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OFFICIAL REPORT
(HANSARD)

Thursday, February 19, 1998

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, February 19, 1998

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

[*English*]

Mr. Speaker, I wonder if there would be unanimous consent for me to possibly table another document.

The Deputy Speaker: Perhaps the parliamentary secretary could indicate what document it is he seeks to table.

Mr. Peter Adams: It has to do with the point of privilege that was raised yesterday to do with ACOA.

The Deputy Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to table this additional document? Perhaps the parliamentary secretary could illumine the House, before we seek consent, what document it is he seeks to table.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, yesterday there was some discussion about whether the minister responsible for ACOA had read from an official document with respect to the views of the hon. member for Medicine Hat and that

the document should therefore, in keeping with the traditions of the House, be tabled.

The government House leader has examined the document in question and finds that it is not an official or state paper but is a newsclip from a commercial clipping service that, in keeping with the usual courtesies, was sent to the critics of all the official parties on the day it became available last November.

• (1005)

The government has no objection to tabling this newsclip for the benefit of all members of the House. It is however not an official government paper available in both official languages and the House leader is not therefore, nor am I, permitted to table this document pursuant to Standing Order 34.

I wish therefore to request the unanimous consent of the House to permit me to table this paper as is in order to assist those members opposite who have made this request.

The Deputy Speaker: Does the parliamentary secretary have unanimous consent to table the document?

Some hon. members: Agreed.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I rise on a point of order. There is a point related to that particular document being tabled as to whether the actual quote was mentioned in the "blues" and has he examined that for the benefit of this House as to the actual statement made by the minister. Could he tell us that please.

The Deputy Speaker: On this point, I do not think it is for the parliamentary secretary to tell us what or what is not in the "blues". The "blues" are now published and are available for all hon. members to read and the Speaker has taken this matter under some advisement as I understand it.

I would rather not get into a discussion on that point of order now. I think if members have representations to make, the Speaker would be more than happy to hear those representations. But I also suggest that some of this could be done through the usual channels rather than having a debate here on the floor of the House.

Mr. Peter Adams: Mr. Speaker, I appreciate the member's interest but I agree with you. I think that this is a matter for the Speaker, not for the government House leader or myself.

*Government Orders***PETITIONS**

PUBLIC SAFETY OFFICERS COMPENSATION FUND

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present a petition signed by a number of Canadians including Canadians from my own riding of Mississauga South.

The petitioners would like to draw to the attention of the House that police officers and firefighters are required to place their lives at risk on a daily basis and that employment benefits of police officers and firefighters often do not provide sufficient compensation to families of those who are killed in the line of duty.

Also, the petitioners would like to point out that they also mourn the loss of police officers and firefighters killed in the line of duty and wish to support in a tangible way the surviving families in their time of need.

The petitioners therefore ask Parliament to consider establishing a public safety officers compensation fund for the benefit of families of public safety officers who are killed in the line of duty.

PEDOPHILES

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, I would like to present two petitions this morning.

The first one is a petition by a number of individuals across British Columbia and soon to be across Canada who are terribly concerned about the justice system and the way pedophiles are treated in the justice system. These petitioners feel that more stringent guidelines must be given to the courts.

They are therefore petitioning and calling upon Parliament to enact stringent legislation with mandatory minimum penalties of incarceration for all convicted pedophiles and legislation requiring mandatory publication of the offender's crime, conviction and sentence and upon their release, their location in the community in which they will reside.

NUCLEAR WEAPONS

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): The second petition, Mr. Speaker, is brought about by the concern of a number of Canadians about nuclear warfare.

The petitioners pray and request that Parliament support the immediate initiation and conclusion by the year 2000 of an international convention which will set out a binding timetable for the abolition of all nuclear weapons.

CRTC

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker, I rise in this Chamber as the humble servant of the constituents of Edmonton East. I am pleased to discharge my duties today by presenting two petitions to this House. Both petitions ask for the

very prudent review of the mandate of the CRTC to discourage the propagation of pornography, and to encourage the broadcasting of ecclesiastical programming that supports morality and wholesome family lifestyles.

The petitioners ask this House to heed their words and I concur.

* * *

• (1010)

[*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 suggest that all questions be allowed to stand.

The Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESS LOANS ACT

The House resumed from February 16 consideration of the motion that Bill C-21, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, this morning I am very proud, honoured and privileged to rise in the House to represent my constituents and the people of our great country, just as my hon. colleagues who rise in this House from time to time are honoured and privileged to participate in the debates and to represent Canadians.

However, sometimes it is important to note that the members who debate in the House are looking through the lens of their political stripes rather through the lens of issues. In this Chamber it is our moral responsibility to debate the issues conscientiously. I look forward to hearing all members debate the facts in this House, looking through the lens of issues.

Bill C-21 affects the lending practices for small business. With the little experience I have, and after having done some research on this issue, it is very hard for me to support this bill.

I am pro small business as are my other Reform colleagues who have previously addressed this issue. However in its present form the Small Business Loans Act does not meet its objectives. It is an inefficient and ineffective program. After thoroughly examining the program and reading the auditor general's report, I would like to make the following observations.

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The small business loans program was established in 1961 to increase the availability of loans on reasonable terms and conditions for the establishment, expansion, modernization and improvement of small businesses in this country. In the last four years 177,000 new loans have been granted totalling approximately \$11.2 billion.

The objective is to increase the availability of loans. It is a very broad objective. The act should supplement the services provided by the private sector incrementally and not merely replace them. The loans under this program should be made in addition to the loans made by other financial institutions.

In a study it was found that half of the borrowers involved in the SBLA, 46% to be precise, would have received the loans anyway. They had met the criteria and were qualified to get the loans. Therefore in real terms the system has been working at 50% capacity.

Through this program the government is not successfully helping entrepreneurs or small businesses. The government guarantees the financial institutions for the bad decisions which they might make, up to 85% of the amount, in the event the borrower defaults.

Under this program loans are made up to a maximum of \$250,000 for fixed assets like land, buildings and equipment. The program does not provide loans for capital leasing or working capital.

• (1015)

Many times it does not meet the requirements of the small business person and this condition has not changed since 1961 but we know the business environment has been changing ever since.

Although there is more growth in the economy and employment in the service and knowledge-based industry, the purpose of business is not fully served to cater to the needs of small business in this country.

There have been instances where related parties have obtained many loans totalling much more than the maximum limit of each loan by creating artificially more than one corporation for the purpose of loans. Therefore those businesses have abused the system by millions of dollars.

Financial institutions have been charging interest up to prime plus 3%. There cannot be any other charges according to the act but the application fees or opening fees, or opening file fees, et cetera are being charged by some financial institutions and that goes undetected.

There have been many instances when some financial institutions have been charging an extra amount illegally. The department has not been checking it. There is no system in place to check it, unless the case files have been opened.

There are many other observations. Income tax implications are very complicated under this act. They have not been addressed. They are not simplified to help the small businessman.

The job creation record is not good either. There is potential for an active displacement effect. The job creation figures under SBLA have been inflated by as much as five times.

The quality and quantity of information provided to parliamentarians on the result of this program is very inadequate. Surprisingly, the department is not reviewing risk analysis and there is no provision for the losses that may be incurred.

Industry Canada has emphasized that the program should recover full costs but it looks quite unlikely that this objective can ever be achieved.

The small business loan program management and delivery mechanisms are very weak. Industry Canada has no yardstick. There are no indicators in place. There are no procedures in place to measure the performance results of this program.

We know the performance evaluation framework is very important for the success of a program like this one. The department operates the accounting system on a cash basis and not on an accrual basis. It creates further implications in the program.

The department lacks adequate forecasting techniques. Basically the department needs better tools to operate effectively and efficiently which will cost billions of dollars.

Having said all that, the purpose of Bill C-21 is to extend the SBLA to March 31, 1999 and raise the government's total liability to \$15 billion, an increase of \$1 billion.

In 1994 the industry committee of the House of Commons called for a review to be done on SBLA. Up to now, a complete cost based analysis has never been done.

This program is not only inefficient and ineffective but it also discourages the development of alternative and innovative financial solutions for small businesses.

If Industry Canada of this government has been asleep at the switch with respect to the operations of SBLA, how can I and my colleagues from the Reform Party betray the trust of Canadians and support this bill?

In fact, any member from any political party who is looking through the lens of issues and facts and not through the lens of political stripes will never support this bill until a full review is done.

• (1020)

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I listened very carefully to the member speaking on Bill C-21.

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The bill is to extend for one year and to increase the amount from \$14 billion to \$15 billion. The member also knows that a total comprehensive study is in the works. Some changes were made in the 1995-96 timeframe after reviewing the bill and previous government experience.

Without getting into a whole pile of other things, does the member support the fact that we want to continue the SBLA and extend it for one year with an increase of \$1 billion? Does he also support the second phase, which is to have the study completed in total by members on all sides of the House in committee? Does he agree that should be continued or not, without getting into a whole pile of other rhetoric?

Mr. Gurmant Grewal: Mr. Speaker, this is not political rhetoric that I put in front of the House. These are solid facts and figures. According to the auditor general's report, this is the crux of the matter which was discussed and recommended by the auditor general.

In 1994 the industry committee of the House asked for cost benefit analysis and a complete review of the system because the system was not achieving its objectives. It was not doing what it was supposed to do. Going through the details of this act, as well as going through the auditor general's report, I am convinced that this act does more harm than good under present circumstances.

This act was introduced in 1961 to help small businesses, not big financial institutions or banks. This act was introduced so that small businesses, which are creating the jobs and are the backbone of this country, could be promoted. Unfortunately this act has failed small businesses because it was not properly designed. There are many things that need to be improved in this act.

Based on the facts, there is room for improvement and modifications to the act. The act should be changed so that it meets the requirements of small businesses and not create hindrances and obstacles to small businesses.

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, I listened to both speakers today and cannot help but feel I have been somewhat deceived.

It seems as though Bill C-21 is all part of a public relations ploy on behalf of the government. The government has raised payroll taxes with the Canada pension plan. It has taken \$7 billion a year out of the economy with its over contributions and the taxes it has in terms of the EI premiums, therefore hurting the economy and job prospects in this country. Yet it gives \$1 billion back through this C-21 with all the strings and problems attached. Most of those businesses actually have access to capital outside of this loans program.

I want somebody to comment on the public relations scam that I feel this really is, where the government takes a dollar and gives back a dime.

Mr. Gurmant Grewal: Mr. Speaker, I appreciate the concern from my colleague and other members who look at issues not through political stripes.

I strongly believe that when the government sits on the operation switch, the system operates with inefficiencies and ineffectiveness. We need to make the system efficient and effective so that it can work. It is up to the government to operate this switch.

• (1025)

Mr. Walt Lastewka: Mr. Speaker, I did not get my answer earlier. I thought I had asked a very clear question.

An hon. member: Unlike question period when we ask questions.

Mr. Walt Lastewka: How do you like it?

The Deputy Speaker: The member perhaps should address the Chair.

Mr. Walt Lastewka: Mr. Speaker, the answer is that the member opposite and the Reform Party are not in favour of this bill, nor are they in favour of extending the SBLA. I take it that is the answer.

Mr. Gurmant Grewal: Mr. Speaker, the hon. member seems to want me and my colleagues to support a program that is not working. That is appalling. We need to improve the system instead of asking for support for a program that is not working. It has proven ineffective for more than 36 years.

Let the government review the program carefully. Let us make the system effective and efficient for small business. We want to encourage small business and create jobs in Canada in an effective and efficient manner.

Mr. Rob Anders: Mr. Speaker, in the context of the exchange that has been going on in the House, I cannot help but feel that one other issue needs to be addressed to broaden the nature of this debate. We have had 38 tax increases since this government took office in 1993. There has been bracket creep, business taxes, going after people with social security benefits, CPP, EI, et cetera. I look at all these things.

It strikes me that tens of billions of dollars have come out of the pockets of Canadians, Canadian businesses, those people who create and sustains jobs in Canada. The money has come out and is now being siphoned off to create a bigger administration and bureaucracy. Once again I am struck by how tens of billions of dollars can be taken out of people's pockets every year, increased taxes, 38 new tax increases since 1993. There have been two so far and more increases proposed since the June 2 election.

At the same time we have these pittances. There is cutting in education and giving back a small amount in scholarships. There is raising taxes on businesses, people who create jobs and families

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and giving back a little in some sort of business loans program which most businesses do not need when they apply for it.

Mr. Gurmant Grewal: Mr. Speaker, we know there are so many ineffective government programs that are not productive. This is one of them. How can we waste another \$1 billion of hard earned taxpayer money on this program? Are the members opposite saying that we should waste another \$1 billion? I cannot do that. I cannot betray the trust of the Canadians who have sent me here.

This program does not only waste money, but government interference in the marketplace discourages the development of alternative and innovative financing solutions for small business. This program has proven to be detrimental to small business.

Mr. Rob Anders: Mr. Speaker, every time this exchange goes on I think of something else to add to this debate. One thing that glares at me from the text of Bill C-21 is the idea of subsidizing businesses. It all speaks to the lack of priorities.

I look across the way and I think about the cuts to seniors, the medicare cuts and education cutbacks. I think about the lack of priorities where prisoners get exotic foods in jail, where there are many working poor in Canada who cannot afford the meals that prisoners receive after the heinous crimes they have committed. I think of all these things, of the lack of priorities. Then I wonder how corporations can justify these subsidies when all these other programs are being cut. It does not make any sense.

• (1030)

Mr. Gurmant Grewal: Mr. Speaker, we are very reasonable people. We looked at the issues. We will support the bill under one condition, that whatever we invested in the past does not go to waste and if there is an amendment to the act \$1 billion will not be added to the liability.

We will let the system operate for one more year, if we are promised that there will be a comprehensive review and that the observations and recommendations of the auditor general will be seriously considered so that we help small businessmen. We will support the bill if another \$1 billion is not added to the liability.

We are very co-operative. We are effective. We want to make the system very productive. The other side of the House should also consider the interest of small businesses.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am pleased to speak today on Bill C-21, an act to amend the Small Business Loans Act.

First of all, the Bloc is in favour of the bill, not because it is one that is fundamental in character, but because it at least makes it possible to extend the date of application of this act from March 31, 1998 to March 31, 1999, and to raise the total maximum credits allocated for loans from \$14 billion to \$15 billion.

The government could have taken advantage of the opportunity to do more than just make a technical adjustment to the Small Business Loans Act. This is the point at which time ought to have been spent on a thorough study of the amendments which should have been made to this program. Instead, the government decided to make only technical modifications, ones that merely prolong the life of a program which has been in place for a long time and which was designed at a time when economic realities were different than they are today.

The people behind small businesses in our area, the people we see in our riding offices, the ones I see in my riding, often have great difficulty in obtaining the necessary funding to start up their businesses, not because their idea is not a good one, not because they are not in an acceptable financial situation, but often because they are operating in new sectors in which the banks are not used to lending, and have no incentive to do so.

Moreover, this Small Business Loans Act has contributed substantially to the financial situation of Canadian banks. Part of the profits made by banks today come from the government's financial guarantees for loans to SMBs.

I have a few ideas the government should explore for the future.

First, this act never covered working capital. More and more small businesses are going into exports. This is very prevalent throughout Quebec, and Canada as well, right now because people are realizing that the domestic market is no longer growing. If businesses want to grow, if they want to increase their share of the market, they have to look to the American market. For Quebec, for my region, this means mainly New England.

Businesses need quick access to sufficient capital to enable them to explore these new markets. Right now, such access is not readily available.

The recommendation could be extended to a business's entire working capital. Now that we are in a positive economic phase and the economy is growing, is it not high time we looked at the economic tools we should make available to our entrepreneurs in order to ensure that, when things take a downturn, we do not find ourselves in the same situation this government inherited in 1993?

In 1993, when the Liberals were elected to office, there was major criticism about the way capital was made available to small and medium-size businesses, especially in Ontario. Four years later, we could have expected the government to have done something to overhaul this sector. We could have expected the

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Minister of Industry to assume a leadership role and ensure that our small and medium-size businesses have access to loan vehicles consistent with the new economy, with the way markets are developing, with the way they have to keep up with international competition.

• (1035)

Regarding technology, does the bill as it now stands afford small business the necessary leeway to secure the funding required to put this technology in place? We have gone from a time when technology meant that machines produced higher quality parts in less time, to the new technology-oriented economy which emphasizes knowledge and advances in telecommunications. There is not enough of this in the government's approach.

A bill to help fund the small businesses of the early 1990s was finally put forward, but advantage was not taken of the fact that the act was being overhauled to give it more teeth so it could meet the demands and challenges faced by our entrepreneurs.

It is quite frustrating when we see young entrepreneurs in their late twenties walk into our riding office with a business proposal after knocking at various doors; their ideas are often very good and workable but they do not meet the criteria of any existing program. The Canadian banking system has developed this timid attitude of saying it will only lend them money after the loan has actually been guaranteed under the Small Business Loans Act. In amending the act, the government did not encourage banking institutions to promote initiative and give a chance to new entrepreneurs.

In its current form, the act will not allow these young entrepreneurs and those who come up with new ideas to implement them and get the help they need in the next few years.

It is also clear that, in the past, the availability of capital varied from one part of Canada to another. In Quebec for instance, capital money was made available through the Fonds de solidarité, the caisses populaires and various local means of assistance, bringing banks under more competitive pressure than in any other province of Canada.

When the Liberals, particularly those from Ontario, looked at this situation in committee, we were expecting a dynamic approach that would enable small and medium size businesses to position themselves better in the North American market.

Now, with the free trade agreement, Quebec and Canadian productivity will have to be competitive with that of the Americans, if we are to capture markets. This was confirmed by a study undertaken by the Privy Council, which looked at the situation in Canada. There is still a significant difference in the levels of productivity of Canadian and American businesses.

We are told the economy is doing well today, it is getting stronger, progress is being made. However, we are not looking at what will be required in future years. What tools do our businesses need? How can we manage to reduce the number of small businesses that fail to survive the first five years?

When a business is established and money is invested in it, there should be some form of assistance or support that would significantly improve the survival rate of small businesses.

This may be less impressive in political and electoral terms. However, a longer lifespan for businesses would mean the creation and maintenance of jobs. A small business with a solid core that starts up with four or five employees and survives the crucial first years to expand its personnel to eight or ten employees a few years later will reach a critical mass that will enable it to compete and create linkages with other industries.

These are the sectors where the government should have shown more originality in the Small Business Loans Act.

• (1040)

As regards the issue of networking, would it not have been possible to include in the legislation provisions to facilitate partnerships between businesses and major industries for specific projects, so they have access to more financing options that they would on an individual basis? Some thought could have been given to this, but the bill is silent on this whole issue.

In the end, the government decided to merely make technical adjustments. These adjustments were necessary. It was important to make the program more accessible. The bill lacks originality, as does all the legislation introduced since the last election. The government does not table new bills.

It would also have been important for the government to ensure, as recommended by the auditor general, better control over program costs. We have to make sure that this type of small business loans program is well managed and that the loans are made to the right people, so that the program will not be questioned on the grounds that too many loans go to businesses that do not deserve them.

Another important recommendation made by the auditor general is that there should be a better assessment of the program's impact on job creation. In the past, programs designed to help small and medium size businesses did not necessarily take job creation into account.

With the advent of new technologies, the current reality is different from that of 10, 15 or 20 years ago. Now, investing in technology often results in job losses. The idea is not to stop progress, or to refuse to accept the new global market. However,

when defining the criteria for such a program, in which loans are guaranteed by the governments, we must act more responsibly to ensure that when banks lend money, they take into account the situation of those concerned and the actual number of jobs that will be created, not just the economic performance of the business.

It goes without saying that this requirement will not be readily proposed by financial institutions or by the businesses themselves. But the government's responsibility toward income distribution also includes mechanisms such as this act, provided it were adapted to guarantee that the small business loans will have a positive effect on employment, but there ought not to be a fall back to the arrangements of the past, such as the tax credits for regions with a particular unemployment problem.

Today, when we look at a draft bill such as this one, when we look at the employment and unemployment picture in Quebec and in Canada, it is obvious that we would like to see this tool, the Small Business Loans Act, made far more efficient and effective so as to diversify regional economies in areas with the highest unemployment levels.

The decision was made 30 or 40 years ago that there would be a division in Canada more or less along the following lines: Ontario would get the economic development, while the non-central regions such the maritimes and eastern Quebec and others would get transfer payments to ensure their survival. That model has been rejected by everyone because of its very poor results. It is bad for self-esteem.

I would much prefer it if the government would use concrete tools such as this act to carefully evaluate the way the regions could be helped to assume more responsibility for themselves, reduce their dependency on transfer payments, and have more opportunity to forge autonomy and self-sufficiency. In my opinion, each region of Canada has an underlying potential, and that potential must be taken into account. First, however, the government has to admit that people have a right to live in any region, and to have a hand in the development of that region.

• (1045)

There is no particular direction behind what the government is doing now. It is letting the market decide. People are sent where the jobs are and terrible vacuums are created.

I have just come back from a quick trip to the Atlantic provinces. I saw difficult situations in Newfoundland that illustrate this point. I am also seeing the same type of situation in my region in eastern Quebec. I urge the federal government not just to re-examine the Small Business Loans Act, but to come up with a series of measures to ensure that this kind of tool meets the development needs of our communities.

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I would like to give one last example. The federal government has just issued a wonderful statement of principle declaring that all government programs will now be judged according to their impact on rural development in the various regions of Canada.

I urge the Minister of Agriculture and Agri-Food, who is responsible for implementing this new program, this new way of doing things, to examine the bill amending the Small Business Loans Act under this light in order to see whether in fact it does promote the growth of businesses in all regions of Quebec and of Canada. This will also allow us to see whether the bill is in keeping with the times and is really consistent with what our new businesses will need in 1999, in 2000, at the beginning of the third millennium, so that people are not working with a tool from the past but a tool for the future.

Let us pass this bill as written, so that there is no interruption, but it is essential that the government act quickly and announce a complete overhaul of the act in order to make it a genuine tool for economic development. This is what our young people are entitled to and this is what they have a right to expect.

[English]

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, it was interesting to hear some of the comments of the speaker opposite. I want to deal with a few points.

He mentioned the lack of things being done in the small business area. The member opposite is not a new member. I am sure he knows the work the standing committee has done with the banks for the last four years as far as making them more accountable and having more SBLA loans.

I am sure the member opposite is aware of the technology partners Canada program of which there have been a number of projects in his province. IRAP has been extended across Canada and has been very valuable, especially for small businesses that are getting into some of the research and development that we need.

I am sure he realizes the refocusing of the business development bank. I am sure he has read that 39% of the loans that go through the SBLA are for start-up companies, for companies under three years. Approximately 57% or 58% of the loans go to those businesses in the under three-year period where it is difficult to get going as a business and to make things happen.

He mentioned caisses populaires. I was not quite sure of the point he was making. Is he saying that caisses populaires have not been doing their work in the SBLAs? It is the official lender under this act in Quebec and across Canada. I was not sure what point he was making with the caisses populaires.

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[Translation]

Mr. Paul Crête: Mr. Speaker, I thank the hon. member for his remarks.

In a way, he shares my objective. He said that the Standing Committee on Industry has made a lot of representations to the banks over the past few years to make them more aware of the need for loans. We can see, however, that this voluntary action is not enough.

• (1050)

I do not know how the Standing Committee on Industry failed to come up with amendments. I believe the Bloc Québécois presented a dissenting report with amendments. The industry committee was aware of the situation of bank loans to small and medium size businesses, but the bill does not provide the necessary tools.

The member said legislation on the Business Development Bank of Canada was rewritten. It is true, changes were made. However, why was the same approach not taken with all the banking institutions? Caisses populaires and banking institutions work with the existing program, but the government must lead the way and define in the legislation the conditions that would provide the right tools for businesses at the start of the 21st century. There is nothing like this in the legislation.

There is also the issue of the new export market, the arrival of new technologies, the changes to all the transportation networks in North America. These conditions totally change the way business is conducted in Quebec, Canada, the U.S., North America and the world.

Do we have up-to-date tools? Will they serve our businesses, the people who come to our riding offices, business people in contact with banking institutions. Will they enable these caisses populaires and other financial institutions to provide loans to these individuals and help them get started?

I gave the example of working capital, of lending money to permit exports. Work needs to be done in this area. There is nothing original in the legislation. Business people in the regions want something new.

More use should be made of the expertise of those already in business, those who have had a business running for 10, 12 or 15 years and who know what it takes to make it work. What is needed is some incentive. Financial institutions are not displaying a lack of goodwill. We simply cannot require them to do things that are not included in the act.

Financial institutions must comply with the existing legislation, but Quebecers and Canadians are concerned about job creation.

If we took a real close look at this legislation, we would see whether or not it meets the job creation requirement that is in effect in Canada. Does the bill promote job creation? I am not just talking about jobs that are automatically created in a thriving economy, but also about hiring people who may not have been so lucky and about finding ways of using everyone's potential.

Fewer and fewer people are prepared to say that the economy is doing well just because the gross domestic product is good. What Canadians really want is a society that allows the largest number of people to realize their full potential. The bill is not the perfect tool to this end, but it is a useful one, even though it is not as innovative as we had hoped.

It simply extends the application of the act for one year, and it adds \$1 billion to the fund, so that, technically, the money will be there to guarantee the loans. The government should have a vision that goes beyond 1999. It should ask itself what instrument should be put in place to support our businesses all the way to the year 2005 or 2010. Should there not be some gentle pressure on our financial institutions to ensure that their loans have a positive impact on job creation? The government still has a lot of work to do in this respect.

[English]

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, I listened to my colleague for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques talk about the need for investment capital and start-up capital. He must recognize that it is also necessary to have leasing capital and working capital.

• (1055)

Whether you apply for this money through the regular lending channels or whether we go through the Small Business Loans Act, one of the first requirements is to present a business plan in which you project where your market will be, what your expenses will be and what you expect your bottom line to be.

I would ask my colleague to comment on how he sees taxation, both income tax and payroll taxes, affecting the business plans which have to be put forth by the people who require capital and in which areas he would support tax reduction.

[Translation]

Mr. Paul Crête: Mr. Speaker, this does go slightly beyond the scope of the bill per se, but connections can still be made. The Bloc Québécois has put forward a five point proposal regarding the upcoming budget, which reflect part of what the hon. member just said.

For instance, we suggested that employment insurance premiums be significantly reduced. There is a very large gap between the current rate of \$2.70 per \$100 of insurable earnings and the \$2

rate that would ensure the plan's self-sufficiency while turning acceptable surpluses. There is this 70 cents gap.

We think that one half of this amount could be used to improve the quality of life of those who find themselves without work, and the other half to reduce EI premiums substantially, which would have an effect on job creation. I think that would be a significant and appropriate measure.

A similar philosophy applies to the budget. At any rate, I do hope that what we are hearing about it is not what we will find in it. The federal government's approach is somewhat short on originality. For the time being, all we are hearing, regarding the upcoming budget, is about the government's plans to invest money in the area of education by sending cheques with the Canadian flag on them to ensure visibility, when it has been known for quite some time that, in Quebec in particular, we look after the whole financial assistance program ourselves and what is needed is for money to be given back to the provinces so that they can fund their programs.

Regarding employment, the private sector had made a significant contribution these past few years. But in the public sector, at least in Quebec, for every \$1 in cuts to health and education made since 1994, 75 cents had to be cut because of cuts made by the federal government. That is why the Bloc Québécois believes that, among other major job creation measures, giving their money back to the provinces that contributed to the deficit reduction effort would enable them to maintain quality services and ensure a sufficient level of employment in the public sector to meet demands.

I will conclude on this. I think that there are indeed innovative approaches that could be put forward. We cannot find any such approach in the bill on small business loans but hope that the government will wake up in the weeks to come.

[English]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to rise to speak on this very short bill which basically increases the limit of loans under the Small Business Loans Act by \$1 billion.

While we may think that another \$1 billion to help business might be a good idea, I would have thought the government would have given us some real information on how well the program is doing.

We now have improved reporting to parliament documents. Industry Canada has put one forward under the pilot project. I looked at the improved reporting to parliament to find out exactly what is happening with the Small Business Loans Act which is being administered by the Department of Industry.

On page 5 under the title "Industry Sector Development" it states that in this overall context the department also has several

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specific activities directed toward small businesses such as the small business loans administration. It continues, but that is the sum total of the reference to the \$15 billion program offered to small business.

When we take a look at the numbers, page 43 of the same document tells us the amount of the fees collected. In 1995-96, \$18,742,000 were collected. The following year, 1996-97, \$23,448,000 were collected. Page 42 tells us that there is a \$44 million liability.

• (1100)

That improved reporting to parliament is the sum total of the information the Department of Industry is prepared to provide to us. It names the act, tells us how much revenue it has collected, tells us the liability is twice the revenue and that is it. We are supposed to make our decisions based on that.

I doubt that parliamentarians are getting very much improved reporting here and the department has a long way to go in its reporting to Parliament if it wants to call it an improvement. This to me is a shocking disgrace.

However, I do have some other information regarding the program. Coincidentally the auditor general did report on the program in his December 1997 report. It is a whole chapter. He managed to get 25 pages on the program, whereas it just gets a mention by the Department of Industry.

One of the things I notice quite alarmingly when I look at exhibit 29.5 on page 29-12 of the auditor general's report is that the value of claims paid to lenders is going up astronomically. In 1994-95 it was about \$30 million. In 1996-97 it is up to \$150 million and I understand it has continued to grow from that point on because the claims are far in excess of what the government expected.

We have a program that is now going to on the face of it cost us \$150 million to \$200 million a year based on the fact that the government has to pick up the cost of the bad debts under the Small Business Loans Act. That is the philosophy. Financial institutions lend the money, the debt goes bad and 85% to 90% of it is picked up by the taxpayers.

Why did this happen? Why did the write-offs rise astronomically? It is all in the auditor general's report. If we take a look at exhibit 29.1, it tells us that in 1993 we changed the maximum percentage of financing for equipment from an 80% maximum to 100% maximum which means that if individuals want to buy a \$100,000 piece of equipment they do not even have to put \$1 down. They can go to the bank and say, "Under the Small Business Loans Act I would like \$100,000 to buy a \$100,000 piece of equipment. Thank you very much. I am going to go out and use it and make some money". But if it does not turn out too well the borrower can walk away from his investment which was the maximum of \$1 and the taxpayer is left on the hook.

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Therefore it seems to me that Industry Canada was not thinking it out very well when it approved this change to go from 80% to 100% financing and the borrowers get off the hook because they have no money. They have no risk involved. They have nothing to say they have to make this project work.

If that is helping small business, I think it is helping small business people who perhaps are less ethical than they otherwise should be to obtain financing under very high risk procedures. That is the type of thing that should not be happening.

I have to give the government its due. By 1995 it realized that perhaps it had made a mistake and changed it. It reduced the amount of the maximum level down to 90%, which is still 10% higher than before. However, the losses continue to grow and the write-offs continue to grow.

The report by the auditor general would suggest that rather than asking for another \$1 billion, as the government is doing, the government should go back and review the auditor general's report and perhaps fix the program first before asking us for another \$1 billion.

What does the auditor general have to say? On page 29-16 he states: "Industry Canada does not assess whether the lender has exercised due care when making the loan". On the next page it states: "Some loan files did not contain information necessary to perform a thorough credit risk analysis".

• (1105)

On the same page we found a number of cases where, contrary to the Small Business Loans Act, the lender had charged administration fees. Carrying on, on page 20, there are no provisions in the Small Business Loans Act to prevent a group of related entities from gaining access to loans beyond the maximum amount allowed.

Finally, on page 22, parliamentarians do not have the information necessary to assess whether the small business loans program is managed efficiently and it is achieving its objectives. Here we are, as parliamentarians, being asked to give them another billion dollars when the auditor general says we do not have the information in this House to make a proper assessment.

That is why the Reform Party says not at this time. The government should do its homework. It should clean up its act and make sure the act is working the way it was intended to work before it comes here asking for another billion dollars.

I am critical of the way the department managed this act. As I say, the lenders, the banks and the financial institutions give out the money and have the government's guarantee to fall back on. However, I understand that the Department of Industry does not audit one file until such time as the loan goes bad, is a write-off and

it all lands on the department's desk. Do we think these financial institutions are so good that they are not going to make any mistakes and are going to follow the law to the letter?

In a small statistical sample, the auditor general finds that not to be the case. Therefore why does the government not audit the financial institutions to ensure that the law is being followed? It makes simple sense to me yet it is not being done. That is the type of thing we would like to see rather than being asked to put up another billion dollars.

I talked about the taxpayer being on the hook for these things. Actually the government's intention is to alleviate the responsibility of the taxpayer and make this a full cost recovery program. I scratch my head when I say full cost recovery because here we have the government saying it wants to help small business so it has a program to help small businesses borrow money so they can get the business up and going and be more prosperous. Then it says it wants to recover all its costs. Where is it going to get the money back from?

First, when a businessman goes to the bank and tries to borrow money under this program he has to pay a 2% fee right up front. If he wants to borrow \$100,000 he has to pay a \$2,000 application fee. Then every year the bank has to pay to the government a 1.25% administration fee which it can recoup from the borrower through interest rates. Now we have a 2% application fee and a 1.25% annual administration that the borrower pays. This money goes into the government coffers and then, when the government has a bad debt, it hopes to be able to have enough money in this pot so it can pay back the financial institutions.

