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OFFICIAL REPORT
(HANSARD)

Wednesday, September 30, 1998

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, September 30, 1998

The House met at 2 p.m.

Prayers

• (1400)

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

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

STATEMENTS BY MEMBERS

[English]

RON HICKS

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, today I rise to recognize Ron Hicks, a constituent of mine.

I was recently informed that Ron volunteered his time and business expertise to assist in developing the environmental practices and business skills of a firm in one of the world's most disadvantaged economies.

Ron was a CESO volunteer in Panama. During his tenure at this Panamanian business Ron was able to effect improvements and cost control by closely monitoring parts procurement and equipment failure diagnosis. He personally trained 25 maintenance staff, advised supervisory personnel and effected improvements in corporate environmental practices.

In short, Ron made a substantial difference in the way that this firm conducted its day to day operations. Because of Ron's efforts, the efficiency of this plant was improved which in turn will result in more economic output and growth. This will result in an improvement in employees' wages and their standard of living while at the same time helping to enhance the environmental standards of the country as a whole.

I applaud Ron's efforts. I feel that they represent a concrete example of how a hand up is often just as beneficial as a handout.

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INDONESIA

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, the Associated Press reports "Although ethnic Chinese people represent just 4% of Indonesia's 202 million people, they dominate commerce and industry. They are frequently scapegoats during troubled times".

The Asian financial crisis is hitting Indonesia hard and Indonesian Chinese are being hit harder as scapegoats. For example, Chinese women and young girls are being gang raped. Stores and homes of ethnic Chinese are looted and torched. Many ethnic Chinese are being murdered. Some say that what is happening in Indonesia resembles ethnic cleansing. Ethnic Chinese are fleeing their homes from Malaysia, the Philippines and elsewhere to save their lives.

This government brags about its human rights record. When will the Prime Minister, the Minister of Foreign Affairs and the Secretary of State for Asia-Pacific speak up for human rights in Indonesia?

* * *

M^cCRAE HOUSE

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, in November of last year Mr. Arthur Lee stepped forward to rescue the McCrae medals and generously donated them to the McCrae House located in my riding of Guelph—Wellington.

Colonel John McCrae was a Canadian doctor and soldier who wrote "In Flanders Fields". Every day the McCrae House in Guelph—Wellington works to keep his memory alive. This year the house is celebrating its 30th anniversary.

On behalf of all the citizens of Guelph—Wellington and all Canadians, I want to congratulate the McCrae House for keeping an important piece of Canadian history alive. When John McCrae wrote the words "To you from failing hands we throw the torch; be yours to hold it high", the McCrae House listened. Thank you for holding the torch and for protecting our heritage. May you continue to do so for many years to come.

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ST. LAWRENCE SEAWAY

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, the St. Lawrence Seaway is a vital industry not only in my riding of Erie—Lincoln and the Niagara area but also for the entire country. The seaway is one of the world's busiest shipping waterways making Canada a competitive trader in the world economy.

Tomorrow history will be made when plans to establish a not for profit corporation to operate the St. Lawrence Seaway system will be implemented. This necessary step will promote economic growth by modernizing Canada's marine transport system. While the crown retains ownership of all assets, management and operation of the seaway will be assumed by a user group, the St. Lawrence Seaway Management Corporation, pursuant to the Canada Marine Act for an initial 10 year term.

This accord will ensure that the seaway continues to bring benefits to all as Canada heads into the next millennium.

* * *

MENOPAUSE

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, I am pleased to rise today to announce the official launch of the 1998 national menopause awareness campaign which will take place tomorrow.

[*Translation*]

I hope all members are aware of the importance of this issue. Canadians must be better informed if they want to ensure a better life for themselves.

[*English*]

By the year 2000 more than four million women will enter or will have already entered this phase of their life. It is important that we educate women to the long term health risks that are associated with menopause, such as heart disease and osteoporosis.

Building awareness of these risks is key. Informed people make healthier choices which lead to improved health and quality of life, not to mention considerable savings to the health care system.

I would like to thank the Society of Obstetricians and Gynecologists of Canada, the Heart and Stroke Foundation, the Osteoporosis Society of Canada, the Canadian Cardiovascular Society and the Canadian Pharmacists Association for their efforts in raising awareness of the effects of menopause.

[*Translation*]

I hope you all will—

The Speaker: I am sorry but the hon. member for Winnipeg—Transcona has the floor.

[*English*]

GLOBAL ECONOMY

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, on Monday morning I represented the NDP caucus at an ecumenical ceremony here on Parliament Hill that called for a jubilee on the unpayable debt of the world's poorest countries, countries that have a fiscal ball and chain around their necks and which need to be set free to seek the well-being of their people.

• (1405)

In the same spirit, a conference in Ottawa this week organized by the Halifax Initiative outlined a six point plan designed to prevent future global financial crises and respond to the needs of the poorest and most vulnerable nations.

The plan is a good basis for urgent action on the disaster that unregulated and speculative capital is wreaking upon the world and the unwillingness of existing global institutions like the IMF and the World Bank to seriously address the fundamental flaws of the current situation.

A good start would be for the finance minister to champion an international Tobin tax to help stem the flow of short term capital.

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CORPORAL GRAEME CUMMING

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, Corporal Graeme Cumming, a 37-year old member of the RCMP who lived in Lethbridge, was killed in a horrific traffic accident on August 12, 1998. A young truck driver, Daniel Entz, also lost his life.

Corporal Cumming's funeral was in Lethbridge on August 18. Hundreds of police and peace officers from all across Canada and the world joined his wife, Marina, also an RCMP officer in Lethbridge, and friends at the solemn occasion.

Corporal Graeme Cumming was an outstanding police officer, an honourable member of his community, a wonderful husband and a loyal citizen of our country. He left all the communities he served better places for having known and experienced his dedication. He will be sadly missed by all who knew him, who worked with him and who had contact with him.

The death of Corporal Cumming underscores the courage and bravery of those whose job it is to serve and protect Canadians wherever they may be.

I ask the House to join with me in remembering Corporal Graeme Cumming. He was a man of great faith and conviction. He will be missed.

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[Translation]

SISTERS OF CHARITY OF QUEBEC

Mr. Jean-Paul Marchand (Québec East, BQ): Mr. Speaker, 150 years ago, Sister Marcelle Mallette and her companions arrived in Quebec City to establish the charitable institutions they ran with their colleagues, the Sisters of Charity of Quebec.

The Saint-Sacrement, Civique, Laval and Saint-Michel-Archange hospitals, the Nazareth and Notre-Dame-de-Lourdes homes for the aged, the Institut Saint-Joseph de la Délivrance, the Saint-Sauveur and d'Youville children's orphanages and the Maison Mère-Mallette providing food and clothing for the disadvantaged all bear witness to the devotion and solicitude of these Sisters of Charity.

I join with my colleagues from the Quebec City area in congratulating and thanking these devoted nuns and in expressing the hope that their work with the disadvantaged in our society will continue revitalized. On the occasion of the 150th anniversary of the founding of the congregation of the Sisters of Charity, the public wishes to express its gratitude for all they have done.

