bill. I would reiterate my suggestions for the committee, namely to consider how it can ensure that environmental assessment, as well as land and water management, are conducted in accordance with the principle of sustainable development as outlined in the Brundtland report entitled ''Our Common Future''. In doing so we will achieve something of lasting value for many generations to come.

The Acting Speaker (Mr. McClelland): It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre, Health; the hon. member for Tobique—Mactaquac, Public Works.

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I would like to thank the hon. member for Davenport for his speech, knowing his dedication to environmental issues.

I have one question. Is the member supportive of the provisions of Bill C-6 where it provides for joint environmental reviews, co-operation and co-ordination, by the National Energy Board, the Yukon and Nunavut territory, a province or the Minister of the Environment under the Canadian Environmental Assessment Act?

Hon. Charles Caccia: Mr. Speaker, I thank the parliamentary secretary for his question which relates to joint reviews.

In reading that passage of the bill I was struck by its broad scope and its imaginative approach. I think it can only lead to very positive results. Therefore, my answer is in the affirmative.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I would like to make a few comments on what the hon. member on this side previously said.

I listened very intently to—

The Acting Speaker (Mr. McClelland): The hon. member must direct his comments to the hon. member who is engaged in the debate at this time. We will be calling for debate again after the time allotted for questions and comments. Perhaps the hon. member could put his point at that time.

On questions and comments, the hon. member for South Shore.

Mr. Gerald Keddy: Mr. Speaker, because the Mackenzie River Valley is 4,241 kilometres long and because the north—

• (1635)

The Acting Speaker (Mr. McClelland): It is tough some days. The microphones, as hon. members know, pick up any little sound. I recall one time when an hon. member had a clock timing his speech and we were all looking around wondering what that little beep was. Again, on questions and comments, the hon. member for South Shore.

Mr. Gerald Keddy: Mr. Speaker, thank you for your patience. I will put my paper down. I am not going to grind my paper and I am not going to grind my teeth but I will rub my hands.

However, because of the size of the Mackenzie River Valley and the fact that the people in the Northwest Territories and along the Mackenzie River Valley have waited since 1973 for some action on this matter, 24 years, that is why we need to support the bill and that is why this bill needs to move forward.

We can listen to the criticism and we can listen to the debate, but I would like to make one point on this for the House. Are we going to move forward on this very important matter? Are we going to have some devolution of power in this House to the Northwest Territories or are we going to wait another 24 years, as some would seem to think we should, or are we going to move ahead? I suggest we move ahead.

Hon. Charles Caccia: Mr. Speaker, I think that everybody in the House today would agree with the hon. member that it is time to move ahead and with speed.

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

Some hon. members: Question.

The Acting Speaker (Mr. McClelland): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

And the bells having rung:

The Acting Speaker (Mr. McClelland): Accordingly the vote is deferred until the end of government orders today.

On a point of order, the hon. government House leader.

* * *

INCOME TAX CONVENTIONS IMPLEMENTATION ACT, 1997

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there have been consultations among all parties and I believe that you would find consent for the following motion. I move:

That the order referring Bill C-10 to the Standing Committee on Finance be rescinded and that the said bill be referred to the Standing Committee on Industry.

(Motion agreed to)

* * *

DNA IDENTIFICATION ACT

Bill C-3. On the Order: Government Orders

September 25, 1997—the Solicitor General of Canada—Second reading and reference to the Standing Committee on Justice and Human Rights of Bill C-3, an act respecting DNA identification and to make consequential amendments to the Criminal Code and other acts.

Hon. Andy Scott (Solicitor General of Canada, Lib.) moved:

That Bill C-3, an act respecting DNA identification and to make consequential amendments to the Criminal Code and other acts, be referred forthwith to the Standing Committee on Justice and Human Rights.

• (1640)

He said: Mr. Speaker, as this is my first opportunity to speak with you being in the Chair I would like to congratulate you. I know you are going to do a great job. I enjoyed very much our working together in the past.

I am pleased to speak today to the motion to refer Bill C-3 to committee before second reading. Bill C-3 provides for the establishment of a national DNA data bank. The DNA identification act will make Canada one of only a handful of countries in the world to have a national DNA data bank. I am also pleased to inform the House that with this groundbreaking legislation we have reached a major milestone in the government's safer communities agenda. Forensic DNA analysis has been instrumental in securing convictions and has also helped to exonerate wrongly convicted individuals. It has already proven to be one of the most accurate methods of obtaining solid evidence in criminal investigations. However, DNA analysis also raises important privacy concerns because it has the potential to reveal much more about a person than does the analysis of a fingerprint.

Given the scope of the issues surrounding the use and potential misuse of DNA profiles and samples, we want to ensure detailed and careful study of this legislation. The introduction of the DNA identification act marks the second phase in the government's DNA strategy. The first phase was implemented in July 1995 when amendments to the Criminal Code were passed to allow the police to obtain DNA samples from suspects in criminal investigations with the use of warrants.

With those provisions now firmly in place we are now creating the legal framework for storing both the biological samples and using the identifying information that they hold. It is another concrete step toward protecting Canadians from violent criminals. I wish to share what has been done to bring us to this point.

The former solicitor general began a process of consultation in January 1996 with the release of a DNA consultation document to various groups and individuals across Canada. Input was sought on several key issues, such as whose DNA profile should be banked, under what circumstances and whether biological samples should be retained.

Last year consultation sessions were held across the country and written comments were received from over 70 respondents. The results of those consultations were summarized in a report that was released in February 1997. A tremendous amount was learned through this process. The consultations indicated strong support for the creation of a national DNA data bank. However, a number of concerns were raised in relation to privacy and charter considerations associated with the collection of biological samples and the storing and use of DNA profiles.

The views of those who participated in the consultation process have been carefully considered. We are confident the bill strikes the appropriate balance between privacy and charter concerns and our goal to do more to protect Canadians from violent crime.

The national DNA data bank will be an important tool that will help police link a suspect with evidence left at the scene of a crime. It will be much easier for police to identify repeat sex and violent offenders and help eliminate innocent suspects in the course of their investigations. Combined with the DNA warrant legislation, which is already in place, the ability to store and later retrieve DNA profiles will shorten investigations and help prevent further victimization from repeat offenders. It is the next logical step to ensure that the warrant legislation is used to its fullest potential.

I will briefly explain how the proposed data bank will work. Biological samples will be collected from offenders convicted of designated criminal offences. These include the most serious personal injury offences, including homicide and sexual offences. Young offenders will be treated in the same manner as adults with respect to the taking of DNA samples for the purposes of data banking. The DNA extracted from the sample will be analysed with the resulting profile entered into a convicted offenders index in the data bank.

The DNA data bank will also contain a crime scene index that will contain DNA information retrieved from unsolved crime scenes. The data bank will be established and maintained by the RCMP. It is very important to note that access to the DNA profiles contained in the convicted offenders index and to the samples themselves will be strictly limited to those directly involved in the operation of the data bank.

● (1645)

The benefits of using such a system are numerous. Police will be able to identify and arrest repeat offenders by comparing DNA information from a crime scene to the convicted offender's index. They will also be able to determine whether a series of offences was committed by the same offender or whether more than one perpetrator was involved. Police will be able to cross-reference and link DNA profiles to other cases within and across jurisdictions.

Using DNA profiles will help focus police investigation by more quickly eliminating suspects whose DNA is already in the data bank in a case where no match with the crime scene evidence is found.

Finally, we anticipate that the knowledge of DNA testing to solve crimes may also deter offenders from committing further offences.

We are keenly aware of the significant privacy concerns associated with the bill, particularly in relation to the retention of biological samples. Strong arguments have been advanced by the scientific community indicating that in its view the retention of biological samples is essential for the DNA data bank to be able to adapt to technological changes in the future.

We are aware that the field of forensic DNA analysis is developing rapidly and forensic scientists have told us that as the technology evolves the DNA profiles of today are likely to be come obsolete later on. If samples are retained, they can be reanalysed using new technology, thereby ensuring that Canada's data bank is able to keep pace with technological advances.

The bill includes strict prohibitions and criminal penalties in relation to any misuse of either the samples or the information contained in the samples. However, despite the safeguards included in the legislation there continue to be concerns regarding the retention of biological samples.

I believe there are compelling arguments on both sides of the issue and this is one of the reasons why I am asking the House to refer the legislation to the justice committee prior to second reading to allow for detailed study and full public debate.

To conclude, there is no doubt that over the past few years we have made enormous progress in our efforts to contribute to a safe, just and peaceful society. The addition of forensic DNA analysis and the ability to store DNA profiles will help us target those who commit the most serious crimes and hold them accountable.

Canadians can continue to enjoy the safety of their streets and have a sense of security knowing that police forces across the country have access to one of the most sophisticated tools worldwide.

I urge hon. members of the House to support the motion to refer Bill C-3 to committee prior to second reading.

Mr. Allan Kerpan (Blackstrap, Ref.): Mr. Speaker, I congratulate you on your appointment. This is my first opportunity to say this publicly with you in the chair. As do my colleagues, I look forward to this session with you in the chair.

Let us talk about Bill C-3. No one from our party would be opposed to a national DNA registry. The theory is sound and solid. No one in this party would disagree with that.

However, my concern is that I do not believe the bill takes us far enough into the future and makes arrangement for a DNA registry that will encompass all the things that should be in it. We think the bill at very best is a half measure.

I just spent a week in Washington meeting with officials of the justice department. One of the issues we talked about at some length was the issue of DNA evidence and registry. I would like to quote from a book of case studies carried out and issued by the U.S. department of justice about how important DNA evidence can and will be. I quote Rockne Harmon, senior deputy district attorney for Alameda County, California:

> The introduction of forensic DNA typing into the legal system was heralded as the most significant event in criminalistics since dermal fingerprint identification. Few developments ever live up to their advanced billing—but DNA has.
>
> Cases are now being prosecuted that never would have been possible before the advent of DNA typing. Many states have created DNA data bases on known offenders that they can compare against unsolved crimes.
>
> —the results occasionally exonerate a suspect or suspects. Such cases rarely are front page news because the tests have served their purpose. Investigators can redirect their efforts to alternative suspects.