Who is left holding the bag? It is obviously not the government because it is on a cost recovery program. It is obviously not the financial institutions because they turn around and claim back from the government. Therefore the only person who can pay is the successful businessman who borrowed the money, paid his application fee, paid his annual administration fee, paid the interest to the bank, tried to make a go of his business and maybe did so with reduced profitability of course because of all these front end charges, and he ended up having to subsidize and reimburse the government for the bad debts it ended up paying for.

Here we have the idea of helping small business which turns out to be a tax on small business. It is a tax on the successful small business people who end up having to reimburse the government to pay for the bad debts and they did not even have a say on who received the money. That is why I scratch my head. It gets a little convoluted when the government stands up in the House and says it wants another billion to help small business. When we analyse the program we know that small businesses are helping themselves despite the government being on their back. That is what is amounts to.

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The auditor general confirms that by telling us that it is a poorly run and poorly administered program.

• (1110)

It gave the financial institutions the right to lend 100% to buy equipment and the losses went sky high. Therefore the taxpayers are on the hook to some degree and the successful businesses are on the hook for the rest.

We call this help for small businesses. My God, they would be far better off if the government said “we will stay out of your hair and you go ahead and make money”.

The other thing we found out was this concept of what is called incrementality. It is a little complex to deal with, but the concept is that the banks only accept a bit of risk and if there is a bit more risk they say they do not even want to lend to these people because they have all these profits to make. The government says with the government guarantee they will accept a little more risk.

What the auditor general found was that 40% to 50% of all the loans granted under the Small Business Loans Act would have been given by the banks anyway. But they just wanted this extra piece of protection so they can get reimbursed either by the government and taxpayers or by the successful borrowers.

Shareholders are not at risk. Bank profits are not at risk. They just want to get the extra piece of protection, and surely that was not what the program was designed to do, to protect the banks so they can increase that \$6 billion or \$7 billion profit up by a hint more. I did not think that was the idea.

I did not think that banks fell under the qualification of small business, and I do not think that Canadians think that banks are small businesses and that we have to help them make profits. That is not the idea.

I come back to my original point. Why is the government asking us to increase the guarantee by another \$1 billion when we know the program is poorly managed? We know that it is a tax on small business. It is not helping small business. We know the Liberals need to clean up their house and get it in order and they are supposed to make these improved reportings to Parliament a real improvement rather than more paperwork that does not mean anything to us. They are supposed to give us the real information for us to make an intelligent decision rather than just endorse the request by the government.

We have a long way to go in building accountability into the Small Business Loans Act, into the Department of Industry, into the way this government spends taxpayer money.

Next Tuesday the Minister of Finance is going to bring down a budget. And he is going to stand up in this House and tell us what a

wonderful job the Liberal government is doing. He will have platitudes and one will think this country has to be the best run country in the world.

But scrape away that very thin veneer and what do we find? We find reports such as the auditor general's which say this program and every program he reports on need dramatic improvement. We find that the improved reporting to Parliament is no improvement at all.

We find that money is being spent frivolously. There is no control on the management of programs. That is the story and it is the taxpayer who gets to pay the bill, and it is the small businessman who gets to pay the bill. As government members stand up in the House and tell us what a wonderful job they are doing, when we look underneath, when we look at the actual programs being delivered, we find they are woefully inadequate.

Here is an opportunity for the government to listen to the opposition, listen to the auditor general and say “we hear what is being said, let us go back to the drawing board, let us keep this \$1 billion request on the table at the moment and wait until we have this program running efficiently”.

If that is the case and if we have the proper information, I am sure we would have a much better debate in this House. We would not be so critical of the government in its poor and inadequate attempts to help small business.

• (1115)

When we look at this program, helping small business is the name of the game according to the government, but small business is succeeding in spite of the government. Small business is creating jobs in spite of high taxes and overregulation. It is creating jobs in spite of the fact that CPP premiums are going up 73%, in spite of the fact that we are carrying a \$45 billion a year interest on our backs that is paid for by the business and economic activity of this country. Yet we are still able to compete and succeed to some degree.

We must take our hats off to the business people in this country. In spite of all the pressure this government has imposed on them, they are still able to compete in the world marketplace. They are still able to create jobs and maintain some level of prosperity for the citizens of Canada. Again, let us take our hats off to small business people. They are doing a great job in spite of this government.

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I may have heard the member say that he does not want us to increase the loan money available to small businesses by a billion dollars. Could he confirm that he does not want that additional help available to small business.

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He told us we should improve the program but he did not specify how. One of his Reform colleagues who spoke earlier suggested government should stay out of the business of providing loans to small business, that we should not have a small business loans program. Could the member tell me the position of the Reform Party on loans to small business and a government program for loans to small business? Do Reformers want it or not?

Mr. John Williams: Mr. Speaker, it is very simple. We have this improved reporting to Parliament that tells us absolutely nothing. We have the comment by the auditor general that parliamentarians do not have the necessary information to assess whether the small business loans program is managed efficiently and is achieving its objectives.

The intention of my speech was to tell the government to give us that information in order that we might have an opportunity to assess the benefits or otherwise of this program. Then we can make an intelligent decision. In the meantime we have no information. We are being asked to approve a billion dollars in extra lending for businesses under the act and we have nothing to base an opinion upon.

The deputy whip has posed a rhetorical question. I would ask the deputy whip on the government side to bring that information to us and let us have an intelligent debate in this House with the information before us. The auditor general is specifically telling the House that we need more information. His assessment is that this program must be fixed before it is expanded.

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, the hon. member mentioned in his comments that we should take our hats off to small business. I agree 100% with him on that statement. It is very important for us to recognize the contributions being made by small business to our social fabric.

In my riding of Halifax West there are numerous small businesses. Many are experiencing difficulties. All we can do to try to offset those difficulties should be welcomed. We must do more than just take our hats off to small business. We must be sure to support measures designed to assist small business because that is very important.

I support this bill. Although much more needs to be done, this is certainly a step in the right direction. Like my hon. colleague, I too take my hat off to small business people who are working very hard to create the kind of society we need. They are employing people and struggling against many bureaucratic obstacles while still maintaining a very important function.

Mr. John Williams: Mr. Speaker, I tried to make the point that we should take our hats off to small business and we should give them the assistance that we can. We should not tax small business even more, which of course is always the NDP philosophy, to bury them under a mountain of taxation.

• (1120)

I pointed out in my speech that because the government has a full cost recovery policy on this program, it is the intent of the government that it be totally financed by the successful small business people who pay the 2% application fees and the 1.25% annual administration fee. From those moneys, the government is going to pay the banks back for the bad debts the banks make.

Remember, it was not the successful small business man who made the decision to give it to the unsuccessful small business man. It was the bank's decision and the small business man has been asked to underwrite that, hence a tax on the successful small business.

The member said he wanted to support this bill. If he wants to support this kind of additional taxation on successful job creating businesses, and I take my hat off to businesses, but I have to really wonder about the policy of the NDP if its members cannot see that.

Surely, if we want business to be successful then we get taxation off their backs, we get rules and regulations off their backs. We give them every encouragement to go out there and do what they know, do what they can do best. That is to create profits, which pays taxes, to create jobs, which is what this country needs, and that improves our prosperity for everybody. Surely the NDP could understand that.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, if the government takes the steps to correct what the auditor general has stated with regard to the fact that they have not brought forth the proper recommendations, review and so on and so forth of the program, would the member and the Reform Party be in favour of the increase in the small business loans program as recommended by the government?

Mr. John Williams: Mr. Speaker, again I refer the hon. member to the auditor general's report saying that we do not have enough information.

We find that there has not been appropriate analysis of this program. We do know that the intent is a full cost recovery for the government. Therefore they are in it and it will not cost them anything. I explained how the successful small business person will end up having to carry the can.

At this time, I am not in any position to say I can support the program until I have that information. We need to do a complete and full analysis of the program as it is currently devised, full cost recovery by the government and so on. They have set the lending limits far too high, in some cases 100%, and I have explained how ridiculous that was. That caused the losses to rise astronomically which are now going to have to be paid by successful small businesses.

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Until we have the proper analysis of the program as it is currently run, we cannot support this bill. There is a real chance we may find that this program is actually a deterrent and puts a greater onus on the successful small businesses than if they had borrowed the money without the government guarantee.

That is the information I thought this government would have brought to this House along with the request. The government did not and therefore I oppose it.

Hon. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, I want to remind the member of the Reform Party that successive NDP governments in Saskatchewan going back to Tommy Douglas, Allan Blakeney and Roy Romanow have always been very friendly and very positive toward small business.

I think the success of those governments over the years electorally from that community is proof that has actually been done. I just wanted to unplug that left ear of his so that he could hear a little from that side of his ideological head.

I want to ask him a very specific question, because I know he is a very thoughtful member of the Reform Party.

An hon. member: That is a contradiction.

Hon. Lorne Nystrom: A contradiction in terms of being a thoughtful member of the Reform Party.

• (1125)

Back in October one of his esteemed leaders from Calgary, the Revenue Canada critic, said in this House that he thought millionaires are overtaxed and specifically agreed that Conrad Black was overtaxed. Does the member agree that millionaires are overtaxed, that Conrad Black is overtaxed? I certainly do not think they are. I think they are undertaxed.

Does the member support his esteemed leader, the revenue critic of his party, or does he not?

The Deputy Speaker: I do not mind saying that I have grave doubts as to the admissibility of this question in terms of its relevance to the bill before us. Perhaps the hon. member for St. Albert will find some way of tying it in.

Mr. John Williams: Mr. Speaker, his earlier comment regarding the success of the NDP governments in Saskatchewan and so on perhaps may have some merit. I am not going to debate that under the SBLA.

The point I want to make is that the Liberal government has changed the policy of the SBLA to a full cost recovery program. It just wants to take the money in and pass it out and there is no cost to government. How can that be a benefit to small business when there is no cost to the government? The successful small business carries the full cost of this program. It is a tax on small business.

Regarding his other point, Mr. Speaker, your point of relevance is very true. We are dealing with small business, with maximum sales of \$5 million and a maximum loan of \$250,000. I am not sure Conrad Black would waste his time making applications for that small of an amount. So it is totally irrelevant.

The Deputy Speaker: I advise the House that we will now begin 10 minute speeches without questions or comments.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure today to speak on Bill C-21, an act to amend the Small Business Loans Act.

There are several parts to this act. The reason Reform is opposing it is primarily because the act is not living up to sound fiscal principles. The auditor general has repeatedly said that the SBLA needs revamping. It has numerous loopholes in it that waste the taxpayers' money.

One of the things which greatly surprises us is that the auditor general's reports, the independent audits of government functions, ministries and programs, are never listened to. Sound constructive principles are continually put in these very good documents of the auditor general. Does the government listen to them? No. Not only no, but virtually never.

Looking back in history the number of times the auditor general's reports have been listened to and acted upon by the government can be counted on one hand. And if it is not in the amount of thousands of dollars, it is millions and billions of dollars that these programs have cost. I find it unfathomable.

This is not neurosurgery. The solutions are there yet governments, be they Liberal or Conservative, have repeatedly and consistently ignored these constructive solutions that would enable the government to spend the taxpayers' money in a wiser fashion. Many of these ideas are not difficult to implement. They would be very cost effective and very useful not only for the public but also for the people working within these ministries.

We have a number of observations from the auditor general's report that I would like to bring up which are critical of the SBLA. He found that under the SBLA the taxpayer was on the hook for \$210 million. These are moneys that were lent by lenders to people and which the government, that is the taxpayer, picked up the tab for. Why should the taxpayer be subsidizing the lenders which are the banks? The banks have made record profits recently, in the billions of dollars, and they have been subsidized in the order of \$210 million by the taxpayers of Canada. Does this make sense? This is idiocy. It does not have to happen.

We approve the extension of the SBLA because providing loans in a responsible fashion to small businesses so that they can get on their feet is exceedingly important. Small businesses provide

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employment, not only for the people who starting them but also for the people they employ. It is a good idea.

• (1130)

The bad idea is that the lender is not forced to adhere to strong principles. What is worse is that there is nothing in the program to force the government to do an audit or an analysis of whether the money that is being lent is being lent properly by the lender or whether the borrowers are being assessed in a judicious fashion. The auditor general showed that under the SBLA lenders were not being audited properly. There is nothing in the program to force lenders to analyse borrowers properly.

As a result 40% of the loans made under the SBLA would have been made anyway. Taxpayers are on the hook for \$210 million. It is unnecessary. That money could be used for many other useful programs or it could be applied to debt reduction. It is a waste of taxpayer money.

There is no doubt that job creation figures have been inflated as much as five times to add justification to the program. That is not useful. We are advocating that the government take the initiative to ensure that the SBLA is audited, that borrowers are audited, that lenders are audited and that there is accountability. At the end of the day this program like any program is paid for by the public. It is paid for by the hard working, overtaxed public.

We owe one thing to members of the public and that is to spend their money wisely and responsibly. The SBLA is an example, as demonstrated by the auditor general, of a program where this is simply not happening.

I would like to add some constructive suggestions to those that have already been made. First, the SBLA eligibility requirements and conditions should produce the expected results. There is no effective analysis, as I mentioned, and no cost benefit analysis.

Second, it is important to define the expected level of incrementality. Are we seeing an increase in the number of businesses that would not normally get loans other than through the SBLA program? In other words, is the SBLA doing what it is supposed to do? Again there is no analysis.

Third, there should be full cost recovery. If we manage to get full cost recovery what will happen is that the money which is lent will be returned to the program to be used to provide money to other small businesses. Obviously when \$210 million are lost there will be less money to lend to other small businesses. Those who are treating the program irresponsibly are not only compromising the public. They are also compromising other small businesses that wish to avail themselves of the program.

Fourth, Industry Canada should assess whether the lender is exercising due care. The lender is the bank. Banks sometimes do

not engage in good fiscal practices when lending money. The claim from the lender must be assessed. It must be shown that the lender is exercising due care.

Fifth, the interest paid to lenders is too high. Interestingly enough, while this is a loan provided by the government, the lending rate can be prime plus 3%. The banks are not exercising due care. They are saddling the taxpayer with an interest rate that is prime plus 3%. That is not fair. It is taking advantage of the taxpayer.

Therefore it is important that we decrease the interest rates being charged by lenders. I am sure that is something the government will be very interested in. Some banks look to the program as a cash cow.

Sixth, better information on the performance of the SBLA is required. Parliamentarians must have the information to assess the SBLA. That is an important criticism by the auditor general.

I would like to make some general comments about the economy. Providing loans and start-up money is very important for small businesses. It overcomes one of the obstacles facing small businesses. There are larger obstacles that all businesses face, that is the amount of red tape they have to deal with. The government has to take a leadership role and work with the provinces to cut the red tape which has managed to put more barriers between east and west Canada than north and south.

• (1135)

We must decrease taxes. If we visit small businesses in our community what mantra do we hear? "I can't hire. I can't train because all the money goes to my taxes. If I had less tax I would be able to hire more people, train more people, invest in my business and become more competitive, not only within the confines of our country but also internationally".

The barriers of high taxes, the barriers of excessive rules and regulations not only compromise competitiveness within our country but compromise competitiveness internationally.

If the government would like to take one international issue to heart which is exceedingly important, there are two major fracture lines through Japan and Indonesia right now. The solutions are out there on the table from the International Monetary Fund, which have been given to both countries. They are not acting upon it because of a failure in leadership. The only way they will act on domestic changes is through international pressure.

One can argue that domestic issues are for a country to deal with. However, if Japan and Indonesia fail to deal with their domestic problems an economic tsunami will come across the Pacific Ocean and smack into Canada. It will be a significant and major impediment to our ability as a country to thrive economically.

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I conclude by saying that we disagree with Bill C-21. I hope the government will take the constructive suggestions members of the Reform Party have put forward, implement them and build a better SBLA program for all Canadians.

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

Some hon. members: Question.

The Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: At the request of the chief government whip, the division stands deferred until Monday at the conclusion of the time for Government Orders.

* * *

CANADA SHIPPING ACT

Hon. Harbance Singh Dhaliwal (for the Minister of Transport, Lib.) moved that Bill S-4, an act to amend the Canada Shipping Act (maritime liability), be read the second time and referred to a committee.

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, as always, I consider it a privilege to rise in the House to bring attention to an important piece of legislation.

Bill S-4 is an act representing shipowners liability for maritime claims in general and for oil pollution damage in particular. Transport Canada has made a strong commitment to updating the legislation which governs the shipping industry. Bill S-4 now before us deals with the modernization of the marine liability regimes contained in the Canada Shipping Act.

The bill deals with maritime liability and proposes to increase the compensation available to Canadian claimants, in particular for claims related to ship source pollution damage. In contrast to the current regime for oil spills, these amendments to the Canada

Shipping Act will establish shipowners liability for environmental damage and allow for the cost of preventive measures taken in anticipation of a spill.

The legislation was originally introduced as Bill C-58 in the last parliament by the former transport minister. However the bill died on the order paper and was reintroduced in the Senate last October as Bill S-4.

• (1140)

The bill amends part IX and part XVI of the Canada Shipping Act. Part IX deals with global limitation of liability for maritime claims, while part XVI deals with liability and compensation for oil pollution damage.

The amendments to part IX of the Canada Shipping Act are based on the 1976 convention on limitation of liability for maritime claims and its protocol adopted in May 1996 under the auspices of the International Maritime Organization, the IMO.

As I stated earlier, the proposed legislation will increase ship owners limits of liability and improve considerably the amount of compensation available to claimants involved in maritime accidents. These limits are calculated on the basis of the ship's size and apply to all claims arising from the same accident. This enables shipowners to assess their potential liability, which is an essential condition for commercial insurability.

The regime of global limitation contained in part IX of the Canada Shipping Act applies to all ships including pleasure vessels. The current limit of liability for loss of life or personal injury for owners of vessels below 300 tonnes, which includes most pleasure vessels, is only \$140,000.

As members can appreciate, this limit is totally inadequate and the new limit for vessels below 300 tonnes has been set at \$1.5 million, which is more in line with the liability levels long established in the automotive sector.

Mr. Greg Thompson: Mr. Speaker, I rise on a point of order. I believe that if you look very clearly at the rules of the House we have a parliamentary secretary basically standing up and defending legislation that would put millions of dollars in the pocket of the Minister of Finance. I think there is a collusion of interest here.

The Deputy Speaker: I think the hon. member knows that this is not a point of order. The parliamentary secretary is introducing a government bill, which is quite proper for him to do.

I think it is quite wrong for the hon. member to rise on the guise of a point of order to engage in a debate essentially about what is contained in the bill.

Hon. Don Boudria: Mr. Speaker, an hon. member cannot on a point of order in the House make accusations against a cabinet minister. He cannot accuse someone of committing acts that are

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either illegal or otherwise, stand there with impunity, make a statement and not be forced to withdraw and just leave it at that.

I would ask Your Honour to review what was said by the hon. member. I believe that language is unacceptable. If he were to try it outside the House, he might have a rather unpleasant surprise.

If it cannot be said outside and defended, perhaps he should be a bit more prudent with what he says in here.

Mr. Greg Thompson: Mr. Speaker, I am using the word potentially. If you examine, Mr. Speaker, what happened in question period yesterday, this was the focus of question period all day yesterday.

The Deputy Speaker: I think the hon. member has made his point. Perhaps he said potentially. I thought he used words like that although I cannot remember the explicit words. I did not think the words were as serious as the government House leader suggested in his remarks.

I believed it was not a point of order and I ruled it out of order on that basis.

I am prepared to review the blues to see if something that was completely wrong happened. If something improper has happened I will come back to the House and deal with it. I have ruled the point of order out of order in any event and I invite the hon. parliamentary secretary to resume his remarks.

Mr. Stan Keyes: Mr. Speaker, I thank the government House leader for his intervention. Quite frankly, I am used to the accusations, innuendoes and unproven circumstances from the hon. member for Charlotte so it does not really trouble me very much.

In fact the hon. member is quite confused because this bill and its contents have nothing at all to do with the discussions in the House yesterday on a completely different bill and a completely different issue. As usual, the hon. member for Charlotte is confused and misled.

• (1145)

The convention I speak of also provides special provisions for the liability of shipowners to their passengers. This will be a new feature in our legislation which will apply to passenger vessels, ferries, tour boats and other vessels where passengers are carried on a ship under a contract of passenger carriage.

Concerns were raised in the last Parliament that such a provision might not cover all passengers travelling by ship in Canada, specifically those carried without a contract of carriage. In response to these concerns the Standing Committee on Transport proposed an amendment to Bill C-58 to ensure "persons other than crew carried on a ship without a contract of carriage" will benefit

from the same regime of liability. This is of particular importance where passenger ships are hired by individuals or organizations for special occasion use by their clients, guests or employees, or where carriage of passengers by water is provided as part of land tour or hotel packages.

Bill S-4 also modifies some provisions of the convention in order to better meet Canadian requirements, in particular in respect of the application to all ships and the application to any person in possession of a ship. These modifications have been made in conjunction with the definition of shipowner to ensure that the new regime will continue to apply to all vessels, seagoing or not, and also to people who have possession of a ship, for example ship repairers.

The Canada Shipping Act currently establishes limitation of liability for owners of docks, canals and ports. This regime is strictly domestic in nature and provides a reciprocal balance to the regime applicable to shipowners in the sense that both shipowners and dock owners can limit their liability against each other.

This regime has been maintained in Bill S-4 with the following amendments. The limits of liability have been increased. The right to limit liability has been extended to servants and agents of the owners of docks, canals and ports in order to achieve uniformity with a similar provision respecting the agents and servants of shipowners. We have removed any reference to the nationality of the largest ship for the calculation of the limit of liability to achieve a more flexible application of this provision which currently uses for this calculation the largest British ship in the area of the accident.

Before I turn to the second issue presented in the bill, the regime of liability and compensation for oil pollution damage, I will address the economic implications of the amendments to the Canada Shipping Act in respect of the global limitation of liability. In respect of commercial vessel owners, those who are insured in mutual protection and indemnity associations, generally known as P and I clubs, will not likely see any substantive change in their insurance rates since the coverage already provided by these associations is unlimited.

Some commercial ship owners who are not currently insured in the P and I clubs may experience an upfront increase in insurance cost as a result of this revision of limits proposed in Bill S-4. In most cases the actual impact will depend on actual claims experienced under the new limitation regime.

The same applies to pleasure vessel owners. The vast majority of them are already insured to the level of liability proposed in this revision, while others will have to seek additional insurance to be fully protected against the new limits.

The adjustment that is likely to occur in the pleasure vessel insurance market under the new regime is not expected to raise the cost of pleasure vessel insurance to a level that would approach the

level of other types of personal insurance, especially auto insurance. Most pleasure vessel owners already carry a liability insurance in the range of \$1 million so they should not expect any increase in their cost of insurance as a result of this new legislation.

The second issue in Bill S-4 is the revision of the existing regime of liability and compensation for oil pollution damage. This regime was last revisited in 1989 when Canada implemented and acceded to the 1969 international convention on civil liability for oil pollution damage and the 1971 international fund convention. The 1969 convention established the liability of owners of laden tankers for oil pollution damage while the 1971 fund convention provided complementary compensation to the extent that protection under the 1969 convention was inadequate.

In addition to participating in the international oil pollution compensation fund, Canada has its own domestic compensation fund called the ship source oil pollution fund.

• (1150)

This is a fund of first resort for all claimants for oil pollution damage in Canada and in waters under Canadian jurisdiction. Canadian contributions to the international fund are paid from the ship source oil pollution fund.

The 1969 and 1971 conventions were updated in 1992 when protocols were adopted under the auspices of the International Maritime Organization. Under the 1992 protocols, the amount of compensation available for pollution damage caused by oil tankers was increased from \$120 million per incident to approximately \$270 million.

A number of other important changes were made in the 1992 protocols to improve the original conventions. Shipowners are now liable for the cost of reasonable measures of reinstatement where oil pollution from a ship results in damage to the environment.

The geographic scope of application of the convention will now include the exclusive economic zone of Canada which extends 200 nautical miles from shore. The protocols also extend the convention to claims for preventive measures taken before a spill to prevent or minimize pollution damage.

Finally, this convention now also applies to empty tankers with specific reference to the voyage subsequent to the voyage during which it was carrying oil.

Bill S-4 will implement the provisions of the 1992 protocols, thus increasing the level of compensation available to victims of pollution damage caused by oil tankers in the future.

The proposed legislation will enable Canada to follow many other countries that have terminated their membership with the old regime and moved quickly to the 1992 regime.

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Until Canada follows suit, we will continue to be exposed to higher contributions to the international fund due to the reduced membership in the old regime.

I therefore strongly urge this House to consider this important legislation expeditiously. The sooner Canada can accede to the new regime, the better.

I would like to take a moment to discuss the amendments proposed to Bill S-4 by the Senate. These amendments remove from the bill a proposed modification to the definition of pollutant, which raised concerns among the industry representatives who appeared before the standing Senate committee on transport and communications.

This amendment to Bill S-4 will allow more time for discussion between the government and the industry on the definition of pollutant and whether it should be modified in the future.

I am pleased to endorse, on behalf of the government, the amendments made to this bill. I urge others to do so.

In conclusion, the changes I have outlined here for the Canada Shipping Act would not have been possible without the continued support of our stakeholders.

During our consultations, Transport Canada officials have spoken at length with shipowners, passengers, cargo owners, the oil industry, marine insurers and the marine legal community.

I take the opportunity to thank these industry groups for their participation in this reform. Their strong support of this bill has been very gratifying for all those involved.

I know the House of Commons Standing Committee on Transport is involved in the study of rail passenger transportation in this country. Due to the importance of moving quickly on this legislation, I would hope that my colleagues and I can move to spend a day on Bill S-4 in committee so that we can deal with it expeditiously partly because also we have dealt with this bill in its old form before the dissolution of the last Parliament.

The industry has indicated to us that it has been there, it has done that, it has talked to the committee and now it wants to move forward with this piece of legislation.

I look forward to my colleagues on both sides of this House coming together and moving quickly with the legislation when it comes before committee.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Madam Speaker, I concur with what the Parliamentary Secretary to the Minister of Transport said. He has given a good review. There are some points I want to add.

This morning what cuts this side of the House to the core is when the hon. member mentions that it was the Senate that brought in amendments to this bill.

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• (1155)

I would be remiss not to mention my colleague who brought up the point of order earlier. I am not going to discuss the ruling of the Chair but I do want to reinforce a statement for everybody in the hopes that never again in the history of this Parliament at least a Bill goes to the Senate and the Senate makes the amendments before it comes back to the elected officials.

This practice is totally archaic, totally not in touch with today's reality. That really bothers me. I am not afraid to go into the standing committee on transportation and discuss with the hon. member the welfare of the industry across Canada. This side of the House is insulted to the highest degree when my hon. colleague raises many issues with regard to this bill.

Section 53 of the Constitution Act states the rules concerning the breach of the privileges of this House. I want to read this into the record because it directly concerns me. Standing Order 80(1) states:

All aids and supplies granted to the sovereign by the Parliament of Canada are the sole gift of the House of Commons, and all bills for granting such aids and supplies ought to begin with the House, as it is the undoubted right of the House to direct, limit, and appoint in all such bills, the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which are not alterable by the Senate.

Whether we like to admit it or not, we are dealing with millions of dollars. This is nothing small. We are talking about liabilities up to \$270 million. For that reason I feel very sad that we have to come back to the committee and discuss amendments that came from the Senate. That was totally unnecessary. To members on this side of the House it is considered a total insult to being elected officials.

I have a few more comments with regard to this before I get to the bill itself. The Senate was restricted from originating money bills in 1867. It is a fine point of law whether this is a money bill or not. It is not a money bill in some terms but because it deals with the potential of government expenditures that is a question we have to address.

Introduction of bills in the Senate gives the Senate more legitimacy as unofficial, unelected people. It gives it more legitimacy or as much legitimacy in this bill as members on this side of the House and members of the standing committee on transportation. I beg the hon. member, please do not do this again in the life of this Parliament. Please do not ignore the people on this side of the House who are elected. It is not that we are going to oppose this bill. We are not going to oppose the bill.

I have every reason to believe what the hon. gentleman has said, that it has received the support and consultation of the stakeholders. That is the good part. I will be asking that question when we are in committee, if all the stakeholders have been consulted. There will probably be some more.

I beg the hon. member please, on behalf of this House, on behalf of Canada, do not put this bill to the Senate before it comes here.

The hon. gentleman has done a good job, as well he should because he has been with this bill for a long time. There are some things that I would like to add that perhaps the hon. gentleman has not added.

Bill S-4 is designed to increase the compensation available to public and private Canadian claimants, for maritime claims in general, and particularly for claims related to ship source oil pollution. As a result of these amendments in S-4, the maximum compensation available against the international oil pollution compensation fund would more than double. It has doubled to the point of \$270 million.

• (1200)

I might say that Bill S-4 enables Canada to accede to several international conventions on marine liability. Thus it harmonizes, and I emphasize the word harmonizes, the Canadian maritime liability legislation with that of the other major maritime nations and previous legislation really did not do that. In that respect there is support of the Reform Party because it brings the bill up to date.

I want to mention some key features. This bill provides for a substantial increase in shipowners' liability limits. In this era there are ships that are double and triple the size of former vessels using our harbours, international waterways and Canadian waterways. Maybe the liability limits are not even high enough, but at least it recognizes that.

The bill creates a procedure for rapid amendments, and that is a good point. I do not know how rapid they can be, but when we think back to the terrible oil disaster off the British Columbia coast with the Exxon ship, it was a long drawn out procedure. Hopefully this bill will speed that up because Canadians in particular, and people around the world I am sure, are more environmentally conscious of these things than they have ever been before.

Another thing I would like to mention is that the bill adds a provision for liability limits for those small ships that still ply our harbour. The limits of the liability adjust to the size. It is like the limits for a Honda car adjusting to a Cadillac. Maybe my hon. colleague over there has a Cadillac, I do not know. He does not. But if he did have, he would have to pay more in liability limits.

It also makes special provisions for liability of shipowners to their passengers. My hon. colleague mentioned that in this case most of these people already carry a fair amount of liability insurance. I am wondering though if it would not be a good idea to jot down as a memo that we need to take a look at that.

Government Orders

A million dollars liability insurance. Is that \$1 million per person? I am not quite sure what is meant by that. There needs to be assurance that these boats are carrying enough liability insurance because passengers are more important than cargo. We need to take a look at that.

The bill extends the application of maritime liability rules to all ships at sea and inland. That is important. It is not just the oceangoing voyages. And it extends, as my hon. friend has mentioned, the exclusive economic zone. Even in the recent events of the last few days maybe we need to take a look at that as well. As our industry grows and as Canada becomes more of a lead player in this particular field, we should take another look at that particular area.

Modern day communications have made it possible that we now have a day to day means by which we can be in communication, much more so than ever before. With the use of modern communications techniques, radar and so on, the global limitations of liability therefore become a very important economic instrument in the operation of any ship. We agree that the clauses as they relate to that become very, very important.

Raising the maximum compensation, what I worked out is \$120 million to \$270 million, some may think is pretty hefty, but if we look at the scope of the act, some may even argue it is not high enough. It is certainly not too high. As I mentioned earlier, when we have these huge boats now doubling and tripling the capacity, this is not out of order and maybe it is not high enough.

• (1205)

I say to the Parliamentary Secretary to the Minister of Transport there is a need to further solidify Canada's place in the international maritime community. We are very big players now. I suggest to the hon. member that we may get to be an even bigger player.

As Canada grows there is no question that our part of the maritime industry is going to increase. Because of this, through the implementation of both sets of conventions and the protocols, and quite frankly I think there has been very limited negative feedback concerning the contents of this bill and its predecessor Bill C-58, the reaction that I and my party would have is that we will support the bill.

There is one principle in particular that I would like to inform the hon. minister about. It has a theme which this party adopts and that is user pay. I believe that is within this bill and we can support it on that merit.

Bill S-4 appears to be a sound bill. It strives for a balance between the shipowners and the claimants which appears to be fair. But we still have to allow time for the standing committee to send out the message that if anyone else, a stakeholder, has an interest, they will be advised that they can appear before the committee.

The bill exposes the shipowners' insurance companies to major financial liability. It also provides for a transfer of payments out of Canada's ship source oil pollution fund to the international oil pollution compensation fund. It is questionable that a bill with such ramifications should indeed come from the Senate.

I would like to share this with the hon. parliamentary secretary as it relates to this bill. This bill indirectly relates to Bill C-9 because they use the harbours, the insurance claims and so on. I refer him to page 14 of the act. At the bottom of page 14 it talks about the right that is exercised, that there are reasonable grounds to believe there are records in dwelling houses related to the reporting of contributing to oil spills and all of that. I am not disputing that but it is something that is really difficult for me to imagine at this time.

I hope none of Canada's oceangoing vessels are involved in this but Canada's ports are now a major entry point for the worst type of pollutant this society has. We can clean up an oil spill. It is very costly but eventually we can clean it up. We cannot totally erase the damage. It is there. But on a recent national television program it was shown in graphic detail that coming through our ports are large amounts of hard drugs. They come into Canada and find their way into the U.S. market.