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[English]

STEEL INDUSTRY

Mr. Carmen Provenzano (Sault Ste. Marie, Lib.): Mr. Speaker, Sault Ste. Marie and other communities dependent upon the steel industry are home to honest, hard working people who are proud of this industry and the role it plays in their communities.

Algoma Steel provides thousands of direct and indirect jobs in my riding. Yesterday the member for Edmonton North rose during question period and made a sarcastic disparaging remark designed to trivialize my question to a minister concerning the import crisis facing our steel industry.

The member's comments clearly show a total lack of concern for our steel industry and Ontario, home to Canada's largest steelmakers. Her remarks show why the Reform Party has found it necessary to seek a united alternative, or should I say a desperate alternative.

For Ontarians, especially those who depend on the steel industry, the remarks of the member for Edmonton North show why the Reform Party is no alternative at all.

* * *

BILL C-68

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I rise today to urge the Alberta government to immediately appeal the Alberta Court of Appeal's marginal 3:2 decision regarding the constitutionality of Bill C-68.

The provinces must stand firm and not retreat. They must protect their exclusive power to regulate property and protect law-abiding Canadians from this unprecedented attack upon their civil liberties. They must protect taxpayers from the horrendous costs of Bill C-68. There is clear justification to stop the Liberal government from implementing Bill C-68 at any cost.

According to *Sun* columnist Michael Harris, the justice department failed to competitively tender a \$1.3 million printing contract for the registration forms, a direct violation of Treasury Board guidelines and the NAFTA agreement. This is a clear and apparent circumvention of the law.

Once again I implore the provinces to stand firm. The Alberta court decision must be appealed.

* * *

[Translation]

QUEBEC'S TOURIST INDUSTRY

Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.): Mr. Speaker, Quebec has just had an exceptional tourist season, according to all the statistics.

● (1410)

The favourable economic conditions that permitted foreign travellers to benefit from the drop in the value of the Canadian dollar combined with Quebec's numerous attractions and the warmth of its people gave a boost to the economy of this province.

The Government of Canada is also contributing to the revitalization of tourism in Quebec through a variety of federal-provincial agreements on regional development. I would point out as well that, in our first term, our government set up an agency to develop Canada's tourist industry.

Finally, we must never forget that our visitors appreciate the diversity of Canada and of Quebec, where they discover the wealth and facets of the francophone culture unique in this corner of North America.

* * *

INTERNET NETWORK

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, on August 26, the Government of Canada announced its intention to fund the creation of the first national fibre-optic Internet network in the world. This desire to play a lead role in state-of-the-art technology confirms the dynamism of our government and its desire to keep abreast of the rapidly developing Internet market.

Initially, this network, with its absolutely amazing capacity and speed, will serve the Canadian research and high tech sectors. Its amazing capacity will make numerous research, academic and trade applications possible, whose demands are far beyond the capacity of existing networks.

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Canada will be the first country in the world to possess a national network that is wholly fibre-optic based. We can be proud of all the men and women who work in this complex high-tech environment, in an expanding field from which all Canadians stand to benefit in the near future.

* * *

WORLD TRANSLATION DAY

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, on behalf of the Progressive Conservative caucus, I would like to draw attention to the fact that today is World Translation Day. This day was inaugurated by UNESCO and the International Federation of Translators.

[*English*]

In today's information society and fast changing global environment, language professionals are in growing demand to facilitate the movement of spoken and written information in a wide range of cultural settings.

[*Translation*]

The theme adopted this year, "Professionalism in Translation", focuses on the skills of those who facilitate communication and bring nations closer together. I would like to take advantage of this opportunity to pay particular tribute to all the translation Bureau professionals in the House of Commons for their vital and constant support. They simplify our role as parliamentarians and contribute greatly to facilitating exchanges between Canada's two cultural communities. We appreciate their efforts and are most grateful to them.

* * *

[*English*]

MERCHANT NAVY VETERANS

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker:

Canada's merchant navy of World War II
Kept England alive
Until the Atlantic war tide turned
To victory.

Now 50 years hence
Canada's merchant navy veterans
Are still held hostage
To unresolved concerns.

These determined veterans now fast
On the steps of this House
To garner government will
To correct what has been wrong for far too long.

These men are not seeking great wealth
Only the respect
Given their armed force brethren
For the years from the war
To this date.

To be recognized as war veterans
To have prisoner of war benefits

To have fair recompense for years of denial of equality
To have recognition on ceremonial days.

Why, Mr. Minister, are these men
Driven to risk their health?
Please answer their call
Lest tragedy occur.

* * *

DR. CHARLES DRAKE

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, Canada recently lost one of its most distinguished citizens, Dr. Charles Drake.

A world renowned neurosurgeon, Dr. Drake was an innovator in his field. He first gained worldwide recognition in the 1960s for his work in surgically treating aneurysms at the base of the brain. An active lecturer, he shared his expertise with students at the University of Western Ontario and around the world.

Over his lifetime, Dr. Drake was the recipient of numerous awards and honours, including the Order of Canada. He was also inducted into the Canadian Medical Hall of Fame.

It is due to the contribution of pioneers and innovators like Dr. Drake that London is recognized as a leading centre for medical research and development.

I join with all members of this chamber in sending my respectful condolences to the family and friends of Dr. Charles Drake.

* * *

● (1415)

[*Translation*]

THE LATE LUCIEN LAMOUREUX

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, the late Lucien Lamoureux represented Stormont—Dundas from 1962 to 1974. He was the longest-serving Speaker of the House of Commons.

[*English*]

After retiring from politics, the hon. Lucien Lamoureux served as our ambassador to Belgium, Luxembourg and Portugal.

In 1974 the city of Cornwall named the waterfront development in his honour. Lamoureux Park today is enjoyed by the entire community.

[*Translation*]

Left to mourn are his wife, Elizabeth Hoffman-Lamoureux of Brussels, and his five children, Michel, Sylvie and Adèle of Ottawa, Claude of Montreal, and Isabelle of Brussels.

Lucien Lamoureux also leaves behind Claire Couture of Hull.

[*English*]

I wish to extend to them once again my deepest sympathy on the passing of the hon. Lucien Lamoureux. His record in this institution is a matter of great pride for his family and all the residents of Stormont—Dundas.

Oral Questions

[Translation]

The hon. Lucien Lamoureux was a great parliamentarian.

ORAL QUESTION PERIOD

[English]

EMPLOYMENT INSURANCE

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Prime Minister wants to get his hands on employment insurance funds that belong to workers and businesses. But if a construction worker or a small business had contributed hundreds of dollars to a private insurance fund and the managers of that fund tried to siphon off those funds for some other purpose the police would be called.

Who do you call when it is the Prime Minister who is trying to shake you down?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the hon. member had searched a bit before asking the question he would have known that the consolidation of the two funds was done in 1986 by the previous government when it was decided not to have a segregated fund for UI. It was under the advice of the auditor general at that time.

The reality is that it is not a special fund, it is a contribution to the treasury of the government.

Some hon. members: Oh, oh.

Right Hon. Jean Chrétien: Mr. Speaker, the truth is the truth. If the hon. member knew what he was talking about he would know this was done in 1986.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the government's chief actuary said yesterday, not in 1867, that the Prime Minister is overcharging businesses and workers by up to 33% on employment insurance premiums.