● (1650)

I use that quote because Canada is on the cutting edge, the leading edge of this type of technology. Our thinking on this side is why would we want to cut that process off at the knees. Let us make this DNA registry supply the tools that the people in our justice system need in order to carry out their jobs more efficiently.

Equally important for a DNA registry is the ability to exonerate someone who is actually not guilty of a crime. I use a well known case in Canada, from the province of Saskatchewan, the David Milgaard case. This past summer with the use of DNA evidence David Milgaard was released from prison. He was released because through DNA testing it was found that he did not commit the crime he was accused of and for which he spent 23 years in jail.

The evidence is so conclusive that the Saskatchewan government immediately entered into negotiations with Mr. Milgaard on how much they were going to pay him in compensation. Very few governments would take that route without convincing evidence. The province of Saskatchewan had no doubts about the conclusiveness of the DNA test.

To quote from the same book I quoted from a moment ago, Walter F. Rowe, professor of forensic science at the George Washington University said:

> An unforeseen consequence of the introduction of DNA profiling has been the reopening of old cases. Persons convicted of murder and rape before DNA profiling became available have sought to have the evidence in their cases re-evaluated using this new technology. In some cases, DNA test results have exonerated those convicted of the offences and resulted in their release from prison.

The point I am getting at is this technology is so critical and crucial to law enforcement agencies that we must do the very best job we can to put this registry together so it serves the purposes of those involved.

Our plan on this side of the House would be to go much further than the Liberals in their original draft of Bill C-3. We would like to make the DNA registry and Bill C-3 completely parallel to the current fingerprint legislation whereby a suspect at point of arrest would have a sample of DNA taken. That sample would then be used in order to either convict or exonerate that person accused of the crime. Anyone found not guilty of a particular crime would have the right to ask the department to remove their DNA sample from the registry, as they are allowed to do under the fingerprint legislation.

One of the arguments we get from some of the civil libertarian groups is that it goes too far. What is too far? That really is the question.

My answer to that is if you are going to make a mistake, if you are going to err, it is far better to err on the side of victims than on the side of accused criminals.

The other argument I hear is why would you want to take this sample at point of arrest. You are certainly not convicted of a crime at that point in time. That is true, of course. Law enforcement agencies have better things to do than arrest people without some justification. The police I talked to, the men and women protecting this country, have reasonable grounds before they arrest any person.

The other argument I hear is about the security of the registry itself. Of course there is no guarantee and there cannot be any guarantee that the system would be fail safe.

• (1655)

The good part of this bill, and I agree there is a good thing in this bill, is that it does have very tough penalties for the unauthorized use of the registry. That must be continued and strictly enforced.

When I look back through the history of fingerprint legislation, we have never had a problem, to my knowledge, of a breach of security for the fingerprint system.

This bill should be a very critical part of our justice process. That goes without saying. It must be a major part of our process. It is not the be all and the end all of solving cases or exonerating people from crimes they have convicted. However, if used properly, it can go a very long way toward making the justice system, which many people in this country are very frustrated with, more appealing to the Canadian people.

If we give the police and the justice system all the tools available, we could put those resources, both human and financial, to better use. We can put those people back on the streets where they need to be and where they must be.

On the other hand, as I mentioned before, it also gives people wrongly accused of crimes all the tools available in this day and age to ensure them a fair and conclusive trial. That does happen. We have seen evidence of that in Canada during the last few years. That is something no one can argue with in this country.

I know we are going to have the opportunity to speak about this bill as it goes through the regular parliamentary process. I am looking forward to that. I expect that our party may well put some amendments forward to this bill and we will discuss those in the House.

I urge the government to take heart as to what is said in committee from those witnesses who come forward, to take heart and take note of what is said in this House as this bill goes through the rest of the process.

[*Translation*]

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, the bill before us today deals with a very important issue, something that cannot be taken lightly.

We must decide today, in our consideration of the bill, what is most important: the fight against crime or the respect of individual rights and freedoms, including respect for an individual's private life and person.

In principle, the Bloc Quebecois supports the bill, because the crime rate in this country can never be too low, because the number of unresolved crimes is never too low and because the work of the police is too important for them not to have all the tools they need.

We all know that a DNA profile is the best way to identify someone. It raises some questions, however, first because it involves an individual's person, second, because we are talking about people's DNA profile and, third, because the possibilities of improper use are limitless. We must therefore ensure a very high level of confidentiality for the bank.

What sort of questions might we have? There are some I would mention here today. First, the bill contains provision for the storage of bodily substances taken. I would like to know why a sample will be kept once the genetic information has been taken, because the comparison is not done with the sample, but with the information taken from the sample. The point of having the bank is to establish a relationship between an individual and the scene of the crime, which can be done without the need to keep the sample once the analysis has been done.

• (1700)

Who is to say that, if these samples are preserved, there will not be pressure from a segment of the population saying ''Let's do genetic testing to see if there is not some genetic predisposition for becoming a criminal''. Once again, these are huge ethical questions. Where will it stop? This is a slippery slope, one which we ought not to embark upon, in my opinion. By destroying the samples, while keeping the information gleaned from them, we will be able to resist the temptation to carry out unnecessary testing.

I have another concern. The bill provides that samples may be taken by a law enforcement officer. In the opinion of the Bloc Quebecois, samples ought to be taken, not by a law enforcement officer, but by a health professional, either a physician, a nurse or a qualified medical technician. I have good friends on the police force and I respect their law enforcement work, but if they came after me with a needle I would feel pretty uncomfortable. Let us give sample collection over to qualified medical personnel.

There is also the question of the disclosure of profiles. It is possible, and somewhat normal in today's world, for information to be transferred between countries or between organizations. I am thinking of such things as the FBI or Interpol. Once a foreign state or organization has been given information, what assurance is there that if a file is sealed in Canada it would be sealed elsewhere?

Perhaps there could be a notification process whereby foreign states to whom information had been forwarded could be told that the file had been sealed in Canada and asked to seal it as well. Agreements could also be drawn up between Canada and these states so that once a profile is sealed here in Canada, it could also be sealed in the foreign state to whom we transmitted the information.

Another question we have concerns access to the information in the data bank. As it now stands, the bill gives commissioners considerable leeway. This raises certain problems of confidentiality of data.

Perhaps we could put measures in place, or require the commissioner to make public the list of persons with access to this bank so that there are certain limits to the commissioner's discretionary authority.

In conclusion, we support the bill in principle, but feel that there should be very serious consideration of certain provisions, some of which I have just mentioned. It merits serious consideration and we in the Bloc Quebecois would be very pleased to take part in such consideration.

[*English*]

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, as indicated by my colleague, we will be supporting the bill in principle but with some very serious reservations and concerns that have to be addressed.

I will comment on some of the remarks made by a previous speaker, but first I welcome the debate initiated by the solicitor general. I take him at his word that he wants to ensure a detailed analysis of the legislation because it is crucial legislation. As my colleague has already indicated, we are trying to find a balance between information that can be vitally important to both the police and prosecution services and at the same time protecting the civil rights and liberties of individuals.

I look forward to debate on the retention of DNA samples. The solicitor general indicated there were compelling arguments on both sides at the current time. My own feeling would be that retention causes real problems. I look forward to that debate in the House as well.

• (1705)

I would be remiss if I did not also comment on the remarks of the hon. member for Blackstrap who indicated that the bill did not go far enough for his party. I respect his opinion on that. I can see we will have lively debate when the bill comes before the committee.

He quoted some information from the United States. Again with the greatest of respect I am very cautious of that kind of information because our systems are so different in many situations.

I appreciate when he says we should err, if we must err, on the side of victims and not criminals and therefore their support to take the DNA samples at the time of the charge. I remind my colleague, as I am sure he is aware, there is no criminal until such time as a court determines guilt. At the time individual are charged they are the accused.

At that time the person we are calling the victim is the accuser. If I come before a court and say that the hon. member has done something to me, at that time I am not a victim and he is not a criminal. At that time I am the accuser and he is the accused. As I indicated we will have a lively debate on that aspect of the bill.

It has been stated that an opportunity has been presented to find that balance and I think we will. History is fraught with examples of situations where societies and communities felt they had the answer to solving crime problems and investigative tools, only to be proven down the road that scientific evidence was not as accurate as we might have hoped and that many innocent people suffered as a result of what society thought was the perfect test for guilt.

We must approach this kind of scientific information with some scepticism because it deserves to be treated carefully and critically.

Certain sections of the bill require real examination. As the solicitor general indicated, many groups made presentations to him. Many groups opposed the legislation. Among them were the Canadian Association of Sexual Assault Centres, the Elizabeth Fry Society, the National Action Committee on the Status of Women, and women's organizations like the Feminist Alliance on New Reproductive and Genetic Technologies. Several other groups felt the legislation was not necessarily the best way to use government funds. As indicated previously civil liberties associations had real concerns about the legislation.

I can point to specific examples in the legislation where I think the solicitor general and the government have gone too far, or sections that require very careful consideration and debate. Clause 7, as my colleague has indicated, provides for tremendous discretion on the part of the commissioner to provide access to information about an individual's DNA index to other groups.

The very taking of the DNA samples is questionable. Why would we do it automatically instead of perhaps suggesting that an application be made by the prosecution or by the defence? Certainly there are benefits to the accused. Why should an application not be made to the judge hearing the case who could then exercise his or her discretion accordingly with procedural safeguards for the civil liberties of the individual charged? The automatic taking of the sample is something I have some problems with.

Clause 10 which provides for further testing if there are new developments is fraught with real problems. On the storing of the substances which has been referred to, especially the storing and keeping of the substances when an individual is pardoned, when a higher court overturns a conviction, I think we must ask the question why we would keep the substances once an individual is determined to be innocent of the crime. Then the sample ought not to have been collected in the first place. Why we would continue to

keep that index and the information derived from the samples is something we have to look at very carefully.

● (1710)

The application to young offenders and the keeping of the samples for 10 years is a portion of the legislation we have to look at very critically. As well we should look at the offences to which the taking of DNA samples will apply.

Those concerns will demand very real examination in committee. As I have indicated, the NDP will support the bill in principle at this point and will certainly support referring it to committee.