I would hope that in committee we could take a look at this catastrophe. It is hard to clean up a young person's life which has been ruined by drugs. If we in Canada are truly going to say no to drugs, if we are going to have our schools say no to drugs and if parents are going to say no to drugs, then it is incumbent upon all the players involved, including the shipowners with this bill and the port authorities with Bill C-9, to get serious about this.

• (1210)

The hon. member may say that is not relevant, but I believe it is. If we can search a house to obtain records to prove that someone has used a boat to bring in oil which has polluted this country, then the same thing should exist here, in co-operation with other branches of the government, and we should have the same power to say no to drugs at Canadian ports. As a Canadian citizen I was hurt when I watched that program.

Reform will be supporting this bill. However, I would like to reiterate that it should not have originated in the Senate. Please introduce legislation in this House.

[*Translation*]

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Madam Speaker, Bill S-4 was first debated in the Senate, as its name indicates. I can therefore think of no better way of opening debate than by going over what was said at third reading in the Senate on December 16.

This bill will improve our liability regimes for maritime claims. The proposed legislation consists of two sets of amendments, those relating to limitation of liability for maritime claims in part IX of

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the Canada Shipping Act, and those relating to liability and compensation for oil pollution damage in part XVI of the same act.

In both cases, the amendments will provide implementation of international conventions of which Canada is a signatory. First, our current legislation concerning limitation for maritime claims is contained in part IX of the Canada Shipping Act and is based on the international convention adopted in 1957.

The limits of liability set out in that convention and, by this very fact, in our legislation, are very low, too low. This helps neither claimants nor shipowners. In fact, current limits are so unsatisfactory that, most of the time, claimants have had to take legal action to try to go above the limits to obtain adequate compensation. This has often resulted in long and protracted litigation with uncertain results for both the claimants and shipowners.

It is very difficult for a shipowner to assess his potential liability. With higher realistic limits of liability as proposed in Bill S-4, it will be much easier for all parties involved to settle claims amicably.

The new regime of liability for maritime claims is based on an international convention adopted in 1976 and its protocol adopted in 1996. The 1996 protocol to the convention contains a new procedure, for future amendments of limits of liability, which responds to concerns raised in the past that the method of revision of the limits was too cumbersome and costly. It will now be easier to amend the limits in the international convention.

In addition, as with the regime of limitation of liability for maritime claims, it will now be feasible to increase the limits of liability for oil pollution damage by order in council.

The adoption of Bill S-4 will enable Canada to follow many other countries which moved rapidly, more rapidly than we did, to the 1992 regime and, as a result, terminated their membership in the old regime in May 1977, with effect from May 1998.

• (1215)

I will now give a brief description of the articles designed to achieve these objectives, beginning with those having to do with general maritime claims, as implemented by the Convention on Limitation of Liability.

Article 1 defines those persons entitled to limit liability under the convention. They are the same as those in the current legislation, i.e. shipowners, charterers, persons having an interest in or possession of a ship, and managers and operators, but the benefits of the convention are extended to salvors who are not operating from a ship.

Very briefly, article 2 defines the types of claims subject to limitation of liability under the convention.

Article 3 defines the types of claims excepted from limitation under the convention. These are primarily claims for salvage, etc.

Article 6 sets increased limits of liability for all claims other than those mentioned in article 7, covered by the convention and arising on any distinct occasion.

This now brings me to claims for pollution by oil or other pollutants. The definition of "Convention ship" is extended to include ships with persistent hydrocarbon mineral oil from an earlier cargo, and the definition of pollutant is amended to include aquatic organisms and pathogens.

Clauses 4 and 5 also amend the definition of "ship" to indicate clearly that it applies to vessels navigating Canadian or inland waters.

Clause 6 extends the application of part XVI to Canada's exclusive economic zone or that of any other party to the Convention.

Finally, clause 10 significantly increases the responsibility of the owners of Convention ships by setting the limits prescribed in 1992, which were amendments to the Convention of 1969. This means an increase of 326% over the limits of the 1969 Convention and of 125% over the recovery permitted under the 1971 Convention. This is a very significant increase.

In order to achieve the objectives set, the bill implements, as I said, the conventions of 1976 and 1996. It also implements, I should point out, the 1992 protocol amending the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage.

Finally, this bill amends various provisions pertaining to the Ship-source Oil Pollution Fund. It is therefore a total overhaul to ensure compliance with the Convention signed by Canada—a slightly tardy realignment of Canadian legislation with these conventions.

The Bloc Québécois is happy to see that the government, hounded by the obligation to implement the conventions it has signed, must concern itself with making shipowners more responsible. We are obviously in favour of increased responsibility. We still have the memory of the unfortunate *Irving Whale* episode fresh in our minds. It cost the taxpayers of Canada and Quebec over \$30 million to raise that barge, which makes it seem that the people of Canada and of Quebec were more responsible for the shipwreck than the shipowners themselves. One can see how ridiculous it all got.

Such situations must be avoided in the future. It is not up to the government to compensate for the laxness of certain irresponsible companies. Legislation must be therefore put in place to avoid such incidents in future. Hydrocarbon pollution is not the taxpayer's responsibility. We support the polluter-pay principle, precisely in

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order to stop companies causing serious environmental damage from getting away scot free.

There is, however, a need for a clear differentiation between the government implementing a user-pay system and a polluter-pay system. Where user-pay is concerned, we remember all too clearly the bad decisions made recently by the federal government concerning charges for Canadian Coast Guard services. The government did not agree to carry out impact studies before the new rates were set, thus refusing to heed 75% of the people consulted.

• (1220)

The government divided Canada into three zones: west coast, Atlantic coast and St. Lawrence—Great Lakes, for which it set different rates. As a result, Quebec is disadvantaged because it is charged more in order to cover part of the costs of the services to Newfoundland, the province of origin of the minister behind the bill.

Moreover, charging for Coast Guard services will impact heavily on Quebec and Canadian ports, because United States bound vessels using the St. Lawrence and the seaway but not putting in to any Canadian port do not pay for Coast Guard services. This measure detracts a great deal from the competitiveness of Canadian and Quebec ports.

The current government decided to pass on the bill to shipowners and to local port authorities, without first doing something about the management of the coast guard.

It is not easy to apply the principle of financial and environmental accountability to shipowners. The government will have to maintain its principles, while keeping an open mind to make changes in the application of the act, should it trigger some perverse effects.

The Minister of Transport must not act like his colleague, the Minister of Fisheries, who remains so stubborn. He has to be open to change, while preserving his goal of making shipowners and their creditors accountable.

In conclusion, the Bloc Québécois agrees with the principle underlying Bill S-4. However, we look forward to the next stages, when we will hear those most concerned by the bill and, if necessary, use their comments and reactions to make it a better act.

Hon. Lorne Nystrom (Qu'Appelle, NDP): Madam Speaker, I want to say a few words on the bill before us.

[*English*]

We are discussing a bill to amend the Canada Shipping Act, a maritime liability bill, which my party supports. Bill S-4 is part of the Canada Shipping Act reform. Parts of the Canada Shipping Act are old and out of date with today's realities. The NDP believes it is time to modernize the Canada Shipping Act. The revision of the

existing limitation of liability for maritime claims is a very important step toward the modernization of this legislation.

With respect to limits for general maritime claims, the existing regime under the Canada Shipping Act is largely based on a 1997 international convention relating to the limitation of liability of owners of seagoing ships or vessels. The limits on liability set out have naturally lost value as a result of inflation over the years. Most maritime nations consider the limits of liability set out in 1957 inadequate. That is understandable since 1957 was more than 40 years ago. Inflation was very high periodically during those years. In the late seventies inflation hit more than 15%.

The 1957 convention was replaced by the 1976 convention on limitation of liability for maritime claims and its 1996 protocol as a global standard for the limitation of liability for maritime claims.

As members from the Reform Party, the Bloc Québécois and the government have pointed out, these amendments to the Canada Shipping Act implement the provisions of the 1992 protocol to the 1969 convention on civil liability for oil pollution damage and the 1971 convention of the international fund for the compensation of oil pollution damage. We support many aspects of this bill.

The hon. member for Souris—Moose Mountain made a point I agree with. I want to say a few words about the point I agree with for members of the Reform Party. That may seem kind of odd. He is already wondering what this point is.

• (1225)

He made the point that it is very unfortunate that this bill originates not in the House of Commons but in the Senate. The government is introducing more and more legislation from the Senate. I think that is a real affront to democracy. Why should we be debating this piece of legislation which does not originate here?

We are the elected members of Parliament coming from five different parties in the House of Commons. The Senate is not elected, not accountable and not democratic. Its members are there from when they are appointed to the age 75. I think that is a real affront to democracy.

I am shocked by the government across the way introducing more and more legislation from the Senate. Why does the Prime Minister not screw up his courage and put on the order paper a bill to abolish the existing Senate? That is exactly what the Canadian people are asking for.

Senator Thompson is only a catalyst, the tip of the iceberg. He is not the only senator who hardly ever shows up in the Senate. He is not the only Senator who is not elected. None of the senators is elected or accountable. It is a real affront to democracy to have a legislative body in the 20th century, almost the 21st, that is not

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accountable. It is a hangover from the feudal days of the past and it is about time we abolish that particular Senate.

No wonder some people think this place is a farce. The people are telling us to abolish that unelected place. The people of Canada want their say and they want to speak out. It is about time we, the members of Parliament, said no, enough is enough. We, as members of Parliament, should say we are not going to take it any more, enough is enough. We are going to originate bills in this House through a democratic and transparent process, which is exactly what it should be.

We should just stop right now in protest. Therefore I move:

That this House do now adjourn.

The Acting Speaker (Ms. Thibeault): The hon. member has moved for the adjournment of the House. Does the hon. member have the consent of the House?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Ms. Thibeault): Call in the members.

• (1315)

And the count having been taken:

Mr. Chuck Strahl: Madam Speaker, I believe you will find that the member for London—Fanshawe entered the Chamber after you read the motion and should not have been counted in this vote.

Mr. Bob Kilger: Madam Speaker, I believe you will also have to strike the votes of the following members on the basis that they left their chairs and left the Chamber during the vote: the member for St. John's East and the member for Wanuskewin.

Mr. Chuck Strahl: What did he say, Wanuskewin? Madam Speaker, I do not think there is a member for Wanuskewin. I am not sure where that is, but the other member that was mentioned was in the Chamber the entire time. He might have got up from his chair, but he was in the Chamber the entire time.

Mr. Pat O'Brien: Madam Speaker, I was in the Chamber well before I was required. The bells were still ringing. The most I may have done at some point is shifted to talk to a colleague. I was here in plenty of time.

Mr. Norman Doyle: Madam Speaker, I think the record will show that I was here for the vote. My vote has been recorded. I just left to go out into the hallway afterward.

The Acting Speaker (Ms. Thibeault): We will accept the word of the members.

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

(Division No. 89)

YEAS

Members

Ablonczy	Alarie
Anders	Asselin
Axworthy (Saskatoon—Rosetown—Biggar)	Bailey
Bellehumeur	Benoit
Bergeron	Bigras
Borotsik	Brien
Canuel	Casson
Chatters	Chrétien (Frontenac—Mégantic)
Crête	Dalphond-Guiral
de Savoye	Debien
Desrochers	Dockrill
Doyle	Dubé (Lévis)
Dubé (Madawaska—Restigouche)	Duceppe
Dumas	Duncan
Earle	Epp
Forseth	Fournier
Gagnon	Gauthier
Gilmour	Girard-Bujold
Godin (Châteauguay)	Goldring
Gouk	Grewal
Grey (Edmonton North)	Guay
Hanger	Hardy
Hart	Harvey
Hill (MacLeod)	Hill (Prince George—Peace River)
Hilstrom	Johnston
Kerpan	Konrad
Laliberte	Lalonde
Laurin	Lefebvre
Loubier	Lowther
Lunn	MacKay (Pictou—Antigonish—Guysborough)
Mancini	Manning
Marceau	Marchand
Martin (Winnipeg Centre)	Matthews
McDonough	McNally
Mercier	Meredith
Nunziata	Nystrom
Obhrai	Pankiw
Penson	Picard (Drummond)
Ramsay	Riis
Ritz	Rocheleau
Sauvageau	Schmidt
Scott (Skeena)	Solomon
St-Hilaire	St-Jacques
Stoffer	Strahl
Thompson (Charlotte)	Turp
Vellacott	Wasylcia-Leis
Wayne	White (Langley—Abbotsford)
Williams—95	

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NAYS

Members

Adams	Alcock
Anderson	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Baker
Bakopanos	Barnes
Bélair	Bélangier
Bellemare	Bennett
Bertrand	Blondin-Andrew
Bonin	Boudria
Brown	Bryden
Bulte	Caccia
Calder	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Chrétien (Saint-Maurice)	Coderre
Cohen	Collenette
Comuzzi	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Drouin
Easter	Finestone
Finlay	Folco
Fontana	Fry
Gagliano	Galloway
Godfrey	Goodale
Gray (Windsor West)	Grose
Harb	Harvard
Hubbard	Ianno
Iftody	Jackson
Jennings	Jordan
Karetak-Lindell	Keyes
Kilger (Stormont—Dundas)	Knutson
Lastewka	Lavigne
Lee	Leung
Lincoln	MacAulay
Mahoney	Maloney
Marleau	Massé
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McWhinney	Minna
Mitchell	Murray
Myers	Nault
Normand	O'Brien (London—Fanshawe)
Pagtakhan	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pillitteri
Pratt	Provenzano
Redman	Reed
Richardson	Rock
Saada	Serré
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
St-Julien	Szabo
Torsney	Ur
Valeri	Volpe
Whelan	Wilfert —114

PAIRED MEMBERS

Nil/aucun

The Acting Speaker (Ms. Thibeault): I declare the motion lost.

Mrs. Elsie Wayne (Saint John, PC): Madam Speaker, I am pleased to rise today to speak to Bill S-4, which amends the Canada Shipping Act as it pertains to maritime liability. It has taken a long

time, too long in fact, for the bill to get to this stage, but because it is here now I am very pleased to speak to it.

• (1320)

I come from Saint John, New Brunswick, where we have the largest tankers in the world coming into our harbour because we have the largest privately owned oil refinery in Canada. I have had the pleasure of being taken out in a helicopter to fly over the largest tankers in the world. It is something to see.

Also in Saint John, New Brunswick, we have something that is unique in Canada and not anywhere else in Canada. It is a swivel anchor because we have the highest tides in the world. Mr. K. C. Irving devised this swivel anchor. When the largest tankers in the world come in, they hook on to this anchor out in the bay. As the tides rise we can see the tankers swing around and swing back again. It is very unusual.

I want my colleagues to know that Saint John, New Brunswick, is a very unique place. I invite all my colleagues to visit Saint John. When they come we will take them to the refinery so they can see what I am referring to.

The bill began as Bill C-58 in 1996. It went through a committee process and died on the order paper with the election call in April 1997.

There are important changes contained in the legislation. It is certainly a shame that the government did not recognize the importance of it at that time but instead chose other priorities over this one.

However, having said that, we are here now and we are dealing with the bill. I am pleased to be here to speak to it. The bill will substantially increase the amount of compensation available to Canadian claimants for maritime claims in general and for oil pollution damage in particular.

It also harmonizes Canadian rules for maritime liability with those of other maritime nations and will enable Canada to accede to relevant international conventions. This point is important. We must bring our rules into harmony with those of our major trading partners that carry both import and export cargoes each day to and from Canadian shores.

With respect to the part of the bill dealing with limitation of liability for maritime claims, Bill S-4 amends part IX of the Canada Shipping Act to implement the provisions of the 1976 convention on limitation of liability for maritime claims and its 1996 protocol.

Bill S-4 therefore will—and I am sure all my colleagues in the NDP would want to hear this—first, substantially increase ship

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owners limits of liability; second, allow cabinet on the recommendation of the transport minister to implement new limits of liability to reflect inflation; and, third, limit the liability of owners of small ships of less than 300 tonnes to \$1 million for loss of life or personal injury and \$500,000 for other claims.

It will also extend the application of the liability regime to all ships operating in Canada's inland waters, not just sea going vessels. Finally, it increases liability limits for owners of docks, canals and ports for property damage claims to the greater of \$2 million or an amount based on the tonnage of the largest ship that has docked in the area in the last five years.

Another important aspect of the bill relates to oil pollution liability and compensation. Bill S-4 will amend part XVI of the Canada Shipping Act to implement the provisions of the 1992 protocol to the 1969 civil liability convention and the 1971 convention on the establishment of an international fund for compensation of oil pollution damage.

This will make ship owners liable for clean-up costs for oil pollution damage, and that is long overdue. It will make compensation available for pollution damage caused by tankers with residues of oil remaining from their previous cargo. It will also make it possible to recover costs incurred for preventive measures in anticipation of a spill from a tanker.

The maximum compensation currently available to claimants in an oil pollution incident is approximately \$120 million. As a result of the bill, the amount will be more than double that to \$270 million. That is important and is long overdue.

• (1325)

In summary, we are pleased to support the legislation. As I have stated, it is long overdue and very much needed in the maritime industry in Canada. We are supporting it because it will improve the compensation for the benefit of all Canadian claimants involved in any maritime accidents in general and certainly for purposes related to pollution claims.

Also the important harmonization of our laws with other nations in the world benefits every participant. Here I am speaking about all participants involved in maritime trade, shipowners, cargo owners and charters, by providing consistent, internationally recognized and accepted rules which deal with the economic consequences of unfortunate accidents at sea.

Without these formal rules, international shipping on which Canada relies to a tremendous degree would otherwise become extremely expensive and unpredictable. As a result, it would have negative consequences for the Canadian industry on the whole.

We support the legislation and only wish that it could have been moved a little more quickly through the legislative process. I want

to thank all of those who were involved in bringing it before the House and the senators who worked so hard to make sure it was here today. It is good legislation and we will support it.

Mr. Rob Anders (Calgary West, Ref.): Madam Speaker, could the member comment on the appropriateness of whether or not the bill should be brought forward from the House of Commons or from the Senate?

Mrs. Elsie Wayne: Madam Speaker, I feel it does not matter whether it comes from the Senate or from here. It is whether it is a good bill or a bad bill and whether we have an opportunity to vote on it and to speak on it. It is long overdue and I am pleased that it is here. If it was the Senate that made it come here today, I am pleased because, coming from a shipping town, it is long overdue.

Being in the House today and hearing the comments that are being made about other people who also work for the betterment of Canadians, I found it tugging at my heart. Yes, we are also saying there has to be Senate reform and the senators are saying this. It is not just the Reformers who are saying it. Everybody knows that.

However, to do what we did today was a waste of time and energy and a cost to taxpayers. This should not have been done. We should have continued on with the debate. This has tugged at my heart. It was not easy because I know people who work hard in the Senate and I know some who do not show up. You deal with it. The majority of them work hard. If we need to make changes then we can deal with it in a way in which we do not have to point fingers at people.

As far as the bill goes, whether it came from the House, from the government side, from this side or from the Senate, if it is a good bill we deal with it. This is a good bill and I am pleased to be here to say that.

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I too wanted to lend my comments to the hon. member and thank her for her remarks on this piece of legislation, Bill S-4.

I remind those opposite who spoke so negatively to the fact that the bill came forward through the Senate that in 1986 the government initiated Bill C-58. It was introduced in the House. The House dealt with it at second reading and put it into a committee of the House of Commons. The House of Commons Standing Committee on Transport dealt with the issue, heard witnesses, put forward the amendments, came back to the House of Commons at report stage and then, because of an election, it died on the order paper.

I will answer the hon. member's question about why we did not move it sooner because of its importance in the marine sector. We dealt with the marine sector in our dealings with the Canadian port authorities.

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• (1330)

We were seized with Bill C-9, the Canada Marine Act. That took precedence. The member would agree with me that Bill C-9 is a very important bill for Canada. That is why we dealt with that bill first. At the same time we had the opportunity to move the bill, this particular bill, the old Bill C-58 which this House dealt with, through the Senate as Bill S-4. We are just making effective use of valuable legislative time.

Mrs. Elsie Wayne: Mr. Speaker, I reiterate that it does not matter where the bills are introduced. We supported the NDP's motion today because of the procedural move, as all opposition parties voted against the government in a procedural move.

We have waited a long time. A city like mine has the largest tankers in the world at our ports. We can see them out there with the oil rigs. We are saying that this is long overdue. I thank the hon. member on the government side for working to ensure the bill's consideration in the House today. I thank all of those who were involved in bringing this bill before the House today.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I reiterate on behalf of the NDP to the parliamentary secretary that if he does not like democracy, he should think of another line of work.

The bill has very good merit but that is not what upsets us. The fact is that amendments were made in the Senate where senators are appointed and not elected. That is why we voted to adjourn today. If the member does not like democracy in action, that is just too bad.

Mr. Stan Keyes: The Senate could have made amendments anyway you dummy.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I rise on a point of order. If *Hansard* will show he used unparliamentary language against me, I would like him to apologize before this House.

The Deputy Speaker: The Chair did not hear any unparliamentary language.

Mr. Peter Stoffer: We did.

The Deputy Speaker: I am sorry the Chair did not hear it. The hon. Parliamentary Secretary to Minister of Transport.

Mr. Stan Keyes: Yes, Mr. Speaker, I must admit, but it was a term of endearment.

The Deputy Speaker: The Chair did not hear terms of endearment or otherwise. I am afraid I am in the dark about this and will remain so unless I am illumined. I will consider the matter closed.

Mr. John Nunziata (York South—Weston, Ind.): Mr. Speaker, it is not often that I take issue with the hon. member but it does matter where a bill originates. It is important. This is the elected House of Commons. We, the members of Parliament who sit in this Chamber, were elected and given a mandate by the people of Canada to represent them.

Those people down the hallway were not elected. They were not given any form of legitimacy by the people in Canada. In fact I would suggest that they do not have the moral authority to continue to sit in that Chamber. It is quite clear that the overwhelming majority of Canadians want to see the Senate abolished.

The hon. member talked about the cost involved in having a vote in the House of Commons. I would simply ask her to compare the cost involved of running the Senate, the tens of millions of dollars involved. I do not support Senate reform because I do not believe the Senate should continue to exist. The Andrew Thompson case is but an example of a very serious problem with the Senate.

The work undertaken by the Senate is work that should be done by committees of this House, by elected members who are accountable to the people of Canada. It seems that at some point we have to take seriously the question of the future of the Senate. It is not enough to simply say that it would require a constitutional amendment and that it is unlikely the constitutional amendment would be allowed.

The Prime Minister and the government must show some leadership and begin the process. I believe abolition of the Senate is the will of Canadians. However, if reforming the Senate were the will of the people of Canada, we should at the very least begin the process. If not, the Senate will continue to carry on, continue to be discredited by the people of Canada. Not only do the actions of the Senate discredit itself, but they also discredit the House of Commons I would submit.

• (1335)

I believe that this bill should have been initiated by the government or by a member in this House. If the bill has the merit that the hon. member says it has, then perhaps an explanation is in order as to why we had to rely on unelected senators to introduce this bill. Why could the bill not have been introduced by the government?

If anything, it is a reflection on the people in this House if we do not have the foresight or the knowledge or the ability to recognize the merit of the bill. I think it does matter where a bill originates. All bills should originate in this House. It should be the elected members of this House who determine public policy.

Mrs. Elsie Wayne: Mr. Speaker, to my hon. friend for whom I have a great deal of respect, I just want him to know that it did go through the process. It went through the House here and it was referred to the Senate, which is the normal process as we already know. Perhaps hon. members feel that should be looked at and

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assessed, but it did go through the House and it went through the normal process. The Senate looked at it and it will go through it again and it is over when it comes back from the Senate. There will be others that will come, but it goes through a normal process.

There was a time in the last Parliament when I personally had an opportunity to see the role they had to play when we did not have an official opposition that represented the whole of Canada. There was an opposition there that worked extremely hard. I would say they did not play party politics in the Senate all the time. They did what they thought was best. So there is a time when there is a need.

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, we have heard talk today about heartstrings, and let me tell you my heartstrings are pulled as well when I think about Bill S-4. Except that they are pulled in a little bit different direction maybe than what the hon. member referred to when I asked questions before.

I refer to section 53 of the Constitution Act that provides that only the House of Commons may table money bills, bills which require the expenditure of public funds or involving a tax or impost.

Mr. Stan Keyes: Mr. Speaker, I rise on a point of order. With all due respect to the Chair, it may be a point of information for the Chair on this point of order, but when debate is occurring on this particular bill, and we are talking about S-4 and how it applies to marine liability, some may question whether this is part of the debate.

However, when the hon. member rises to speak on whether or not the Senate should have initiated this particular bill, I think the Chair has to keep in mind that the Speaker of the House of Commons has already ruled on S-4 and its legitimacy on whether or not it came from the Senate. I would submit to the Speaker that any references as to whether the bill originated here or there is out of order and we can stick to the issue at hand, which is marine liability.

The Deputy Speaker: I certainly know that the hon. member for Calgary West will want to ensure that he does not reflect on a ruling of the Chair, which as he knows is contrary to the rules of the House. Reflecting on a ruling where the bill has been held to be properly before this Chamber and on which the Speaker has already ruled as I understand it, would be improper. So I know he will want to move his remarks along very smartly and avoid any suggestion that he is reflecting on the ruling of the Chair and discuss the merits of the bill itself.

Mr. Rob Anders: Mr. Speaker, thank you for the comments in terms of the smart comments on behalf of the member for Calgary West. I would never indeed question the good judgment of the Chair. We all value your position, Mr. Speaker, and the contributions that you have made to the House.

I must however talk to the whole idea of this bill not having been considered by five official parties as represented in the House. In its place of origination since the election on June 2, it has only had the representation of two parties, and those not being in this Chamber.

● (1340)

I think that really speaks to whether or not this bill is actually an accountable one, whether or not it circumvents government accountability because indeed, there are five parties represented in the House. If the other three have not had a voice in this piece of legislation and if it did not originate here when it does involve something that has to do with money, then it is a very difficult matter indeed. It strains the democratic accountability of both houses and of Parliament generally.

We think this bill needs to be accountable to the constituents of five respective parties as opposed to just two parties, one of which only represents 7% of the population as it stands here in the House of Commons today.

We do not want Bill S-4 to be reflective of an archaic, unelected, unaccountable and unrepresentative body. We believe that this is a slow erosion of the power of the House of Commons.

I would like to refer to a member who sits in the other Chamber, somebody I talked to just this afternoon. Last year the Senate had 67 sittings of which many of the people in that place only sat for roughly 50% of the time. I would like to go through the math of this for a second. I think it is pertinent. At 67 sittings a year with a salary in excess of \$64,000 a year that would work out—

Mr. Stan Keyes: Mr. Speaker, I rise on a point of order. The debate is not germane to the bill.

The Deputy Speaker: I must say that the Chair is having trouble determining how it is that the number of sitting days in the Senate has any relevance to Bill S-4 which is before us. I would invite the hon. member to move more quickly than he has been moving to get his comments on to the subject matter of the bill.

Mr. Rob Anders: Mr. Speaker, I will quickly wrap up my point with regard to the originators of this bill, the one last point being that the originators of this bill get more than \$1,000 a day. I wrap up by saying that this bill should be referred to the Standing Committee on Procedure and House Affairs. I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill S-4, an act to amend the Canada Shipping Act, be not now read a second time but that the order be discharged, the bill withdrawn and the subject matter thereof referred to the Standing Committee on Procedure and House Affairs.

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The Deputy Speaker: Questions and comments. Resuming debate. On a question, the hon. member for Mississauga South.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I want to seek clarification with regard to the motion that has been tabled. The intent of the motion appears to be motivated by whether or not there is jurisdiction of the Senate to do this. Indeed the House has already dealt with that and it is proper for the Senate to have initiated the bill.

In view of that and in view of the fact that it has been requested that the bill be referred to the committee on procedure and House affairs, I would ask the Speaker to rule on the admissibility of the motion.

The Deputy Speaker: The Chair has ruled that the motion appears to be entirely admissible. The motion does not state any reason for the referral. It simply says that the bill be not now read a second time but that the subject matter be referred to the committee on procedure and House affairs. In the opinion of the Chair, the motion is admissible.

• (1345)

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, in my riding, we have a huge shipyard that is as big as the one in the riding of the hon. member for Saint John. I pay attention any time the issue of shipping is raised because of its connection with shipbuilding.

My riding is right across from Quebec City, on the opposite shore of the St. Lawrence River, on which there is a lot of shipping. So, we in Lévis want to see as many ships as possible. But at the same time, we want to make sure that, should an accident occur, these ships will not harm the environment. Bill S-4 deals with liability for shipping accidents and oil pollution damage.

Personally, I was not in favour of looking for ways to delay passage of this bill, essentially because this bill should have been passed a long time ago. Why has it not been passed into law yet? Because last year, Prime Minister Chrétien decided to call an early election because he feared the impact of the Employment Insurance Act reform on people in the maritimes. That was not a bad idea, since the government majority fell significantly from what it was in the last Parliament, and had he waited until the fall, he would probably have ended up with a minority government.

It may have been a good move for the Prime Minister, but not for this bill to amend the Canada Shipping Act, which was first passed in 1932. The changes will be implemented in stages because the government is not quite ready to put all the new provisions into effect. The government has decided to make the changes required in two stages, and this part covers only what the government is

almost forced to do as a signatory to the 1976 international convention, which was to come into force in 1990, but whose implementation was later postponed to March 31, 1996, at the latest. But the government negotiated an extension which took us to this year.

In the end, having signed an international convention, the government can no longer delay passage of this legislation. When someone does something because he can no longer postpone it, it shows how little he cares about it. The government does so because it is obliged to, because other countries on the international scene have already done so, and it is among the last stragglers, so now it is acting in order to save face. I am shocked by this. The people of Lévis whom I represent, the workers at the Lévis shipyards, are also shocked by the low priority this government gives to shipping. The message it is sending to them is discouraging.

In 1993, the Liberals were so hot to gain power that the Prime Minister's current chief of staff was a Liberal candidate in Quebec City. All the candidates in that region signed an undertaking stating that they found this issue so important that they were going to hold a summit on the future of the shipyards and of shipping as a whole. He was not elected, of course. Perhaps that is why nothing has happened in the area of shipping since then. The government stalls. Then, if the polls seem favourable, an election is called and shipping is forgotten altogether.

This is the most neglected sector in the area of transport. It seems to be the last to get any attention, so much so that the former president of the Canadian shipowners, Mr. Bell I think, waited until after the election to reach his decision, not wishing to get involved in politics.

• (1350)

He had been in that position for a dozen years or so. He commented: "Things are going so badly. They change ministers just about every two years, in transport and for shipbuilding. We cannot figure out where we stand. Things are going so badly that I have decided to step down, because the message I am getting is that this is not an important issue for the Liberal government".

Almost a year into the second Liberal mandate, the Senate finally turns up with this. I am like everybody else. I will not go on any longer on this point, or the parliamentary secretary will be rising to bring me back on topic.

Generally things are not at their fastest in the Senate. When the Senate is faster than the House of Commons and the Liberal government, that means the latter are very slow indeed. It would be almost impossible to get any slower. When the senators push the government to pass something, things are happening. Things are going awry. It has come to that. This is almost a distress call.

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We will of course support this bill and help it through as quickly as possible so there are no problems and to avoid any incidents. We know what the Irving Oil disaster cost taxpayers. There were other incidents in the St. Lawrence. There was the *Exxon Valdez*. Twice ships have run into the Quebec City bridge. Fortunately, hulls were not damaged and there was little oil spilled. We managed to avoid any catastrophes. Is the government going to wait for an environmental catastrophe to happen before introducing a bill?

The Senate is sending the Liberal government a wake-up call.

Mr. Yves Rocheleau: You have to be pretty low.

Mr. Antoine Dubé: Very low indeed, as the member for Trois-Rivières has pointed out.

Some people are citing the Brander-Smith report, which proposes, because of the shoals in the St. Lawrence, that ships with double hulls be built as quickly as possible. With its usual lack of speed, the Liberal government intended to pass this legislation in 2007, in ten years. In the meantime, what we see sailing past are old tubs, most of them under foreign flags. And we should not be worried.

This is the time to be building new ships. For ten years now they have been warning foreign ships about the 20-year limit, but they are still letting them in. Fortunately, in this instance, we have the senators. For once in their lives, at least, they will have proven their usefulness. The senators are trying to get the government to wake up.

The government also turned a deaf ear when other key players spoke. Last August, at the federal-provincial conference held in St. Andrews, the former premier of New Brunswick told his fellow premiers that action was urgently required. He urged the federal government to take action in the shipping industry. Since his resignation, we have not heard him say anything more about the issue, but still, nothing has been done.

I personally do not approve of using delaying tactics to hold up this bill. What I want is a real bill on a real shipping policy, a real shipbuilding policy. This is what workers want, especially but not exclusively in Quebec.

The hon. member for Saint John moved a similar motion last fall. Each party had one speaker address the issue. Everyone, including the opposition, was in agreement, whether in western Canada or in Ontario. After all, the Great Lakes region is also interested in shipping. The parliamentary secretary comes from that region. I know that he is interested in this.