If a private insurance company with a monopoly was caught overcharging like that every member opposite would be up in arms demanding some punitive action.

Why is the Prime Minister even thinking of doing something which would land the CEO of a private insurance company in jail?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are having a debate on what to do with a very nice problem for the federal government.

When we formed the government we found that there was \$42 billion deficit. In January 1994, at that time, the rate was \$3.30. We have reduced the rate to \$2.70 and it will go down further.

We have a surplus in the fund and we will debate with Canadians how to use it for the benefit of all Canadians.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, here are the relevant facts. Because the Prime Minister refuses to give back to workers and businesses over \$7 billion of their own money in this fund, a waitress forks over more than \$175 more per year, a factory worker pays an extra \$350 a year and the small business that employees that factory worker pays an extra \$500 a year.

Can the Prime Minister explain to these people why he continues to rip them off?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what we are debating at this time is not very complicated. Is it better to return 60% of the money to the companies and 40% to the employees or to give the employees a tax reduction?

If the hon. member prefers that the money goes to the companies, fine, we will take note of that.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I simply want to point out that 95% of businesses in Canada today are small businesses, a group that the Prime Minister and the Liberals across the way say they support. Now we want to see them prove it.

• (1420)

Statistics Canada is reporting today that economic activity has fallen for the fourth straight month in a row. I know the Prime Minister wants to wish that away, but the reality is that the economy is starting to slow down.

Why does the Prime Minister not move today to stimulate the economy by returning that \$7 billion EI overpayment to workers and small businesses?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, that is exactly what we are debating. The difference between our position and the position of Reform Party members is that we would like to give the money to the workers, but they want us to give it to the companies. That is fair, but I think we will be on the side of the workers before we will be on the side of the companies.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is time for the Prime Minister to wake up. The dollar fell dramatically today. The economy shrank for the fourth month in a row. We know the government has been in a coma for the last six months.

What we want now is for the Prime Minister and the government to wake up and give that \$7 billion overpayment back to workers and employers.

We know what they said in the red book: It is small business that creates jobs in this country. Why do they not follow their own advice?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, that is exactly what we have done with small business. We have

Oral Questions

said that they create 85% of the jobs in Canada. In the last five years since the Liberals have been in government 1.2 million new jobs have been created. So 85% of that is one million. One million have been created by the small corporations because they have been well treated by the government.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the EI fund has a surplus in the billions, while three out of five unemployed workers do not qualify for benefits, I repeat, three out of five.

What makes the Prime Minister think he should have a free hand in spending money that in fact comes from unemployed workers in the worst straits, those who do not qualify for benefits, even though they paid premiums?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the facts are examined, it becomes clear that those who do not qualify include new job market entrants. An individual who finishes his studies and does not find employment has not paid into the fund. There are many cases like that.

The proof, as I said yesterday, is that not only has the number of unemployed workers in Canada dropped, but the number of Canadians on welfare has also decreased in recent years. This is because the economy is much stronger than when we first formed the government.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister is telling us there is nothing wrong with young people having to work 910 hours, nothing wrong with making them pay premiums and refusing them benefits when they lose their jobs. That is the message the Prime Minister is sending young people.

Does he realize that an insurance salesman who followed his example and overcharged for his policies, compensated two claimants out of five and pocketed the excess premiums would have the courts to answer to and might even end up in jail?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, because 1.2 million jobs have been created, fewer people are receiving EI benefits. We have also lowered premiums from \$3.30 to \$2.70 in the course of our successive budgets. Right now, we are talking publicly about what we should do in the future. Once again, I am happy to hear that the Bloc Québécois wants to see the surplus go to employers rather than employees.

Some hon. members: Oh, oh.

The Speaker: I would again ask the hon. members to kindly listen to the question and the answer. The member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the Prime Minister may

want to talk about the future, but our position is clear. The Bloc Québécois wants half of the annual surplus in the employment insurance fund to be used to reduce contributions and help small business create jobs. We also want the other half to go towards improving the current system to support those who lose their jobs.

My question is simple: Which part of this approach does the Prime Minister dislike? The part about helping small business, the part about helping the unemployed, or both?

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what we are looking at right now is what the government's priorities should be.

As the Minister of Human Resources Development said yesterday, we have set up programs to help those already in the labour market find new jobs, get training, and so on. But we must also take into account all government priorities and determine whether or not we should put more money into health care. There is a debate under way, and there will be a budget.

It is becoming increasingly clear that the Bloc Québécois is not interested in health care—

Some hon. members: Oh, oh.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, even though the Prime Minister can now afford to treat the unemployed fairly and decently and to be sensitive to the real difficulties they are facing, he refuses to do so. Are we therefore to understand that, when he called unemployed Canadians beer guzzlers in 1994, the Prime Minister expressed what he really thought of them?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what we have done for Canadians is to strengthen the economic situation. Since we came to office, 1.2 million new jobs have been created. The unemployment rate is now 8.3%, down from 11.4% when we took office.

According to this morning's economic forecasts, next year, Canada will lead the G-7 in job creation, just as it is doing this year.

* * *

APEC SUMMIT

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

The involvement of the Prime Minister's Office in the APEC matter is clear. Pelletier, Carle, Goldenberg, Donolo, the list is growing. The trail leads to the Prime Minister, and there is growing evidence that they considered the comfort of a dictator justified the repression.

Why this undemocratic choice?

Oral Questions

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, here again the leader of the New Democratic Party is making false accusations.

We invited people to come here for the APEC summit. These people included Jose Ramos Horta, the winner of the Nobel Peace Prize. He came to the parallel summit at the invitation of the government and over the protests of the Indonesian government. Here is what this famous individual had to say about Suharto's arrival in Canada.

[*English*]

He said: "Canada should welcome Suharto with dignity, but also take a hard line on human rights. They can have—"

Some hon. members: Oh, oh.

The Speaker: The hon. leader of the New Democratic Party.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Prime Minister had a choice. He could have stood up for fundamental democratic rights or, for the sake of currying favour with a brutal foreign dictator, he could have trampled those rights. Why did this Prime Minister choose to side with Suharto?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, one of the claims of the NDP is that we should have refused President Suharto access to Canada. I would like to inform the leader of the New Democratic Party that before he came to Canada, President Suharto was the guest of Nelson Mandela in South Africa, where he was treated as a head of state.

He came to Canada as an APEC member. It was not a bilateral invitation. It was an invitation like the invitations made to any other leaders who belong to this international organization.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, like the Prime Minister, the Solicitor General cannot or will not answer questions about APEC. He cannot cite a single section of the RCMP Act which extends the commission's mandate into the Prime Minister's office, nor can he explain to Canadians why they should trust the independence of the RCMP complaints commission which is almost entirely selected by the Prime Minister himself.

I ask the solicitor general: Why should Canadians trust a minister who understands little, says less and covers up for the Prime Minister?

• (1430)

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, unlike my hon. colleague I believe that people who choose to serve their country do not park their integrity at the door.