However, if I can summarize, a number of issues need to be addressed such as the indefinite period of keeping the DNA on file; the inclusion of young offenders in the act, in every single portion of the act, to be treated the same way as adults; the issue of who has access to the DNA databank and how the information may be used; the fact that the DNA may be taken even while a case is under appeal or kept while the case is under appeal; and the taking of DNA be mandatory upon conviction rather than at the discretion of the judiciary.

I cannot stress that enough. I feel very strongly about that point. I am willing to listen to other arguments and debate, but it is something we have to be very careful about.

The fact that a person can be detained for a reasonable amount of time for the taking of the samples, as opposed to a clearly defined period of time during which the samples could be taken, requires consideration. Who will be taking the samples? Will it be a member of the police force or a trained individual?

Another very real question that has to be addressed is the funding formula and the costs of establishing the DNA databank. Who will pay for it? Obviously the commissioner will be a member of the RCMP. The RCMP will have a huge influence on the way the legislation is dealt with. All those questions deserve very careful consideration.

As I have indicated I look forward to the debate. I think it will be lively. I especially look forward to the comments of the next speaker, the hon. member for Pictou—Antigonish—Guysborough. He is a former prosecutor. I am a former defence counsel. The two of us worked in the same province. We did not have the opportunity to lock horns in the courtrooms of Nova Scotia, but I look forward to our debate in committee.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I rise to speak to Bill C-3, the DNA identification act. As my learned friend in the New Democratic Party pointed out, I was a crown attorney in the province of Nova Scotia and had the opportunity to deal with a number of cases which featured DNA evidence.

Although this may give lawyers, both prosecutors and defenders, a unique perspective on the legislation, I would suggest that DNA evidence is something that has a tremendous effect and impact on the criminal justice system for all Canadians.

There has truly been a number of changes within our legal system and DNA type testing is certainly the next generation of fingerprinting.

Since 1988 trial judges have allowed DNA evidence from the accused to be identified in several criminal prosecutions throughout the land. Indeed forensic DNA analysis has been instrumental in securing convictions in hundreds of violent crimes, as well as resulting in the release of wrongfully convicted persons, as referenced by the Reform member. He mentioned the Morin case as well as the Milgaard case in his province. The key here is that both an inculpatory and exculpatory notion arise from the use of DNA evidence.

During the early years of DNA evidence there existed a vacuum in regulating the collection and use of DNA data. In a number of cases judges allowed DNA samples which were taken from individuals without their consent. This is something which is addressed within the proposed legislation. It is something which will certainly lead to more lively debate with respect to individual rights, as opposed to the rights of the victims and their families. Caution must always be exercised in the use of this type of technology.

Organizations such as the Canadian Police Association have warned the Liberal government that legislation would be needed to ensure proper and effective use of DNA evidence similar to the type of evidence that is introduced through the identification of criminal acts with photos and fingerprints and of the need to potentially purge the samples if a person was found not guilty.

● (1715)

In December 1993 the Canadian Police Association met with the then justice minister and in January 1994 met with the then solicitor general. The purpose of the meetings was to raise the urgent need for updating the evidence laws, including DNA technology. Despite the warnings from the country's top law enforcement personnel, the men and women who are on the front lines enforcing the laws, the Liberals decided to wait. They dragged their heels until the Supreme Court of Canada intervened in 1994, much the same way they continue to drag their heels on the faint hope clause, the Young Offenders Act, victims bills of rights and impaired driving legislation.

The supreme court ruled that in the absence of federal legislation the police did not have any lawful authority or means to obtain a search warrant for the seizure of bodily substances for the purposes of DNA typing. This lack of legislation led the Supreme Court of Canada to determine that DNA evidence obtained without the consent of the accused risked being excluded at trial. I did see this happen in a case that arose within my constituency of Pictou—Antigonish—Guysborough, the Queen vs. Borden.

The government finally took the step to provide a legal framework for DNA evidence in 1995 by passing Bill C-104. That bill gave the police the right to seek a warrant that, if approved by a provincial court judge, would authorize the collection of bodily substances for DNA analysis.

Bill C-104 also legislated the criteria for our judges to consider when reviewing DNA warrant applications. Police officers, lawyers and judges finally had some guidelines, albeit very broad guidelines, to govern the collection and use of DNA evidence.

With Bill C-104 in place the obvious question arose of what would the government do with the DNA samples once they were collected. The logical answer was the creation of a national DNA data bank in which the collected samples could be stored for future reference in the use of criminal investigations or trials. Even the justice minister at the time, when not preoccupied with cracking down on law abiding gun owners or launching politically motivated witch hunts, did concede that the importance of a national DNA bank existed. He felt that it was so important that when Bill C-104 was approved he promised complementary data bank legislation for the fall of 1995.

That promise bit the dust when the government decided to start consultation again in January 1996. A discussion paper entitled ''Establishing a National DNA Data Bank'' was tabled. Interestingly enough, the cover note on the news release which accompanied the discussion paper of the day stated that the government would bring in DNA legislation within the coming year. We all know what happens when these promises are made on justice issues. The coming year seems to be stretched into 16 months and the promised legislation was tabled in April this year just in time for its inclusion in the writing of the order paper. It was also introduced in time for inclusion in the red book.

Thankfully the Liberals did not use this as an election excuse to delay the potentially important piece of legislation before us today. With some minor exceptions, technical language that is, Bill C-3 is essentially the same bill that was introduced in April during the dying days of the last Parliament.

The solicitor general has outlined many of the positive elements of this bill, of which there are several. The national DNA data bank, to be managed by the RCMP, will consist of two main components, a crime scene index that will contain DNA profiles obtained from unsolved crime scenes, as well as a convicted offenders index which will contain DNA profiles of adult and young offenders convicted of designated Criminal Code offences.

Because police officers would be able to cross-reference these data from certain convicted offenders with unsolved crimes, the DNA identification act is a great improvement over the vacuum which previously existed in terms of storing the DNA data.

But will this national data bank established under Bill C-3 provide police officers with an effective tool to solve crimes and keep our streets and communities safe as referred to by the solicitor general?

Police officers, particularly those involved in the Canadian Police Association, do not feel it will. The Canadian Police Association, which has been at the forefront of lobbying the government to establish this DNA data bank, is concerned about the effectiveness of Bill C-3. In essence, it is opposed to the legislation in its current form.

• (1720)

The major concern of the Canadian Police Association is the timing of DNA collection. According to the CPA, a national DNA data bank will only be successful if the collection of DNA evidence from a person charged with an indictable offence is done at the time of arrest. Why is this the case? Because the only guaranteed opportunity to obtain DNA evidence from an individual charged with an indictable offence is when the police have actual custody and possession of this individual.

The proposed convicted offenders index, while somewhat useful, would not help police with unknown murderers and rapists. It might even encourage suspected offenders to skip bail. Most people charged with offences do receive release pending trial. Our criminal justice system grants bail in more than 95% of cases when individuals are charged. According to *Juristat* in 1995, 66,000 people broke bail or failed to appear as required.

Consider this example of what might happen if a person were arrested with respect to an offence related to juvenile prostitution, a designated offence for which the DNA collection would apply. If that person had also committed an offence such as a murder or a sexual offence in another part of the country from which the offender's unidentified DNA was to be collected, that person would know that if convicted for juvenile prostitution, an offence not as serious as the prior offences I have mentioned, the DNA analysis would be obtained, cross-referenced with the crime scene and then that person could potentially face a murder charge. It does not take a rocket scientist to figure out that under the bill in its current form the offender would certainly have an incentive to skip bail knowing that he was going to face more serious charges.

As it stands, this bill is a huge loophole that we do not need. We certainly do not need more unnecessary loopholes in our justice system. I understand the fears of individuals in Canada with respect to privacy but I believe there are ways to deal with this without compromising the collection of samples and the ability to solve serious unsolved crimes.

I respect the fact that many members in the opposition have posed serious questions that will be debated at the committee level. I also look forward to taking part in that rigorous debate and to seeing that this bill is brought forward in such a way that it will aid our law enforcement agents throughout Canada.

[*Translation*]

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, we have seven or eight minutes left. I will try to conclude my remarks by 5.30 p.m.

I am pleased to speak to Bill C-3 today. It is entitled the DNA Identification Act. It concerns an issue never before dealt with in Canadian legislation.

The registration of DNA profiles in a bank and the storage of samples and bodily substances raises many ethical and legal questions and warrants thorough consideration in an open discussion. Rest assured that the Government of Canada is taking these questions seriously. That is why the Department of the Solicitor General last year consulted widely on the creation of a DNA data bank.

In January 1996, the solicitor general at the time made public a consultation paper on a national DNA data bank. This document was used as the basis for consultation across the country, in which a number of questions were asked, including: what genetic material should be included in the bank; when should samples be taken and who should do so; should we keep biological specimens and DNA profiles; and how should the DNA data bank be funded?

The document was given to provincial and territorial governments, to police departments, to national police organizations, to those responsible for privacy, to lawyers, to representatives of correctional services, to women's groups, to victims' groups and to experts in the field of forensic medicine. You can see a broad cross section was consulted.

The number of participants in consultations and the number of briefs received raised considerable interest in the creation of a national DNA data bank.

● (1725)

On the whole, the consultation also showed that there was strong support for such a bank, particularly from the police. On the other hand, those concerned with privacy issues and jurists stressed the necessity of adopting balanced legislation which would include the necessary guarantees, limits and protections to ensure that privacy is respected.

The Department of the Solicitor General summarized the results of the consultation process in another document titled ''Summary of consultations''. This report stated that there was no true consensus among respondents on such questions as preservation of biological samples of bodily substances and the range of offences involved.

Given the complexity of this matter, and the diversity of views on this aspect of how the data bank would operate, I must take advantage of this opportunity to congratulate the Solicitor General of Canada for introducing legislative provisions which reflect both the necessity to improve protection of the public and the obligation to respect the individual's right to privacy.

The national DNA data bank will offer police forces an invaluable tool to assist them in their battle against violent crime. Police investigations will be facilitated by the use of DNA analysis and by the possibility of comparing genetic data from biological samples from convicted criminals with those found at the scene of unsolved crimes.

[*English*]

It will help ensure that those guilty of serious crimes, such as repeat violent sexual offenders, are identified and apprehended much more quickly. At the same time, the bill contains strict rules governing the collection, the use, the retention of DNA profiles and biological samples in order to ensure that privacy interests are protected.