But what is the government waiting for to establish a true shipping policy, a true shipbuilding policy? It should do like the United States, where \$400 million is earmarked every year to

replace the U.S. merchant fleet. It should do like most countries of the world, where shipyards get some support because they are considered important.

• (1355)

Shipping is actually the cheapest mode of transportation. If this activity is conducted properly, if measures such as double hulling are taken, we can avoid accidents or incidents, particularly those involving oil. It is the least expensive mode of transportation, and the least dangerous one from an environmental point of view.

However, using old ships to carry oil can have a major environmental impact, if they sink like the *Irving Whale*. This is why the world fleet must be renewed. Ships entering Canadian waters must be safe. Otherwise, they should get stiff penalties, so that they will think twice before entering our waters and threatening the environmental safety of Canada and of Quebec.

These are the main points I wanted to make on this issue. I will be pleased to answer any questions.

[English]

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, my colleague mentioned the maritimes. I want to thank him for giving me that lead-in to say that we in the maritimes are very supportive of anything that will assist the marine works and shipping industry.

This bill is aimed at dealing with the financial aspect of catastrophes that may take place. There is an important point to be made on preventive action. It has recently been mentioned that the Department of Fisheries and Oceans is going to be cutting back or terminating a lot of the lighthouses in the maritime region.

In my constituency concern has been expressed to me about the safety issues that are presented with that move. We would see that as an important aspect which has to be considered when we talk about marine safety, the preventive aspect as well as the response afterwards. We hope that would be taken into consideration.

One final comment with respect to the terms of endearment used for my hon. colleague from Sackville—Eastern Shore, as I have said in this House before, we need to use respect for each other when we are in this House. The fewer terms of endearment used, the better. That way we will accomplish things in the interests of all.

[Translation]

Mr. Antoine Dubé: Mr. Speaker, I am delighted that the member for Halifax West is also concerned about shipping.

In fact, he comes from a region that is greatly affected by it. Although the bill does not address the issue of navigational aids, he is right to be worried about what is being done in that regard.

On this topic, we in Quebec deplore the fact that icebreaking is now the responsibility of the Department of Fisheries and Oceans. Since the Liberals have been in office, we have lost a lot of icebreakers and now we can no longer ensure marine traffic in winter. This winter, it was not too noticeable, because the weather was warmer than usual, but I agree fully with what my colleague said about safety.

I did not, however, understand his reference to birds. I do not know what he meant.

The Deputy Speaker: There are seven minutes remaining in question and answer period and we will get back to this after Oral Question Period today. We will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

MATHIEU DA COSTA

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, today I rise to commemorate the contribution of Mathieu Da Costa to the building of this country.

Mathieu Da Costa was the first recorded black person in Canada, renowned today for his work as an interpreter and the role he played by bridging the gap between the cultural and linguistic languages between 17th century French explores and the Mi'kmaq people.

Tomorrow we will meet the award winners of the Mathieu Da Costa awards program. This initiative is a partnership between the multiculturalism program of the Department of Canadian Heritage, the Canadian Teachers' Federation and the Canadian Museum of Civilization.

By encouraging students from some 15,000 schools across this great country of ours to learn about the contributions of Canadians of diverse backgrounds, the Mathieu Da Costa awards program fosters a sense of Canadian identity and bridges the gaps between Canadians of all origins.

* * *

● (1400)

THE SENATE

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, the Senate seems to be having some difficulty trying to rid itself of absent Andy, so I may suggest 10 innovative ways to clean out the patronage trough at the other place.

10. Make all airline tickets to Mexico one way only.
9. Just do an honest job evaluation.
8. Cut off the supply of Geritol.

S. O. 31

7. Cut off the supply of alcohol.
 6. Stewed prunes.
 5. Take away the senators' crayons.
 4. Allow the bells to ring during nap time.
 3. Make them try to justify their existence to an ordinary taxpayer.
 2. When we are talking about "attends" we are not talking about a brand name.
- And the No. 1 way to clean up the Senate: elections, elections, elections.

* * *

WHITE CANE WEEK

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, the white cane means freedom, and communities across Canada celebrated freedom during white cane week recently.

This awareness week, organized by the Canadian Council of the Blind and the Canadian National Institute for the Blind, aims to raise awareness about the significance of the white cane.

A person using a white cane is no different from anyone else. Their white cane is an essential tool for travel so that they can get around safely.

There are thousands of Canadians who know firsthand the significance of the white cane. All across Canada people are learning more about blindness and vision loss. I encourage all Canadians to find out what is happening in their community in this regard. Canadians can do so by contacting their local Canadian Council of the Blind office or the Canadian National Institute for the Blind in their area.

* * *

VOLUNTEER FIREFIGHTERS

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Mr. Speaker, on two occasions since I was elected to this House in 1988, I have brought forward to the House motions recommending that the government raise the tax exemption levels for volunteer firefighters.

In June 1994 my motion to raise the tax exemption level was given overwhelming support by all parties. It should be noted that the last time an increase was given was in 1980. Since that time, training and equipment costs have gone up. Those who have purchased the equipment with their own money and who give their time serving their communities have not benefited from the increase in inflation.

I agree with the Minister of Finance that during these times of fiscal restraints we must be careful not to overextend ourselves. However, I would think that all members here would agree that tax breaks could help promote volunteerism in our communities.

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I believe one of the top priorities should be to encourage volunteerism—

The Speaker: The hon. member for Nunavut.

* * *

WINTER OLYMPICS

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I rise today to congratulate all of Canada's athletes at the winter Olympics in Nagano. I want to congratulate the women's hockey team for winning a silver medal for Canada.

Our men's hockey team will be playing for gold. Fifty years ago, the RCAF Flyers won the gold medal for Canada through sheer determination and perseverance. It has not been since 1952 that Canada has won the gold medal in our nation's favourite sport. Canadians from coast to coast to coast and from every territory and province will wait to learn of our great victory.

Canada's Olympians are a source of inspiration and pride for all Canadians, especially our youth. We can all take ownership in Canada's success at the winter Olympics knowing that it is our success that gives us even more reason to celebrate being Canadian.

* * *

THE SENATE

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, this year there will be at least eight seats vacant in the Senate. Canadians want an equal, effective and elected Senate.

The Liberal government has kept up the Tory tradition of using vacant Senate seats as a patronage appoint reward system to pay off Liberal political hacks. The Prime Minister has set a new pork barrel record by appointing 23 Liberal senators.

British Columbia is the most under represented province in the Senate, at least by five seats. B.C. has over 600,000 citizens per senator as compared to around 78,000 in New Brunswick, which has four more senators than B.C. The lack of equality in the Senate is outrageous.

The Calgary declaration calls for treating all citizens and provinces equally. The Liberals are denying the need for equality in the Senate. The Liberals are not allowing Canadians the right to choose their Senate representatives even though in 1990 the Prime Minister said the Liberal government—

The Speaker: The hon. member for Drummond.

• (1405)

[Translation]

NANCY DROLET

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, on Tuesday, February 17, in Nagano, the Canadian women's hockey team won the silver medal in a hotly disputed match against the American team. A young woman from my riding was on this team: Nancy Drolet from Drummondville.

Nancy's record is impressive. She has played in 15 Canadian championships in nine years and twice at the Canada Games. At the international level, the teams she has been a member of have won five gold medals and one silver in six years. And today, Nancy has become an Olympic medalist, an honour we all share.

On behalf of my constituents, I congratulate you, Nancy. Your determination is something else. We wish you all the best in your future endeavours.

* * *

ANNIE PERREAULT

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, the news has just broken that Annie Perreault is the first Quebec woman to win a gold medal in speedskating.

We wish to draw attention to this young woman's courage, as she has coped with a number of difficulties throughout her training. Yet she never gave up, and now has been rewarded with this wonderful win.

Representing Canada is in itself a source of pride to all of the athletes at the Nagano Games. Our thoughts are with them all, each and every minute of these competitions, and we are well aware of how much effort our athletes have put into doing their best for Canada.

In congratulating Annie for her well-deserved win, let us remember all of the other athletes who are over there representing us so worthily, and let us wish them all the best of luck.

* * *

[English]

ZOIE GARDNER

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, today I want to pay tribute to a very special Canadian and Edmontonian. Her name is Zoie Gardner. She recently received the Order of Canada in recognition of her volunteer work and for being a foster mother to 100 kids, as she calls them. She has been doing this labour of love for 60 years.

She began her calling at the age of 19, tending a six-day old infant. By the age of 21 she had 10 kids in her care. She is still

mothering four disabled adults in their thirties and forties. Two of them were her kids since they were six days old.

At 79, Zoie keeps on mothering. She said “I like kids and I enjoy working with them. I have to be busy. I do not mind growing old, but I sure mind growing useless”.

The love of her kids keeps her going. It is nice to see that kind of generosity and kindness being honoured by the Order of Canada.

Zoie is not useless. She is terrific. Way to go.

* * *

NATIONAL LITERACY DAY

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, today is national literacy day and we are calling for continued support and highlighting the connection between prosperity and literacy.

Almost half of Canada’s adult population score at the lowest literacy level. They are unable to reach their full potential as workers, parents and citizens.

Canadians are taking steps to meet this challenge. The national literacy secretariat, other levels of government, libraries and schools are making crucial contributions. But we need to intensify our collective effort. Opportunities to advance Canadian literacy are being missed. In many communities we have willing learners who cannot find programs, or lack of funding closes excellent literacy programs.

Together we must act on the challenges and opportunities ahead for effective literacy teaching and learning.

* * *

[Translation]

SCOUTING

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, the Bloc Québécois is pleased to draw attention to International Guides and Scouts Week.

Scouting, founded by Sir Robert Baden-Powell, offers its members practical lessons in life, in addition to what they receive in their school and family settings.

Thanks are due to the many volunteers, parents, leaders and former members involved in activities to help young people grow and develop. The thousands of people involved in Scouting and Guiding help boys and girls to develop knowledge of self and of others, along with respect for their fellow human beings.

Many of today’s leaders came up through the ranks of Scouts and Guides. I am sure they all have indelible memories of those days.

S. O. 31

I would like to send special greetings to all of the Scout and Guide groups of Laval, and the many volunteers who are helping our young people to develop to their full potential.

* * *

[English]

NEW DEMOCRATIC PARTY

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, while on the topic of globalization, the leader of the NDP is quoted in today’s Toronto *Star* as saying there really is a revolution going on.

Does this mean that the NDP has finally woken up? The NDP leader delayed this conversion to what we have been saying for generations, that we live in a global economy. I am not surprised to see the NDP leader speaking on both sides of the issue. On the one hand her party wants to nationalize banks and hire every unemployed person on the government payroll. On the other hand she wants others to do what her own party is not willing to do, embrace the global free economy.

● (1410)

I invite the leader of the NDP to stand up in the House today and admit that her party policies are and have been completely bankrupt.

I can see Karl Marx rolling in his grave over the loss of yet another devoted socialist.

* * *

ABORIGINAL AFFAIRS

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, to be or not to be, a surplus or a deficit? That is the question to be answered next Tuesday with the release of the federal budget.

Whether there will be a financial surplus or not, the fact remains that there is in this country a human deficit evidenced by high unemployment, high student debtload, high cost of health care, environmental problems and high rates of suicide and other problems among youth, and the crisis around national unity.

While these human deficit problems impact on all communities, they impact most severely on aboriginal communities. Whereas national unity and a deficit free Canada require strong partnerships and whereas the government has recognized aboriginal peoples’ right to self-government and has expressed a willingness to work in partnership, will the Prime Minister guarantee that aboriginal peoples will have their rightful place at future first ministers conferences and constitutional discussions?

Such is a must to have a truly unified and deficit free country.

Oral Questions

[Translation]

ANNIE PERREAULT

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, this morning in Nagano another athlete climbed up onto the top step of the podium. Speed skater Annie Perreault won the 500 metre short track.

I feel very proud when the medals are given out and our national anthem is heard around the world. I am moved even more when the flag is raised for one of our own athletes. The people of the Eastern Townships are eager to see their champion.

This medal combines with our 13 others to make Canadians' performance in these Olympic winter games one of our best.

I thank all our athletes for giving us such exciting moments and for representing us so well.

And congratulations to you, Annie, on your gold medal. We are very proud of you.

* * *

[English]

THE SENATE

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, today the Senate will vote on whether to suspend Andrew Thompson for his lamentable attendance record. Of late, Alberta Senator Ron Ghitter has been championing Senate reform. This is most ironic coming from a Tory patronage appointee who shows up only 50% of the time.

Could Senator Ghitter's sudden conversion be an attempt to shift the focus away from his own sorry attendance record? And whatever could Senator Ghitter mean when he talks of Senate reform? For him it surely could not mean Senate elections. Why? This is the same Ron Ghitter who was first appointed in 1993 to replace Canada's first and only elected Senator, Reform's Stan Waters.

Note to Mr. Ghitter. Perhaps a first step to reforming the Senate should start with your own cushy seat. How about stepping down and giving Albertans the chance to tell you what they think of a tardy Tory Senate appointee who refers to his home province as a "backwater".

The Speaker: Colleagues, I try to give as much latitude as I can in these statements we make every day, but I think we are getting closer and closer to the line where it is becoming a little more unacceptable. So I would ask hon. members to look over their statements before they make them here in the House.

[Translation]

PRO-DÉMOCRATIE COALITION

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, the Parti Québécois government has just given a \$300,000 subsidy to Pro-Démocratie, a group of individuals of various political stripes opposing the reference to the Supreme Court.

Some hon. members: Hear, hear.

Mr. Denis Coderre: The cat is out of the bag. Now we can clearly link these people with a particular persuasion, that of the separatist government.

Some hon. members: Hear, hear.

Mr. Denis Coderre: Pro-Démocratie has nothing democratic about it, since its source of funding advocates separating Quebec from the rest of Canada.

Some hon. members: Hear, hear.

Mr. Denis Coderre: We must call a spade a spade. Let us hope that the group's members have the courage to reveal whom they are working for. I am keen to see how the Conservative leader is going to handle that.

Some hon. members: Hear, hear.

● (1415)

[English]

The Speaker: Colleagues, I am always loathe to intervene when people are applauding for another member. I would hope you would permit me and the other members to hear hon. members' statements in the future.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, during the last election campaign the Prime Minister went on TV and said he would spend 50% of any budget surplus on debt reduction and tax relief. He said relief would come "once the budget has been balanced". There is nothing here about down the road, nothing here about over the mandate. Now the finance minister says he is not constrained by that promise.

Why is the Prime Minister allowing this election promise to be broken by the finance minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have the red book here. To make sure it is well understood, on page 28 it says: "We will allocate our budget surpluses so that over

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the course of our mandate one half will be spent to improve our programs and one half will go to tax cuts and reduction of the debt”.

There is not a big difference between that and what the Minister of Finance said. He said that the 50:50 formula will be applied over the course of the mandate. It is exactly the same thing.

The Reformers are afraid of the next—

The Speaker: The hon. Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, I remember reading the red book on the balcony of the Frontenac Hotel. When ordinary Canadians read this red book it said: “We are moving towards a time when the budget will finally be balanced—When we reach that time, we will allocate every billion dollars”, the first billion, the second billion, the last billion, to debt reduction and tax relief.

When the finance minister says he will not keep that promise, is that not a broken promise like the—

The Speaker: The Right Hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is going to be done over the mandate. That is clear. The budget is coming. For the first time in 30 years it looks like there will be a balanced budget. The Leader of the Opposition is just jealous.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, this has the same shape to it as the GST discussion. I will read it to the Prime Minister again: “We are moving towards a time when the budget will finally be balanced—When we reach that time, we will allocate every billion dollars of fiscal dividend” half to reducing taxes and half to debt reduction.

Can the Prime Minister explain why he is breaking that promise on the very first budget after the last federal election?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I will read very slowly and perhaps I should add the French version too: “We will allocate our budget surpluses”, with an *s* because there will be more than one, “so that over the course of our mandate”, un mandat en français, “one half will be spent to improve our programs and one half will go to tax cuts and reduction of the debt”.

The Minister of Finance, as I said, over the mandate—

The Speaker: The hon. member for Edmonton North.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the GST went way over the course of the mandate of the last Parliament. The Prime Minister went on TV in 1993 and said that he would scrap the GST. He later broke that promise. It was on videotape, though. That was the unfortunate part for the Prime Minister. Then in 1997 he went on national TV and said that he

would spend half the surplus on tax and debt relief “once the budget has been balanced”.

• (1420)

Let me ask the Prime Minister why he always make these promises, breaks these promises and gets trapped by the truth.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is amazing. The budget is coming. They are trying perhaps to find a little contradiction between two texts. It is written very clearly that the surpluses the government will have will be split between programs because we believe there are people in Canada who need help.

We are not the Reform Party. Half of it will go for programs and the other half for tax reduction and deficit payments.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, that is right. What is a little contradiction? Just like the GST was a little contradiction.

The difference between videotape and this red book is that the videotapes never lie. You can see over and over again.

The Prime Minister went on TV and told Canadians that as soon as that budget was balanced—a little contradiction—half of the surplus would go to tax and debt relief.

Why is the government doing the GST fiasco again? Why do Canadians have to sit through another episode of tax, lies and videotapes?

The Speaker: My colleagues, I ask you to stay away from the word lies. I do not like it used in the House of Commons. I assume you do not either.

[*Translation*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, perhaps they will understand better if I explain it in French. We said we were going to spend half the surplus on social and economic programs and the other half on reducing taxes and the debt, over the course of our term of office.

Our term of office is four or five years. So we will do this over four or five years. During this period, they will continue to be in opposition and will have to admit that we are balancing our books, that we are not making empty promises and that we do what we said we would—

The Speaker: The hon. member for Saint-Hyacinthe—Bagot.

* * *

BILL C-28

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, on the GST issue, despite the evidence, the Prime Minister denied having broken his promise until the bitter end.

Oral Questions

In the matter of the apparent conflict of interest involving the Minister of Finance, we are getting a repeat performance. Despite the evidence, the Prime Minister is denying the facts.

Does the Prime Minister not realize that the only way to maintain the credibility of his finance minister—if that is still possible—is to stop denying his responsibility and allow this confusing business to be thoroughly reviewed?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we keep hearing the same things over and over. The ethics counsellor testified before the committee. He said there was no conflict of interest regarding the bill tabled in this House more than two years ago. That part of the bill was under the responsibility of the Secretary of State for Financial Institutions, as has been clearly established.

When the Minister of Finance took office, everyone knew he was a successful businessman involved in international shipping and this has never been a problem. He always made sure that everything was in the hands of the Secretary of State—

The Speaker: The hon. member for Saint-Hyacinthe—Bagot.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the Prime Minister probably recalls that, in 1985, when he was in opposition, he asked for the resignation of Finance Minister Michael Wilson on the basis of an apparent conflict of interest.

Does the Prime Minister realize that we are not going that far, at least not yet, and are only asking that light be shed on this confusing matter?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member sometimes attends sittings of the Standing Committee on Finance. I suggest he uses that venue to ask whatever questions he may have.

The opposition knows full well that we will bring in a balanced budget and they cannot take it. So, they try to hit the Minister of Finance below the belt.

Some hon. members: Oh, oh.

Right Hon. Jean Chrétien: Indeed. But the people of Canada trust the Minister of Finance just as I do.

• (1425)

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, the Minister of Finance put himself in an apparent conflict of interest by sponsoring Bill C-28, which provides major tax exemptions for shipping companies.

Will the Prime Minister admit that the Minister of Finance should have taken other means to avoid any apparent conflict of interest regarding Bill C-28?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is difficult to take better means than not talk about it and have—

Some hon. members: Oh, oh.

Right Hon. Jean Chrétien: He never talked about it with anyone. As provided in the guidelines, the issue was automatically referred to the Secretary of State for Financial Institutions, who did his job and introduced the legislation, through an omnibus bill, two years ago. The opposition did not even notice it.

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, since the ethics commissioner himself said that other means should have been taken to avoid any apparent conflict of interest, can the Prime Minister tell us if his ethics commissioner—who obviously disagrees with him—informed him, as he was duty bound to do, that he did not share the Prime Minister's opinion?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, again, the ethics commissioner clearly said there was no conflict of interest. That is clear to me. All Canadians know that the finance minister's family owns ships. Everyone knows that. It is no secret. It is public knowledge.

Opposition members are trying to discredit the Minister of Finance because he is hurting them by bringing down good budgets and by ensuring that our fiscal house is in order.

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[English]

YOUTH EMPLOYMENT

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Prime Minister.

Today the government announced the student summer jobs program with not one dollar more than last year. Worse, the program promises young people 10,000 fewer jobs than last year.

Remarkably the government had no trouble finding funds for a new promotion program. Is this glitzy promotion package, with its whiz-bang, high tech, all plastic ballpoint pens, in the Prime Minister's view any substitute for real investment in desperately needed jobs for young Canadians?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I thank the leader of the NDP for giving me the opportunity to remind the House that we have actually doubled this year, for the second year in a row, the program available to students.

By doubling that number we are very pleased that it will help over 60,000 students in Canada to get a job and 350,000 more to have the right information about the job market. This is very good news.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the government's press release shows that it is aiming for 10,000 fewer jobs than were created by the program last year.

Oral Questions

Roughly one in every five students in Canada cannot find a summer job and 48,000 fewer young people are working than just two years ago.

Is this warmed over, recycled program an indication of how the Prime Minister intends to eliminate the human deficit that his policies have created? How does a goal of 10,000 fewer jobs help us to eliminate the human deficit?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, we have a youth employment strategy that is working. Last year with a budget of \$120 million, which we doubled for the student summer jobs program, we were able to get to 70,000. I am confident we will get to 70,000 again this year.

The government likes to deliver on its promises. I am guaranteeing over 60,000 and hopefully that number will reach 70,000.

The government has created more than a million jobs in Canada, which will benefit the young as well as the whole Canadian population.

* * *

SALMON FISHERY

Mr. Bill Matthews (Burin—St. George's, PC): Mr. Speaker, it is obvious that Canada's chief negotiator, Yves Fortier, resigned because the government has no political will to resolve the Pacific salmon dispute.

When President Clinton called the Prime Minister to discuss Canada's support in Iraq, did the Prime Minister ask President Clinton to get involved in resolving the Pacific salmon dispute?

• (1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, whenever I talk with the president I always refer to this problem. I hope the American government will be able to help us find a solution.

Canada is willing and was willing to make an agreement. The problem is that there are something like 25 different groups in the United States that have to approve the agreement. That is why it cannot put forward a solution.

We appointed two people to negotiate among themselves. They have made recommendations which we are working on. I hope this will result in an agreement. The president told me that it is his desire to have an agreement, just as it is mine.

Mr. Bill Matthews (Burin—St. George's, PC): Mr. Speaker, the Pacific salmon fishery dispute has caused great hardship for many west coast salmon fishermen. Canada has a very reasonable and defensible position on the Pacific salmon dispute that recognizes the principles of equity and conservation.

In 1996 New Zealand Ambassador Beeby indicated in a report that Canada's position was very defensible. He supported Canada's position.

Has the Prime Minister considered going to international arbitration to settle the Pacific salmon dispute?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I would like to correct one of the misunderstandings in the preamble to the hon. member's first question.

Yves Fortier was our negotiator on this file for four years. We had full confidence in him, confidence which was repeatedly expressed. When he wrote his letters which were tabled in the House a little more than a week ago, it was clear from his letters that he supported our position and vice versa.

With respect to the issue of binding arbitration, we would be very pleased to have binding arbitration. I welcome the Conservative Party's support for that position. But it takes two people to agree to binding arbitration and we have not had that agreement from our American friends.

Finally, I would add that deputy minister—

The Speaker: The hon. member for Battlefords—Lloydminster.

* * *

BILL C-28

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Mr. Speaker, the finance minister is the owner of Canada Steamship Lines. The more money it makes, the more money he makes. It is therefore completely unethical for the finance minister to have sponsored Bill C-28, which could see him personally profit millions of dollars.

My question to the Prime Minister—

The Speaker: My colleagues, I ask you to be very judicious in your choice of words. I would like the hon. member to go right to the question.

Mr. Gerry Ritz: Mr. Speaker, my question to the Prime Minister is why was the finance minister allowed to sponsor this bill.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, from the beginning the minister who acted on this file was the Secretary of State for Finance. It is very clear. The minister was not involved according to the rules that were established when he became Minister of Finance. Everybody knows that.

If the hon. member wants to say that the Minister of Finance is making a profit from it, rather than use the immunity of the House of the Commons, he should go in front of the camera outside and live with the consequences.

Oral Questions

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, the Prime Minister is twisting the facts. Here are the facts that Canadians know.

The finance minister improperly sponsored a bill that would benefit him personally. The ethics counsellor did not find out about it until he read it in the newspaper. Yesterday the ethics counsellor said “I was not informed and I should have been”.

Why did the finance minister compound his unethical behaviour by hiding it from the ethics counsellor?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I said from the beginning that according to the agreement between the Minister of Finance and the ethics counsellor the procedures were followed. The file was given to the Secretary of State for Finance. At no time did the Minister of Finance participate in any discussion on this file.

If the hon. member accuses the Minister of Finance of benefiting from this action, again he should have the guts to make the accusation in front of the camera outside.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister and the Deputy Prime Minister first defended the Minister of Finance by saying that it was the secretary of state who sponsored Bill C-28. They then said he had sponsored clause 241.

• (1435)

Can the Prime Minister explain to us how the individual he identifies as the sponsor of clause 241, the Secretary of State for Financial Institutions, has never defended this clause, which he supposedly sponsored, in the House or in committee?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Because the hon. member did not put a single question to anybody, Mr. Speaker.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I am not the one sponsoring the bill. According to the Prime Minister, the Secretary of State for Financial Institutions is. Let him ask his secretary of state.

Since the answer the Prime Minister has given no longer stands up, as it is obviously not the secretary of state, who has nothing to do with clause 241, what does the Prime Minister have to say now in defence of his finance minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, since the bills at the Department of Finance are very complex—

Some hon. members: Oh, oh.

Right Hon. Jean Chrétien: —everything is done to help the House of Commons examine them fully. There was an omnibus bill that included this clause. It is an omnibus bill. This is a practice that has been around for a very long time.

I was once Minister of Finance as well and the procedure was the same. In money bills, a number of elements are always incorporated and a bill is put together so that the House of Commons can examine all the problems at the same time.

In this particular case—

The Speaker: The hon. member for Langley—Abbotsford.

[English]

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, when he finally heard about the finance minister's conflict of interest he did not call any tax experts. No, he called the companies themselves. Surprise, surprise, the finance minister's own company exonerated itself.

I would like to ask the Prime Minister what is the real use of an ethics counsellor if he really approves unethical behaviour.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I said, there is nothing unethical about it and so said the commissioner in charge of this file. He said that very clearly in front of the committee.

Again, because the finance minister is presenting a budget and it is going to be a good budget, they are completely desperate on the other side and just want to hit below the belt.

That will neither affect the Minister of Finance nor the Canadian public. The Minister of Finance is a man of honesty, integrity and competence and will deliver his budget next Tuesday.

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, in their first red book the Liberals promised that they would not follow Brian Mulroney's ethical example. They said they would appoint an ethics commissioner who would report directly to parliament.

Well, they did not. Their so-called ethics counsellor reports in secret to the Prime Minister. Scandal after scandal and the ethics counsellor always has enough whitewash for the job.

I have a question. What is the use of an ethics counsellor if he just rubber stamps the finance minister's unethical behaviour?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the counsellor was in front of a committee of the House Tuesday and he replied to the question. He did not refuse to go there. He said very clearly that there was no conflict of interest.

Opposition members are desperate. They cannot find anything to attack the government so they are trying to attack the integrity of a

Oral Questions

person who cannot be attacked because he has proven that he is a very competent and honest Minister of Finance. [English]

* * *

[Translation]

REFERENCE TO SUPREME COURT

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Justice. No, the Minister of Intergovernmental Affairs. No, the Prime Minister of Canada.

Some hon. members: Ha, ha.

Mr. Michel Bellehumeur: Yesterday, the Fédération des communautés francophones et acadienne du Canada criticized the federal government's reference. Today, it is the turn of the National Action Committee on the Status of Women. In addition, Mike Harris, the Ontario premier, is openly criticizing the federal government's strategy. The list of those opposing the reference is growing longer.

• (1440)

What is the Prime Minister's response to the remarks by Mike Harris and I quote: "Regardless of what the lawyers say, this is going to get us nowhere"?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Supreme Court is considering the matter. The lawyers are arguing before it. The court will examine the matter and give its decision. I respect the court and leave it to do its job.

If the Bloc Québécois has so many arguments, why was it afraid to send a lawyer to represent it before the Supreme Court?

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, it seems that Ottawa has fewer and fewer arguments.

Quebec says no. Mike Harris says no. Francophones outside Quebec say no. Women's groups in Canada say no. Many other people say no to the federal government's reference.

Will the Prime Minister acknowledge that this course of action has everyone on board a veritable constitutional *Titanic*?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the no that counts is the no of democracy expressed in two referendums when the people of Quebec said no to separation and yes to Canada.

TAXATION

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, what is fascinating about this ongoing saga that we are discussing today is that it has shed some light on the finance minister's shipping company.

Mr. Speaker, did you know that one of the finance minister's big ships, the *Atlantic Erie* is actually registered in the Bahamas? That is not illegal but it says a lot about taxes in this country. Taxes are so high that the finance minister registers his ships where the taxes are lower.

It may be true that it is better in the Bahamas, but will the finance minister ever lower taxes for ordinary Canadians so that ordinary Canadians get tax relief and not just those who can register their ships in a foreign country?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have already done it in the last budget, reducing taxes. We did it on January 1 when we reduced the contribution to the employment insurance program. Hopefully there might be more next Tuesday, but I am not to tell you if I know, and I don't know if I can tell you.

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, I think the Prime Minister is missing the point here. It is no joke that the finance minister is avoiding his own taxes by registering his ships offshore. By flying the flag of the Bahamas instead of the Canadian flag the finance minister's company saves a lot of tax dollars.

I have a question for the Prime Minister on behalf of my constituents. If they raise the Bahamian or the Liberian flag, can they pay less taxes too?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is obvious that the members on the other side are very jealous of the success of the Minister of Finance.

* * *

[Translation]

IRAQ

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

In a letter sent a few days ago to Canadian nationals in Lebanon, Ambassador Daniel Marchand implies that they ought to be prepared to withstand a siege or to evacuate the country, because of the imminent armed conflict with Iraq.

Oral Questions

From this initiative by the ambassador, are we to conclude that the minister considers armed conflict with Iraq not only inevitable, but also liable to spread throughout the entire region?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, we have already issued an advisory to Canadian citizens about the actions they should take in preparation. We want them to keep in very close contact with all the embassies. We have alerted our warden system in the area and we are preparing contingency plans.

We monitor the situation virtually every day with all the departments involved. I can promise the House and all Canadians that we will keep them up to date and give them the best information possible to ensure their security.

* * *

[Translation]

ASSISTANCE TO ICE STORM VICTIMS

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

Our government has already provided substantial financial assistance to individuals and businesses affected by the ice storm. There are, however, others who are not eligible for assistance but who wish to contribute to the reconstruction.

Can our government tell us whether any special measures will be contemplated to assist people who do not meet the criteria but wish to help?

• (1445)

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I am pleased to announce today that another \$5 million will be added to the disaster relief fund administered by my department, thus raising it to \$50 million.

The additional \$5 million will allow still greater flexibility to employers, so that they may hire people who are not eligible for employment insurance or youth employment programs, but could help in the reconstruction.

To date, the Government of Canada has already paid ice storm victims a total of \$270 million, with more to come.

* * *

[English]

BILL C-28

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, we have heard the Prime Minister defend the Minister of Finance in this

debacle regarding Bill C-28. We have heard him say that it is the secretary of state who is handling the file. Bill C-28 says it is the Minister of Finance who sponsored the bill. Do we believe this stuff or do we treat it with contempt? Which is it?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have explained that it is an omnibus bill and that this clause was handled by the secretary of state.

Under the present system, the finance bill has to be tabled under the name of the Minister of Finance. It was clearly established that if there was to be any tax change affecting this industry, the Minister of Finance was not to be briefed by his officials and that the problem was to be handled by the secretary of state for finance. It was the prudent thing to do, to agree with the ethics counsellor.

It is clear that the Minister of Finance followed all the rules.

* * *

FIREARMS REGULATIONS

Mr. Jim Pankiw (Saskatoon—Humboldt, Ref.): Mr. Speaker, Canada has chaired four UN workshops on firearms regulations. Twice I requested that the Minister of Foreign Affairs grant me observer status at these workshops. Both times he denied my request, each time for a different reason. He went on to say that information and access could be obtained if I joined a special interest group. Why does the minister place special interest groups ahead of elected representatives of the Canadian people?

Hon. Lloyd Axworthy (Winnipeg South Centre, Lib.): Mr. Speaker, the hon. member has already received his answer in a letter but I am quite happy to repeat it to him again. The fact is that these working groups are working groups of experts who are brought together. They do not include political people. We told him that we would keep him informed.

* * *

BILL C-28

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, a few days ago, the Deputy Prime Minister said that Bill C-28 does not apply to Canada Steamship Lines. Later the executive director of the tax legislation division of the Department of Finance said yes, these provisions would be available to Canada Steamship Lines. Whose opinion is accurate in this case?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is not quoting either Mr. Farber or myself correctly.