Regardless of political affiliation, I do not accept the premise of the question that someone cannot serve their country independently because I believe they can. I believe they do.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, would the solicitor general perhaps accept the fact Elections Canada has indicated that five members of the Public Complaints Commission made a financial donation to the Liberal Party of Canada in—

Some hon. members: Oh, oh.

Mr. Peter MacKay: The Prime Minister has already bought the loyalty of his personal protegee, Jean Carle, with a patronage appointment.

Some hon. members: Oh, oh.

The Speaker: I ask the hon. member to get directly to his question.

Mr. Peter MacKay: Mr. Speaker, I ask the Prime Minister to demonstrate dignity and integrity by speaking in the House on his role in the APEC affair.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there is an inquiry. It will look at all the facts. We have collaborated with the commission. It asked two persons of my staff to appear, and they will be there.

Let the commission do its work. I have nothing to hide, absolutely nothing to hide. That is why we are happy that the commission will start its work on Monday. Let it do its work.

When the inquiry is over I will be here. I am here every day, sir, to reply to your questions. I am not afraid at all.

The Speaker: I know hon. members will remember that I am here too and that they should address me.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, that is hard to forget. The head of the APEC operations was very specific in his memo.

He said that "the PMO has expressed concerns about the security perimeter, not so much from a security point of view but to avoid embarrassment to the APEC leaders". This is the most damning piece of evidence in this saga so far.

How much longer will the Prime Minister deny that he was involved in this affair?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as the House is well aware, I am sure, the inquiry commences on Monday.

In the interest of getting to the truth, I think we should leave it to the inquiry to do that, as parliament instructed when the Public Complaints Commission was established by the House to do just that job.

Oral Questions

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the Prime Minister has just told the House and Canadians that he is here every day to answer the questions, so maybe he could just do that little thing for us.

There are new documents that are coming forward every day. There are new witnesses every day: Craig Jones, Chief Sparrow, Mr. Vanderloo. The paper trail is getting longer and longer.

Does the Prime Minister still believe there is a great conspiracy going on against the Prime Minister, or could it be the other way around?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, that is what the leader of the NDP said. They talk about somebody who apparently saw me giving orders and she heard nothing. They never apologized because the chief in question never heard anything.

It is the same thing. She accused Mr. Goldenberg of calling the president of the university. It was just the reverse, and they have not apologized.

They should just check their facts, and the best way is to wait for the commission that will look at all the facts.

* * *

[Translation]

AUDITOR GENERAL'S REPORT

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, the auditor general looked into 285 cases of improper conduct reported in 18 months in Revenue Canada and noted that there were many more.

• (1435)

How did the Minister of National Revenue have the gall on Monday to gloat over the high level of security in his department on the eve of the presentation of the report by the auditor general, which reveals hundreds of cases of improper conduct in his own department?

[English]

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, in fact the auditor general in the last two reports has actually given us a very good report. If the hon. member read the report, the auditor general clearly said that Revenue Canada has a solid foundation for the promotion of integrity.

We work very closely with the auditor general and will certainly look at some of the recommendations and how we can strengthen and enhance our systems.

[Translation]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, if 285 cases of improper conduct constitute a solid foundation, I do not know that the total number would represent.

The auditor general reports that the government is already having a hard time assuring security and integrity within the department of revenue, with all the bribes, leaks, abuses of power and everything else.

What should we think about a government that is now contemplating giving tax collection over to an independent agency, which would have even less accountability than Revenue Canada?

[English]

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, if the hon. member really wants to look at problems in revenue, he should look at Revenue Quebec. That is where the real problems are.

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APEC SUMMIT

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, according to the organizer of the APEC summit the Prime Minister's office wanted to balance the wishes of foreign dictators against the rights of protesters at APEC. Well, balance; you don't balance the constitutional rights of Canadians against the feelings of a foreign dictator.

Does the Prime Minister agree with his press secretary? Are the constitutional rights of Canadians to be balanced against the hurt feelings of a foreign dictator?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I am sure Canadians want to get to the bottom of all these questions. There is an instrument to do that. It is called the Public Complaints Commission. It represents the interest of the public.

It starts its work on Monday. I would wish members opposite would let it do its work so we can get to the truth in the interest of the Canadian public.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, did we not hear the Prime Minister say he is here to answer our questions today? Why does he not get up and answer them? I think the Prime Minister better get his lines straight if he is to be at the Public Complaints Commission and testify.

All summer long he has been saying "I have had nothing to do with it. Don't blame me. I am innocent". There is a paper trail that leads right to the Prime Minister's office, and the paper trail says that the Prime Minister traded the constitutional rights of honest Canadians against the dictator Suharto. Why did the Prime Minister do that?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I think the hon. member is trading his interest for the truth—

Some hon. members: Oh, oh.

The Speaker: The hon. solicitor general.

Oral Questions

Hon. Andy Scott: Mr. Speaker, I think Canadians want to get to the truth. I think the hon. member is trading his interest and Canadians' interest in the truth to try to score cheap political points here.

The commission starts on Monday. I think we deserve to give the respect of the House to that organization, a body organized by the House which I think will satisfy the Canadian population's interest in getting to the bottom of this.

* * *

[Translation]

QUÉBEC-TÉLÉPHONE

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, my question is for the Prime Minister.

The government is bowing to the pressures of lobbyists and preparing to deny Québec-Téléphone access to the same competitive conditions as Bell Canada enjoys. Yet Québec-Téléphone offers its customers state-of-the-art technology, including Internet services to Lourdes-de-Blanc-Sablon, while tens of thousands of Bell subscribers are still waiting for private lines.

Why is the government presenting itself as the great champion of competition, while doggedly refusing to comply with Québec-Téléphone's request to expand its fibre-optic network beyond its present service area?

[English]

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, as hon. members know, Canada is committed to its Canadian ownership rules for owners of telecommunications and transmission facilities.

The Bloc knows there is no support for QuebecTel's request among Quebec based companies, whether it be Bell, Videotron or COGECO. I am sure the Bloc would understand that if there is no support for the project the Government of Canada also should not support the project.

• (1440)

[Translation]

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, the government did not need anyone else's support, it had legislation behind it. Québec-Téléphone was grandfathered, and once grandfathered, always grandfathered.

Why is the government preparing to take decisions in relation to Québec-Téléphone which prevent the company from expanding, instead of giving it the right to play according to the same rules of competition as Bell Canada?

[English]

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, telecommunications policy supports a competitive marketplace for all Canadian telecommunications.

We want to make a fair and level playing field for all competitors including those from the province of Quebec and all other provinces and territories across Canada. We will continue to do so.

* * *

STANDING COMMITTEE ON FISHERIES AND OCEANS

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, we know the Minister of Fisheries and Oceans has demanded to have the member for Gander—Grand Falls, Newfoundland, fired as the chair of the fisheries and oceans committee. The minister will do in one of his own to save his own hide.

Why is the minister covering up his own failures by having his fisheries chair fired?

The Speaker: I do not know that this deals directly with the minister's responsibility. If he wishes to respond I will let him, but the question is out of order.

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I should inform the hon. member that if in fact his totally false assertions were correct, I would never have signed a letter to the hon. member as chair of that committee less than one hour ago.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, we know and have been told by numerous sources that the minister was undertaking to have the chair fired. What we want to know now—

The Speaker: The hon. member for Louis-Hébert.