Building on the success of the DNA warrant legislation passed in July 1995, the current bill includes similar safeguards and processes related to the collection of the samples. To date, we all know that the DNA warrant scheme has withstood charter challenges and thus provides a solid foundation on which to build the DNA data bank scheme.

The legislation includes numerous safeguards. For example, as has already been stated, the RCMP will be responsible for safely and securely storing all biological samples. In addition, the legislation limits access to DNA profiles contained in the convicted offenders index and access to the samples themselves will be limited to only those directly involved in the operation and maintenance of the data bank.

[*Translation*]

In order to ensure the appropriate use of information contained in the data bank, the bill states clearly that only the name attached to the profile may be transmitted to the authorities responsible for

implementing the legislation in the course of criminal investigations.

The bill also provides for prison terms of up to two years less a day for infractions. Infractions involving unauthorized use of the data bank will also be included in Canada's Criminal Code and in the legislation on identification by fingerprints.

This is an extremely important bill that will be invaluable to the police in combatting violent crime. As my esteemed colleague, the Solicitor General of Canada, has already said, however, the complexity and innovative nature of the bill require the full attention of members and of experts with the necessary experience and knowledge to advise us on issues relating to technology, privacy, law and ethics.

In conclusion, therefore, I support the motion of the Solicitor General of Canada to refer Bill C-3 to committee before second reading, and I urge all my colleagues in the House to do the same.

* * *

MACKENZIE VALLEY RESOURCE MANAGEMENT ACT

The House resumed, from October 28, 1997, consideration of the motion that Bill C-6, an act to provide for an integrated system of land and water management in the Mackenzie Valley, to establish certain boards for that purpose and to make consequential amendments to other acts, be read the second time and referred to a committee.

The Deputy Speaker: It being 5.30 p.m., the House will now proceed to the deferred recorded division on the motion at second reading of Bill C-6.

Call in the members.

• (1750)

[*English*]

Before the taking of the vote:

The Speaker: I know it is a new Parliament but members should not come between the person speaking, the Chair and the mace. Therefore, when members have to cross the floor, I ask you either to go around the chair or around the table.

Actually what I have is a trap door here, and if you don't—

Some hon. members: Oh, oh.

The Speaker: —you go down.

Also, when members enter the House or leave it—it is a tradition—but you acknowledge the authority of the Chair. The overwhelming majority already do it, but it is simply to bow to the Chair when you come in and when you go out.

The question is on the motion.

• (1800)

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 21*)

YEAS

Members

Adams
Anderson
Augustine
Axworthy (Winnipeg South Centre)
Baker
Barnes
Bélair
Bellemare
Bertrand
Blaikie
Bonin
Borotsik
Bradshaw
Brown
Bulte
Caccia
Cannis
Carroll
Catterall
Chamberlain
Charbonneau
Clouthier
Cohen
Comuzzi
Cullen
Dhaliwal
Discepola
Drouin
Duhamel
Easter
Finestone
Fontana
Gallaway
Godin (Acadie—Bathurst)
Graham
Grose
Harb
Harvard
Herron
Ianno
Jackson
Jones
Karetak-Lindell
Keyes
Kilgour (Edmonton Southeast)
Kraft Sloan
Lastewka
Lee
Lincoln
MacAulay
Mahoney
Mancini
Marchi
Massé
McCormick
McGuire
McLellan (Edmonton West)
McWhinney
Mills (Broadview—Greenwood)
Mitchell
Murray
Nault
Nystrom
O'Reilly
Paradis
Patry
Peterson
Phinney

Alcock
Assad
Axworthy (Saskatoon—Rosetown—Biggar)
Bachand (Richmond—Arthabaska)
Bakopanos
Beaumier
Bélanger
Bernier (Tobique—Mactaquac)
Bevilacqua
Blondin-Andrew
Bonwick
Boudria
Brison
Bryden
Byrne
Calder
Caplan
Casey
Cauchon
Chan
Charest
Coderre
Collenette
Copps
DeVillers
Dion
Dromisky
Dubé (Madawaska—Restigouche)
Earle
Eggleton
Folco
Gagliano
Godfrey
Goodale
Gray (Windsor West)
Guarnieri
Hardy
Harvey
Hubbard
Iftody
Jennings
Jordan
Keddy (South Shore)
Kilger (Stormont—Dundas)
Knutson
Laliberte
Lavigne
Leung
Longfield
MacKay (Pictou—Antigonish—Guysborough)
Maloney
Manley
Martin (LaSalle—Émard)
Matthews
McDonough
McKay (Scarborough East)
McTeague
Mifflin
Minna
Muise
Myers
Normand
O'Brien (London—Fanshawe)
Pagtakhan
Parrish
Peric
Pettigrew
Pickard (Kent—Essex)

Power
Price
Proud
Redman
Richardson
Robillard
Rock
Scott (Fredericton)
Shepherd
Speller
Steckle
Stewart (Northumberland)
Stoffer
Telegdi
Torsney
Valeri
Vautour
Wappel
Wayne
Wood —175

Pratt
Proctor
Provenzano
Reed
Riis
Robinson
Saada
Serré
Solomon
St. Denis
Stewart (Brant)
St-Julien
Szabo
Thibeault
Ur
Vanclief
Volpe
Wasylycia-Leis
Whelan

NAYS

Members

Abbott
Alarie
Bachand (Saint-Jean)
Bellehumeur
Bergeron
Îles-de-la-Madeleine—Pabok)
Breitkreuz (Yellowhead)
Cadman
Casson
Crête
Dalphond-Guiral
Debien
Dumas
Elley
Forseth
Gauthier
Godin (Châteauguay)
Gouk
Grey (Edmonton North)
Guimond
Harris
Hill (Macleod)
Hilstrom
Johnston
Konrad
Laurin
Loubier
Marceau
Martin (Esquimalt—Juan de Fuca)
McNally
Meredith
Morrison
Penson
Picard (Drummond)
Ramsay
Ritz
Sauvageau
Scott (Skeena)
Stinson
Tremblay (Lac-Saint-Jean)
Vellacott
White (Langley—Abbotsford) —82

Ablonczy
Asselin
Bailey
Benoit
Bernier (Bonaventure—Gaspé—
Bigras
Brien
Canuel
Chrétien (Frontenac—Mégantic)
Cummins
de Savoye
Desrochers
Duncan
Epp
Gagnon
Girard-Bujold
Goldring
Grewal
Guay
Hanger
Hart
Hill (Prince George—Peace River)
Hoeppner
Kerpan
Lalonde
Lebel
Lunn
Mark
Mayfield
Ménard
Mills (Red Deer)
Pankiw
Perron
Plamondon
Reynolds
Rocheleau
Schmidt
Solberg
Strahl
Turp
Venne

PAIRED MEMBERS

Dubé (Lévis)
Marleau
Pillitteri

Duceppe
O'Brien (Labrador)
St-Hilaire

The Speaker: I declare the motion carried.

(Bill read the second time and referred to a committee)

The Acting Speaker (Mr. McClelland): It being 6.03 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*]

NATIONAL SHIPBUILDING POLICY

Mr. John Herron (Fundy—Royal, PC) moved:

That, in the opinion of this House, the government should actively develop an innovative National Shipbuilding Policy which focuses on making ship yards internationally competitive by providing tax incentives and construction financing comparable to what is being provided elsewhere in the world and which ensures reasonable access to foreign markets, particularly the United States of America; and should recognize that such a policy would not provide direct subsidies, but create alternatives methods of support to ensure the growth of the industry.

He said: Mr. Speaker, it is with the utmost of honour that I introduce my motion which calls on the government to review, revitalize and renew Canada's shipbuilding policy.

● (1805)

For the past number of months various sectors have been pleading, in fact demanding, development of a national shipbuilding policy. A focused and unified consortium of stakeholders recognize the industry is in need of governmental leadership and initiatives to ensure the future of a strong, self-sufficient and export driven industry.

These stakeholders include the Shipbuilder's Association of Canada and the Canadian Ship Owners Association. Labour is represented by the Marine Workers Federation and even all 10 provincial premiers are on side.

This motion addresses the need for policies and initiatives to ensure Canadian shipyards have reasonable access to international markets. Today's debate brings the issue to the forum where change must and can only be delivered, on the floor of this House.

My objective is for the House to recognize through constructive debate what others know to be true, that the federal government has a responsibility to respond to the needs of Canada's shipbuilding industry.

I stress the need for all members to reach a consensus so this issue will reach the desk of the Minister of Industry in an urgent fashion. Reaching a consensus would be a major step forward for

the shipyards and individuals who earn their living in this high tech industry.

Before we get into detail, the support and changes that I and the industry are advocating are not about subsidies. We are calling for changes to simplify regulations to enable our shipyards to compete. These changes would do more for the industry than any subsidy ever could.

The industry recognizes the way it has been supported in the past by government contracts will not continue. It is eager to find new markets internationally where it knows it can compete. This is the key to the success of a shipbuilding industry and our ability to be competitive in a global marketplace.

Canada's marine industry employs 40,000 people nationwide and adds over $2 billion to gross domestic product. Canadian shipbuilders have rationalized 40% of their shipbuilding capacity over the last decade. They have become more efficient and are lower cost producers.

The industry has evolved and modernized. What it needs now are initiatives to use this modernization to be able to compete. Canadian shipyards are now high tech companies supporting Canada's ocean and marine shipboard technology and are part of an industry with a future, yet we continue to impede their progress with a paternalistic approach.

The federal government has no specific industrial or trade policy dealing with shipbuilding. The international trade business plan, Canada's integrated plan for trade, investment, technology and development, does not include shipbuilding.

While this motion does not call for subsidies, I think we need to recognize that all other shipbuilding nations have direct subsidies or a variety of programs that enable them to compete internationally. Canada does not. This forces us to compete on an uneven playing field.

At the same time, Canadian shipyards have become more competitive by incorporating new technologies and processes, adding new equipment and modern facilities. The fact is that Canadian shipyards could be cost competitive with other European Economic Community and United States shipyards building naval ships today and have the potential to become competitive building merchant ships if we had the opportunity to compete on a more level playing field.