The bill itself only applies to companies not incorporated in Canada. Canada Steamship Lines I understand is not incorporated in Canada.

Oral Questions

What Mr. Farber was referring to was the possibility of a company not now incorporated in Canada going through the expense and trouble of changing its structure. Therefore there is no contradiction.

Once again, I have proven that the NDP has nothing to complain about regarding the economic policies of this government because they cannot find one question to raise about—

The Speaker: The hon. member for Winnipeg North Centre.

* * *

HEALTH CARE

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, my question is for the Minister of Health. For the first time in the history of medicare, deaths are occurring directly as a result of health care cuts and the blood is on his hands.

Some hon. members: Oh, oh.

An hon. member: Shame.

The Speaker: I think the hon. member has pushed the envelope a little too far. I would like her to withdraw the last words about the blood being on his hands. Would you withdraw those words.

Ms. Judy Wasylycia-Leis: Yes, Mr. Speaker.

The Speaker: Now I would ask the hon. member to please go directly to her question.

• (1450)

Ms. Judy Wasylycia-Leis: Mr. Speaker, what will it take for the Minister of Health to stop blaming everyone else, stop giving Canadians nothing but sweet talk and start reinvesting in health care? Will this government stand up for medicare and ensure that no more deaths occur as a result of emergency ward line ups and cutbacks in hospitals?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, we have already started to reinvest. The very first thing this government did, the first step we took after restoring fiscal sanity to the country was to reinvest \$1.5 billion in transfers to the provinces. We established a stable cash floor in exactly the amount that was recommended by the National Forum on Health. If the hon. member would pay more attention to the facts than the characteristically empty rhetoric of the NDP, we would be a lot further ahead.

* * *

FISHERIES

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

This government has destroyed the fishery on the east coast. A positive step in rebuilding this resource would be a realistic plan to buy back fishing licences at today's market value. Many senior fishers would take this opportunity to leave the industry with dignity thus reducing pressure on an already stressed resource.

Will the minister commit to a licence buy back program?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I welcome the hon. member's support for measures taken by this government for licence buy back which on the east coast was over \$100 million and on the west coast was approximately \$80 million.

I would point out to him that the moratorium on groundfish stocks occurred in 1992 when another government happened to be in place, curiously a Progressive Conservative government. The hon. leader of the Progressive Conservative Party was the Minister of the Environment, the closest minister to the minister of fisheries when advising that government on what to do about environmental disasters which Tory policies brought upon the fishing industry on the east coast.

Mr. Gerald Keddy (South Shore, PC): That answer, Mr. Speaker, does not help one single fisherman today. When will this government come to a clear decision? When will this minister put the interest of east coast fishermen ahead of those of the foreign fleets?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, there are no foreign fishing vessels fishing within the 200 mile limit and the hon. member knows that. There are seven vessels outside the 200 mile limit and that is a fraction of what it was during Tory times. The total amount in tonnage of fish taken within the 200 mile limit by foreign vessels today is between one-half and one per cent of what it was when his government was in power.

* * *

TRADE

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, international trade is a cornerstone of the Canadian economy. While we often hear criticisms from the other side of the House about job creation and wealth creation in this country, we hear of no alternatives, particularly from the Reform Party.

In the face of the Asian crisis, can the government and the Minister for International Trade advise this House what the numbers are and how we are doing in the face of this crisis in Asia for creating wealth for Canadian people?

Mr. Julian Reed (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, the figures are so good. I would just like to point out that in December, Canada ran a trade

Oral Questions

surplus of \$1.74 billion. That is \$465 million larger than it was in November. Canadian exports in 1997 reached record levels resulting in more jobs for Canadians. This is the result of the government's policy vision, jobs for Canadians.

* * *

• (1455)

DISASTER RELIEF

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the minister of agriculture recently announced that Quebec farmers will get an extra \$50 million outside the federal disaster relief program to cover losses they have suffered due to the ice storm.

Farmers in the Peace River region of B.C. and Alberta have endured two disastrous years due to excess moisture. Farmers in the maritimes have suffered under the worst drought in a decade. If the minister is going to change the rules for central Canadian farmers, will he show the same flexibility and compassion toward eastern and western farmers so they too can qualify for federal assistance?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, in the cases of the last disasters that were covered by the DFAA, the arrangements for disaster compensation, there have been parallel agreements in the Saguenay, in Manitoba and now in Quebec. We have applied the same rules and the same precedents in all these disasters.

* * *

[Translation]

MEDICAL RESEARCH COUNCIL

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, my question is for the Secretary of State responsible for the Federal Office of Regional Development for Quebec.

A few days ago, the dean of medicine at Université de Montréal deplored the fact that, in Quebec, a considerably smaller number of grants from the Medical Research Council were going to French-speaking universities than to English-speaking universities. Add to that the fact that, in order to be understood, researchers often have to write their papers in English.

Is the minister responsible for FORD-Q, who claims to be concerned with the issue, prepared to remedy this unacceptable situation?

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Mr. Speaker, last week, I had the honour of making an announcement on behalf of the Medical Research Council. It was for a grant of over \$15 million to McGill University and the Université de Montréal.

Some hon. members: Oh, oh.

Hon. Martin Cauchon: If the opposition will let me answer, it is important to understand that the granting process used by the

Medical Research Council is essentially a peer assessment process. What I announced last week was the result of this peer assessment.

Now, the opposition may not like it, but we, on this side, plan to continue to contribute by developing a critical mass in terms of research and development, which will lead to the creation of quality jobs that will pave the way to Quebec's future.

* * *

[English]

THE SENATE

Hon. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, my question is for the Prime Minister if we can get him back to his seat for half a second.

Yesterday the Prime Minister said that he was personally in favour of changing the Senate. He said a requirement that was needed was that the provinces approve this because of the constitution. We all know that. Why will the Prime Minister not take the first step, go where no other prime minister has ever gone before him, and begin the process by tabling in this House a motion to abolish the existing unelected, unaccountable Senate?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I said that it is easy to grandstand but that is not the way we want to operate. The best way to make these changes is to have the agreement of the provinces. We wanted to have an elected Senate but the Senate needs more than to be elected. It needs to be repartitioned.

The member may not want to have a second House although it would be very useful for the regions. I do not think it will advance the case if we just have a resolution at this time. We would like to reform the Senate and the best way is to try to convince the provinces to do so.

* * *

FISHERIES

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The minister is undoubtedly aware of the comment he made which was carried in the *Ottawa Sun* on February 15. I will quote it for him "My primary responsibility is not to fishermen to catch fish. My primary responsibility is to fish itself".

Has this become the attitude and the official policy of the federal government with regard to our fishermen, that the federal government is no longer responsible or concerned about how fishermen earn a living?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the hon. member has shown why Conservatives so consistently were unable to manage the fishery. They do not understand that without fish you cannot have fishermen. This critical fact is completely ignored by the member. He does not realize that to have an effective fishery, to have fishermen with decent incomes, and to enable their families to take part in our society like others who have decent incomes, we need to have an adequate supply of fish. He does not understand that, but he comes

to this House to try to tell us that somehow or another we should ignore conservation and simply allow allocation for fishermen.

* * *

• (1500)

LITERACY

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, today is literacy action day. This gives us all a chance to discover the importance of literacy issues in our communities.

I would like to ask the minister responsible how serious the problem of illiteracy is across Canada and what steps are being taken to overcome this serious problem.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, we will continue to work with our partners to ensure that Canadians have the highest possible literacy skills.

My department is supporting the international adult literacy survey.

While Canadians have some very strong literacy skills, we must ensure that all Canadians can succeed in an advanced economy.

The 1997 budget increased funding to the national literacy secretariat to \$29 million.

I will also be meeting today with representatives of literacy organizations and Senator Joyce Fairbairn, whom I would like to thank very much for her leadership on this issue.

The Speaker: Before going to the ordinary Thursday question I will hear a point of order from the Deputy Prime Minister.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, during question period I inadvertently reversed what I intended to say. The section of Bill C-28 in question does not apply to companies incorporated in Canada and I am informed that Canadian Steamship Lines is incorporated in Canada.

My basic point is correct. The bill does not apply to the present Canada Steamship Lines and I apologize to the House for any inadvertent misstatement on my part during question period.

Points of Order

BUSINESS OF THE HOUSE

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I would like to ask the government House leader if he would inform the House of the business for the rest of this week and for the week following.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to make the business statement to the House and to respond to the opposition House leader.

Today, Friday and up until 4.30 p.m. next Tuesday we will hopefully move through a substantial list of legislation. The bills are as follows: Bill S-4, the marine liability bill; Bill C-29, the Canada Labour Code amendments; Bill C-20, the Competition Act; Bill C-8, the Yukon gas bill; Bill C-6, the Mackenzie Valley bill; and Bill C-12, the RCMP superannuation bill.

I wish to designate Monday as an allotted day. The budget will take place on Tuesday at 4.30 p.m. The budget debate will begin on Wednesday, will proceed on Thursday and we will have the first vote at 5.30 p.m. next Thursday.

The House, pursuant to unanimous agreement made at an earlier time, will not sit on Friday, February 27.

* * *

• (1505)

POINTS OF ORDER

QUESTION PERIOD

Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.): Mr. Speaker, I hate to bring this to your attention but yesterday during question period, while our colleague was asking the Prime Minister a question concerning the Senate of Canada, the debate was continued by the leader of the Bloc Quebecois and a member from our side of the House.

The yelling back and forth absolutely prevented me from hearing the question even with the aid of the interpreter. I had to go back to the blues and to *Hansard* to get the substance of the question. I do not think it is proper conduct in the House when a member cannot hear the question being posed.

The Speaker: My colleague, your point of order is well taken. Once again I appeal to all hon. members that when one member is posing a question or another member is answering a question we would like to be able to hear what both of them are saying. I would encourage you in the future that when one is posing a question or answering a question that we listen attentively unless we are directly involved in it.

*Government Orders***GOVERNMENT ORDERS***[Translation]***CANADA SHIPPING ACT**

The House resumed consideration of the motion that Bill S-4, an Act to amend the Canada Shipping Act (maritime liability), be read the second time and referred to a committee; and of the amendment.

The Deputy Speaker: When debate was interrupted before oral question period, there was, I think, seven minutes left to the period for questions and comments on the hon. member for Lévis' presentation.

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I am pleased to have this opportunity to ask a question to the hon. member for Lévis, who made a brilliant speech on shipping, a few minutes before oral question period. My colleague very eloquently showed the laxness, carelessness, incompetence and negligence of the federal government regarding the management of the St. Lawrence River and all related activities, including port traffic.

The St. Lawrence River is the world's largest inland waterway and 85% of Quebec's population lives along its north and south shores. Yet, the federal government has always been negligent regarding the management of the St. Lawrence River. The hon. member for Lévis made a brilliant presentation on the environmental risks created by this laxness in the protection of the environment, including the dangers posed by oil tankers; as we know, the Quebec City bridge was recently hit twice by oil tankers.

Given all this, could the hon. member tell us how the St. Lawrence River and its neighbouring regions should be managed, in terms of economic and regional development, in the context of a sovereign Quebec?

Mr. Antoine Dubé: Mr. Speaker, that is an excellent question. I would say to the member for Trois-Rivières that there would finally be a government with full jurisdiction that would handle shipping like any normal country would. A normal country would act like the United States, the Scandinavian countries, and the other countries in the world with shipyards. In those countries, they build ships with the help of the government, not in conflict with it, and the passage of ships flying foreign flags with tax advantages and of old vessels that do not meet the standards is not allowed.

A normal country looks after normal things, such as its future in shipping and its economic development, and does not wait for the Senate to wake it up when it comes to shipping issues, the way the Liberal Party has. It is unbelievable. They do not come any slower.

[English]

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

Some hon. members: Question.

• (1510)

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: In accordance with the request of the chief government whip, this vote stands deferred until the conclusion of Government Orders on Monday next.

* * *

CANADA LABOUR CODE

Hon. Lawrence MacAulay (Minister of Labour, Lib.) moved that Bill C-19, an act to amend the Canada Labour Code (Part I) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased to be able to rise in the House and lead off the debate on a bill that I believe is as important as any bill we will introduce in this session. It is for the labour and management stakeholders who are affected by its provisions.

Bill C-19 proposes major changes to part I of the Canada Labour Code, the legislation that provides the framework for collective bargaining for the federal private sector. Members who sat in the last session of Parliament will recognize much that is in this bill. It is very similar to former Bill C-66 which was passed by the House last April. That similarity is not without good reason.

For those who were not in the Chamber during the last session a bit of background might be useful. As hon. members might know, Canada and each of the provinces pass and administer their own labour laws. Jurisdiction is mainly dependent on the nature of the

work being performed. The Canada Labour Code applies to industries that are in many cases of national significance.

These industries often cross provincial and international boundaries. Approximately 700,000 workers and their employers in interprovincial and international transportation, airports and airlines, broadcasting, telecommunications, banking, shipping, long-shoring and grain handling come under federal jurisdiction. The code also applies to some crown corporations, as to private sector operations in the territories.

Although federal jurisdiction is relatively small in terms of numbers it is very important because of the key sectors it covers across the nation.

Amending this legislation which provides a process and procedures to the collective bargaining system is no small matter. Canada has had such labour legislation on its books for most of this century. It has changed over time of course to meet new demands and new circumstances, but it has served us remarkably well, so well in fact that the overwhelming majority of collective agreements in the federal jurisdiction are settled without the ultimate recourse of strike or lockout.

• (1515)

However, part I of the Canada Labour Code has not been substantially revised in over 20 years. In a world of incredibly rapid change on the technology, trade and economic fronts it is beginning to show its age.

In July 1995 the government established a task force of eminent labour relations experts chaired by Edmonton labour lawyer Andrew Sims to conduct an independent review of the legislation. The list of those making oral and written submissions reads like a who's who of Canada's respected union and management organizations.

Close to 50 groups and individuals made oral presentations and almost 90 made written submissions. In short, almost all the major players who would be affected by changes to part I placed before the task force their perspective of where changes were needed.

As part of the process, the task force made use of a key working group known as the labour-management consensus group. On the labour side were representatives of the Canadian Labour Congress, the Confederation of National Trade Unions and the Canadian Federation of Labour. On the employer side were the Federally Regulated Employers in Transportation and Communications, otherwise known as FETCO, the Western Grain Elevator Association and the Canadian Bankers Association. A senior official from the labour program acted as a facilitator for the consensus group.

Government Orders

The group managed to reach agreement on a number of key issues. Many of the group's recommendations became the recommendations of the task force, which in turn have found their way into this legislation.

The task force report was called quite appropriately "Seeking a Balance". It was released in February 1996. The release was followed up with a series of cross-country meetings to hear the views of all the interested parties on the task force recommendations. The result was Bill C-66 introduced on November 4, 1996 and passed by this House in April. The bill was awaiting third reading in the Senate when Parliament was dissolved.

It is important to understand the history of this bill. It is substantially the same as its predecessor. Everything that made that bill balanced and fair, and the end product of extensive consultation with the very people it will affect, applies to this bill. To make sure that we have crossed all our *t*'s and dotted all our *i*'s, since becoming Minister of Labour last June, I spent the summer and much of the fall consulting these very same parties, including such major players as FETCO, the Canadian Bankers Association, the Western Grain Elevator Association, the Canadian Labour Congress and the CSN.

As a result of these discussions and listening to the parties, we have made some drafting changes which I will get to. I want to repeat that the principles and the merits of this bill remain the same. The proposed amendments are in their total endorsed by the main stakeholders. They are needed to bring our collective bargaining process in line with the demands and the realities of the 21st century. The details are best left for our committee hearings. Let me just review its broad strokes and point to where we have made some changes.

The old Canada Labour Relations Board will be replaced with one that is more representative of its clients. The new board will be called the Canada Industrial Relations Board. Like its predecessor, it will be charged with the orderly management of the collective bargaining process. It will have a neutral chair and vice-chairs, and this is the critical part, it will have equal employer and employee representation.

• (1520)

The new board will also have additional powers and responsibilities resulting in a more effective vehicle for addressing labour disputes with greater flexibility to deal quickly with routine matters.

We are introducing changes to representation and successor rights. One of the more important amendments in this group for example provides that when an undertaking moves from provincial to federal jurisdiction either through a sale or a change of activities, both the bargaining rights and the collective agreement will be

Government Orders

carried over. In these fast moving times when ownerships and activities can change rapidly, this protection will prevent needless disruption in labour-management relations.

On the representation side, one of the more contentious amendments for Bill C-66 dealt with providing names and addresses of off site workers to trade union representatives. The workers in question are often home workers or those who, for whatever reason, do not perform their duties at a work site. These employees by virtue of being off site can often be excluded from participating in decisions about collective bargaining.

The concerns of the employer about releasing names and addresses centred around the issue of privacy. Let me assure members that I have listened to these concerns. I consulted with the stakeholders on both sides this past summer and modified this section.

The board will still have the discretion to give an authorized representative of a trade union a list of names and addresses of off site workers. However the board will now have clear authority to act as a transmitter of information itself if it concludes that privacy cannot otherwise be assured.

Furthermore, a statutory prohibition against the use of information provided under this section for other purposes has been added.

Finally, the board may order information to be transmitted to off site employees over the employer's electronic mail system. The employer retains control of operating the system.

I believe we have now succeeded in protecting the privacy rights of off site workers while offering them adequate opportunity of access to union information and decision making.

The bill includes a number of changes to the bargaining cycle designed to speed up the system, improve flexibility and encourage earlier settlement of disputes. A primary objective here is to reduce delays in the collective bargaining process. These amendments cover such matters as extending the period of serving notice to bargain from three months to four months, establishing a streamlined, single stage conciliation process, and the requirement for a secret ballot on strike and lockout votes.

We have also sought to clarify the rights and obligations of the parties during legal strikes and lockouts. The most controversial area was the use of replacement workers. As was the case in the previous bill, there will be no general prohibition on the use of replacement workers during a legal strike or lockout. However their use for the purpose of undermining a trade union's representational capacity would be an unfair labour practice.

Some claimed that the wording did not reflect the intent of the task force recommendation, a recommendation widely accepted by both labour and management as part of a package of recommendations. Others found the wording confusing, alleging that nobody

knew what it meant and that the mere presence of a replacement worker would become unlawful.

• (1525)

While concerns about the clarity of the replacement worker provision in Bill C-66 were debatable, I have decided to act. Again, after consultation with the stakeholders this summer, the provision has been reworded to more accurately reflect the narrative used in the Sims task force majority recommendations.

The provision now explicitly points out that the use of replacement workers for the demonstrated purpose of undermining a union's ability to represent its workers rather than the pursuit of legitimate bargaining objectives will be an unfair labour practice. Where the board determines a violation has occurred, it can order the employer to stop using replacements for the duration of the dispute.

With these changes I believe we have adopted a reasonable middle of the road approach that can be accepted as a workable compromise by both labour and management.

It continues to be the policy of this government that industrial disputes are better settled by the players themselves. Curtailment of rights should only be a last resort and used under certain conditions such as the threat to public safety and health.

The proposed amendments will therefore require labour and management to maintain services necessary to prevent serious and immediate danger to public health or safety during a work stoppage. If they cannot come up with a workable solution for providing such protection, I as Minister of Labour could use my discretion to ask the board to make necessary determinations and directions to the parties to make sure that public health and safety are protected.

We have added particular provisions pertaining to disputes related to grain handling. Grain handlers and their employers will retain the right to strike or lockout. However in the event of a work stoppage involving other parties in port related activities, including longshoring, services to grain vessels being loaded at licensed terminals or transfer elevators must be maintained.

This will address the vast majority of the disruptions to grain exports at Canadian ports, most of which have not involved grain handling disputes directly. In fact since 1972, of the 12 work stoppages governed by the code at the west coast ports which have greatly curtailed grain exports, only three directly involved grain handlers.

The government's commitment to ensure this amendment works remains. The effectiveness of the grain provisions will be reviewed again in 1999 after the next round of west coast longshore bargaining. If this step is not strong enough to protect the vital flow of grain exports from our ports, then stronger measures will have to be considered.

Government Orders

Finally I would like to make a quick mention of the repeal of part II of the Corporations and Labour Unions Returns Act. The act deals with the collection and reporting of statistical information on labour unions.

Under part II of the act, Statistics Canada collects information on nearly every major labour union in Canada. However the agency has found a more effective way of collecting information. The information gathered under the proposed system could result in a more accurate picture of the role of unions in the Canadian labour market.

Statistics Canada proposes to obtain its information directly from Canadian workers. This amendment will save Canadian taxpayers \$300,000 a year and the updated information will be more useful. These are the principal amendments proposed for part I of the Canada Labour Code.

• (1530)

I hope the House will indulge me when I suggest a cautious approach to making changes to this bill. I have outlined its history. The amendments proposed are the end result of many hours of consultation. It is not time to reinvent the wheel. It is not time to cherry pick one item or another to meet the needs of one constituency over another. It is not time to go back to the beginning.

We have the task force report. The bill reflects its work, which in turn reflects the expert input from the very stakeholders it will affect.

Passage of the bill will result in an industrial relations climate where labour and management will be able to resolve their differences in a more efficient and more positive environment. Better labour relations are good for everyone: for the employer, the employee and the people of Canada.

In short, this is balanced legislation. It is fair. It is up to date. It demonstrates that we have listened to Canadians. In large measure it reflects consensus.

There is only one thing left to do. Put it in law. It is time to get the job done.

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, it is a pleasure for me to speak today on Bill C-19, an act to amend the Canada Labour Code (part I) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other acts.

In the last parliament the Minister of Labour attempted to revamp part I of the Canada Labour Code. He failed in that task when his Liberal colleagues in the other place refused to give it expeditious passage.

With the summer to address the flaws in Bill C-66, it appeared that the new and improved legislation would be a priority. It was

the first item on the order paper for this, the 36th Parliament, but it took the minister another six weeks to introduce it and another seven weeks to convince his House leader to schedule it for second reading.

Reformers hoped that the delay would mean a fair and balanced bill would be forthcoming. The minister could have waited longer because the minor adjustments barely make any difference.

Anyone who only had access to the minister's press release would have been fooled into thinking that real improvements were made to the legislation. Closer scrutiny reveals, however, that the few technical changes will not make much difference to this botched attempt to modernize part I of the Canada Labour Code.

The Reform Party proposed a series of amendments to Bill C-66 that would have gone a long way toward improving industrial relations in the country. Had the government not used its majority to squash our proposals, Bill C-66 would have sailed through the House unimpeded and would have easily passed the scrutiny of the other place. Today it would be law and we could turn our attention to cutting the \$600 billion national debt and giving Canadians a much deserved tax break.

Fair and balanced labour laws play an integral part in Canada's ability to attract and hold business. Uncertainty fuelled by the threat of work disruptions can scare away potential investors and cause existing industries to question whether they would be better off elsewhere. As a nation where the unemployment rate for the last four years has hovered around 9% we must take steps to encourage job creation and not scare it away.

So far the government with its dependence on high payroll taxes is doing an exemplary job of discouraging job creation. It is widely acknowledged that high taxes kill jobs. Even the finance minister of the Liberal government agrees with that.

We know government infrastructure programs and other make work projects do not create permanent jobs. Labour legislation and regulations made on a case by case basis will not create jobs either. Stable labour relations will promote investment, reinvestment and those sought after jobs.

• (1535)

It is in the interest of all Canadians to have reliable access to essential services, to keep employment within our borders, and to establish and maintain a reputation as a worldwide reliable exporter of goods.

This reputation is jeopardized whenever we have a work stoppage in one of our key sectors. Take the recent postal impasse for instance. Weeks of uncertainty over whether or not there would be mail delivery created havoc. Not only did it cost Canada Post millions of dollars. It dealt a severe blow to small businesses and

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charities that depend on the pre-Christmas period to ensure their viability.

If the Canada Labour Code contained a permanent dispute settlement mechanism, workers and management would be better off. Customers and business would be assured of a reliable mail service. Yet the government passed up another opportunity to stabilize industrial relations by not including a permanent dispute settlement mechanism in Bill C-19.

The Reform Party has a long term solution, but so far the government has refused to implement it. Final offer selection arbitration is a tool to effectively and permanently control labour issues that fall under federal jurisdiction. It is fair because it does not favour one side over the other.

Here is how it works. If and only if the union and the employer cannot make an agreement by the conclusion of the previous contract, the union and the employer would provide the minister with the name of a person they jointly recommend as arbitrator.

The union and the employer would be required to submit to the arbitrator a list of the matters agreed upon and a list of the matters still under dispute. For disputed issues each party would be required to submit a final offer for settlement.

The arbitrator then selects either the final offer submitted by the trade union or the final offer submitted by the employer: all of one position or all of the other position. The arbitrator's decision would be binding on both parties.

We are saying that rather than go to back to work legislation every time there is a work stoppage in one of these key areas, this tool should be there for management and the union to use. I submit that when this tool is used to its ultimate it is not used at all because it encourages both parties to bargain earnestly and come to a settlement.

As the minister said earlier, the best agreement you can have is one that is agreed to by both parties. I believe the final offer selection arbitration would go a long way to achieving that very goal.

In 1994 one of the first actions of the newly elected Liberal government was to legislate an end to work disruption at the west coast port, back to work legislation. In those days the prime minister did not deem it necessary to have a separate labour minister, so the human resources minister of the day included final offer selection arbitration as a mechanism to settle the dispute between the longshoremens and the port of Vancouver.

Which was it? Was it back to work legislation or was it final offer selection arbitration? It was both. Legislating the parties back to work gets the wheels moving again, but it does not do anything to resolve the issues that are still in question in the contract. They

have to bring in final offer selection to resolve that. There is the precedent for the very thing we have been asking for.

In the wake of the ongoing tensions created by the need for yet another legislated settlement, the government set up an inquiry commission into labour relations at west coast ports. The 200 page report recommended final offer selection arbitration as a way to provide protection to the economy and to the interests of the public and third parties.

It is all very nice for the minister to say that he will be very stern in cases where public safety is at stake, but I think he has an obligation to protect the Canadian economy too. We are all very interested to see our employment figures improve and to see the economy improve. As a minister of the crown he should take very seriously these threats to our national economy.

● (1540)

Obviously this was just another inquiry commission with the main purpose of taking the heat off the government and letting it appear as if it is doing something, because the west coast ports inquiry recommended that final offer selection arbitration be included in labour legislation.

Last week the House debated my private member's bill, Bill C-233, which proposed the use of final offer selection arbitration as a process to prevent costly strikes and lockouts at west coast ports. My bill was based on the very recommendations I just spoke of from that inquiry.

We should not be too surprised at the government's reluctance to implement a permanent solution to crippling strikes and lockouts. There is a recurring and notable reticence by the government to give up control of anything. For that very reason government members think they will be seen as heroes by the voters for legislating an end to work stoppages. They could be real heroes by taking action to prevent an economically crippling work stoppage in the first place.

A costly interruption of government business is not required. While there is need for regulation by various levels of government, it is neither practical nor prudent to implement emergency measures whenever labour and management are unable to reach a satisfactory agreement.

Resolving the differences of these two groups can be achieved without interrupting the regular flow of government proceedings. A permanent and fair resolution process must be put in place, removed from the whims of government. We need permanent legislation that would provide both sides with a predictable rule and timetable by which to negotiate.

The labour-management problems at west coast ports have been studied over and over. Yet this legislation would not solve any of

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the problems at the ports. In fact it will actually complicate and hinder the bargaining process.

At the time of Confederation grain elevators were declared to be for the general advantage of Canada. Since then the government realized what western farmers have always known, that any dispute involving grain handling threatens the Canadian economy and our reputation as a reliable exporter.

The Liberals, I suppose not wanting to be seen as protecting the grain industry from all too frequent work disruptions, included a provision in the legislation guaranteeing the tie-up, the let go and loading of grain vessels, and the movement of those vessels in and out of port in the event of a work stoppage.

On the surface this looks like a positive measure for the grain industry, but like so many of the measures we have seen the government initiate, once we scratch the surface the cracks appear. Since one of the worst fears of grain exporters is that a labour disruption might stop a shipment from reaching the customer, this is a small step forward. It is a baby step. Contrary to the information circulated by some groups, it does not "prohibit third parties from shutting down the flow of grain in the event of a dispute".

The government's meagre concession to grain producers falls far short of ensuring the product reaches market and farmers are not left in the lurch. The disruption in 1995 that brought rail traffic to a halt is still fresh in the minds of western Canadians.

The two year settlement imposed by the back to work legislation expired at the end of last December and some unions have yet to sign a new contract. Failure to reach an agreement could mean a strike or lockout this spring and grain shipments, regardless of the status of the legislation, could come to a standstill.

We are saying that it is fine to load the grain that gets to the port, but if a strike takes place between here and the port there will not be any grain at the port to load.

Grain represents 30% of the business of the port of Vancouver. What about the other 70%?

• (1545)

The negative impact of any port dispute is not limited to grain, nor is its economic impact greater than the implications of the port shutdown on the exporters and importers of other commodities, including forest products, coal, sulphur and potash, to name a few.

The inclusion of provisions such as found in section 87.7, that create an uneven playing field among various sectors of the economy, is unnecessary and not helpful in making Canada an attractive place to visit.

When representatives of groups such as the B.C. Maritime Employers Association, which represents 77 wharf and terminal operators and stevedoring firms in Vancouver and Prince Rupert,

appeared as witnesses before the standing committee on human resources development during the Bill C-66 debate, they told us that the grain provision in this bill could actually worsen the already rocky history of labour disputes at the ports.

The inclusion of final offer selection arbitration in the Canada Labour Code would level the playing field and ensure grain and all other exports are not held hostage.

Another of the technical changes found in Bill C-19 relates to the government's feeble attempts to appease those opposed to the ban on the use of replacement workers. The son of Bill C-66 attempts to clarify the wording, but the end result is still a de facto ban on the use of replacement workers.

The minister says in his statement that no general prohibition of the use of replacement workers is in this bill, but I submit there is a de facto ban.

This provision still gives too much power to the new Canada Industrial Relations Board, which will be hard pressed to deny any union leader's contention that their rights have been violated.

The other issue that was to be clarified over the summer was clause 50, which amends section 109.1 of the Code dealing with union's access to off site workers.

The changing nature of today's work environment has seen an increasingly large number of people working away from the traditional workplace. The government decided to help fledgling union membership by permitting unions to acquire the names and addresses of potential new members. When the privacy commissioner appeared before the committee of the other place studying Bill C-66, he said: "What is missing, as we see it, in clause 50 is the element of consent". That is how we see it, too.

The minister tinkered with clause 50, but the element of consent is still missing. I moved an amendment to Bill C-66 requiring employee consent before the release of any personal information, but of course it was defeated. The inclusion of consent in this bill is crucial.

Once again, the government passed off to the CIRB the authority to make decisions on a case by basis instead of showing real leadership by protecting the rights of Canadian workers. Another major flaw remaining in this legislation is the provision giving the CIRB the authority to certify a union even though a majority of the employees are opposed. How can that be?

Let me refer you to the most publicized case of how this type of provision works against employee wishes. That can be found at the Wal-Mart in Windsor, Ontario. The Ontario Labour Relations Board agreed to certify the union, even though the employees at the Windsor store voted 151 to 43 against it last May.

Canadians should have the right to join a union if the majority of their fellow employees agree. If they are opposed, membership

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should not be forced on them. The workers should be empowered to make the decision, not the Canada Industrial Relations Board.

A mandatory secret ballot is the only fair way to determine if the employees want union representation.

This all powerful board will emerge from the ashes, or perhaps the crumbs, of the Canada Labour Relations Board.

• (1550)

The Canada Labour Relations Board has been in disarray for years and a steady succession of cabinet ministers stood idly by while it struggled. In 1995 a power struggle between the chairman and the vice-chairs over who should assign and schedule cases was played out in the media.

One has to question the effectiveness of such an important quasi-judicial decision making body that was unable to resolve its own problems. It took a mediator and about \$203,000 worth of public funds to settle this internal dispute. At least Bill C-19 reduces the term of employment for the chair and the vice-chairs to five years from the current 10 years. As a Reform Party labour critic I proposed this change to the Sims commission two years ago.

In light of the difficulty the government encountered in its attempt to fire the chairman of the CLRB, Bill C-19 should spell out not only the terms and conditions of employment for the board executive and members, but it should clarify exactly what it means "to hold office during good behaviour". Maybe some expense account guidelines would not be going awry either.

The need for specific policy and enforceable guidelines is essential if the board is ever to regain its credibility. It is absolutely incomprehensible that no one stepped in when the chairman claimed \$700 Paris lunches or charged for travel and meals for other international jaunts. These were deemed okay because of the chairman's position as head of the international board. Where was the benefit in this to the Canadian taxpayers? Surely there should be some stipulation for this kind of activity.

Let us look at how the board operated. In 1994 the chairman apparently informed the members that the CLRB "must address certain financial practices which do not comply with Treasury Board directives or with the spirit of the government's philosophy concerning the expenditure of taxpayers' dollars". The auditor general found this advice was not adhered to or implemented. The chairman did not heed his own directive so why should he expect anyone else at the CLRB to do it?