* * *

[Translation]

SCRAPIE

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, the Minister of Agriculture and Agri-Food is still refusing to provide an accurate picture of the scrapie situation in Canada, namely the number of sheep slaughtered and quarantined, and the amounts paid to farmers.

Can the minister assure us that Quebec sheep farmers are receiving the same treatment from the agency in all aspects as their counterparts are in the other provinces, and is he prepared to produce agency documents to prove this?

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Yes, I can, Mr. Speaker, and we have already done it.

Oral Questions

[Translation]

QUEBEC'S ECONOMIC DEVELOPMENT

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, in 1996, Quebec's Parti Québécois government organized two socio-economic summits. On each occasion, it excluded the Canadian government.

The Government of Quebec was prepared to meet with municipalities, high finance—all the major banks were present—, management and labour, but not with the federal government. Yet we know that the federal government is an important player in the economic development of Quebec and the greater Montreal area.

Will the secretary of state responsible for economic development in Quebec tell us what the federal government has been doing to promote the development of Montreal?

Hon. Martin Cauchon (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I would like to thank my colleague for his excellent question.

Since February 1996, the Government of Canada has stayed on the same course and continued to play a role in the economic development of the province of Quebec, bringing the Team Canada approach into play and devising a strategy for action on five fronts.

● (1445)

Today, I am proud to say that 1,500 projects have been completed since February 1996, with the help of the Liberal team, for a total of more than \$1 billion invested in the greater Montreal area and over \$3 billion in all.

* * *

[English]

ABORIGINAL AFFAIRS

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, if they really cared they would return the EI overpayment.

My question is to the Minister of Indian Affairs and Northern Development. The auditor general says this government's land claims policy in British Columbia is a complete and total failure. It has spent \$90 million on lawyers, consultants and other hangers on to date and it does not have one treaty.

With 123 treaties to go can the minister give us any idea of what the cost of negotiations will be?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I welcome the work of the auditor general in the area of the comprehensive land claims process.

I note that he says that under the best of circumstances reaching comprehensive land claim settlements is a very difficult challenge. I would agree with him.

Do we have the process perfectly worked out yet? No, we do not. Are we making progress? Yes, we are.

Most important, the question is whether it is the right thing to do. Absolutely it is. This government is committed to making good these long outstanding claims in a fair and equitable way at the negotiating table.

The Speaker: My colleagues, we ask questions and out of courtesy we should listen to the answer rather than yelling back and forth.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, how many billions are they going to spend before they get it right?

The auditor general says the minister is going to stick Canadian taxpayers with a huge tax bill, as much as \$50 billion if Nisga'a is any indication of what treaty making in British Columbia will cost. This government has not had the decency to be straight with Canadians and tell them how much will cost.

Will the minister come clean this afternoon and admit it will cost tens of billions of dollars to resolve these treaties?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, what I will say is that we are making progress with the legal rights that aboriginal people have in this country.

It was an honour for me on August 4 to stand with colleagues in my caucus and hundreds of people in New Aiyansh in the hon. member's riding to celebrate an historic moment in Canadian history, the initialling of the final agreement with the Nisga'a people.

Fundamentally this is a very complex treaty. But the Nisga'a people, instead of being marginalized, will be embraced and included in this great country.

* * *

EMPLOYMENT INSURANCE

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, what would members think of a house insurance policy that they are forced to pay into and yet if their houses burn down they would have less than a 40% chance of collecting any benefits? They would probably want the government to intervene on their behalf because it would mean they had just been cheated.

That is how unemployed Canadians feel about the EI system. They know it is not broke but they know it is broken.

Will the Prime Minister tell unemployed Canadians that he will use the EI surplus to restore benefits and eligibility before he even considers using it for any other purpose?

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, as has been clearly said in the House before, no decisions have been made.

Oral Questions

Whenever it decides this government is committed to balanced budgets. The EI debate is not just about premiums. It about making choices. Canadians may like lower EI premiums but they also want quality health care. They also want reinvestment in programs.

Until that debate is over this government will not make a decision. We have prebudget consultations in front of the finance committee. I invite the hon. member to come, put forward his case and allow the debate to continue.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, that answer helps us realize our worst fears. There is a three way tug of war going on over the EI surplus.

On the one side business wants premiums cut. On the other side the Minister of Finance wants to score political points by spending money that is not his. Then there are the 65% of unemployed Canadians who just want to feed their kids and who do not qualify for any benefits at all. I ask again, will the Prime Minister tell us today that he will stand up on behalf of unemployed workers and use the EI surplus to help put working people back to work with income assistance and with training and benefits?

• (1450)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am glad we are having the debate. I would like to read something to the House of Commons concerning what NDP Premier Romanow said: "When asked about the use of the EI surplus, Premier Romanow called for a sustainable balanced reduction in that surplus to be used for the general good of the public. I just think there is a surplus and it could be put to good use for the people of Canada. Health care is my generally favoured approach but I am prepared to look at other options".

* * *

CANADA PENSION PLAN

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, before he was fired, Bernard Dussault, the former chief actuary for the CPP, developed a state of the art computer program called Dynacan to independently evaluate security programs, including the CPP or the seniors benefit.

Will the Prime Minister confirm that in July Department of Finance officials directed that the Dynacan program be moved from the office of the actuary over to the Department of Human Resources Development so that the government could manipulate the information created by the Dynacan program for its own political advantage?

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, clearly if the hon. member is making any sort of insinuation that this government has done anything

other than be transparent with respect to the CPP actuary he is clearly wrong.

Mr. Palmer today went forward and met with the public and met with the media and he indicated that it was solely within his jurisdiction to deal with the CPP actuary. He has done so very clearly in his capacity as the superintendent of financial institutions. I dismiss that suggestion by the hon. member. I ask the hon. member to perhaps check his facts.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, Bernard Dussault expressed himself very clearly as well on August 24 when he wrote a letter to senior government officials expressing his deep concern over the loss of Dynacan. By taking this important tool from him, the government compromised Dussault's ability to provide independent assessment of the future of the CPP. A day later, August 25, Bernard Dussault was fired.

Was this government afraid that the chief actuary would reveal too much about the flawed future of Canada's social programs? Was the chief actuary with his competence, his independence, his objectivity, just too dangerous to keep around?

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I quote from Mr. Palmer: "I as superintendent terminated Mr. Dussault's employment because of longstanding issues concerning his management". The Minister of Finance had nothing to do with it. In fact, today in a statement he issued to the press he stated: "I know there was no political interference in my decision to ask him to leave, not the Minister of Finance, not any other minister. I am responsible for OSFI and this was my decision as the superintendent". Clearly it was Mr. Palmer's decision.

* * *

AEROSPACE INDUSTRY

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, my question is for the Minister for International Trade.

The Aerospace Industries Association of Canada, which just held its 37th annual general meeting in Ottawa, is very concerned about unfair competition on the world market. One example is a subsidy that gives a price advantage to regional jetliners manufactured in Brazil.

What is the government doing to ensure that Canada's aerospace industries are not undermined by Brazilian government subsidies?