Shipbuilding is a relatively labour intensive activity, thus labour costs have a major impact on the total shipbuilding cost. Over the past 10 years hourly wages in Canada have gone from being among the highest in the mid-1980s to near the lowest in 1996 when compared to European and American shipyards. This is a result of significant currency exchanges, improved Canadian efficiency and rising labour costs abroad.

Due to excess subsidies, low cost shipbuilding nations such as Korea, China, Poland, Ukraine, Brazil and Spain target low technology ships such as crude tankers and bulk carriers with high steel content and low outfitting needs. Canadian shipyards cannot, would not and have no interest in participating in this aggressive market.

● (1810)

While some nations are losing their market share in shipbuilding, others are finding success in specialty niche construction. Canadian shipyards would focus on product carriers, chemical carriers, offshore vessels and specialty ships requiring special paint coatings, improved steel treatment and specific instrumentation, navigation and communication systems. These ships are presently built in high wage areas, such as the EU, Japan and the United States.

Over the past decade Canadian government procurement has been the main source of work for domestic shipyards. However, because of shrinking government budgets and reduced government requirements for ships, new markets must be found.

International markets provide the only possible military and commercial shipbuilding opportunities for larger Canadian firms. In the near term the commercial market offers the best prospects for maintaining and/or expanding production.

Considering the fact that only 2% to 3% of Canadian shipyard capacity is exported today, there is a real opportunity for the government to assume a leadership role and empower the industry to grow. Canadian policies must support both international market entry and sales to Canadian operators and owners. We must agree that the future of the shipbuilding industry in Canada is tied to its ability to compete in the international commercial shipbuilding markets.

Shipbuilding construction has shown consistent increase in demand since the early 1980s. Shipyards around the world are preparing for continued growth. The longer Canadian shipyards wait, the more difficult it will be to enter these international markets.

Canadian officials continually point to the need to follow the 1979 OECD agreement, yet we are the only country to abide by these terms. Members of the EU generally provide direct subsidies to their shipyards of up to 9% of construction costs. Other assistance, such as research and development, tax benefit programs and export financing are also provided.

Providing subsidies is not a solution that I am advocating. It is not a made in Canada solution. There are alternatives which would enable Canada to compete on a more level playing field which do not involve subsidies.

The premiers, the Canadian Shipbuilding Association and other stakeholders believe that there are financial mechanisms used by the Americans which could form part of our Canadian solution.

First of all, the U.S. federal ship financing program, known as Title 11, is a good example. After a long absence from the international commercial market, U.S. shipbuilders have appeared in the world order book compliments of Title 11. This financing program recognizes the common practice of ship buyers demanding a financial package as part of the total sales package.

Title 11, established in 1936, provides for federal government guarantees of private sector financing for the construction of U.S. ships for both domestic and foreign ship owners. The success of the Title 11 export financing and loan guarantee program is an indisputable success.

In fiscal year 1996 more than $1 billion U.S. in U.S. ships were exported and delivered courtesy of Title 11 guarantees. It is worth noting that there has not been a default under this program. There has been no cost to the U.S. government since it was established in 1936.

A second initiative which the shipbuilding stakeholders support involves revisions to Revenue Canada leasing regulations. Leased financing has become a predominant method of financing significant capital items. The current regulations make the ownership of leased financing of a Canadian ship uneconomical.

Accelerated depreciation was the backbone of the shipbuilding industry only a few years ago and resulted in many ships being built. The industry is imploring the government to visit this initiative immediately. There is no reason the government cannot take that step right away. It is not precedent setting and it would make a significant difference in additional activity and reduce social costs to the government.

Major items of capital equipment are already exempt from existing Revenue Canada leasing regulations, such as computers, rail cars, trucks and others.

● (1815)

The industry also wants to see the one-sided aspects of NAFTA eliminated. The American 1920 Jones Act legislates that cargo carried between American ports must be carried aboard American ships that are American built, registered, owned, crewed, repaired and serviced exclusively by American firms. Otherwise they are open to free trade. This legislation was exempted from the FTA and from NAFTA.

Canadian shipbuilders do not have access to the American market which is our natural market, yet American shipbuilders have the right to sell to the Canadian market duty free. This unfair and imbalanced version of free trade puts Canadian shipbuilders at a severe disadvantage. The chances of reaching a quick resolution with the Americans are slim because protectionism has pervaded U.S. shipbuilding policy since 1920, as we found out in FTA and in NAFTA.

However it is possible for us to revisit the Jones Act using a strategic piecemeal approach. We need to push for bilateral agreements on certain types of ships and vessels. I think all members would agree that some form of market penetration is better than none.

Currently U.S. grain exporters are unhappy with the Jones Act as they perceive the legislation to be an infinite tariff that has reduced competition and driven up shipping costs. This represents an American chink in the Jones Act armour which may enable better dialogue on possible bilateral agreements later on.

When referring to the government strategy for better economic and industrial development in Atlantic Canada the Minister of Industry stated:

> The emphasis has to be on working with community strengths and building on community advantages, and not on wielding a pot full of cash and dispensing it to people on the basis of who they know and who they voted for in the last election.

I agree with the Minister of Industry on this issue. If he wants to work with the community strengths and the community advantages he need not look any further than Canada's modernized state of the art shipyards.

We have highly tooled yards and highly skilled labour. What we do not have is access to markets. Subsidies, or as the minister said a pot full of money, are not needed but a national policy that faces up to the realities of the global marketplace is.

The industry has proven that it is competitive. What it needs is export financing, revisions to Revenue Canada leasing regulations, and attempts at bilateral trade discussions to ensure we have access to our natural markets. A combination of any one of these initiatives would create jobs and make the industry more viable.

The development of a national shipbuilding policy has widespread support. The member for Saint John has been a tireless supporter of the shipbuilding industry since she has become a member of Parliament and during 20 years in municipal politics as well.

At the first ministers meeting in July the premiers recognized the challenges currently faced by Canadian shipbuilders in their efforts to become internationally competitive. They recognized the need for a national shipbuilding policy. The industry and the ship owners association are calling for a national policy.

The current finance minister stated in 1988 as owner of Canada Steamship Lines why he had to have ships built in Brazil:

> I fought hard to have the ships built in Canada but was unable to convince the government of the need to have an aggressive shipbuilding policy. If we are not going to do that we will never be a factor in commercial shipping.

All these folks are not wrong. Simply put, we need to develop a modern policy to give Canada access to international markets.

While I am pleased that constructive debate is taking place, I believe it is a great injustice that we are not able to vote on this matter.

Therefore I would like to seek unanimous consent of the House to make Motion No. 214 a votable motion. This is a national policy that benefits shipyards in Vancouver on the western coast, inland shipyards whether in Quebec or Ontario, and in Atlantic Canada as well.

This is a national policy. All we are imploring the government to do is to begin dialogue. Everybody wants a national shipbuilding strategy: the ship owners, the workers, the premiers and I believe members of Parliament.

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, this is a motion respecting the shipbuilding industry in Canada. The shipbuilding industry has a long and rich tradition in the country. It continues to play a key role in many coastal and port communities, from major yards in Saint John, New Brunswick, to Levis, Quebec, to smaller ones dotted across the country in Ontario, Quebec, New Brunswick, Nova Scotia, P.E.I., Newfoundland and British Columbia.

• (1820)

As has been stated earlier, overall the major shipyards employ about 4,000 workers. They are highly skilled, well paying jobs. The smaller yards and facilities employ many other workers. All these people can take great pride in the work they do and the contribution they make.

The shipbuilding industry is a small but important component of Canada's overall marine industry, making a significant contribution to Canada's economic growth.

Shipbuilding is one of only a few industry to benefit from comprehensive government initiatives. Essentially there are three elements to the policy.

First, we made a commitment to use Canadian shipbuilders for the renewal, repair and overhaul of government fleets. We will continue our policy of domestic procurement on all federal ships and repairs where it is possible to do so.

Second, we have a 25% tariff on all non-NAFTA foreign built ships over 100 tonnes entering Canadian waters, with the exception of fishing vessels over 100 feet.

Third, between 1986 and 1993 we spent $198 million on an industry led rationalization process. The industry decided that it was necessary to reduce its capacity so that the remaining shipyards could survive and stay competitive. Therefore the structure of the Canadian shipbuilding industry has changed dramatically since 1986 due to this rationalization. Certainly in the last five years there has been no real change in the domestic international market situation to support reversing the approach of the current government.

In addition, the Government of Canada has several other key initiatives to support this sector. There are tax measures available to ship owners in the form of accelerated capital cost allowance on new ships built in Canada. Shipbuilders are also encouraged to keep pace with new technology through the research and development tax credit system. Through government institutions there is financing available to this sector like any other sector for commercially viable projects. For example, the Export Development Corporation can provide financing for export sales of Canadian products including ships.

We recognize that the international playing field is not level. First, major distortions in the marketplace result from massive subsidies from foreign governments to their shipping industries. To defend our domestic industry we will continue our efforts to eliminate foreign subsidies through the OECD. At the same time the European community is looking at eliminating its country's subsidies by the year 2000. Things are slowly changing.

Second, let me address the U.S. situation and the Jones Act. Under the legislation only vessels built in the United States and operating under the U.S. flag can engage in U.S. domestic trade. This prohibits building or rebuilding any vessels for the U.S. coasting trade in non-U.S. shipyards.

I remind the member for Fundy—Royal that he was not a member of the House at the time the previous government led by his party negotiated the free trade agreement and did not work out any details to change this awful protectionist system under the Jones Act.

However there are opportunities for Canadian yards to capture some of the U.S. ship repair markets which will become more accessible as the standard U.S. 50% tariff on repairs continues to decrease over time and will be eliminated in 1998 under NAFTA.

It is still important to continue our efforts to encourage the U.S. government to update an archaic 77 year old Jones Act in line with NAFTA and WTO principles.

While the majority of U.S. legislators are supporters, a growing number of legislators as well as other organizations such as citizen tax groups are attacking the act on the grounds that it is effectively a subsidy paid by the consumer.

In 1996 the International Trade Commission estimated the Jones Act raises the price of water borne transportation by 26%. The extra costs get passed along to consumers in higher prices. This constitutes a hidden Jones Act tax of between $3.8 billion and $10 billion a year. There is a result of subsidies.