Meanwhile the Treasury Board, the PMO, the privy council office and a series of labour ministers took no notice. They did

nothing, even when he charged \$53,000 for expenses to attend 28 meetings of the National Academy of Arbitrators.

In 1996 the task force review of the CLRB's performance concluded that decisions were not being made in a timely manner. The auditor general stated: "The problems of the CLRB are due to poor management practice, inadequate paper oriented communications, poor leadership from senior members of the board and a general lack of professionability and accountability which have created a climate which is at times venomous, harassing, stressful and which undoubtedly is eroding morale, the quality and efficiency of the board's work and the board's internal and external credibility and integrity".

That is about as strong a directive as I have ever seen an auditor general use. The things he said leave out nothing. Board members cannot get along, the board cannot function, it does not function in a timely manner, it is not conducting its business, it is in fighting, morale is being eroded and it is stressful and venomous. That is a pretty condemning statement. I applaud the auditor general's courage in making it.

I attempted to have the chairman called as a witness before the Standing Committee on Human Resources Development and the Status of Persons with Disabilities. I sent a formal request to the committee clerk last summer. It would have provided MPs with the opportunity to question the chairman. It also would have given Mr. Weatherill the opportunity he wanted to publicly defend himself. When a meeting was eventually scheduled for some reason it was cancelled. That reason is still unknown to me.

The auditor general's report must be seen as confirmation that things were definitely awry at the Canadian Labour Relations Board.

• (1555)

At this point we have to ask how well Canadian labour and business has been served by this body.

The government has to answer for the longstanding mismanagement at the CLRB. The minister must take steps to ensure that this never happens again. The board's decisions are for all intents and purposes final. While the Federal Court Act allows for a review of the board's decisions, there is no provision allowing this senior judicial body to set aside board decisions if there were legal errors or if the case was handled in an unreasonable way.

This is the situation facing one interprovincial transportation company where both the employer and the employees are dissatisfied with the board's certification ruling. The current Canada Labour Code does not provide them any recourse and Bill C-19 does nothing to help their plight either.

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We cannot support Bill C-19 in its present form for the reasons I have outlined. We will be proposing a series of amendments which will go a long way toward achieving fair and balanced labour laws.

[*Translation*]

The Deputy Speaker: 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 Calgary—Nose Hill, finance; the hon. member for Mississauga West, youth employment.

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I am pleased to speak today for the first time as the Bloc Quebecois labour critic. I am pleased to do so in connection with Bill C-19, which amends the Canada Labour Code (Part I) and the Corporations and Labour Unions Returns Act and makes consequential amendments to other acts.

In summary, this bill implements reforms to the industrial relations provisions of part I of the Canada Labour Code, to provide a framework for collective bargaining that enhances the ability of labour and management to better frame their own agreements and allows workplace disputes to be resolved in a timely and cost effective manner.

The key components are as follows: first, the creation of a representational board, the Canada Industrial Relations Board, with appropriate powers to allow for the timely and cost effective administration of the system. Second, streamlining of the conciliation process. Third, clarification of the rights and obligations of the parties during a work stoppage, including requirements for strike and lockout votes and advance strike and lockout notices. Fourth, a requirement for parties involved in a work stoppage to continue services necessary to protect public health and safety. Fifth, a requirement for the maintenance of services affecting grain shipments in the event of legal work stoppages by any third parties in the ports. Sixth, making the undermining of a trade union's representational capacity during a strike or lockout an unfair legal practice. Seventh, improving access to collective bargaining for off-site workers.

The text also repeals the provisions of the Corporations and Labour Unions Returns Act respecting trade unions.

This is a significant bill, if only because it affects 700,000 workers across Canada, 115,000 of them in Quebec. Its areas of application are enormous: for example, banks, interprovincial and international transportation, airports and air lines, broadcasting and telecommunications, port and shipping operations, grain handling. Many crown corporations are affected by the Canada Labour Code.

This bill addresses part I of the Canada Labour Code, which is on labour relations, while part II deals with occupational health and

safety, and part III with labour standards, or in other words the working conditions in businesses governed by the federal government.

• (1600)

The bill before us was preceded by a vast consultation of stakeholders, which began in June 1995 and which led to the Sims report, named for the chair, which was released in February 1996, nearly two years ago.

Last spring, on the eve of the election, we were considering Bill C-66, which unfortunately did not come to fruition. Today we are looking at the newly arrived bill bearing number C-19.

We will oppose this bill, because, despite vast consultations, no doubt carried out in good faith, the reform is incomplete. The Liberal government lacked the political courage to do what it had to in a number of regards. We have criticisms of various aspects of this bill we are not happy with, starting with the government's change in the name from the Canada Labour Relations Board to the Canada Industrial Relations Board.

It claims to represent the parties. However the clause relating to this, clause 10(2) reads as follows:

—the members of the Board other than the Chairperson and the Vice-Chairpersons are to be appointed by the Governor in Council on the recommendation of the Minister after consultation by the Minister with the organizations representative of employees or employers that the Minister considers appropriate to hold office during good behaviour for terms not exceeding three years each, subject to removal by the Governor in Council at any time for cause.

Therefore the organizations the minister considers appropriate will be consulted, without recourse necessarily—the approach suggested by the parties—to the lists of people suggested by the parties, as employers and employees, for the minister to choose from. That was not the approach chosen by the minister, because it will not automatically be the people considered representative of these associations who will represent them on the Canada Industrial Relations Board. So there is something wrong from the start, which makes this bill rather insensitive, given its pretensions.

There is also the case of the RCMP and its employees. For many years the employees have asked their employer, the federal government, for real power to negotiate their working conditions. A common occurrence in the West. There is nothing outlandish in requesting negotiations that could be successful. The people involved carry out very specific duties and represent the state in a unique capacity as peace officers, but do not have the right to strike. Everything is settled in advance, but they wanted the right to go to arbitration if both sides cannot come to an agreement. The government refused, letting RCMP managers be judge and jury, as has been the case for years, causing a great deal of frustration for RCMP employees.

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It is very disappointing that, despite the golden opportunity provided by this broad consultation it was conducting, the government turned a deaf ear to the RCMP employees' representations, which seem legitimate to us.

The same can be said of public service employees, at least those represented by the Professional Institute of the Public Service and the Public Service Alliance, who have been asking for over ten years to be subject to the Canada Labour Code, and not just to the Public Service Staff Relations Act. This is a situation similar to that of the RCMP. It is a very unfair and unpleasant situation in that the government is both the legislating government and the employer making regulations.

• (1605)

There is no real collective bargaining taking place, it is prohibited, and working conditions are set by the employer. Quite legitimately, federal public service employees want to come under the Canada Labour Code, so that the legislator will no longer be judge and jury but rather have to participate in the normal bargaining process as we know it in the western world.

Compared to the current situation, whether one comes under the Canada Labour Code or the Canada Labour Relations Act makes a world of difference. One has to be a unionized employee, as I was in the Quebec public service, to realize how important things like working conditions are. Job security too is very important. Contrary to popular belief, there is no true job security in the federal public service. Since the employer also makes the laws, it is biased, and it can, even for political motives, lay people off.

For those who may not know it, there is no job security in the federal public service, while significant progress has been made in the private sector. There is currently no protection in the federal public service against the technological changes that may take place, at the expense of workers who are at the mercy of the decisions made by management. These workers have absolutely no say in the restructuring process that may take place following such changes.

We know how significant, traumatizing and threatening these changes can be for someone who earns a living working for the government. Public servants should be allowed to make suggestions to make it easier to cope with technological changes, so that these changes will cause a minimum of hardships to individuals, and so that the new technologies will be at the service of these human beings, and not the reverse.

We cannot understand the spirit that prevails among managers in the public service. We cannot understand why these people are not

more open to such an approach. After all, private businesses, which are the most effective ones, adjusted to technological changes and they made sure their employees accepted these changes, so that the transition would be as smooth as possible.

Public service managers would be a little more modern in their approach if they were receptive to this type of ideas.

The fact that public servants are not governed by the Canada Labour Code but, rather, by the Public Service Staff Relations Act, has a direct impact on their career, which is very important when one works for this type of employer. It is a huge structure with many levels. Employees have no say in the job classification or description process.

If the government agreed to have its employees governed by the Canada Labour Code, these public servants would be able to discuss with their employer—more or less on an equal footing—the very important issues of job classification and description.

Similarly, the appointment, promotion and transfer processes are all very important issues during one's career. They are all part of what the public service refers to as a career plan, an individual's entire professional life, which is not recognized because the government plays the role of both judge and jury.

It is a simple matter of asking the government to give its employees the right to negotiate their working conditions, like millions of other workers in Canada, thereby reducing bargaining restraints by allowing new rights that could be called: the right to strike, such as they have in Quebec's public service, the right to arbitration and the right to grieve, which do not exist right now, the employer being both judge and jury, as we keep saying.

Where the problem arises, where the government has turned a deaf ear to these entirely legitimate claims by the employer, is on the issue of replacement workers. The government does not deserve our support on this, because it has shown a lack of political courage, given the strength of the arguments made.

• (1610)

I will read paragraph 42(2.1) in order to illustrate my point:

42.(2.1) No employer or person acting on behalf of an employer shall use, for the demonstrated purpose of undermining a trade union's representational capacity rather than the pursuit of legitimate bargaining objectives, the services of a person who was not an employee in the bargaining unit on the date on which notice to bargain collectively was given and was hired or assigned after that date to perform all or part of the duties of an employee in the bargaining unit on strike or locked out.

You will have noted, as did my colleague, the member for Hochelaga—Maisonneuve, last spring, the convoluted wording, behind which the meaning and particularly the government's will are difficult to find. The only obvious thing is this government's

typical failure to take a stand, except where the Constitution is concerned.

Far from making it illegal to hire scabs, to call them what they are, or replacement workers, this practice legalizes, legitimizes, supports the hiring by an employer of such workers. When the bill says that no employer shall undermine a trade union's representational capacity, as in the passage I read earlier, what it is really setting out to do is to undermine the union's strike force with respect to the employer, who is authorized by law to hire replacement workers, or scabs.

It would have been so easy to follow Quebec's example. Here, as in many other areas, Quebec is an example of civilization and harmony. In 1977, René Lévesque, with the then Labour Minister Pierre-Marc Johnson, had the strong support of his cabinet, although there was no consensus among Quebeckers, any more than there is consensus among members of the Canadian public today. Management is obviously not keen on the idea. It was not keen in Quebec, it is not keen in Canada, it is certainly not keen in the United States, and it is probably not keen in France either. In all western countries, there is no doubt that it goes very much against an employer's grain to be prohibited from engaging replacement workers to maintain production when employees are on strike.

It is a question of balance of power, however. This was what the Government of Quebec realized in 1977, even though there was no consensus. But fortunately the legislation was passed in 1977. The Quebec Liberal Party took office in 1985, and never dared to tamper with Quebec's antiscab legislation, although Mr. Scowen, a cabinet member, was mandated by the government to study the issue and recommended that it be amended. In its wisdom, the Bourassa government decided not to follow his advice.

There was even a ruling by the supreme court in favour of the Conseil du patronat. Members have heard of the wonderful supreme court. Once again, in 1991, it overturned the law and authorized the Conseil du patronat to pursue its case to overturn the antiscab legislation. The Conseil du Patronat also had the wisdom, heaven only knows why, not to take advantage of the opening being handed to it by the Supreme Court to take its case further. That is very significant.

Why? Because further examination revealed that, since the introduction of antiscab legislation, strikes were 35% shorter and violence non-existent on picket lines. These are signs of civilization. These are signs of social progress that Canada, our neighbour, should be emulating. No, it preferred to turn a deaf ear to the very legitimate claims of unions in this regard.

The solution would simply have been to declare the hiring of replacement workers or scabs an unfair practice by the employer,

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just as other practices have been declared unfair under the Canada Labour Code. The definition of unfair practice is an important one. It is an allegation that an employer, a union or an individual has taken part in an activity prohibited under the Canada Labour Code.

• (1615)

Here are some examples of unfair practices: changing the conditions of employment after notification of an application for certification; negotiating in bad faith, if it can be demonstrated—this is an unfair practice recognized in the Canada Labour Code; interfering in the business of the union is an unfair practice on the part of the employer; failing to fulfil its duty of fair representation is an unfair practice on the part of the union; failing to provide members with financial statements is also an unfair practice under the Canada Labour Code and is subject to a penalty.

Why not simply recognize that the hiring of scabs is an unfair practice under the Canada Labour Code? This is the bill's major flaw.

The hiring of replacement workers should be recognized as an unfair practice. The government cannot plead ignorance, because our research is based on the opinions and representations made by labour unions during the consultations.

Let me read two paragraphs in the brief submitted by the CSN at the hearings:

The lack of antiscab provisions is a fundamental flaw that has the effect of prolonging labour disputes and creating an imbalance that prevents free collective bargaining.

The hiring of scabs during a labour dispute is a source of frustration and violence. The presence of scabs being escorted by private security agencies, when it is not the police paid for with our taxes, is upsetting. It is difficult for employees who have made the reputation of a business or of an institution to see scabs crossing the picket lines every day.

I also want to read the very moving testimony given at these hearings by Claude Tremblay, the president of the Ogilvie workers union. This strike in Quebec was a very long one because the employer hired scabs. I will read long excerpts from the brief submitted at the time by Mr. Tremblay:

The 110 workers I represent were more or less forced out on strike on June 6, 1994 after close to two years of unproductive negotiations with our new employer, the American giant Archer Daniels Midland (ADM). After an attempt to force us to accept its collective agreement, ADM took advantage of a loophole in the Canada Labour Code to impose it on us effective December 10, 1993. In fact, legal precedents applying to the Canada Labour Relations Board allow an employer to unilaterally modify working conditions, once the right to strike or lockout is acquired, even though our previous collective agreement called for it to be in effect until renewed. Unfortunately, these precedents provide—and the Canada Labour Code has nothing to say on the matter—that such clauses are illegal and do not prevent the employer from taking advantage of the legal vacuum.

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Since this employer-imposed agreement did away with our seniority rights and the employer was threatening lay-offs that were not in order of seniority, we were forced to walk out in order to prevent the employer from doing this and also to force it to maintain what we had acquired over more than 30 years.

Powerful employers like ADM, and most of the employers subject to the Canada Labour Code, have plenty of power already without being given the additional power to impose their working conditions as soon as they are entitled to lock out workers.

As a union, we believe that collective agreements should be maintained by law, at least until the right to strike is exercised. As well, the act ought to permit inclusion in a collective agreement of a clause allowing the working conditions it contains to remain in effect until renewal.

The act not only authorizes the use of strikebreakers, it encourages it.

● (1620)

I will continue reading Mr. Tremblay's letter.

After nearly 16 months of striking we managed to wring an ordinary collective agreement—ordinary within the context of Quebec—out of ADM. However, it was extraordinary compared to the American pattern of agreement ADM had forced on its employees in over 138 collective agreements throughout its empire.

The paragraph that follows is very significant. There is no explanation for the government's insensitivity to these representations.

Day in and day out, week in and week out, month in and month out, we endured subtle, underhanded and persistent violence. The violence of watching scabs stealing our rights, trucks entering and leaving full of wheat or flour, the CUM police arresting colleagues for nothing, security guards hired by ADM spying on us with cameras on public roads and up to our doorsteps, as if we were some sort of scum.

The worst part was discovering on our return to work that the scabs had botched our production so badly as to threaten the quality of Five Roses flour. This reputation for quality is surely the best guarantee of our jobs. The law, however, encourages short-sighted employers to threaten the survival of a business by allowing them to use unskilled workers, only to give them a psychological advantage against us in negotiations.

How was this useful to ADM if, in its back to work agreement, the company not only agreed to fire these scabs but also promised not to rehire them for the duration of the collective agreement?

Not only does the Canada Labour Code not prohibit the hiring of scabs, but the employment office in Verdun was even called upon to recruit them. Two months after the end of a 15 month long strike, 29 of our members, those with the least seniority, were not called back to work. Yet, they too had fought for the seniority rules that eventually had those with more seniority called back to work. These guys all had between 12 and 26 years of seniority and good and loyal uninterrupted service. They had contributed to the UI plan during all these years. Just the same, they did not qualify for benefits, while the scabs, who had worked unlawfully for 16 months, were treated with kid gloves and got full unemployment benefits.

It seems to us that this is a system that clearly works against workers who democratically decide to fight for their rights, against powerful and faceless companies like ADM, which pocket more than US \$500 million in net profits every year.

We are definitely in favour of prohibiting the use of scabs in the Canada Labour Code, in order to send a very clear message to foreign employers like ADM. Their investments are welcome in Canada and Quebec, provided that they show a minimum of respect for our ways. And these rules cannot be easily broken, because the Government of Canada, supposedly the government of Canadian workers, will have given us the tools to resist if they want to challenge the consensus.

To those who think that prohibiting the use of scabs changes the balance unfairly in favour of the unions, I say "Have a look at things in Quebec and draw your own conclusions". Workers do not enjoy being on strike. They exercise their right to strike only when they have no other choice, because it always ends up costing them a lot. In passing, if you can get yourself a worthwhile job when you are on strike, you let me know, particularly when unemployment seems forever high.

Instead of changing the balance in favour of the unions, prohibiting employers to use scabs brings the forces back into balance to a point that favours more reasonable negotiations where both employer and union work to quickly find a common ground, develop relations that will enable them to reconcile their divergent interests and find solutions that reflect their convergent interests.

That is why we want—

This is still the president, representing the CSN, speaking:

—the Canada Labour Code to be amended to prohibit the use of strikebreakers within the same meaning as in the Quebec labour code.

● (1625)

It is regrettable that the Government of Canada was not more receptive to this appeal, a dramatic one from a president speaking reasonably, honestly and courageously on behalf of his membership in a desire to advance the cause by suggesting useful amendments to the Canada Labour Code. But this government preferred to listen to management and cronies, as it so often does.

In conclusion, I draw members' attention to this issue of antiscab legislation, which exists in Quebec, but not in Canada, giving a constitutional flavour to the debate. In Quebec right now there are three categories of workers, which might very well get unionized employees in Quebec governed by the Canada Labour Code thinking. On the eve of the next referendum, people should give some thought to the fact that Quebec—not that we are boasting—is ahead of Canada in this area.

There are three categories of workers: non-unionized workers, unionized workers governed by the Quebec labour code and unionized workers who are protected by antiscab legislation in Quebec, and Quebec workers whose employment is governed by the Canada Labour Code, and who, if they ever went on strike, could see scabs turn up at any time and take away their jobs because they are governed by Canadian legislation that applies in Quebec.

In a sovereign Quebec, all Quebec workers governed by the Quebec labour code would be safe from the sudden arrival of scabs to undermine their strike force. I think this is something that could become important when Quebecers are called upon in the near future, I am sure, to decide which side they are on. I think that here, as in other matters, Quebec shows itself to be a civilized, and

forward-looking society, whose progress on social issues is unparalleled in the western world.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am happy to rise today to take a bit of a different approach from the other opposition parties who have spoken already. Both the official opposition and the Bloc Québécois have spoken against Bill C-19 for very different reasons. The NDP caucus is in favour of Bill C-19 and I would like to elaborate on some of the reasons we have taken that position.

I concur with many of the remarks made by the Minister of Labour. He spoke at length about the spirit of co-operation and consultation that went into arriving at the changes to the Canada Labour Code contained in Bill C-19. That in itself is a process we want to recognize and value for future consultations. By all accounts it was truly comprehensive and thorough. All the people who should have been spoken to were and had ample opportunity to make their views known. I do not think we could have done a more comprehensive job in consultation around the country.

It has been noted already that the Canada Labour Code provides a framework for collective bargaining for over 700,000 Canadian workers. It is incumbent on us to move speedy passage of Bill C-19 for those 700,000 workers who will benefit from much of the new amendments and changes to the code in making their workplaces more fair, more balanced and more equitable.

• (1630)

Bill C-19 and its predecessor bill, Bill C-66, represent the first significant amendments to this legislation since the early 1970s. This is a review which we both welcome but think is long overdue.

As has been said, in June 1995 the task force chaired by Andrew Sims conducted a complete review of the code and recommended these legislative changes. The task force held public hearings and the working group of labour and management officials was able to reach consensus on a number of key issues. Its report "Seeking a Balance" was publicly released in February of 1996 and in April of that year the Minister of Labour held meetings in a variety of locations to hear the views of all interested parties who cared to make a contribution.

Bill C-66, unfortunately, was awaiting third reading in the Senate when Parliament was dissolved for the federal election. Were it not for that we would be enjoying some of the benefits of the bill today.

To his credit, the current Minister of Labour has continued consultations with interested parties and while there have been

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changes to the wording of a few provisions, notably those dealing with replacement workers and off site workers, we are satisfied that these changes do not substantially alter the intent of the clauses and we are therefore pleased to report that our caucus can support Bill C-19. Like most Canadians, we look forward to its speedy passage through the House of Commons.

I commend those who participated in the process from labour, management and government for the work they have done in arriving at these changes. I believe they have demonstrated a spirit of co-operation which is essential when dealing in matters of industrial relations, and their ability to do so bodes well for the long term stability which we all seek to achieve in this country's labour relations climate.

The NDP caucus believes that the Canada Labour Code, like any labour relations act, can and should be an instrument which fosters industrial relations harmony, economic stability and labour peace. We believe that the proposed amendments bring this legislation that much closer to those principles.

We commend the proposed amendments which call for the establishment of a truly representational Canada industrial labour relations board composed of a neutral chair and members from both labour and management. We believe this is a positive step which will more closely resemble the composition of provincial labour relations boards and which will be very much a vast improvement over the current Canada Labour Relations Board.

We also applaud the fact that the newly configured board will be given greater flexibility to deal quickly with urgent or time sensitive matters. It will be a dramatic improvement when a single vice-chair will be able to determine some cases rather than waiting for the current three member panel which would be required to hear cases in the current configuration.

The current board structure has often been unable to respond quickly to matters brought before it, even when a delay can seriously jeopardize the case of the applicant, and we are critical that as many as 90 applications for certification are currently pending and waiting to be heard, especially when it is well known and well documented that unreasonable delays often cause the erosion of the applicant union's support in matters of application for certification. We feel this situation is unfair to working people who have applied to be represented by a union of their choice and we hope that the matter can be corrected quickly by the introduction of these amendments.

Proposals under the category of representation and successor rights recognize the right of the employers to communicate with employees during union organizing drives. We caution the government that the proposed language in this clause has not been tested

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and that there is a great deal of room for abuse in provisions of this kind.

Anyone who is familiar with industrial relations knows that it is common practice for employers to try to thwart union organizing drives by using threats of plant closure, layoff or other negative consequences which are allegedly stemming from the employees' choice to form or join a union.

It is our belief that employers should be barred completely from communicating with employees in any matter pertaining to their right to join or to form a union. Even the most subtle interference by an employer can intimidate an employee in these situations.

• (1635)

For these reasons we are glad that other amendments in Bill C-19 enable the board to remedy such unfair labour practices by granting automatic certification to an applicant union despite lack of evidence of majority support from the employees if the board is of the opinion that unfair labour practices such as threats or intimidation or coercion have made it impossible to determine the true wishes of the employees by use of a secret ballot because they fear some kind of negative reprisal from the employer.

This provision is similar to what already exists in a number of provincial jurisdictions and it is very important and key to the fairness of the whole organizing process.

Another important provision under this category enables the board to give an applicant union a list of names and addresses of off site employees who might work at home or some place other than the normal work place.

This amendment we feel reflects the changing nature of the workplace, and more and more workers have non-traditional work arrangements and may not be present at an employer's main workplace when a union organizer comes to distribute information.

So it is only fair and reasonable that these workers who work at home or elsewhere should have access to the same information, the same literature the union might be promoting in the same way that it is only fair that they have a right to accept or reject the union's overtures. The union should have the right to communicate with all the employees in the bargaining unit and we applaud this measure.

Bill C-19 also contains positive amendments designed to clarify the rights and obligations of the parties during legal strikes and lockouts. It is understood there will be no general prohibition on the use of scabs during a legal strike or lockout. The use of scabs for the demonstrated purpose of undermining a union's representational capacity will be considered an unfair labour practice.

I agree fully with the previous speaker from the Bloc Québécois that this language does not go far enough to protect the rights of workers and in fact many unions that made representation to the Sims task force spoke very strongly that absolute anti-scab legislation was necessary in any fair and civilized country that truly is trying to balance its labour relations climate. The province of Quebec is a good example, and I am glad the previous speaker spoke very eloquently about the impact of anti-scab legislation in that province.

It is true the statistics and the empirical evidence bear out the fact that anti-scab legislation results in fewer strikes, shorter strikes, less picket line violence, in fact no picket lines because you do not need a picket line. Picket lines are designed to keep scabs out. It is simply the right thing to do.

We are very disappointed and we are very critical that Bill C-19 does not give workers the satisfaction. We are certainly not satisfied that we have done enough in this regard. This provision falls well short of true anti-scab legislation. At best it is a very weak compromise position. It just barely recognizes the legitimacy of the arguments associated with the use of scabs in strikes and lockouts. The empirical evidence is easily available from as close as the province of Quebec.

Obviously we wish this language were much stronger. It is not meant to be in this round of amendments to the labour code. As such, there was a great deal of give and take and compromise in the development of these amendments. This is one of those things not meant to be in 1997.

We are, however, pleased that the code will guarantee that employees who are on strike or locked out will return to work before any scabs hired to replace them. In other words, there will be job protection for employees who are forced out of their jobs by either strike or lockout. They will go back to work first of course and they will have priority in any hiring.

The jury is in on this one. There can be no doubt of the basic fairness of this issue. I think even my colleague from the Reform Party would have to agree that it is only right and it is only fair.

It is clear that a great deal of time and energy was spent by the task force looking for ways to ensure that work stoppages do not endanger public health and safety, and also to maintain grain exports during work stoppages involving port operations. Those two things were key and paramount and had to be dealt with.

Under the new legislation the parties will be required to maintain certain services necessary to prevent danger to public health or safety during a work stoppage.

• (1640)

While the grain handlers and their employers will retain the right to strike and the right to lockout, services to grain vessels will be

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maintained. That point should be made very clearly and people should understand that there is nothing to stop the grain handlers or their employers from striking. It is not a no-strike clause. But grain will continue to go through even if there is a strike or a lockout or a work stoppage of any kind.

We feel this aspect of the code is of great interest to the farm community, to the agricultural industry and to the Canadian economy in general. These changes will address once and for all concerns about work stoppages interfering with the marketing of our grain exports and I am confident that all parties can see the value in this amendment.

Again, this is one of those areas where there was a great deal of generosity and good will and compromise from all the parties around the table because it was brought as an issue to the task force. The task force recognized that it is in the common good that grain should go through and in fact it has resolved it once and for all.

It is the nature of this type of legislation that we are never going to please everybody and no stakeholder is going to be fully satisfied that all of their concerns are addressed, but in this instance I suggest it is the best we can do and I hope all the parties can see fit to support it on this basis if for no other reason.

Even they do not like other aspects of this bill, this clause alone, the movement of grain, is of such critical importance that all parties should be getting behind Bill C-19 to deal with it.

However, in the case of Bill C-19, we are doing better than average. A diverse cross-section of associations and organizations approve of Bill C-19. They range fully from the Canadian Chamber of Commerce to the Canadian Labour Congress and all the groups in between. They believe that these amendments to Bill C-19 are the right thing to do and are a positive step forward.

We are optimistic that all the parties in the House of Commons can see the value of these amendments to the Canada Labour Code and will vote in favour of Bill C-19 when called on to do so.

We should always remember that we have an enviable labour relations climate in this country. As the Minister of Labour pointed out, almost all negotiations under the jurisdiction of the Canada Labour Code are resolved with no time lost and no strike, no lockout, no labour unrest whatsoever. A figure as high as 95% to 97% of all the bargaining and all the collective agreements are settled peacefully and amicably with both parties getting what they need through the collective bargaining process.

It is a myth that the country loses significant productivity due to strikes and lockouts. We will often have negative people saying this. In actual fact in the province of Manitoba we lose about 50,000 person days a year to strikes and lockouts. It sounds like a

lot, except we lose 500,000 days a year to workplace injuries, accidents and illness.

If we are really serious about productivity and about the economic impact of lost time due to work stoppages, cleaning up our work places would do a lot more good than being a nattering nabob and griping about strikes and lockouts all the time when in actual fact it is a myth. We have created a tempest in a teapot for ideological reasons. The actual facts do not bear it out.

Those who criticize this country's labour laws and regulations and those who think that unions cause a lot of strikes and lockouts usually do not know the facts. They do not know the facts and figures like the numbers I just gave.

The facts are collective bargaining does not in itself cause a significant loss of productive time. Therefore measures are not necessary to try to address that. It is unsafe workplaces, I argue, that cause the significant loss of productivity.

Our caucus supports the changes to part I of the labour code but we ask this government to go further. We ask this government to move quickly to review part II and part III of the Canada Labour Code, and some steps in those directions are already under way, so that we can really update and revamp the entire code to make it a more balanced and fair piece of legislation, especially in the case of part II which deals with workplace safety and health.

The time has come for Canadians to take seriously the issue of workplace safety and health, if not for ethical reasons or the obvious downside of people getting injured, for the economic reasons I have pointed out, the hundreds of thousands of productive days lost to workplace injuries. Surely if we can put a man on the moon we can design methods of production that do not result in significant harm to workers.

• (1645)

It has always been a sore point for me that workplace injuries and workplace deaths rarely make the newspapers. If someone is stabbed or murdered in the streets of Winnipeg it is going to be front page news. However if someone is injured on the job, we somehow resign ourselves to the fact that some industries are dangerous, people get hurt, accidents happen. This is simply not true. We cannot tolerate it and we should not be tolerating that kind of an attitude.

In Manitoba there are fatal workplace accidents every year. There are enough amputated limbs, digits and toes to fill a pick-up truck every year. It is a graphic illustration about how unsafe our workplaces really are. We really do not know how many are slowly being poisoned by some kind of chemical soup they are forced to work with or the impact of various types of chemicals when

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harmless chemical *A* meets with harmless chemical *B* and if our kidneys create chemical *C* which is in fact harmful to the workers.

Maybe I am hypersensitive about this particular issue. When I was young, age 18 to 20, I worked in the asbestos mines in the Yukon. At that time asbestos was not recognized as an occupational hazard. Workers compensation did not cover asbestos because it denied it was bad for us. When we asked if it was true that this stuff was supposed to be bad for us, the foreman would say "No, it is harmless so do not worry about it". As a result we were covered with the stuff. It gets up your nose, it gets in your ears, it gets under your armpits and it is on your clothes when you go home.

In actual fact, within two years of quitting the mine and being lied to by those people who did know better, an announcement was made internationally that there was no such thing as a safe level asbestos. One part per billion is too much asbestos. It is carcinogenic and it is hazardous at any level.

That is the kind of example we are dealing with. We do not know how many substances are like that in workplaces. It is that much more critical that we have to revamp the labour code to offer real, solid protection to Canadian workers.

We do have WHMIS. We have WHMIS legislation. We have the right to refuse unsafe work. We do not have it updated and modernized and clearly stated so that it can act in a way that will protect the interest of working people.

As much as we are in favour of part I of the code, we strongly encourage the government to move quickly on part II and part III, finish the job and move forward with it.

In terms of workers and taking care of themselves in hazardous conditions, any further amendments to the code must have some recognition of whistle blowing protection. Workers do not dare sound the alarm for unsafe conditions for fear of being slapped with a lawsuit.

I speak again from my personal background. I shut down a job one time because the scaffolding was so dangerous that it was a hazard to the people working there. Within a few days that same scaffolding fell over on to the emergency room of a hospital. It punctured the roof, caused half a million dollars in damage and almost killed a bunch of people waiting for medical services in the emergency room.

The case went to court, the judge found the company not guilty and there was no fault or blame assigned. The company sued me for turning the company in and saying that it had unsafe working conditions on site. It wanted \$80,000 damages because I damaged the reputation of the company by saying its scaffolding was unsafe when it fell over on to the hospital. I was okay. I was working for a union and the union picked up my tab. Normal workers do not have

that protective umbrella. Without some kind of whistle blowing protection they would never be able to protect themselves.

We urge the speedy passage of Bill C-19.

The Speaker: My colleagues, we are going to have questions and comments for 10 minutes. I see two members standing so we will split their time.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I agree with the member for Winnipeg Centre that Bill C-19 is good legislation. I am not sure about the amendments, but the bill is good. I disagree with him on the remark he made about asbestos.

There are countries in Europe that are currently proposing banning asbestos. That would be devastating for asbestos workers across Canada. It is based on the same misinformation that the member for Winnipeg Centre cited.

• (1650)

In fact the International Labour Organization in Geneva, with which the Canadian labour union movement operates very, very closely, has developed a convention that has been approved by the ILO. It talks about the safe use of asbestos and ways of applying and installing asbestos safely. I would ask the member to please check his facts on that.

I would like to comment briefly if I could on the comments earlier by the Reform labour critic. We have had this debate before in this House very briefly. It has to do with final offer selection arbitration. Again I come back and ask the member, if there is a system where they either accept one position or the other, it seems to me that what there is is one happy party and one unhappy party. I am not sure that is the way we should solve labour disputes in Canada.