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, let me thank the hon. member for her question because it is an important one.

Over 60,000 Canadians are employed by the national aerospace industry in all regions of the country. That is why the Prime Minister with the president of Brazil tried to negotiate this dispute with Proex. Regrettably that was not possible and so the Canadian government took the action this summer to bring Brazil before the

Oral Questions

World Trade Organization. We are not shy about defending or promoting aerospace industries in this country.

* * *

EMPLOYMENT INSURANCE

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am glad to see the easy questions are from that side and the hard ones are from this side.

Yesterday the Minister of Human Resources Development said he will do this and he will do that to fix the social insurance number fiasco. He has not done anything so far.

• (1455)

Will the minister tell the House why his department has been accepting birth certificates off the Internet, why his department has been issuing multiple social insurance numbers to criminals, why his department has been paying illegal benefits to rip-off artists and sticking a multimillion dollar—

The Speaker: The hon. parliamentary secretary.

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, despite the member's protests we do agree with the auditor general's recommendations that came forward yesterday. As a matter of fact, we have co-operated with him in the production of information on which he based his report. We have already begun working on those recommendations.

One of the problems is that many of those persons who have the extra cards are deceased. Since the provinces are an important source of vital statistics such as death statistics we have been working with them and hope to work further with them in cleaning up the list and restoring the—

The Speaker: The hon. member for Hochelaga—Maisonneuve.

* * *

[*Translation*]

CHILEAN REFUGEES

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, the federal government is directly responsible for the situation several Chilean families facing expulsion are now finding themselves in.

By waiving the visa requirement for Chilean nationals from January 1995 to June 1996, Ottawa attracted 3,595 Chileans.

My question is for the Minister of Immigration. Since she is personally responsible for the problems these people are now confronted to, will the minister grant the Comité de soutien des Chiliens its three requests: a moratorium on deportations, financial support for resettling and diplomatic follow-up—

The Speaker: The hon. Minister of Citizenship and Immigration.

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, Canada is true to its humanitarian tradition in dealing with anyone who comes to Canada to seek refugee status. All these people received independent hearings but, unfortunately, many saw their claims denied.

We are currently working very closely with the Government of Quebec, which is in the process of screening some of these people. It is clear however that they will have to leave the country so they can apply as independent immigrants.

I do hope they will leave our country of their own free will.

* * *

[*English*]

ANTI-SMOKING PROGRAMS

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the health minister wrote to the House in response to a question we had on the order paper for more than a year that for the financial year 1997-98, \$200,000 was put aside for anti-smoking programs aimed at young Canadians. That is \$19.8 million short of the Liberal red book promise of \$20 million per year. In that same year a quarter of a million young Canadians got hooked on smoking.

Will the minister commit to spending the full \$40 million for this year and last? Will he do it now on programs that will save young people's—

The Speaker: The hon. Minister of Health.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the government has already committed that in the coming years in the course of this mandate we will be devoting tens of millions of dollars to efforts to not only enforce the Tobacco Act, which makes it an offence to sell tobacco to children, but to persuade young people not to start smoking. That is going to be the focus of our efforts.

This is going to involve money. It is going to involve effort. It is going to involve the effort of every member of the government on the single most important public health issue facing Canadians today.

* * *

VETERANS AFFAIRS

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, the Minister of Veterans Affairs is about to embark on a two week trip to celebrate the 45th anniversary of the ceasefire in Korea. I sincerely hope these veterans have a good trip as we are all very proud of their efforts.

Tributes

However, in April the minister promised in committee to bring forth legislation that would make merchant navy vets equal with other vets. Now it is the end of September and there is still no legislation.

Is the minister prepared to table his bill and meet with the merchant navy vets who are on hunger strike to discuss their concerns before he leaves on Friday so we can bring everything to an end?

Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, I met with the veterans on two occasions in the last week. The bill will be before the House before the end of the year.

* * *

• (1500)

PRESENCE IN THE GALLERY

The Speaker: Colleagues, today, in a very personal way, is a very important day for the speakership and I will tell you why. We have in our gallery today four former Speakers of this House.

I will introduce them, one by one, but I would like you to hold your applause until I have introduced all four former Speakers.

Mr. Speaker from 1963 to 1966, the hon. Alan Macnaughton. Mr. Speaker from 1974 to 1980, the hon. James Jerome. Mr. Speaker from 1983 to 1984, the hon. Lloyd Francis. And Mr. Speaker from 1984 to 1986, the hon. John Bosley.

Welcome, Speakers.

Some hon. members: Hear, hear.

The Speaker: I have notice of a question of privilege and notice of a point of order. I am going to handle those after tributes.

Today we are going to pay tribute to a former Speaker of this House who died last July. I refer of course to Mr. Speaker Lucien Lamoureux. His family is here today in the gallery.

I will recognize the Right Hon. Prime Minister.

* * *

[*Translation*]

THE LATE HON. LUCIEN LAMOUREUX

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, last summer, we were all saddened by the death of the Hon. Lucien Lamoureux.

This learned and distinguished Franco-Ontarian was a leader in his community and one of the great Speakers of the House of Commons.

Lucien Lamoureux was first elected to the House of Commons in 1962, as the member for Stormont—Dundas—Glengarry, and he soon made a name for himself.

He was appointed acting speaker of the House in 1963. After having proved his mettle for three years, he was elected Speaker by acclamation in 1966. He was again re-elected Speaker in 1968 and in 1972. His nine year tenure as Speaker was an eventful, at times electrifying period.

[*English*]

Twice he presided over a minority government, one in which there were five parties, and the government and the official opposition were separated by just two seats, adding fuel to the fires of parliamentary debate that, as you know, Mr. Speaker, are heated even in more stable settings.

The issues of the day were divisive, positions were deeply felt and the tone of exchanges was often angry and personal. Through it all Lucien presided with dignity, diplomacy and wisdom.

[*Translation*]

He was able to maintain order and decorum. In doing so, he earned the respect and trust of members from all parties. He was, in every way, a model for his successors, a gifted Speaker, an expert on our parliamentary procedure and traditions, a far-sighted administrator to whom we owe a professional development program from which all his successors in the Chair have benefited. He was a gracious host and an impressive emissary.

[*English*]

Lucien Lamoureux was a man of great intensity, who sought excellence in everything he did. He drove himself hard and he made many personal sacrifices. More often than not, he achieved his goals.

However, he was also a man of great humility and humanity who disdained any kind of pretence, with the gift of making anyone feel at ease from the most distinguished dignitary to the most junior employees of the House.

[*Translation*]

After he retired in 1974, he continued to serve Canada well, as ambassador to Portugal and to Belgium.

• (1505)

I have lost a friend and former colleague, and the House of Commons has lost one of its great parliamentarians. Canada has lost the man who embodied the most noble of our traditions of service to the community.

We will all miss him, and I offer my condolences to the members of his family who are here today.

*Tributes**[English]*

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, I am honoured to participate on behalf of the official opposition in this tribute to the Hon. Lucien Lamoureux, the esteemed gentleman who occupied your chair from 1966 to 1974.

The word distinguished does not seem adequate in describing Mr. Lamoureux. Perhaps there is not a word in our lexicon that truly captures the nature and the capacity of this man.