• (1825)

A U.S. senator has recently introduced the legislation to allow foreign flagships to operate between two U.S. ports, if the operator

or charter of the ship is a U.S. citizen or is eligible to engage in business in the U.S., and if the operator operates regularly scheduled freight service in the ocean trades including the Great Lakes. This is a very slight improvement but still not good enough.

However all parties in the U.S. are acknowledging this is a long term issue with no immediate solution. That is what they say every year.

There is little doubt the Canadian shipbuilding industry has faced some hard times in recent years. However recent developments might help to stimulate new business in Canada for shipbuilding and marine construction. They include the need to revitalize the aging Great Lakes shipping fleet and the development of high speed ferry services in offshore oil and gas developments such as Hibernia, Terra Nova and Sable Island.

Certainly new opportunities are out there. There is evidence that the international shipbuilding industry has come out its global recession. The deep sea shipping fleet is aging and needs replacement. Double hauling will soon be mandatory for ships entering U.S. ports, requiring modifications to newer ships and possibly the replacement of older ones. Each of these developments may provide some opportunities to Canadian shipyards in the future.

We must be prepared to compete in the global marketplace. To become globally competitive Canadian shipyards must aggressively continue to adopt modern technology. Acquiring the latest technology in shipbuilding will help reduce production costs, increase productivity and reduce labour. A lot of work has been done but a lot more has to be done.

Around the world Canadian shipyards have earned a sterling reputation in specialized markets such as coastal ferry systems, icebreakers and self-unloading bulk carriers. Canada enjoys a significant technological advantage and market edge because of its experience in the construction of these specialized vessels. Many new opportunities are looming on the horizon for shipbuilding and the refit and repair industries in Canada. There is much work to be done.

Although I cannot support the motion as submitted by the member for Fundy—Royal, I congratulate him on his preparedness and his desire to continue to work on behalf of the Canadian shipbuilding industry. I hope we can continue to do so in the months and years ahead.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I too congratulate and commend the motion presented to the House, the depth of the research that has been done and the understanding of the industry. I also commend the Parliamentary Secretary to the Minister of Industry for his light on the subject.

The intent of the motion is probably one we could all support. There ought to be a sound industrial policy not only with regard to shipbuilding but with regard to all industrial development in Canada. That is what is lacking in the government currently in charge of the affairs of Canada.

I cannot help but to refer back to a particular response the Ministry of Industry made as recently as yesterday. It is no wonder people are confused, particularly the hon. member who proposed the motion. The Minister of Industry in reply to a question by the member for Halifax West said:

> If he is asking me to announce that Canada will get into a subsidy bidding war in shipbuilding, the answer to him as it was for the member for Saint John last week is absolutely no.

The interesting contrast is that the same Minister of Industry is quite prepared to enter into a subsidy bidding war when it comes to the aerospace industry. How is it that the same minister will unequivocally say ''absolutely no'' to the subsidization of the bidding war with regard to shipbuilding but it is absolutely okay when it comes to the aerospace industry?

● (1830)

This is the same minister who does this. The unfortunate part of it is that is not unusual. It so happens that this is a Liberal government right now. There was a PC government before it which did exactly the same thing. It also subsidized the one but not the other. So there is nothing new here.

What this motion does is allow us to articulate rather clearly that while there is nothing new, the PCs did the same thing as the Liberals, Liberals do the same thing as the PCs, now they are saying the government needs to have policy. That is right. It does need to have a policy but so do the PCs because they do not have one either.

This is just one of those crazy back and forths. One would think it was a ping-pong game we were involved in here. The unfortunate part of it is that the people who are suffering in this are those working in the shipyards, the families involved, the lack of work for these people. That is where the problem lies for not having a good policy come to the floor.

I want to read this motion. The motion is a very interesting study in semantics. It reads something like this. They want the policy to focus:

> —on making shipyards internationally competitive by providing tax incentives and construction financing comparable to what is being provided elsewhere in the world and which ensures reasonable access to foreign markets, particularly the United States of America; and should recognize that such a policy would not provide direct subsidies, but create alternative methods of support to ensure the growth of the industry.

What other alternate forms of support would their be than subsidies, maybe not direct but certainly indirect?

The hon. member said that there are all these other programs. Indeed there are. In fact, there is the foreign investment opportunity company and all kinds of other programs that exist which do allow countries that want to buy these ships to get financing from the Canadian government.

There is nothing new here. What there is, and I commend the member for this, is to articulate very clearly what the problem is in certain parts of this country.

I happened to be at the vision conference in Moncton, New Brunswick and I was particularly impressed by the tenure and discussion that took place at that conference. There were premiers and business leaders from the Atlantic provinces who all had one theme at this vision conference, a vision for the Atlantic provinces. It was led by the premier of New Brunswick.

Today this gentleman has retired from his position but he said to the assembled group ''we want the federal government to get out of the subsidy business, get out of the grant business and give us that money in the form of tax breaks or reduced taxes''.

The Reform Party has talked about this for the last eight years. We know that is the answer. The answer does not lie in subsidies or grants. Grants and subsidies create dependency and operations that are now competitive, operations that do not search out markets, that do not have the incentive to apply the most recent technology, the most efficient ways of applying that technology and the most efficient deployment of personnel and people who are skilled. That is what is wrong with subsidies.

What has to happen here is that the environment needs to change. We said limit things like ACOA and grants and subsidies and then these industries could become indeed competitive, search out the markets and do the kinds of things that really matter.

From that point of view I support the motion but unfortunately that is not what it states. It states one thing and I am not so sure that it totally explores it the way it should. Perhaps the motion could be reworded in such a way so that we could fully support it and be enthusiastic about it.

The specific questions with regard to the shipbuilding industry really could be summed up in two questions. First, is the shipbuilding industry in trouble because it did not remain competitive? Second, is it in trouble because there is not enough of a market or the market is not large enough to sustain another international global shipbuilder?

● (1835)

Those are two absolutely critical questions. They lie at the very base of a Canadian shipbuilding policy. What ought it to be? I think the hon. member will agree that those are the key questions. I do not have the answers to those questions.

I suspect that the Canadian Shipbuilding Association does not have an answer to that question either, but I think it needs to address those two questions and then come to wherever the policy ought to change so that indeed the competitiveness of the marketplace can be established as far as the shipbuilding industry is concerned and the size of the market identified as to whether the capacity for building ships ought to be expanded. I think that is a major issue.

The hon. parliamentary secretary indicated that there was a rationalization of the shipbuilding industry. Part of it was to reduce the number of ships, and that is fine. However, what we now need to do is not only rationalize in terms of the numbers of ships that are to be built, but the kinds of ships that ought to be built and the technology that exists in those ships so that they can become competitive in the international marketplace and that they will then build the kind of profit picture into the people who own those shipbuilding yards so that they can hire people and give them work so that they can supply their families and friends with the things they need.

I wonder as well whether we should not become very serious about this whole business of how industry ought to run in this country. What kind of an environment ought the government to create for this country so that business could compete?

The number one issue it seems to me is to have a level playing field. We do not have a level playing field in Canada. It is anything but level when the government interferes in the marketplace with agencies like regional economic development agency like ACOA, western economic, FEDNOR or whatever it is. That creates an artificial intrusion into the marketplace.

When the government intrudes into the marketplace in giving specific grants to particular industries that are not repaid, that create an unfair advantage to the manufacturing agents receiving that money over and against a group that does not. It also raises the question of providing certain kinds of guaranteed loans.

I understand under title 11 in the United States, which is what I believe the member referred to, there have been no defaults on the money that has been granted since 1936.

The significant aspect here is that we know that in Canada there have been many defaults of various kinds of government repayable loans. This is a double whammy on the taxpayer. First the taxpayer is asked to give the grant or subsidy to a particular industry. When that industry defaults, the taxpayer has to pay again.

That is what is wrong with this kind of system. We cannot afford to do that. I encourage the member to go back and reword his

motion slightly so that we could support it and recognize that subsidies and grants are anathemas to good business.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker,I am pleased to speak to this motion in my capacity as the Bloc Quebecois transportation critic.

Let me begin by telling my colleague for Fundy—Royal that our party finds his motion very interesting and is in favour of it. Unfortunately, that support cannot take the form of votes, because this motion is not votable. The debate this evening is, however, highly relevent.

In Quebec we have the wonderful motto ''Je me souviens'', but sometimes unfortunately we do not use our memory effectively. I will explain with an anecdote.

During the 1993 election campaign, I had the opportunity to represent my party in a debate on Radio-Canada, participated in by Jean Pelletier, the executive assistant of the current Prime Minister, and the ineffable or unspeakable Pierre Blais, erstwhile Minister of Justice in the Conservative government, a man very taken with his own importance.

You will not be surprised to hear that, since this debate was held in the greater Quebec City area and was apparently broadcast as far away as the Magdalen Islands and the Portneuf region, the question of the survival of MIL Davie Shipbuilding at Lauzon was raised.

• (1840)

Remember, this was 1993. I recall very clearly that Pierre Blais, a Conservative minister, and therefore in the same party as the member moving this motion, said to me ''For the nine years that the Conservative Party has been in office, it has given contracts to MIL Davie''. I asked him how much they had given and his answer was $1.2 billion.

I told Pierre Blais, the Conservative minister at the time, that, while the Conservatives had given $1.2 billion to MIL Davie, they had given $11 billion in contracts to shipyards in the maritimes. This shows that, Liberal or Conservative, it makes no difference.

Naturally, we agree that the government should provide tax incentives to revitalize shipyards, but I would remind all our listeners—and I am sure they include former employees of Canadian Vickers in Montreal, Marine Industries in Sorel and present employees of MIL Davie in Lauzon—that no more than 12 or 15 years ago, Quebec had three major shipyards. They were responsible for 50% of the shipbuilding in Canada, and the only province that has rationalized its shipyards is Quebec.

Canadian Vickers was shut down; Marine Industries in Sorel also shut down, leaving only Mil Davie. Meanwhile, the Conservatives encouraged the founding of shipyards in the maritimes. The people at MIL Davie in Lauzon did their bit. They rationalized. Recently, when this shipyard was sold, when the present Government of Quebec encouraged a private promoter to take it over, the men and women of MIL Davie scrapped their collective agreement and showed their complete flexibility in order to create a climate conducive to building. All that remains is to deliver.