I am reminded again of some of the ironies of Reform policy positions. On the one hand, they will say we should let the market decide, but there are big exceptions when it comes to labour negotiations when it affects prairie farmers. I would have to say at the outset I have a lot of empathy with the plight of the prairie farmers when it comes to getting their product to market, and all Canadians do. On the one hand they say to let the market decide and on the other hand they say when it comes to labour-management negotiations as it affects wheat shipments to the ports that we should put in this final offer selection arbitration where neither party will be happy with the results.

I think we should pause and reflect on these proposals by the members opposite.

Mr. Pat Martin: Mr. Speaker, I would like to speak to the issue about the safe levels of asbestos. There is no safe level of asbestos. One part per billion is unsafe. There are handling procedures. It is much like a class 4 virology laboratory. Everything has to be double sealed in a pressurized environment. Workers have to

change their clothes as they go into the chambers and when they go out.

It is so complicated that the cost of removing asbestos in a building 20 years old is greater than the cost of building the building.

I know a lot about asbestos. We teach the courses on how to work safely with asbestos with our union because sometimes it is unavoidable.

In the building I am in, the Wellington Building, they are trying to remove the asbestos from that building because they are concerned that one part per billion in the air will cause hazards.

There is a famous case of a little girl who would ride her bicycle to the mine in Asbestos, Quebec to bring her father his lunch only during the summer holidays. Maybe a couple of times a year she would bring her dad his lunch to the mine. She wound up with asbestosis after the 20-year incubation period. There is no safe limit.

It is criminal for countries to be dumping asbestos into the third world and everyone knows it.

If I could just quickly comment on final offer selection, I have very strong views about final offer selection. I have used final offer selection in my own collective bargaining where it was allowed under the legislation in the province of Manitoba. It is not a solution. It is not a magic bullet. The Reform Party keeps revisiting this as though it is some new idea. It is nowhere near a new idea. It is not even a very good idea. It has very limited value in the labour relations climate and that is why it is rarely used.

I would have to agree with the previous speaker that final offer selection is highly overrated. It is a tool in the tool chest of labour relations practitioners who can use it if they both see fit. But any time it is legislated, it will lose its value and it will corrupt the whole labour relations process.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I find the member from Winnipeg and his comments rather alarming in the sense that he is from an agricultural province and he sure does not understand the system when it comes to the unions and how they can tie up grain as it moves across the country.

• (1655)

I have a couple of questions. One specific question I would like to ask the member is if the brotherhood of electrical workers decides to go on strike and the other unions, the maintenance of way, the Canadian Auto Workers, the stevedores who may load the ship, and the grain handlers do not, does he think for one minute that any of those other unions are not going to cross the picket line in support of their brothers?

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I find it rather alarming that he would even suggest to this House and to those who are listening that the unions are not that tightly bound and that this legislation does not solve that problem.

Being that the member is from an agricultural province, I can be certain about one thing, he knows absolutely nothing about grain handling.

Mr. John Solomon: He is from Manitoba.

Mr. Art Hanger: So what if he is from Manitoba, that is an agricultural province is it not? He is not speaking on behalf of the farmers, nor does he even understand the losses that farmers have obtained through these kinds of foolish antics where the unions have tied up grain movement across the western provinces to the port of Vancouver.

How is the member, and the members across the way who formulated this legislation, going to see that the interests of the farmers are being paid attention to?

Mr. Pat Martin: Mr. Speaker, I am happy to answer as best I can, but I found it to be a very convoluted question. The member does not fully understand what is going on here in terms of Bill C-19.

Bill C-19 states that even if there is a strike or a lockout from any of those unions that are under federal jurisdiction, grain will continue to be shipped with no interruption not only to the port but loaded onto ships and beyond. The member does not fully understand. The changes to this are making his argument for him. Bill C-19 means that grain will move even if any one of those unions or all of those unions go on strike.

Mr. Art Hanger: It does not.

Mr. Pat Martin: Yes, it is true. The grain will be loaded onto the ships and it will be shipped out.

The member is saying that other unions will cross the picket line to go with their brothers. I do not think he really understands how labour relations work.

The province of Manitoba does have a great agricultural industry. I have grown up with it so I probably know as much about it as the member does. I do not think he really did his homework or he would not be so flummoxed about this whole situation.

Mr. Art Hanger: You haven't done yours.

Mr. Pat Martin: You are wrong. You are fundamentally wrong. You are absolutely wrong.

[*Translation*]

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, several months after indicating its intent to introduce a bill to amend part I of the Canada Labour Code, the government has finally got around to introducing Bill C-19 in the House.

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One might have thought that, after such a long wait, the government would have made some constructive changes. One might have thought that it would also have taken the time to amend its bill so as to respond to the legitimate concerns voiced on all sides during the last Parliament. But no.

[*English*]

In June 1995 the Minister of Labour appointed a task force of labour relations experts chaired by Andrew Sims to conduct an independent review and recommend changes to part I of the Canada Labour Code. Its report "Seeking a Balance", also referred to as the Sims report, was released in February 1996.

After consultation with unions and business representatives, the former Minister of Labour introduced Bill C-66 in November 1996 during the last Parliament. Bill C-66 was rushed through the House of Commons. The Senate social affairs committee gave it careful consideration and PC senators outlined major flaws in the bill, especially with respect to replacement workers, off site workers and union certification without the majority vote.

On November 6, 1997 the Minister of Labour introduced Bill C-19, vastly similar to its predecessor Bill C-66. The minor amendments proposed to the bill do not go far enough to allay some of the concerns raised during the last Parliament.

[*Translation*]

Unfortunately, the government chose to make half-hearted changes. Instead of concerning itself with developing the best legislation possible, it chose the easy route.

• (1700)

This is a great pity, for the bill we are examining is intended to substantially modernize industrial relations. This is the first time in 25 years that part I of the Canada Labour Code has undergone a thorough revision.

That is one more reason to make sure the proposed changes stand up to the closest of scrutinies. If we have to wait another 25 years for any changes to this bill, let us make sure that the proposed amendments are properly tailored to the reality of today's and tomorrow's work place.

Our actions throughout this entire process will be prompted by that concern, to develop a bill that is fair and equitable for all. The Sims report is entitled "Seeking a Balance", and that is what we too are seeking, a balance between interests and parties.

Like a number of the others who have spoken out, we too hope that the government will make an effort to resist the temptation to

ram this bill through without allowing the lawmakers time to analyze the impact of these amendments.

Let us be perfectly clear, it is not our wish to delay passage of this bill unduly. What we do want is for all parties concerned to have the opportunity to bring out their points of view.

We know how important the proposed changes to the Canada Labour Code are. As I indicated earlier, we have legitimate concerns, which we hope to address in greater detail at subsequent stages of this bill.

For the moment, our reservations are such that we cannot vote in favour of this bill as this stage in the legislative process.

[*English*]

One of the concerns we have with the bill as it stands deals with replacement workers. Understandably this is one of the most contentious issues for all parties concerned. For the Sims task force this issue is one of the few on which the authors could not agree.

One of the authors argued in favour of a complete ban on the use of replacement workers, as is the case in labour legislation in Quebec and British Columbia.

The majority argued against a general ban on the use of replacement workers and said:

There should be no general prohibition on the use of replacement workers.

Where the use of replacement workers in a dispute is demonstrated to be for the purpose of undermining the union's representative capacity rather than the pursuit of legitimate bargaining objectives, this should be declared an unfair labour practice.

In the event of a finding of such an unfair labour practice, the Board should be given the specific remedial power to prohibit the future use of replacement workers in a dispute.

Bill C-66 did not stipulate clearly that there was no ban on the use of replacement workers. Instead it stated that no employer or person shall use the services of a replacement worker for the purpose of undermining a trade union's representational capacity.

During Senate hearings no one seemed to know how the terms of the bill would be interpreted. For instance, this is what Nancy Riche of the Canadian Labour Congress had to say:

[*Translation*]

"This is a very interesting clause but no one seems to know how it will be interpreted. We will know that only after the first case has been heard by the CIRB."

[*English*]

What constitutes an unfair labour practice and what constitutes undermining a trade union's representational capacity were left in the air for the new Canada Industrial Relations Board to interpret.

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In their report senators from all parties urged the new CIRB to respect the findings of the Sims task force in interpreting and applying the provisions concerning replacement workers.

As a result the government made changes to the replacement workers provisions in Bill C-19. The bill now stipulates that no employer or person shall use a replacement worker for the demonstrated purpose of undermining a trade union's representational capacity rather than the pursuit of legitimate bargaining objectives.

• (1705)

While this formulation comes closer to what the Sims task force had in mind, in our opinion it is still not made clear enough that it is an exceptional measure meant to address reprehensible behaviour on the part of an employer.

As senators argued in Bill C-66, there is a fundamental difference between using replacement workers to ensure that the employer may carry on its normal business during a strike and using them for the purpose of undermining a union's representational capacity. The mere use of replacement workers does not in and of itself raise the presumption of unfair bargaining practices. These arguments still ring true in Bill C-19.

The bill as it stands does not properly address the meaning of the wording used. As further evidence, here is what the Ottawa *Citizen* has said about these provisions in its November 21, 1997 editorial. It stated:

Technically, the ban (on replacement workers) would apply only to workers whose employment would undermine the "representational capacity" of the union.

But since strikes are a tool unions use in representing workers, and replacement workers make strikes less effective, it is hard to imagine any of them that would not fit that definition—

Furthermore, an article in the *Financial Post* expressed the following concerns:

—now that they've had time to read the fine print, the major industries affected aren't so pleased—The revised code will still allow federally regulated industries, some of which are key to keeping the economy running, to use replacement workers during a strike or lockout, but not if it is seen to undermine a union's representational capacity.

What this means exactly isn't entirely clear. Also, the wording of this provision may prevent management transferring people from other parts of the company to keep operations going.

[*Translation*]

Another big concern of ours has to do with unions having access to lists of off site workers.

The Sims work force recognized the need to balance the opportunity for off site workers to consider the benefits of collective bargaining or take advantage of these benefits against their right to privacy and personal security.

With Bill C-66, the government legislated that the new Canada industrial relations board may provide an authorized representative of a labour union a list of the names and addresses of employees who normally work at home for an employer and allow this representative to contact them.

Even though the minister stated he had consulted the Department of Justice to make sure the privacy of off site workers would not be jeopardized, the Senate committee heard the Privacy Commissioner of Canada, who had serious reservations about the provisions of the bill.

The minister at the time even suggested that the privacy commissioner's concerns were not legitimate. He tried to minimize them by intimating that they arose from management lobbying.

However, the offices of the privacy commissioner and the information commissioner are independent offices, accountable to Parliament and no one else, the same way that the auditor general is for instance. By minimizing these concerns, the minister could justify sweeping them under the carpet.

Granted, the current minister tried, albeit unsuccessfully, to correct the situation with Bill C-19. He added a statutory prohibition on the use of information provided under this clause.

In addition, he further defined the board's power to release information to off site workers or to instruct the employer to do so through its electronic communications system.

• (1710)

Unfortunately, these amendments do not appear to be enough. This time, the minister's officials consulted with the privacy commissioner, who said that he still had some reservations about the provisions of the bill, particularly the infamous clauses 50 and 54.

[*English*]

I am running out of time so I will only address one other issue of concern even though there are more. It is the case of the new board's ability to allow certification without a majority of employees having voted for unionization. The board can do this if it feels there has been an unfair labour practice on the part of the employer. In Bill C-19 the legislation remains unchanged on this point.

In the 1997 election we proposed to strengthen worker protection under federal labour laws giving workers more democratic powers by requiring secret ballots and votes on union representations and decisions.

Such reforms were enacted by former Conservative Prime Minister Margaret Thatcher in Britain. They have proven so popular with workers that they are now endorsed by the Labour Party under Tony Blair.

Government Orders

Instead of ensuring more democratic power to workers, the government has chosen the way of ill-conceived legislation that has proven to have bizarre interpretations in other jurisdictions, to say the least.

I would like to bring to the attention of the House a situation that occurred recently in Windsor where the Ontario Labour Relations Board, armed with provisions similar to those in Bill C-19, ruled that a minority of workers could impose their will on the majority because of an alleged unfair labour practice on the part of management.

What was the unfair labour practice? The managers of the store asked whether it would close if it were unionized, followed legal advice and refused to comment. What were they supposed to say? A yes almost certainly would have been judged to be intimidation, but a no would have led to lawsuits had higher labour cost in fact put the store out of business.

It would also have helped the union's case immeasurably, which an employer should not be obligated to do. In the OLRB's view, the managers' refusal to answer was such a grievous violation of workers' rights that it invalidated not only this but any future vote.

Since the managers could not avoid unfair labour practices by saying yes, saying no or saying nothing, it is reasonably clear that legislation of this sort has some peculiar implications.

Knowing the implications of such provisions, we should be wary of enacting the same ones here.

[Translation]

I will end by touching very briefly on a few other issues that concern us regarding the bill.

We support the provisions to the effect that the grain would continue to move in the event of a work stoppage at ports. However, we are prepared to look at the impact of extending this protection to other sectors.

We also feel that the repeal of part II of the Corporations and Labour Unions Returns Act is suspicious and could deprive Canadians of valuable information on unions.

These issues and many more will be reviewed when Bill C-19 is examined in committee. Again, I hope we can conduct a serious and thorough review of this bill. It will ensure the quality of the legislation passed by this House.

[English]

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I was interested in the member's comments. I would like his opinion on a couple of points that have not been addressed in a thorough manner. They deal with the old board with a new name.

• (1715)

This board has a fair amount of power and yet does not seem to have an opportunity for any kind of recourse for a decision that it may make, regardless of how it may impact on either of the parties. In other words, there is no appeal, for the most part.

First of all, with the power granted to this board it can certify a union, for one thing, without the consent of the majority of the employees. I am curious about the member's opinion on that point.

The CIRB can also order an employer to release to the union the names and addresses of off site employees, which again can be done without employee consent. Again, there is a fair amount of power associated with that kind of decision making. I am wondering what the member thinks of that.

Another point has always been a concern here, especially so since the Liberal government has a tendency to really love these quasi-judicial bodies. They can make decisions and the minister can stand up in the House and say "I cannot do anything about that. That is a quasi-judicial body and I cannot interfere with any decisions it makes". And there are lots of them over there.

It takes away the responsibility of the minister in dealing with the issue at hand. In other words, he is no longer accountable. I see the same kind of events taking place here with this new labour relations board.

When the board makes a decision, its intents and purposes are supposed to be final. Although the federal court says it will allow for a review of the board's decision, there is no provision allowing this senior judicial body to set aside the board's decisions even if they were legal errors or if the case was handled in an unreasonable way. What is the recourse that an employer would have? What is the recourse even that an employee or group of employees would have?

Mr. Jean Dubé: Madam Speaker, I would like to thank the member for Calgary Northeast to give me the opportunity to stand again and speak more on this matter.

I agree with the hon. member. One of the situations that I put in my speech is when we look at the situation of the store manager where the vote was 151 to 43, and they installed the union anyway, what is the recourse for the company here? What is the recourse for the employees who did not want it?

There are other vehicles that we can put in place. When there is a strike, where it becomes violent and tension starts to build is when replacement workers are brought in. There is no vehicle put in place where the employer and the unions can meet in trying to alleviate this tension, this violence. I suggest that we might even talk about having a vehicle put in place to bring down violence in Canada.

In every strike, where it starts is exactly right there. When replacement workers start to come in, we see broken windows, we see everything happening.

Coming back to that 151 to 43, I wonder if the government today would pass legislation if we had the same vote, 151 against and 43 for. Would it pass legislation anyway?

Mr. Art Hanger: Madam Speaker, I asked a question of the member for Winnipeg. Of course he, living in an urban area, working in a neat little office, tucked away in some high-rise building, would not understand what some of the farmers have to go through and the losses which are incurred when a strike takes place. Being from the legal profession, that gentleman answers from that point of view.

• (1720)

When it comes to the average hardworking farmer or those in the industries related to farming, he is not really addressing their concerns. I do not think he really wants to, given the fact that the courtroom is where so much of this is decided. This legislation fits into that whole scheme of things.

I would like to ask the member to look at clause 87.7(1) which concerns services to grain vessels—

Mr. John Solomon: Madam Speaker, I rise on a point of order. The member of the Reform Party has referred to my colleague from Winnipeg Centre as a lawyer and the record should show that my colleague is not a lawyer, he is a carpenter.

Mr. Art Hanger: I am sorry, Madam Speaker. I did not mean to tarnish his image.

Clause 87.7(1) states:

During a strike or lockout not prohibited by this part, an employer in the longshoring industry, or other industry included in paragraph (a) of the definition “federal work, undertaking or business” in section 2, its employees and their bargaining agent shall continue to provide the services they normally provide to ensure the tie-up, let-go and loading of grain vessels at licensed terminal and transfer elevators, and the movement of the grain vessels in and out of a port.

In the member’s interpretation of that clause I would ask him if he understands that to mean just dockside and in close vicinity to the grain handling on that end, or does it really apply to the whole myriad of unions involved in grain handling and rail transport from the prairies?

Mr. Jean Dubé: Madam Speaker, I am not from a grain area, I am from New Brunswick. But the member for Brandon—Souris is the only member of our party who is from western Canada, and believe me, I know about grain. I did not know anything before I came to this place, but I know now.

As far as the comment of the member is concerned, in my speech I supported the movement of grain in Canada.

Government Orders

I would also want to look at other industries. Hopefully it applies to all ports and all unions. That is my understanding. I do not know if it is his understanding. If grain is shipped through western Canada, through eastern Canada or wherever, farmers should be able to ship that grain through whatever means available, whether it be via trains or the ports. They are all federally regulated.

The comments of the hon. member are well taken. I certainly approve of that.

Mrs. Brenda Chamberlain (Parliamentary Secretary to Minister of Labour, Lib.): Madam Speaker, since it is almost 5.30 p.m. and I have about a nine minute speech, I would like to ask that the House allow me to deliver my speech even if it goes over the time permitted by two or three minutes. Would there be consent for me to do that?

The Acting Speaker (Ms. Thibeault): Does the House give its consent?

Some hon. members: Agreed.

Mrs. Brenda Chamberlain: Madam Speaker, I appreciate the niceness of my colleagues this evening.

I am pleased to stand today in support of Bill C-19, an act to amend part I of the Canada Labour Code.

An important conclusion of the Sims task force, whose work contributed greatly to this bill, was that the Canada Labour Code is generally accepted by labour and management groups as a viable framework which has facilitated collective bargaining in the federally regulated private sector.

• (1725)

Accordingly, the bill does not seek to drastically overhaul the Canada Labour Code. Rather, it seeks to bring the code more into line with present realities.

This bill has two very important objectives, to update regulations governing the collective bargaining process so that it can function more effectively, and to improve the efficiency of the administration of the federal labour law. Both of these objectives are very timely.

The last time part I of the Canada Labour Code was subjected to comprehensive amendments was in the early 1970s. As my colleagues will appreciate, the federally regulated private sector workplace, to which the code applies, has been subject to a number of significant changes since then.

Privatization of government services has meant the transfer of some jobs from the public service to the private sector. They are now regulated by the code. Deregulation policies such as open skies and the elimination of the Crow rate have changed the conditions of competition in a number of industries regulated by the code.

Government Orders

This has had a direct impact on collective bargaining as unions and management have realized that a work stoppage can have a serious impact on market share and profitability.

Changes in trade policies, the adoption of new technologies and changing market conditions have also had significant effect on the federally regulated private sector.

In the face of these changes, unions have generally been on the defensive. Employers have pressed for industrial change and the very existence of collective bargaining has come under some scrutiny.

I reject the view that collective bargaining is no longer relevant. The freedom of workers to organize and bargain collectively is a cornerstone of our democratic, market based society. It is the means by which employees claim a proper reward for their efforts.

Canadian employers also benefit from a collective bargaining system. It helps to ensure stability, predictability and efficiency. For example, more than 95% of collective agreements in Canada are negotiated without a work stoppage. When problems do occur, the services of experienced and effective mediators and conciliators are available to assist in finding solutions.

Economic growth and social development depend as much on social relations and social processes as on technology and capital. In times of dramatic economic change, globalization and new trading blocs, it is important that we have in place an efficient, effective and responsive collective bargaining system.

I would like to discuss just a few of the measures contained in this legislation which will ensure that we have such a system in place as we face the challenges of the future.

This bill would significantly improve the administration of part I of the code by restructuring the Canada Labour Relations Board. The non-representational CLRB would be replaced with a representational Canada industrial relations board. The new board would be made up of a neutral chairperson and vice-chairpersons and equal numbers of board members representing labour and management groups. This would increase the confidence of those appearing before the board that their submissions are fully understood and properly reviewed.

Decisions made by the board, especially those involving the exercise of the board's discretion, would be more credible in the eyes of both labour and management.

The appointment of part time regional representatives of labour and management would significantly improve the cost effectiveness of the board, allow the board to benefit from the expertise of persons who are active on each side in the labour relations and

foster links between the board and the labour relations communities.

Measures to reorganize the board contained in the bill would also make it more flexible, allowing it to respond much more quickly to both routine and emergency issues. Rather than a three member panel, for example, a single vice-chairperson would be able to resolve some cases. In some cases such as preliminary motions or requests for the extension of time limits this simply makes sense.

• (1730)

Access to the board would be enhanced by a repeal of the provision which requires the parties to obtain ministerial consent before filing an allegation of bad faith bargaining. This would be particularly significant in cases where an immediate hearing is needed to break a deadlock in negotiations.

This bill would give grievance arbitrators a number of important new procedural powers. These would make for a more flexible and efficient arbitration process and would be an important step in ensuring that grievance arbitration is reserved for the resolution of disputes that the parties cannot resolve on their own. These new powers are necessary because the arbitration process has become more and more complex.

I believe that the administration of the Canada Labour Code would also be enhanced by the provisions in the bill to strengthen the federal mediation and conciliation service. This service is important and has repeatedly proven extremely effective in helping management and labour to reach collective agreements. The economic impact of work stoppages prevented by the FMCS is incalculable.

A final provision of the bill which would improve the administration of the code is the requirement that the Minister of Labour meet occasionally with representatives of labour and employer groups and with labour relations experts. This will allow the minister to receive advice and feedback from the labour relations community, a good thing I would think.

One of the benefits of Canada's long history of free collective bargaining has been the development of an exceptionally talented labour relations community. It is appropriate that the code be amended so that the minister can take full advantage of the talents of our mediators, facilitators, arbitrators, fact finders, adjudicators and labour relations academics.

Time prevents me from discussing the many other provisions of this legislation which will improve the effectiveness and efficiency of the Canada Labour Code. Allow me to conclude by saying simply that this bill recognizes what labour and management groups have already said, that the code is an effective framework for collective bargaining in the federally regulated private sector. The bill seeks to improve the efficiency and relevance of this

framework and not to replace it. Faith in collective bargaining and in the labour relations community is central to this bill.

The provisions of the bill are based on extensive consultations with union leaders, representatives of employer groups and other interested parties across the country. Although these parties agree that part I of the Canada Labour Code has functioned well in the past to provide a stable environment for collective bargaining, they also agree that the time has come to amend the code, to make sure it continues to function well into the next century.

I am proud to support this legislation because I believe that it will help both employers and employees in the federal jurisdiction by providing them with the type of modern and relevant collective bargaining and labour-management system that they deserve.

This bill deserves all of our support.

The Acting Speaker (Ms. Thibeault): It being 5.33 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 HEAD START PROGRAM

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.) moved:

That, in the opinion of this House, the government should: (a) develop, along with their provincial counterparts, a comprehensive National Head Start Program for children in their first 8 years of life; (b) ensure that this integrated program involves both hospitals and schools, and is modelled on the experiences of the Moncton Head Start Program, Hawaii Head Start Program, and PERRY Pre-School Program; and (c) ensure that the program is implemented by the year 2000.

He said: Madam Speaker, some years ago I was working in a jail as a physician. A couple of young women, 13 and 14 year old prostitutes and IV drug abusers were sitting across from me. They were incarcerated for the nth time in this institution. After examining them I said that I did not think they would live to see their 18th birthdays. They smiled and said quite softly that they probably did not see any need to live to 18 years of age anyway.

• (1735)

They were individuals who had endured many years of suffering. Their parents were prostitutes. They had lived on the streets since

they were 10. They started hooking at the age of 12 and started mainlining drugs at the age of 13.

I was wrong. It was not that they did not live to see their 18th birthdays; they did not live to see their 15th birthdays. One young woman was found murdered at the end of a lonely road. I saw the other one while doing rounds on the pediatric ward. She had suffered a massive stroke after a cocaine overdose.

We see the children who are affected by the problems in our society. We look at those who are in custody in detention centres. While their history does not exonerate them for their actions, perhaps looking at their history will provide us with a clue as to how they got there.

The vast majority of those children in detention centres have suffered years and years of abuse in environments we would not wish on anybody. Years of neglect, sexual abuse, violence, malnourishment, complete lack of parental involvement in their upbringing. These are the histories of so many of those children. Our response historically has been the expensive management of these children while they are in jail.

Through Motion No. 261 I am trying to change our focus, to look not at the management of crime but to use some of our existing resources in the prevention of crime and to look at the root causes of crime. Parental neglect, child abuse, physical abuse, the witnessing of abuse, malnourishment, even the absence of proper parental involvement with the children, all of these things play a role in the development and damage of an individual's psyche.

Recent medical evidence has demonstrated quite conclusively, from things such as the positron emission tomographer, that the development of a normal psyche starts while the fetus is growing in the womb of the mother. At that time events can take place that can radically change the ability of that individual to function properly in society, such as the exposure to alcohol.

After the child is born the exposure to abuse, neglect and malnourishment all have a profound effect on the ability of the child to develop the underpinnings of a normal psyche which enables them to become a productive, integrated member of society who can have normal interpersonal relationships. Destroy the development of that individual at that critical time in the first eight years of life and we have a child that at best often develops personality disorders, conduct disorders or at worst, becomes incarcerated in jail.

We have to move our thinking and engage in a paradigm shift. If there is one thing I hope the government and its members, as members on our side and in fact in all political parties will do is to recognize the fact that prevention is more important than management. It is a lot cheaper and more effective for us to deal with these problems from time zero than to try to manage the situation when the child is incarcerated in an institution.

Private Members' Business

We have to change our thinking. If the government were to adopt this motion it would be the single greatest paradigm shift in social policy thinking in this country in the last 20 years. It would radically save a lot of money and dramatically change the lives, welfare and well-being of so many children, particularly some of the most underprivileged children in our society.

The motion is based on a few programs. I would like to give credit today to the member for Moncton who has been a leader in our country and in fact the world on developing the Moncton head start program. She has done an outstanding job.

I would also like to pay credit to my colleague from Saanich—Gulf Islands. He has done an outstanding job in our hometown of Victoria in trying as a lawyer and now as a parliamentarian to develop ways in which we can not only address individuals who are incarcerated now but also to engage in prevention.

• (1740)

The motion is based on three programs, one of which is the Moncton head start program which the member for Moncton was a leader in starting. This program recognizes that there needs to be parental involvement in the development of children. It started in 1974. It brings together high risk families in an environment where the parents are involved with the children in learning things that sometimes we take for granted, nutrition, proper parenting skills, the importance of play, the importance of having quality time with those children.

It is interesting to note that many of those parents did not themselves have good parenting skills because their parents did not have good parenting skills. The cycle continues and in order to break that cycle, sometimes active intervention is required in a co-operative and constructive manner.

The Moncton head start program demonstrated that very conclusively. It worked. It decreased crime rates. It decreased the incidents of those children running afoul of the law. They stayed in school longer. It also demonstrated a \$6 saving for every dollar that was put into the program.

The Hawaii head start program has been in existence for quite some time. It has seen the importance of using volunteers, usually women who were very good parents and were trained to develop a bonding relationship with families at risk. They dealt with child abuse, violence in the home, drug problems, substance abuse problems. These were dealt with in a co-operative arrangement. The outcome was a 99% drop in child abuse.

The last program has actually been in existence the longest. It is the Perry pre-school program in Ypsilante, Michigan in existence since 1962. We have had over three decades of rigorous scientific analysis of this program to see what works and what does not work.

What this program demonstrated as many of the other ones did is that active early involvement to provide children with the basic necessities of life enabled the children to stay in school longer. There was a 50% drop in the crime rate and a 40% drop in teen pregnancies. There was less demand on social programs and the welfare rolls and the children got through school and had higher incomes at the end of the day.

This is a win-win situation. It also demonstrated a massive saving to the taxpayer.

Motion No. 261 asks the government to work with its provincial counterparts to implement the best from all these programs. There are good things and bad things. One can easily take a motion like this one and build it into some kind of Cadillac model where money will just be poured down some sinkhole and little will get to the people who really need it and little effect will happen.

If this motion is to become a reality, it requires a leader. It is true that most of the sentiments expressed within this motion are in the realm of the provinces. I will be the first to admit that. But for heaven's sake, someone has to take a leadership role and no one is. A hodge-podge of programs exists within our country, a little bit here and a little bit there. Some of them are good and some of them are not. There is overlap. The left hand does not know what the right hand is doing.

The federal government can take a leadership role by bringing the first ministers together, locking them in a room like was done for the Dayton peace accord and telling them they will not get out until they sort out the problem. They will put on the table what they have and they will develop a comprehensive strategy that involves medical personnel, the schools and others.

In that way there is no overlap. There is a streamlining of the program and we can ensure that the basic needs of the children are met not in a Cadillac program but in a program that is cost effective.

The program has to be analysed very carefully to ensure that our outcomes warrant the investment and that money is not spent unwisely. There is a lot of room here for financial abuse and inefficiency. But there is also an enormous opportunity for us to take the bull by the horns, put our existing resources where they can make the best effect and deal with prevention to ensure that these children do not slip through the cracks.

• (1745)

In the throne speech the government mentioned a few interesting things that demonstrate in principle a support for the type of motion I am talking about and also the fact that it has put a series of important funding programs in existence.

The health transition fund is being organized by the government to help the provinces make innovative and co-operative arrangements with the federal government to deal with areas of primary

care. I would argue that this is an issue of primary care that goes across health care, justice and social services.

Rather than having this conglomeration of programs where all this overlap exists, swallowed up in part by bureaucracy, let us make sure the dollars get to the kids and where they are needed most.

There is also the national children's agenda that exists. All these can be used against the backdrop of what this motion is asking for, and indeed the government has already implemented among aboriginal communities head start programs which I hope will be effective and which are long overdue. Not only the aboriginal community on reserves should have access to this but also aboriginal people outside reserves and non-aboriginal people.

One of the issues that can come into this program that I think would be a fallacy is to associate impoverishment with money for the people involved. What these programs have found is it is not money that makes the child, but a loving, caring, secure environment with caring, loving parents provides children with the best hope they can have in life.

Responsible, caring parents are the most important gift that a child can ever have. I and others can probably pay testimony to the parents who have given them so much and for which they can never repay them.

I hope the government takes the initiative, looks at this motion and implements it. I also put down in the motion that it be implemented before the year 2000, the reason being fear of the House proroguing sometime before that and this motion merely getting tossed under a carpet.

The national crime prevention council that the justice committee sensibly asked to be organized has come forth and been an advocate for many of the sentiments expressed within the national head start program. It has done tremendous work, and yet its good work lies on a table in its building, not for lack of desire or talent or hard work on its part, but because of inertia that pervades this place all the time. It is something that all of us as members labour under and try to find ways to overcome.

I argue that this is a motion that transcends party lines. It is a motion which I think members from across party lines will be in acceptance of, at least in principle. I hope members from across party lines will adopt it and provide the government with constructive suggestions to implement it, not for us but for all the children out there who come home to environments that are rife with abuse, neglect, malnourishment and hopelessness.

These children deserve hope if only for the humanitarian reason, but also for the cold, hard, pragmatic reason that what we do not deal with today we pay for tomorrow.

Private Members' Business

There is the increasing epidemic of crime. Just in my riding of Esquimalt—Juan de Fuca, the death of Reena Virk was a profound tragedy. A young 14-year old girl was beaten up by a group of teenagers. This is not an isolated incident. Tragically, it occurs in other parts of the country, perhaps not to the same extent but it occurs.

We are not winning with our current proposal of detection, deterrence and incarceration. That needs to happen for certain people and we need to do that too. But we need to also focus our minds, focus our efforts into trying to prevent these tragedies from occurring, and it has to start from time zero.

• (1750)

It is estimated that half the people in jail suffer from fetal alcohol syndrome or fetal alcohol effects. FAS is the leading cause of neurological damage in this country. People with FAS have an average IQ of 68. They have irreversible neurological damage that prevents them from engaging in appropriate interpersonal relationships with other individuals.

An unfortunate number of those individuals go on to commit crimes. This does not excuse them from their crimes but it provides a clue that this is a preventable problem. It is a tragedy when any of these children come to see you.

I will speak personally of my work in emergency departments. A child comes to you to be taken away from an abusive situation. You have a scared, emaciated child sitting in a corner. You take that child and do the appropriate exam before the child goes to a foster home. I have been fortunate enough to see a child like that again four months later. Now the child is a bubbly, chubby, smiling, gregarious, playful little one. I have to do an examination, as so many other physicians do, before that child goes back into the same abusive environment as before. That is wrong.