From the time of his formative years Mr. Lamoureux was destined for greatness. He would stand out amongst his peers.

Born in Ottawa in 1920, Mr. Lamoureux attended the University of Ottawa where he earned a Master's degree in philosophy before studying law at Osgoode Hall. After graduating in 1945 he went to work for Lionel Chevrier, a cabinet minister in the governments of Mackenzie King and Louis St. Laurent.

In 1954 he took a break from politics and opened a law practice in Cornwall. His roots ran deep in the Liberal Party. His work in Cornwall on behalf of the separate school board, the Children's Aid Society and the Community Chest were without equal.

The urge to serve at the federal level was compelling for Mr. Lamoureux. He sought federal office and was elected as MP for Stormont in 1962. He immediately exhibited an interest and an ability in the rules and procedures of the House. Always a measured and reflective man, his interest seemed a natural fit.

When the Liberal Party came to power in 1963 he was appointed the Deputy Speaker. He attended only two meetings of the Liberal caucus before deciding to withdraw in order to emphasize the impartial nature of his position. Integrity, balance and fairness were hallmarks that would define this gentleman's nature in the time that followed.

Following the 1965 general election, Prime Minister Lester Pearson nominated Mr. Lamoureux for the role of Speaker. Mr. Lamoureux took the chair in 1966 and served as Speaker for eight years until 1974.

The real statement of this gentleman's ability was the fact that he presided over two minority parliaments during his eight years as Speaker. As Mr. Speaker can appreciate, this would be an onerous time for even the most serene individual. Mr. Lamoureux carried it off with the usual aplomb, balance and calm. It could have been an explosive time, particularly in February 1968 when the Pearson government lost a vote at third reading on a financial bill. After much representation from all sides, Speaker Lamoureux was able to avoid disorder until adjournment hour at 10.00 p.m., a statement to his ability, rationale and his great knowledge of the rules.

By April 1968 Mr. Lamoureux had decided he would not fight another election as a member of a political party. He asked for an

all-party agreement to support his candidacy as an independent. Prime Minister Trudeau and opposition leader Robert Stanfield, in order to keep Mr. Lamoureux as Speaker, did not nominate candidates against him. Mr. Lamoureux won a landslide victory over his NDP opponent.

Before the 1972 general election Mr. Lamoureux announced that he would again run as an independent and won again in his riding of Stormont. Once again he was Speaker. By April 1974 he had been the Speaker in the chair for 3,010 days, surpassing the record held by Rudolphe Lemieux who was Speaker from 1922 to 1930.

In September 1974 he retired from politics and was shortly afterward appointed as ambassador to Belgium from 1974 to 1980. After that he was appointed as ambassador to Portugal from 1980 to 1985. Mr. Lamoureux said at the time of his retirement from politics "I believe I have done my share in serving my country and I will now leave it up to other men".

I would like to add a more personal observation on this excellent individual for Canada.

I was elected to this House in 1972 and had the honour of being recognized for the first time by Speaker Lamoureux on January 9, 1973 in question period. His reputation of impartiality was renowned and he was revered for fairness and objectivity by every single parliamentarian of the day. I will never forget coming to this House and watching him in operation.

Columnists during Mr. Lamoureux's days as Speaker and columnists of today recognize him as the most adroit and neutral arbiter of competing politicians. Some have called him the best speaker in modern times. While his style, wit and nature have been emulated, they have seldom been duplicated.

• (1510)

I had the honour of serving as Speaker of the Legislative Assembly of British Columbia from 1987 to 1989. I can admit that I drew upon examples of the rulings and temperament of Speaker Lamoureux more than once during my Speaker's role.

Mr. Speaker, you know in your capacity and in the manner you too strive for impartiality that some days your very sinew is tested in the job of Speaker. It is an onerous job, but a richly rewarding one.

It is fitting that Mr. Lamoureux received the Order of Canada before his passing. It was another distinction bestowed on this most deserving of gentlemen.

Mr. Lamoureux is the benchmark from which all others in the Speaker's chair will be judged.

To his wife, Elizabeth, daughter Isabelle and stepchildren Emmanuel and Karen, I extend on behalf of Her Majesty's loyal official opposition our sincerest condolences. Lucien Lamoureux

is one of those parliamentarians and Speakers that comes but once in a lifetime.

[*Translation*]

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, allow me, on behalf of myself and my colleagues in the Bloc Québécois, to offer our sincere condolences to the family and friends of a great parliamentarian, Lucien Lamoureux, who passed away on July 16 at the age of 77.

Mr. Lamoureux was born in Ottawa in 1920. He studied philosophy at the University of Ottawa and went on to earn a law degree from Osgoode Hall in Toronto in 1945. His first experience in the House of Commons was as assistant to Lionel Chevrier when he was a minister in the governments of Mackenzie King and Louis St-Laurent. In 1954, Mr. Lamoureux left Parliament Hill to practice law in Cornwall.

He returned to the House of Commons in 1962 as the Liberal member representing the people of Stormont—Dundas. He was re-elected in 1963 and appointed Deputy Speaker. Following the 1965 election, he became Speaker of the House and remained so until his retirement from politics in 1974.

During that time, he presided over 3,010 days of debate. He left his own mark on the Chair, because, in order to ensure the impartiality of the position of Speaker, he ran as an independent in the elections of 1968 and 1972 seeking the support of all parties. Both times he was re-elected with a strong majority.

In September 1974, he gave up active political life. He was appointed Canada's ambassador to Belgium and Luxembourg, a position he held until 1980. From 1980 to 1985, he served as ambassador to Portugal. After his retirement from public life, in 1985, he settled in Belgium.

Recently, Mr. Lamoureux was named an Officer of the Order of Canada, an honour he was to receive at the end of July.

Mr. Lamoureux spent many years of his life in the service of his fellow citizens and of this place of assembly.

His family and friends should be proud of his accomplishments during his career. It is an honour for me as a parliamentarian to pay tribute to this man who marked the history of the House of Commons.

[*English*]

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I want to add some personal observations of Mr. Lamoureux who passed away last summer.

People have given his biography in the House, that he was elected several times and was Speaker of the House for six years.

Tributes

I was first elected in 1968 and when I came here Lucien Lamoureux was really revered as the model parliamentarian and the model Speaker that we could all emulate as parliamentarians in this country. He was extremely respected by all members of the House.

He was elected in 1962 and 1965, and I am told when he was made Speaker in 1965 he left the Liberal caucus to sit as an independent member to show the independence of the speakership, which was extremely important in those days. It was really a break in many ways from the tradition in this country.

Another observation that I had of him was the tremendous respect that people had for this man. We have had many good Speakers. We have an excellent Speaker in the House today. But I think Speaker Lamoureux is probably one of the greatest Speakers of all time. In fact former Prime Minister Pierre Trudeau said he was the greatest speaker since Confederation. I certainly have tremendous confidence in him and would certainly echo the remarks of former Prime Minister Pierre Trudeau.

• (1515)

Speaker Lamoureux also had a tremendous ability. It was the ability to calm this place, an ability to referee or adjudicate this place like none I had ever seen.