I want to tell you that the management of MIL Davie or Les Industries Davie, as it is now called, has shown leadership. Last August 30, the Port of Quebec received the world's second largest drilling platform, the *Spirit of Columbus*, which will be repaired in the port by people from Les Industries Davie, providing employment for 400. Les Industries Davie has shown that it can land international contracts.

What I am concerned about, however, is having certain tax incentives to encourage our Canadian shipowners to build ships here and repair them here, in Quebec and in Canada. It is on this point that I agree completely with the motion moved by my colleague, the member for Fundy—Royal.

I would remind members that, during the term of office running from 1993 to 1997, the Conservatives, with a leader and one member, were not very visible in the House of Commons. But I will tell the member for Fundy—Royal that the Standing Committee on Transport, of which I was then a member, tabled a report in May 1995 that was essentially the precursor of Bill C-9 now before us. This report led to Bill C-44, which, as we know, died on the Order Paper, in the Senate. That is why we are debating Bill C-9 again today.

The Standing Committee on Transport had tabled a report entitled ''A National Marine Strategy''. This report included a recommendation, Recommendation No. 22, which I think is relevant. The report gives an indication of the Liberal government's willingness to go in this direction.

• (1845)

This is what the Liberals promised in 1995. Recommendation 22 provided: ''In order to ensure the long-term viability of the Seaway, the federal government—this is the Liberal majority speaking in committee—should give serious consideration to the development of an incentive program to stimulate new construction and refitting of Canadian and foreign flag Seaway-size ships based on the essential condition that the work is done in Canadian shipyards''.

We in the Bloc Quebecois prepared, with my colleague, a minority report containing, if memory serves, 26 or 27 recommendations. There were some recommendations we certainly could not live with. That is why we tabled a minority report.

This is what the dissenting report of the Bloc Quebecois said with respect to Recommendation 22: ''The Bloc Quebecois members on the Committee are pleased to note that the majority of members agreed with this proposed recommendation—that was our position. They fervently hope that the minister will consider it

as it is vitally important to the future of the St. Lawrence Seaway and to shipyards in Quebec and in Canada''.

So, bouquets aside, it is very important to note the Bloc's concern. What we would like and what we want from the Liberal government is for it to behave like Bernard Landry, the Quebec minister of finance, in its next budget. Minister Landry was congratulated by the shipbuilding industry on the measures in his May 9, 1996 budget to encourage the building and repair of ships here, in Quebec particularly.

This budget included four points that are of interest: a new tax credit for builders; financial guarantees that would be given through the SDI; a reduction in the capital tax on the acquisition of ships; and, finally, a tax holiday for Quebec's sailors. These, I think, are measures that encourage shipbuilding in Quebec and in Canada.

The present Minister of Finance would do well, because we know his links with Canada Steamship Lines, to propose these sorts of incentives. We are trying to fight a war with water pistols, because we know that owners turn to other countries that have incredible tax benefits to build their ships, and we are unable to compete. That concludes my remarks.

[*English*]

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I rise to speak in favour of the motion brought forward by the hon. member for Fundy—Royal.

As my colleague, the member for Halifax West, stated yesterday in the House, we in this party believe that Canada is in desperate need of a national shipbuilding policy.

Shipbuilding has a vital place in the economy of this nation, in its heritage and, more importantly, in the lives of numerous coastal communities. To let it wither on the vine would be a wanton act of industrial sabotage that would haunt the present government for generations to come.

Canada was once a key player in the global shipbuilding industry. As a major coastal nation and a central partner in the Allied military effort during the second world war, Canada entered the post-war years with a robust and healthy shipbuilding sector.

Today, after decades of short-sighted Liberal and Conservative stewardship, the industry is on its knees. The industry which once was a vital part of our industrial base is now barely afloat. We have reached the stage where we can barely meet our own modest shipbuilding needs, let alone aspire to become a major provider to the global market.

More sadly, the tragic lack of foresight and innovation exhibited by successive Liberal and Conservative governments have condemned thousands of highly skilled workers to unemployment or idleness. Since the beginning of this decade alone, the workforce in this sector has fallen from 12,000 to less than 5,000 hourly and salaried workers in 1996.

This is a shameful performance. It is especially so when we reflect on the fact that these same workers have made tremendous strides in improving their value added and productivity per worker, increasing it by almost one-quarter between 1986 and 1993. Alas, no such vision or dynamism has been apparent in the approach taken by the government to the future of this strategic sector. Apathy, resignation and ineptitude have been the hallmarks of its approach.

• (1850)

The government approach has had devastating consequences. Total sales of the Canadian shipbuilding sector have declined by about one-half since 1991, from $1.5 billion to less than $800 million in 1996. The decline in the value added of of the shipbuilding industry to the Canadian GDP has been even more dramatic, falling from $450 million in 1990 to less than $200 million today. While other countries continue to make the necessary investment in upgrading their shipbuilding yards and technology, with some exceptions Canada has continued to rely on outdated capital equipment.

Most forecasts suggest that the demand for new ships and marine technology will grow rapidly in the coming years. The need to modernize our Great Lakes fleet, the requirement for high speed ferry and commuter services, developments in the offshore oil and gas sector all point to a renewed demand for ships. However, every indication at present is that Canada is in no position to meet this renewed domestic demand.

If we are ill-equipped to meet domestic demand, our preparedness to meet global demand is even weaker still. As world trade grows, demand for new, economically efficient ships to replace an aging world fleet will be strong. Close to one-third of the world fleet is more than 20 years old. In sectors such as oil tankers this figure is much higher. There is also demand for new cruise ships from the expanding leisure industry. Opportunities for economic growth in jobs in the coastal shipbuilding yards abound, yet the minister sticks to his banal and naive view that he will not be dragged into a subsidies bidding war.

I can assure the minister that while he clings to these doctrinal absurdities, other nations are busily preparing themselves to meet the renewed demand. The U.S. with its Jones Act ensures that cargo carried between U.S. ports is carried aboard U.S. ships that are U.S.

built, U.S. registered, U.S. owned, U.S. crewed and repaired and serviced by U.S. firms.

European nations use innovative tax credits, competitive bank financing, share purchases and tax shelter programs to encourage investment in shipbuilding. In Germany, for instance, individuals or corporations who invest in ship shares receive total deductions equal to 100% of the total investment.

The do nothing approach taken by this government to date is no longer acceptable. Canada must show some audacity and seek to develop new markets for our industry in niche areas such as ferries, icebreakers or specialized cargo ships. Canada must get out of the business of subsidizing foreign shipbuilders, many of whom utilize cheap labour and fail to comply with fair social and environmental standards.

Since the completion of the frigate building process and the refurbishment of Tribal class destroyers, Canada's shipbuilding industry has been waiting in vain for direction from Ottawa. Hard pressed coastal regions are looking to Ottawa to abandon its dismal hands off policy which has been so fatal to the industry. As it is increasingly obvious that neither the minister nor his senior officials have any idea how they might begin to re-invigorate the industry, let me suggest some basic life support measures which would benefit the industry over the medium to longer term.

First, let us rid ourselves of the short-sighted and damaging notion that private market forces alone should determine the future development of this important industry. While we do not endorse an escalating subsidy war, it is time to recognize that governments have a role to play in managing a fair allocation of shipbuilding production between competing countries. A managed trade approach, akin to the auto pact, would ensure that the Canadian shipbuilding industry would receive an overall volume of new orders consistent with our own shipbuilding requirements. This would amount to the extension of the U.S. Jones Act principle to international shipping and would ensure that each major seagoing nation would achieve a certain target level of shipbuilding activity.

Second, the government should lobby for the inclusion in any future international agreement regulating shipbuilding of a social clause. The problem in the past was that the term subsidy had been defined too narrowly. In many countries anti-union laws, low wages and non-existent health and safety laws amount to a subsidy to private shipbuilders. In these cases a subsidy is paid by the workers through lower wages or less safe working conditions rather than explicitly by the government.

We recommend that future international agreements in relation to subsidies take a broader view and include a social clause requiring participating countries to respect basic social, democratic and labour norms.

• (1855)

Third, we must recognize and co-ordinate the close links that exist between the regulation of the shipping industry and government efforts to support the shipbuilding industry.

In the past, shippers have been given too much discretion to select companies on the basis of price alone. The result has been that considerations relating to Canadian content, basic health and safety and environmental concerns have been neglected. In many cases the trade in Canada has become dominated by foreign flag vessels, flying flags of convenience from low tax jurisdictions such as Panama.

In fact, it is alleged by observers of the industry that Canada Steamship Lines, a company owned by the finance minister, has made use of these tax evading measures in the past. We believe that to be simply scandalous. It is time for Canada to implement a Jones like act that would require minimum levels of Canadian content in shipping activities. Furthermore, it is time that we insisted that ships traversing Canada's inland waterways be Canadian built and Canadian flagged.

Fourth, Canada has long been relying on its production and export of natural resources. We now recognize that greater value must be added to these raw, unprocessed resources here in Canada. It follows that Canada should be more involved in constructing, maintaining and operating the vessels that carry our natural resources to their destination markets. Canada is a great trading nation and it makes obvious sense that we have shipping and shipbuilding industries that reflect our stature as one of the top ten exporting nations.

Finally, it is time the government paid greater attention to maintaining appropriate levels of investment in our coastal infrastructure. Liberal cutbacks to lighthouses, coast guard search and rescue services, port upkeep and other maritime services have been highly detrimental to the safety, security and efficiency of our maritime communities. New public investment is needed by the coast guard and would generate additional work for Canadian shipyards.

In conclusion, I would like to state that we reject the view that the key decisions affecting the shipbuilding industries should be left to private shipbuilders and the private shipping companies. It is time for the government to embrace the public interest in promoting a vibrant, domestic shipbuilding sector. Shipbuilding workers, coastal communities and Canada's status as a major maritime nation are too important to be left to the vagaries of the marketplace.

To my colleague for Fundy—Royal, I too endorse your request that this important motion be a votable one. I will do what I can to support the motion. I beg your indulgence, Mr. Speaker, to look into that aspect.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I am pleased to be able to participate tonight in the debate on the motion of my colleague for Fundy—Royal which urges the government to develop a national shipbuilding policy.