I have gone to judges, lawyers and social workers and what have they said? It is the system. I cannot reconcile, nor I am sure can others in this House, putting that child back in the same abusive environment as before. One year old children have no business going back in that type environment where we know they have no chance. We can only imagine the horrors those children endure for the rest of their young lives. Who knows where they will end up? They will end up in a place none of us would want to be.

I am not saying we can take children away forever but for heaven's sake let us be the advocate of the child first and foremost and the parents second. Let us ensure those children are put in environments with loving, caring secure parental involvement. That is the best asset any child can ever have.

This is the first hour of debate on this motion. There are two hours left. In advance I thank my colleagues for spending the time

Private Members' Business

to do the investigation. I hope we can work together to make this motion a reality for the children of our country.

Hon. Ethel Blondin-Andrew (Secretary of State (Children and Youth), Lib.): Madam Speaker, I begin by congratulating the member for Esquimalt—Juan de Fuca for his commitment to the welfare of children in general, in particular Canada's children. If his work on the land mines issue is any indication of his commitment, he is to be congratulated and appreciated for his sensitivity and his caring on such matters.

I agree with his point quite aside from the intention of his private member's bill that there are some things we cannot legislate. We cannot legislate love. We cannot legislate proper nurturing. We cannot legislate a healthy environment but we can aid in that process. We can provide the tools for families, individuals and communities. We can provide that environment and work toward that healthy relationship of nurturing between parents and children.

Child development is a complicated issue. The hon. member's suggestion that increased resources be channelled into early child development is a laudable one. It reflects a growing consensus that the well-being of Canada's children is a shared responsibility of all citizens and all levels of government.

As the hon. member will recall, the Government of Canada recognized the importance of early child development in the Speech from the Throne. Early childhood experiences influence overall health, intellectual development and well-being of individuals for the rest of their lives.

• (1755)

By investing early in children's healthy development, we are investing in their long term health and in the long term health of society. Federal, provincial and territorial governments have identified healthy child development as a priority and have been working closely for some time on collaborative initiatives aimed at helping children living in conditions of risk to get a better start in life.

These initiatives include the community action program for children. This is a very successful program. This program is so successful that the views are to expand on that program and to continue that program. It speaks to many of the concerns and many of the initiatives that should be undertaken as stated by the hon. member opposite.

The aboriginal head start program was referred to in one of our documents for the election. It was a commitment that we made and it is a commitment that we saw through. The aboriginal head start we have found so successful that we have expanded on it. We have doubled the funding. I would like to see a further expansion.

I think there is an area that the Canadian model does not address and that is the fortification of the linguistic and cultural base that individual children have. This adds much to the self-esteem of the individual once they have that basis. They are able to develop properly in and out of their own environment.

The Canada prenatal nutrition program is another one that talks about early head start. We believe we have a head start when it comes to this initiative. When we have 21,000 low birth weight babies born and it costs approximately \$60,000 per infant to deal with the effects of low birth weight or premature births, which are sometimes the case from not having the proper prenatal nutrition care, we feel this is a very worthwhile investment.

We also know that we can avoid the exorbitant cost if we do continue on with this program. It is extremely successful, not only with the children but also with the parenting. It also provides the appropriate foundation for young people, particularly single parents, single mothers in this instance, to go forward and to build a proper nurturing and caring before the child is born as well as to continue on once they have given birth.

All these programs have proven highly successful in meeting the needs of the target population, not to mention the Inuit and first nation child care program which we know that we did not have a jurisdictional issue on. The federal government has very clear jurisdiction. We went forward and instituted \$72 million. On the other child care issues we did not enjoy the same kind of agreement among our partners out there, so we could not proceed, this being one of the reasons.

If we as a society are to ensure that all Canadian children have the best opportunity to develop to their full potential, our investment must be much broader and much more comprehensive than early child development alone. I can assure my fellow parliamentarians that the Government of Canada fully supports the idea of a national strategy focused on early child development, but not in a narrow sense. Every program, every service offered to children should have that litmus test that speaks to early intervention, that speaks to child development per se from the age of zero onwards.

A substantial body of evidence exists which shows that the quality of early childhood experiences is at the root of many adult health and social problems and I think my hon. colleague spoke quite well to that. The links between poverty and chronic illness, teen pregnancies, youth suicides, drug abuse, family violence and long term unemployment are well documented.

To achieve this, the national children's agenda will be taking discussions beyond the government level. All Canadians will be invited to help shape this agenda. As part of the agenda, we believe the overriding issue is addressing child poverty, something we are

working toward with the new national child benefit system. This is one approach. This is one effort.

• (1800)

The national child benefit will give Canadian children a better start in life by improving economic benefits and social services available to low income families with children. It will reduce the barriers many low income families face in moving from social assistance to the workforce. Over time it will reduce poverty, support families, make work pay and enable governments to work together to improve children's chances of success.

Over the course of this mandate we will double our initial investment of \$850 million in the national child benefit system. We are also collaborating with the provinces and the territories on the national reinvestment framework to redirect savings from welfare spending into new and improved services and benefits for low income families with children.

The national child benefit system is a cornerstone of the national children's agenda. Together, governments are working to develop the agenda as one that will continue to evolve and build on programs to support children. It will include many partners across Canada.

I remind my hon. colleagues that these are not the only activities we are engaged in to promote and improve children's well-being. The Government of Canada has announced three new initiatives as part of the national children's agenda.

First, we are establishing—and I am sure my hon. colleague with his background will appreciate this very much—centres of excellence on children's well-being to broaden our understanding of how children develop and what we can do better to support them in the early years of life.

One of the cornerstone pieces of research that the centres of excellence can undertake is the effects of FAE and FAS children have had to endure, the long-lasting effects of fetal alcohol effect and fetal alcohol syndrome. I hope we realize that FAS and FAE are the most preventable disabilities that our country can do something about.

Second, we are expanding on the successful aboriginal head start program to help children on reserves to get a good start. We are doubling the funding.

Finally, we will build on the HRDC and Statistic Canada leading edge survey, the national longitudinal survey on children and youth, as the foundation for reporting on the readiness of Canadian children to learn. We have a profound interest in how our children develop intellectually, not just in one particular way. In a very multifaceted way we want to know that our children develop

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psychologically, mentally, physically, spiritually and intellectually in a manner that is appropriate for their age group.

Collectively these new initiatives, along with existing federal programs such as the community action plan for children, first nations child care and child care vision, are equipping us with powerful new tools that will help us to create a made in Canada strategy for the country's children.

I congratulate the hon. member. I hope he realizes that perhaps we do not call it a national head start program but the collective of these is early intervention and head start.

Ms. Louise Hardy (Yukon, NDP): Madam Speaker, I am really pleased to rise in support of the motion. It is critical and comes at a critical time in our development. As our society changes there is more and more stress on families. We do not have the ability to stay home and look after our children. The environment I grew up in was a mother at home with eight family members.

I would agree that the motion is not about money. It is about time and about how we allocate time to the nurturing and development of our whole society because each individual adds or detracts from our collective.

We cannot expect to have healthy communities and a strong country if what is coming up behind us is a lot of individuals who have lived in poverty, who are uneducated and who have been neglected by their parents. They do not fit in because they do not speak the same language as us or communicate in the same way.

• (1805)

If we are to have any positive effect on the future of our country, I would agree with my colleague who introduced the motion that we have to do it at an early stage. We have to be diligent, aware, conscientious and particularly caring if we are to have a constructive and co-operative intervention at an early age and be serious about it.

We have the example of what is happening in a town in B.C. There is outrage. The intent on all parts is to work together to do something positive to protect those who are vulnerable, our children. We have to focus on our children and put the rights of parents second.

It is a very sensitive issue both culturally and individually. I have worked with people who have had their children taken away from them. Extreme trauma is suffered by both the children and the parents.

If there is a will, there is truly a way for us to overcome these obstacles. We should not say that it is a provincial responsibility or the mother's responsibility and has nothing to do with us. We need to work together because it has everything to do with us.

When Reena Virk was killed we all felt horror and outrage. Where did we fail? The motion is an attempt to look at where we

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failed. What on earth went wrong to create that level of violence among Canadians?

If as a collective group, as citizens of the country, we want individuals who are physically strong, who are emotionally strong and who have psychological health so that their energy is directed toward being teachers, carpenters, architects, lawyers or doctors, we have to go to the beginning. A large part of that is to recognize the role of motherhood and the role of fatherhood within society. From there we should link it to every policy we make so that we strengthen families, so that each family in turn produces children who are strong, who are a benefit to our country and who are people we can be extremely proud of.

It has been said that we cannot teach love and caring, but we can. We can teach by example what love is and we can teach how to care. Through every gesture which shows care and protection we show love. It is up to us to do that.

If someone does not know how to do that, there have been examples given of how one mother will work with another mother, which is a very natural process, or one father will work with another father. Just think of all the men and women who act as coaches. They teach sportsmanship and how to work together in difficult situations. For children sporting events are difficult situations. If we teach them principles and values at that stage they will follow through to how we treat each other in the House. We can teach how to love and how to care. We cannot legislate those things, but we can certainly make sure that people know how to do them. We can set the example.

If we want to address these issues we have to recognize what they are linked to. A lot of it is poverty. We have to address what our government can and should do about poverty. We have to address what we can do to make sure people are educated and fed. We have to intervene when there is abuse, whether it is physical, emotional or verbal. Again that relates to teaching.

If we are to address alcoholism we need a drug strategy. We need to be serious about it. We need to address it at all levels, from its beginnings to the violence and the criminality which result from alcoholism.

We cannot change the fact that there are many people afflicted with fetal alcohol syndrome and fetal alcohol effect but we can prevent it. We can be very serious about preventing it and making access to alcohol a lot more difficult than it is, rather than it being a ritual or some sort of right of passage of drinking and carrying on at a certain age. That does not have to be part of our society.

We should remove stress from families. Our role as government is to see how we connect, how our policies link to each other, instead of dividing everything into separate parts and saying you are responsible for this, that department is responsible for that or

the provinces can do this. We should be open minded enough to look at where we can really make a difference in the lives of families so they have the time they need to look after their children who are a part of our community and society.

• (1810)

Once again I would like to say it is not just about money. It is about time, the time we need to bring up our children. We must recognize that and make sure it is possible for people to bring up their children and not have to do it alone.

It is very difficult to be left alone with many young children. We should recognize the hardship of that and that it is unnatural. We need to help each other in bringing up our children. It benefits us all, or it will be to the detriment of us all.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Madam Speaker, let me say from the outset that the Bloc Québécois is against Motion M-261, the purpose of which is to develop more national standards and guidelines in areas of exclusive provincial jurisdiction.

Through this motion, the Reform party calls on the Liberal government to ensure greater government visibility across Canada by developing an integrated program for children under the age of eight, which would involve both hospitals and schools. We need not analyze the motion before us very long to realize what the Reform Party is really trying to do.

By putting Motion M-261 forward in this House, the Reformers are acting as accomplices of a government desperate for visibility and more concerned with promoting Canadian unity than with resolving the problems experienced on a daily basis by Quebeckers and Canadians.

I want to make it clear that the Bloc Québécois and the Quebec National Assembly are sensitive to the rise in youth crime. All Quebeckers agree that we must deal with the root causes of crime. What institution is in a better position than the family to address the problems experienced by children under the age of eight?

The Quebec government is so keenly aware of the importance of these 1.6 million children and of the key role of families in the future of our children that, in 1997, it tabled a white paper outlining its new family policy.

This policy statement creates links between the Quebec government's economic and social priorities and comes out in favour of our families and our children. The Quebec minister of education and family stated that "In Quebec, as elsewhere around the world, family is at the heart of society. That is where children learn the values that will shape them and help them spread their wings. On the eve of a new millennium, we must preserve the best we have come up with to support children and their parents".

There are a lot of things, but it is of prime importance for me to highlight the principle underlying this statement of policy: the recognition of parents' primary responsibility for the needs of their children and of the support role of government. This principle finds expression in three objectives: to ensure fairness through universal support for families and additional help to families with low incomes; to facilitate the reconciliation of parental and professional responsibilities; and to promote the development of children and equal opportunity.

These are not just fancy words, this is the way Quebec wants to increase the consistency of its action to promote greater equality in family matters. This is the way Quebec identifies the role of the family in child development.

However, despite the fact that these measures proposed by the National Assembly received broad approval from the people of Quebec, it has become very difficult to implement them, because of the obsessive policies of our federal government.

This government wants to dictate national standards at all cost out of a concern for visibility and in order to justify its presence. This is the third time since the start of the week that I have risen in this House to criticize the devastating effect of the federal government's centralizing policies, and I hope we are being heard.

The centralizing measures of the Liberal government have, since 1993, been devastating for Quebec. Why? Because the Liberal government, with the support of the Reform Party today, is doing its best to prevent the Government of Quebec from developing measures that are so vital for young people in Quebec and for the support of their parents. Why?

The measures limiting Quebecers' choices are the cuts in transfers to the provinces, the refusal to reimburse Quebec the \$2 billion for harmonizing the GST, the Liberal government's refusal to review its tax system and the measures that are impoverishing the less fortunate put in place by the government.

I will take a few minutes here to talk of the harmful effect of one of these measures: the savage cuts by the Liberal government to the employment insurance plan.

• (1815)

The Minister of Human Resources Development is trying to sell us on the idea that this is a generous reform for the workers, but what planet does he come from, this minister of human impoverishment? Giving it the name of employment insurance does not make the reform equitable.

The Liberals need to come down from their ivory towers and go ask the seasonal workers, those who have to live through the "black hole of spring", or the students who pay into employment insurance but cannot collect it, if they think the reform is a

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generous one. At the same time, they could ask them if they agree with the Liberal government's using the surplus it has saved in this way to eradicate the deficit and sneak still further into provincial areas of jurisdiction.

This disdain of workers has its limits. If the employment insurance fund records a surplus, let it be given back to the people who have contributed that surplus, by creating jobs, by improving this cobbled-together employment insurance program, by lowering the contributions made by workers and employers.

The Minister of Human Resources Development is viciously attacking the unemployed, while the Minister of Intergovernmental Affairs is trying to stifle seven million Quebecers by asking nine judges to put words in our mouths that are not ours. While the Prime Minister is getting ready to trample over provincial jurisdictions as never before, the Minister of Finance is forcing us to take a magnifying glass to a bill which would allow Canada Steamship Lines, which he fully owns, to be completely sheltered from any Revenue Canada attack on its profits from its holdings in tax havens.

When we look at everything the Liberal government is doing to increase poverty, I wonder why the Reform Party is so bent on encouraging it to disregard provincial jurisdiction. How can the Reform Party encourage the Liberal government in new overlapping and interference in exclusively provincial jurisdictions instead of urging it to return, in the form of tax points, the money the Minister of Finance grabbed, with his cuts in provincial transfer payments for hospitals, schools and income security?

The Bloc Quebecois is convinced that the provinces are better placed to implement measures that will effectively address the problems of youth. Despite this attitude, we are in no way imposing our point of view on other provinces. We respect the provinces that prefer to let the federal government call the shots in these areas. Why would we not be entitled to expect the same from the provinces, the Liberal government and the Reform Party?

We oppose this motion because it will give the government the power to interfere in areas of provincial jurisdiction.

Ms. Diane St-Jacques (Shefford, PC): Madam Speaker, I am pleased to speak to the hon. members today on Motion M-241, in my capacity as the Progressive Conservative spokesperson for children.

Although the motion in large part addresses child and youth crime, I believe that the problem goes beyond the mandate of the justice system. I am delighted with my colleague's initiative, since it is high time that the matter of prevention is addressed, and an attempt is made to find the causes and solutions for some of the violent behaviour among children and youth.

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There is a consensus among experts in social development that certain physical and psychological needs are fundamental, and must be met if a child is to develop into a well-balanced, responsible adult concerned about his environment. The experts agree that children who spend their first few years of life in a secure environment, with decent housing and diet, coupled with positive experiences free from any aggression or neglect, are more likely to lead prosperous and productive lives as adults. They will also be less likely to commit serious crimes. Is there not, therefore, a close connection between children's behaviour and their economic situation?

According to a long term study by the National Crime Prevention Council, those who commit crimes and re-offend the most frequently come from the poorest families and the poorest housing. According to a study carried out in Michigan, there must be early intervention, with a focus on the whole range of disadvantages which have heavy consequences for the children of low income families.

• (1820)

We would be well on the way to preventing juvenile crime if we were able to focus on child poverty. We in the Progressive Conservative Party of Canada firmly believe that the best defence against poverty and crime is a strong economy. Parents with good jobs can provide their children with living conditions that are conducive to normal psychological development.

I would certainly not wish to suggest that all children living in poverty have, or will have, criminal behaviour, but I think the relationship is too close to ignore. I think we must do everything possible to prevent crime. As they say, an ounce of prevention is worth a pound of cure.

By keeping young people in school, by intervening earlier in the lives of people having trouble, by making young people more aware of the consequences of criminal behaviour, we increase our chances in the fight against crime. In addition, by developing head start programs, social stakeholders in hospitals and schools will be able to identify families who are at risk and in need of assistance and provide them with the resources they need to redirect negative behaviour. Both children and their parents must be educated.

Many parents will themselves have come from disadvantaged backgrounds that will have seriously hindered their psychological development. It is difficult to turn around problems of this nature later in life.

For example, a teenager who has seen his alcoholic father mistreat the family all his life will also have a tendency to adopt the same behaviour. If the cycle is very hard to break in adolescence, imagine what it must be like in adulthood.

This is one more reason to begin the programs at a very early age, before the development of behaviour that will lead some young people to turn to delinquency and crime.

There is a whole series of social development programs that have proven effective, including programs of intervention in early childhood and programs providing recreation for young people. On the whole, the children taking part seemed better adjusted socially and to have overcome a number of risks relating to their poverty and their environment.

Statistics show clearly that early prevention efforts are successful and benefit the participants, their families and the community as a whole.

I can therefore assure my colleague that our party will support his motion, because, when it comes to the welfare and the future of our children, we are always there to lend a hand.

[English]

Hon. Sheila Finestone (Mount Royal, Lib.): Madam Speaker, it was my intention to speak at this moment in the House notwithstanding that I have sat here slightly aggravated in listening to the presentation by the Bloc Quebecois speaker.

There is a comment I must make before I give up the balance of my time to the member for Saanich—Gulf Islands. He cancelled a flight in order to be here, disappointing his constituency, and to reflect his respect for the subject matter. I will be pleased to give him his time, but in one moment please.

The member for Esquimalt—Juan de Fuca has presented a very important motion, the concept of which I fully support. The mechanism is a matter for discussion just so long as the ends are found.

The Bloc Quebecois' narrowness of spirit and narrowness of view is totally reflected in a lack of understanding in this North American continent and in fact within the western nations that share many of these problems, the issues of what to do for youth, for children, particularly prebirth, prenatal and immediately following birth, love, nurturing, affection, emotion and how to be a parent.

All these are issues we are all looking at. It is hard to know the reason why we have the number of young people acting out as the member pointed out in his speech.

I just wanted to highlight that if we were to put these walls around Quebec so that we should not be, God forbid, working together federal, provincial and municipal and volunteer associations and researchers, we would be losing or perhaps duplicating and wasting money.

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• (1825)

I refer them to a study on crime prevention by Dr. Tremblay in Montreal. He was the director for youth protection in the province of Quebec. My colleagues who were the directors of youth protection and I have looked at all kinds of programs worldwide, in particular in Canada, including Quebec. We would have looked at Dr. Tremblay's longitudinal study on the root of criminal behaviour. It can often be traced back to childhood experiences, the reasons for aggressive behaviour.

Researchers have begun to investigate the protective factors that allow a child to be resilient and to succeed despite bleak negative environments. Their research has revealed that resilient children generally have certain characteristics. This can all be found in the initiatives of the Canadian government combined with the provincial governments. It was done under safer communities, a parliamentary crime prevention guide. The status of women's group was very much involved with this as were parental groups and many others.

I suggest that the Bloc take heed of what this member has brought to this House. It should look at ways of implementing it. Never mind the name, never mind the party. Just look at the possibility of addressing a very serious problem that we do not want recycled generation after generation.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Madam Speaker, I thank the member from the other side. This is a very serious issue. Since their are seven or eight minutes left, I ask for the unanimous consent of this House that I be given the opportunity to finish my speech which will carry us two or three minutes over.

The Acting Speaker (Ms. Thibeault): Does the hon. member have unanimous consent?

Some hon. members: Agreed.

Mr. Gary Lunn: Madam Speaker, I thank the members present in the House.

It is a privilege to participate in this debate on Motion No. 261 which was introduced by my colleague, the hon. member for Esquimalt—Juan de Fuca. I note the concern expressed in the comments of members from all parties with the exception of the Bloc. This is an issue of great interest to me as a father, as a lawyer and as a parliamentarian.

My colleague is asking the government to develop a comprehensive national head start program for children in their first eight years. He is talking about a co-ordinated effort between the federal and provincial governments and ministries. There are programs out there and he would like them to work together. That is what this is all about.

I agree with him that it is important to ensure our children have the best opportunity to develop to their full potential. While parents have the greatest responsibility in the nurturing and development

of our children, we as legislators must ensure parents have the support they need. We must develop partnerships with our provincial and municipal counterparts to support initiatives aimed at reducing youth crimes. This is all about co-ordination and working together for the good of all our children in this country.

We must go beyond crime management. We must shift to crime prevention. I will discuss some examples I am familiar with through my practice in criminal law as a lawyer in youth court. Verbal, physical and sexual abuses are all obvious threats to normal psychological development. They have a devastating effect on children.

I saw the consequences of child neglect firsthand in the courts. They were easy to identify. They say it costs about \$95,000 a year to keep a youth in a detention centre. That is arguable. I know we could debate that.

Stories of some of my personal experiences in the courtroom will emphasize the importance of prevention. A child of 12 or 13 could be before a judge for the first time. If a good, understanding judge had the tools and programs available, although quite often they were not, and there was family support, there were success stories.

• (1830)

We could follow up on these youths and the schools that played an integral role in the management of these youths who were not back before the courts. Yet we could see the chronic youth, those at the age of 14 with criminal records two and three pages long who were going through a revolving door. Yes, we have to hold these children accountable.

What the member is talking about is that we have to get to these children at an early age. There will be some who will slip through and end up in our justice system. However, from what I have seen in the courts, I honestly believe that we could stop a large part of this if we started at day zero. That is the key.

The Reena Virk case is an example. I probably saw some of these youths in the courtroom when I was practising law. It is the very courtroom I practised in. A 14 year old girl was savagely beaten by a gang of eight or nine children. Other children watched and did nothing. They beat her again and then broke her arms and her back and threw her in a river to die. It brings tears to our eyes. The worst part is that this is not an isolated event. In my own community of Sydney in the last few years we had another youth killed again by a group of youths. These are within 20 miles of each other. These are not isolated incidents.

We cannot bury our heads in the sand and pretend that these things are not going on. We as parliamentarians have a responsibility to co-ordinate. My comment on the remarks by the member who spoke earlier is that I support all the programs and things that are being done.

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I do not believe the member is asking for a big wheelbarrow full of money. He is asking that we co-ordinate this together with the ministers from the provinces and the federal government and the people who are involved. We should get together to try to really and truly help these children to ensure they are getting the love, the nurturing and assistance they need in order that they do not end up in our justice system, like a revolving door.

These examples prove to us that the earlier years in life are so crucial. If we address them we will drastically reduce the social and economic costs to our society. This is a very small investment with a huge return. It is like an RRSP, the benefits are just enormous at the back end.

Many programs already exist in centres in Canada and the U.S. There is the program in Hawaii pioneering early intervention programs for children focusing on high risk families. They go right back to when the woman is still pregnant. If assistance is needed at that time it is provided. There is also a program in Michigan which my colleague has spoken about. The evaluations of these programs have shown a decrease in juvenile and adult crime by 50%. These programs are working and that is the most important part.

I am really encouraged to participate in a debate where all the parties, with the exception of the Bloc, seem to have children in their hearts. The long term savings to the taxpayers will be absolutely enormous. It works out to roughly \$6 in dividends for every \$1 invested. This is going on the statistics from these other programs. That in itself is something we cannot ignore.

The Reform Party stands for tougher laws. In no way is this motion suggesting that we cannot hold people accountable for their actions. The ones who slip through, yes, we have to hold them accountable and ensure they are dealt with toughly. However, what this is all about is stopping half of them before they get to that door. It is a travesty to see them coming through.

I practised in the criminal courts myself and of my own choosing. In our occupations we always want to feel we are making a difference and are quite proud of our work. Some would argue how anyone could be proud of their work while practising as a criminal lawyer.

However if we get the youth early and get them into the programs, we can make a difference, even for offences such as shoplifting which are deemed by the courts as very minor offences.

• (1835)

Sometimes we would get the family in there. We would send them off to counselling, probation, all kinds of programs. We could tell that that person was not coming back, that they were not going to be back and they were not. This is just enforcing that we should take that one step before and give these programs.

I listened to my friend's comments about the baby in the hospital and having to do an examination before sending the baby back into that terrible environment. It almost brings tears to one's eyes.

When sentencing these children in the courts they go through the child's history before giving the sentence. Every single time they describe the circumstances, the sexual abuse, the prostitution in the families, the physical abuse between the parents, just horrible conditions. Almost every time with those who are involved in serious crimes that is what is described without exception. That is what they went through.

Again, I commend my friend and colleague from Esquimalt—Juan de Fuca for his dedication to these very sensitive issues, something he believes in dearly in his heart and wants to make a difference. I thank again the hon. member for Mount Royal for her gracious offer to allow me to speak today.

I have a two and a four year old at home. I believe very much that we have to look after the most valuable resource in our country, our children.

[*Translation*]

The Acting Speaker (Ms. Thibeault): The hour provided for the consideration of Private Members' Business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

ADJOURNMENT PROCEEDINGS

[*English*]

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

FINANCE

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Madam Speaker, on October 28 I asked the finance minister a question prefacing it by saying to him that he is rumoured to be a successful businessman in Canada or elsewhere, we are not sure now. But this businessman, I said to him, is now telling our kids that he will be taking 10% of their lifetime earnings and he will manage their money so that they will get back a 1.8% return on all that money, that lifetime investment. I asked the minister that as a businessman would he put his money into a venture with that kind of a return.

The minister's answer was very instructive. He said first of all that the return that is projected is a 3.8% return, not 1.8%. This was very disingenuous of the finance minister who knew very well that his own actuarial report says that our children will indeed get only a 1.8% return on their lifetime investment. The 3.8% return he was referring to, to kind of muddy the waters, is the return that he says will be earned by his new CPP investment fund.

We just saw in the pages of the newspaper today some grave warnings by financial analysts saying that as this fund's investment is presently structured it is doubtful that it will get even such a low rate of return as 3.8%, which I might point out is not even as much as the new RRSP bonds that Canadians can buy from the Canadian government. But to get back to the point, our children for a lifetime of having to put 10% of their earnings into this CPP fund will get a return of 1.8%.

He also said that the great advantage of the Canada pension plan is that the Government of Canada stands behind it regardless of market fluctuations. I might point out that the government in fact intends to invest our money in the market, but of course we are not smart enough to do that ourselves. Only the government can do that. But then he said the Government of Canada stands behind that. Is that not reassuring?

Guess who the Government of Canada gets its money from. From us. So if the Government of Canada screws up and miscalculates and does not do its investment properly, guess who it can look to to make it up. Us. So we get to pay more in premiums, in taxes or in lost benefits. That is not very reassuring.

• (1840)

Then he said, using some scare tactics to keep people from looking at alternatives, that Canadians should not have to be subjected to having their retirement at the whim of market volatility, as if the stock market were the only kind of investment Canadians could make.

I just have a follow up question which I would be very pleased to have the government answer. I hope people who are watching these debates at home will answer the same question.

Your child or grandchild comes to you and says "I want your advice on some investments. You have lived a few years and have managed your money well. Now I need your advice. I have heard about a good new investment. I will contribute 10% of my salary and the fund manager will guarantee 1.8% return on my investment, a real rate of return over the years. Should I buy in?"

The Acting Speaker (Ms. Thibeault): I am sorry but the hon. member's time has expired.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, let us understand that whether you are 16 or 60 the Canada pension plan will be there for you when you retire. Those who say otherwise are mistaken and those who wish otherwise are wrong.

Ultimately this is about values. You either believe in the CPP or you do not. The government does. The Reform Party does not. The Reform Party can talk about its plans to destroy the CPP. The government will talk about what we have done to preserve it.

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The member for Calgary—Nose Hill has said in recent radio shows that we need to look at perhaps getting some of this unfunded liability out of the general tax revenues.

Paying off the outstanding obligations year by year as they come due would require a \$20 billion to \$75 billion payment each year over the next 60 to 70 years. Paying off the outstanding obligations over 30 years would require almost a doubling of GST or a 25% increase in personal income tax. Which taxes do the Reform Party want to increase to pay these outstanding obligations?

Canadians have told the government that they want the burden to be spread evenly across generations. If no changes were made, our children and grandchildren would be asked to pay 14.2%. Some claim, as the Reform Party does often, that young people are getting a raw deal from the CPP changes. Young Canadians will get 50 cents for every dollar they invest.

This type of statement is incorrect. The fact is that all CPP contributors, present and future, will receive more from the CPP than they pay in. Young people will receive \$1.80 for every dollar of contributions. The return could be higher if we as Canadians were prepared to renege on existing contributions for today's seniors and for those who have been paying into the CPP for years.

The federal government and the provinces as joint stewards of the CPP will honour all commitments made to Canadians in the fairest way possible. The government will not renege on our obligations to Canadians as the Reform Party will do.

YOUTH EMPLOYMENT

Mr. Steve Mahoney (Mississauga West, Lib.): Madam Speaker, I compliment the Reform member for Saanich—Gulf Islands who, just prior to the rant we witnessed by the member opposite, made what I thought was a very thoughtful and important speech about young people.

He spoke about his concern about young people, about children. He talked about having a two year old and a four year old at home and how he was concerned about their future. That is the exact reason why I asked the question some time ago of the Minister of Human Resources Development. I talked about what the government did in its first mandate and what it is continuing to do in this mandate as it relates to youth unemployment.

I too have children. They are not really children any more. They are 23, 25 and 27 years of age and in various stages of education and working. I see all three boys and a lot of their friends who come to our place. These young people today, who are the immediate resources that will be leading us in the near future, are very concerned about their future. They want to know about opportunities for advancement. They want to know about training opportunities.

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In my riding of Mississauga West we are experiencing an unemployment rate that is a bit below the national average. It is about 12% for young people. That is way too high, even though it is lower than the national average.

• (1845)

My question has to do with my concern that I hope the minister will work with local community groups and boards of education that have put forward alternative proposals and with the private sector to implement programs that will create opportunities for young people.

Recently the minister approved a program known as Ice Youth. Ice Youth is a tripartite agreement between the private sector, a company in the business of building arenas; the board of education in Peel; and the government. These young people will be trained and given class *b* refrigeration licences. It will teach them about all the sophisticated equipment and everything necessary for working around an arena. In Canada that is a huge business and a terrific career opportunity, but it is a very small program.

I hope the minister will look at other programs like that one where we can involve our young people in working co-operatively with the private sector, the local municipality and the school boards to create new opportunities.

We have seen training programs in past governments designed to train people but no jobs tied to them at the end. Programs like the Ice Youth program and others I hope we will see approved following the budget of the Minister of Finance next week will be tied directly to jobs.

The private sector will take advantage of funds from the government to create economic growth by saying to a particular young person "We are going to train you in this field. We are going to give you a trade. We are going to give you skills. We are going to give you knowledge that will then be tied to a job". What is the point of training someone and then having them sit at home with nothing to do?

I hope the parliamentary secretary can reassure me and my constituents—

The Acting Speaker (Ms. Thibeault): I am sorry but the hon. member's time has expired.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I thank my colleague for his very important question.

I can inform him and the House that through the government wide youth employment strategy we are creating nearly 280,000 work experiences for youth over three years. This year alone the strategy will create over 93,000 work experiences for young Canadians.

We know that our programs are working. A November 1997 survey of Youth Internship Canada and Youth Service Canada programs show that 85% of Youth Service Canada participants and 88% of Youth Internship Canada participants are either employed or in school 6 to 12 months after completing the program. This year alone these two programs will help over 30,000 youth get valuable work experience.

Today the Minister of Human Resources Development launched student summer job action 1998. This program with a total budget of \$120 million will create over 60,000 summer jobs and help 350,000 students across the country in their search for summer employment. These are but a few of the initiatives we have undertaken to help young Canadians find work.

Much remains to be done. A 15.8% youth unemployment rate is still much too high. That is why the Prime Minister and his provincial colleagues confirmed during last December's first ministers meeting that helping our youth find employment was a national priority. They reiterated the need to work together.

Consequently the Minister of Human Resources Development will continue to work with his provincial and territorial colleagues to put in motion an action plan on youth employment. The plan will recognize that governments, the private sector and communities have roles to play to help young Canadians get and keep a job.

Madam Speaker, stay tuned on Tuesday when the budget is released and you will see even more priorities of the government.

[*Translation*]

The Acting Speaker (Ms. Thibeault): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.49 p.m.)

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