I heard the hon. member from the government talking about money that has been invested in shipyards. The shipyard at Saint John is the most modern shipyard in the whole of Canada and perhaps, in the world. That is because of what the Liberals and the Conservatives have done in the past.

The investment is there but now the shipyard cannot compete. There is no work and it is sitting idle. The private industry people who own the shipyard are very frustrated and are saying that changes have to be made. They have spoken with a number of members.

I rose in the House this past week and asked the Minister of Industry if he was going to look at a shipbuilding policy to put our people back to work. His statement was that the government is not in the subsidy business. I want to make it clear that we are not advocating subsidies at all. We are seeking the simplification of regulations to enhance the industry's export capabilities. That does not mean subsidies.

There are two specific areas where the industry can be helped to be more competitive: improvements to export financing and loan guarantees and the exclusion of newly Canadian constructed ships from the present Revenue Canada leasing regulations. For the life of me I cannot understand why the government would not look favourably on that. It is done for rail cars, for vans, trucks and computers.

Over 10,000 people in the country would be put back to work. The Liberals can become heroes. When they do it, we will stand up and applaud. Those trained people are being told to go to Calgary, Alberta and look for work, or go to Texas and look for work. And what happens then? The families come to us saying ''Daddy is gone. Daddy is not coming back.''

• (1900)

We have an obligation to put our people to work ad we have an opportunity to do that. We have an opportunity to make use of the tremendous investments that have been put into Canada in all our shipyards. So we are saying to them please, please. We are not saying subsidies, no. I understand the Minister of Industry has heard form the private sector this week to clarify that when that was his answer to my question.

Lease financing has become a predominant method of financing significant capital items. However, the regulations as presently stipulated make ownership and lease financing of a Canadian constructed vessel very unattractive if not uneconomical.

I am saying tonight that we can all work together on this. This must be a votable item. Like my hon. colleague from Fundy—Royal, I would like to seek unanimous consent to declare this motion votable.

The Acting Speaker (Mr. McClelland): For the clarification of the Chair, is the hon. member moving to seek unanimous consent to have this made a votable item? Has it been seconded? If so, by whom?

Mrs. Elsie Wayne: Yes, Mr. Speaker, I moving that, seconded by the hon. member for Fundy—Royal.

The Acting Speaker (Mr. McClelland): Does the hon. member for Saint John have unanimous consent to have this motion made votable?

An hon. member: No.

The Acting Speaker (Mr. McClelland): There has not been unanimous consent. The time provided for the consideration of Private Members' Business has now expired and the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, my comments today flow from my question to the Minister of Health on October 3 pertaining to the influence of multinationals over this government's drug policies and drug pricing policies. Perhaps the fact that we are discussing this issue on the same day that the Minister of Health publicly caved in to the tobacco industry says it all.

There is a very disturbing pattern taking place with respect to Liberal style government and Liberal legislative priorities. The influence of multinational corporations over policy development and decision making is apparent in every area and pervasive throughout this government. On every turn the public's interests have been subsumed by commercial interests.

Whatever happened to the idea of government as an instrument of the people, as a truly democratic institution reflecting the collective interests of society, the institution protecting the common good? It is increasingly apparent that this government is beholden absolutely to the big corporations, the bankers, the stockbrokers and the bondholders in the global community today, that it is no longer able to distinguish between the public interest and the commercial interest. Nowhere is this more apparent than when it comes to drug policy.

I do not think anyone can dispute the fact that this government is absolutely controlled by the big brand name drug companies. Let

me refer to the evidence, the complete flip-flop by the Liberals on Bill C-91 legislation to extend patent protection to 20 years for multinational drug companies. When in opposition Liberals stood up and talked about government siding with multinationals on drug policy. What did they do when they became government? They simply carried on with Bill C-91.

That brings me to my second concern. What did they do when the standing committee reviewed this issue last year? What happened to the draft report of that committee? Why was it watered down so that all meaningful recommendations were eliminated?

● (1905)

Third, let us mention the elimination of the drug research lab, the one independent bureau we have in this country for research into drugs. This government eliminated it and put the responsibility into the hands of the drug companies.

Let me also point to the refusal of this government to ensure that the work of the Patented Medicine Prices Review Board is open and transparent.

Finally, let me refer to the backing away by this government from a promise made as recently as the last election for a national drug plan. In that campaign the Liberals promised to look at a publicly funded, universally administered single payer drug plan, provided nationally. What did we get in the Speech from the Throne and what have we heard from the minister and this government since then? They are looking into the feasibility of studying the possibility of better access to medically necessary drugs.

My question today is why has this government changed its mind so quickly on such an important program to Canadians. Is it so much influenced by the big brand name companies and by the money that those companies provide the Liberal coffers that it cannot put in place good public policy?

Why has this government not taken seriously the concerns we raised in the House on October 3 about an obvious and apparent conflict of interest with employees from its own Patented Medicine Prices Review Board—

The Acting Speaker (Mr. McClelland): The hon. Parliamentary Secretary to the Minister of Health.

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, this is a great place because you can get rhetoric and fiction or you can listen to parliamentary secretaries and get fact and reality.

I am pleased to have the opportunity to give this House the government's plans with respect to a national approach to pharmacare.

One of the recommendations of the national forum on health was the expansion of medicare to include other medically necessary services such as home care and drugs. The federal government intends to pursue the examination of these future directions recommended by the national forum.

On drugs, for example, we will develop a national plan, a timetable and a fiscal framework for providing Canadians with better access to medically necessary drugs.

On pharmacare, the federal government recognizes that as a country we can do better with how we deal with prescription drugs in the health care system and with respect to the coverage that is provided; in other words, with compliance and prescription. We can do better with respect to integrating our health care system and in allocating resources among drug therapy, hospital therapy and medical care.

Drugs have become a medically necessary component of health care and it is time for us to start talking about how we are going to ensure that all Canadians have access to this care.

[*Translation*]

But the dialogue has just begun. The federal government has no ready made national pharmacare scheme secretly prepared in Ottawa. Canada's health care system is a partnership. The federal government is counting on working fully with the provinces and the territories to explore the possibility of pharmacare.

[*English*]

As part of the new health transition fund, $150 million over three years announced in the last budget, the Minister of Health will be co-hosting a national conference on pharmacare with the minister of health for Saskatchewan. This will be an important step in our discussions on a national approach to pharmacare.

The federal government wants to do what it can to promote optimal drug therapy for all Canadians and a national approach to pharmacare will make a significant contribution.

PUBLIC WORKS

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, on October 7 the auditor general released a report chronicling serious deficiencies in the internal controls regulating the use of government credit cards, also known as acquisition cards.

Since 1992 the use of acquisition cards has grown from 2,000 to over 20,000 this past year, representing $172 million in purchases in 1996 alone.

The idea behind the use of acquisition cards is sound. They reduce the need of individual departments and public works to process numerous cheques and purchase orders for small purchases and thus save the government badly needed dollars. I believe any idea that can save taxpayer money is definitely worth looking into.

The problem with these cards, however, arises with the implementation and administration of a proper control system and, as documented so clearly the auditor general earlier this month, the

government has been at best sloppy, at worse apathetic, in implementing such a system.

● (1910)

For example, in his report the auditor general noted that credit cards are not issued based on need and that the the credit limits on cards seldom reflect the use of the cards. People who do not need cards are getting them and people who should have cards are not.

Further, employees do not accept responsibility for cards and are not required to follow regulations. Employees are not properly instructed on the use of acquisition cards. When an employee leaves, cards are not properly cancelled. Even more alarming is that government organizations do not monitor and follow up card accounts that are inactive or that are suddenly used after lying dormant.

Organizations do not monitor, verify or audit their employees' purchases even though Treasury Board requires them to do so. Often an employee can certify the payment of their own account without management double checking to ensure that all purchases are valid ones.

The auditor general also observed that cards were being used to make unauthorized purchases. In many cases it was difficult to tell if the card was actually being used by the employee to whom it was registered or used by some other unauthorized person. There was even evidence that items had been purchased on government cards that were for non-government use.

The report went on to condemn the fact that quite often departments do not know how many credit cards under their control have been lost or stolen.

Finally to add insult to injury, during three months last year the government was so shabby with its record keeping that it racked up late payment charges of almost $80,000 because the government could not pay its credit card bills on time.

I own a small convenience store in Tilley, New Brunswick. I can say without prejudice that if I ran my store the way this government goes about its business without proper control over expenditures, I would certainly have been out of business years ago.

Last week the minister stated that he felt there was not a problem yet and that eventually the government would get around to fixing it. If you have a leaky roof, is it good enough to say that since it is not raining you do not have a problem?

Let me ask the minister once again. What steps is he prepared to take to stop this reckless use of acquisition cards and thereby save taxpayers from having to foot the bill for the government's carelessness on this matter?

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, the government welcomed the report of the auditor general on this issue. We were pleased that no significant amount of damage or loss was found at this time.

The acquisition card program was implemented in 1991 in an effort to introduce greater efficiency in the way the government procures small value goods and services such as office supplies. Since the beginning, regular monitoring activities have been introduced by the Treasury Board Secretariat. As well, clear policy guidelines on the do's and don'ts of using such cards have been provided to departments and employees and are updated regularly.

In our times of restraint, departments are identifying better ways of operating. The acquisition card program has proven to be a very cost-effective method of procuring and paying for goods and services. In fact since its inception we have had a savings of some $6.5 million.

The auditor general's report will help us in focusing on further improvements to the policy guidelines. In the coming months the Treasury Board Secretariat will publish new guidelines designed to address the concerns of the auditor general and to provide departments and employees with comprehensive information and guidance on the use of the acquisition cards.

In addition, further to a competitive processes, new contracts will be awarded for acquisition cards. These new contracts, effective January 1, 1998, will provide departments with electronic tools to better control the use of the cards.

The government intends to monitor closely the acquisition card program to prevent any abuse or losses. The government also intends to continue to use the method of procurement and payment which has proven to be both efficient and cost-effective for the citizens of Canada.

[*Translation*]

The Acting Speaker (Mr. McClelland): The motion to adjourn the House is deemed to have been adopted. The House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 7.14 p.m.)

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