I remember the minority parliament in 1972-74. There was a two seat difference between the governing Liberals and the opposition Tories with the NDP holding the balance of power. We also had the Social Credit Party led by Mr. Caouette. Those were days of great tensions and great debates in the House. Mr. Lamoureux had tremendous respect. He was able to keep this place running very efficiently.

It was also a time of tremendous parliamentary giants: Pierre Trudeau, John Diefenbaker who sat right here, Tommy Douglas, David Lewis, Réal Caouette, many parliamentary giants, Stanley Knowles and Allan MacEachen to mention but a few. Mr. Lamoureux was able to rise to the occasion at all times and be a tremendous Speaker.

I had tremendous respect for him. On behalf of our party, I want to extend our sympathy and condolences to his family and to his friends. He has been an inspiration to all of us and has set a tone for all of us to follow, particularly the Speakers of this House.

[*Translation*]

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, my colleagues in the Progressive Conservative caucus join with me in offering our most sincere condolences to the Lamoureux family.

The hon. Lucien Lamoureux made a great contribution to our country during his years of public service. His greatest mark, of course, was left as Speaker of this House.

Tributes

He was actively involved in his party before his election as Speaker, and after his years in the House of Commons this proud Franco-Ontarian represented his country as Canadian ambassador, first to Belgium and then to Portugal.

Less than a year ago, I had the honour and pleasure of spending an hour in Mr. Lamoureux' company. In his capacity as honorary Colonel of the Canadian NATO contingent, he had welcomed me on my visit to the military base in Geilenkirchen, Germany. This title of honorary colonel was but one of many he received throughout his career. He was very proud of his responsibilities within NATO and spoke with great eloquence about our soldiers working so hard in another country.

Lucien Lamoureux was a legend in his own time. The standards of impartiality and integrity he imposed from the Chair of this House, and his stringent adherence to the rules while a representative in this House, left a path for his successors to follow. Following on the example he set, the House requires very high standards of its speakers.

Today I would like to thank the Lamoureux family for sharing him with Parliament and with this great country of Canada he loved so much. He left a great heritage, one of which his family can continue to be justly proud for many generations to come.

The Speaker: Dear colleagues, I wish to address my remarks directly to Lucien Lamoureux's children, Michel, Sylvie and Adèle, who are here today.

Obviously, I am speaking on behalf of my colleagues in the House of Commons, as well as on behalf of those here with us today who, like Lucien Lamoureux, once occupied this chair. I join with you in paying tribute to the late Mr. Lamoureux, who, as was pointed out, was the Speaker from 1966 to 1974.

We share his family's sense of loss, but we want to join with them in celebrating his life.

Naturally, for all of us here in the House, and especially for me, one of his successors, what we will remember most is his distinguished contribution to the House of Commons and to parliamentary democracy throughout the world.

• (1520)

[*English*]

As the occupant of this chair, Mr. Lamoureux set a standard to be emulated. This was said by the hon. member for West Vancouver—Sunshine Coast and I agree with him. His eloquence and his unflinching fairness in judging the matters brought before him are often praised, as they have been today.

What I personally have been struck by is Speaker Lamoureux's gift for perspective when rendering a decision. He was always careful to consider the specifics of the matter before him and to decide the case accordingly. Perhaps even more importantly for us

who are here, he was always aware of the future consequences of the decisions he rendered for the institution, this institution which he so cherished.

Lucien Lamoureux presided over this House at a critical juncture in its procedural development. His wisdom guides us still as we continue that evolution.

At the international level, Speaker Lamoureux took the initiative of creating in 1969 the Conference of Commonwealth Speakers and Presiding Officers. The words of its preamble best describe this initiative. "Commonwealth Speakers and presiding officers, irrespective of race, colour, religion or culture, are united by community of interest, respect for the rule of law and pursuit of the ideals of parliamentary democracy".

The conference that he began aims to maintain, foster and encourage the impartiality and fairness of speakers and presiding officers of parliaments through the promotion of knowledge and the understanding of parliamentary democracy in its various forms, and to develop parliamentary institutions.

Some members have spoken today about their personal relationship with Mr. Lamoureux. I did not have the pleasure of ever meeting him and I regret that a great deal. Too long I postponed making direct contact with one of these, yes, one of the giants of us, the Speakers of the House of Commons. We look to his decisions and we look to the manner with which he conducted himself and the business of this place.

At Kingsmere where Mr. Lamoureux lived, where I now live and these Speakers lived, he planted six trees that are there and are growing. When he planted them, I am told they were about seven feet high. Even after the ice storm, three of them survived to full growth and they are well over 35 feet now. There are many trees at Kingsmere of course. Those trees were there with Mackenzie King and Mr. Lamoureux's trees are there now.

I think it is symbolic that he planted something that continues to grow. We here in parliament are the recipients of the seeds of his wise decisions. My colleagues and I who have sat in this chair realize full well the responsibilities of a Speaker. You, my colleagues in this House, you too realize the importance of this institution to all of us.

We have lost a great Canadian. He was ours. He belonged to the House of Commons. He belonged to Canada. Yes, he belonged to you and you were good enough to share him with us. We thank you for that.

* * *

KOSOVO

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I think you will find unanimous consent of the House for the following resolution. I would like to express my thanks to the

members of the opposition and to the member for Davenport for his inspiration for this resolution.

● (1525)

The resolution reads:

That this House expresses its profound dismay and sorrow concerning the atrocities being suffered by the civilian population in Kosovo and, in anticipation of winter, this House calls on the Government of the Federal Republic of Yugoslavia and the parties involved in this inhumane confrontation to put down arms immediately and start negotiating a solution with the help of international organizations like the United Nations and the Organization for Security and Co-operation in Europe, and other organizations whose belief is that there could be a lasting, peaceful and political solution.

The Speaker: Is there unanimous agreement?

Some hon. members: Agreed.

(Motion agreed to)

The Speaker: Agreed and so ordered.

* * *

PRIVILEGE

TOBACCO ACT

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I rise on a point of privilege concerning the Minister of Health's non-enforcement of the Tobacco Act pending the passage of Bill C-42, an act to amend the Tobacco Act.

Documents from the minister's office demonstrate that the minister will not be enforcing certain measures in the Tobacco Act which comes into effect tomorrow, October 1, and will instead be enforcing the provisions of Bill C-42, which is still before the House at second reading.

I ask, Mr. Speaker, that you find the minister's presumption that Bill C-42 will pass, and his acting as if it has already passed, is a contempt of this House. I would hope that based on my presentation you will allow me to move that this matter be referred to the Standing Committee on Procedure and House Affairs.

The standing orders require that I raise this at the earliest possible opportunity. I point out that this is the eve of October 1 and therefore the earliest possible time when this matter could be raised.

There are provisions in the Tobacco Act regarding the ability of tobacco companies to sponsor public events that come into force on

Privilege

October 1. The measures in Bill C-42 supersede those measures, but there is no way that Bill C-42 will be enacted by tomorrow.

Through his careless handling of this file, and introducing Bill C-42 at such a late date that there is no physical possibility of meeting the legislated deadline in the Tobacco Act, the minister has left this House and the concerned members of the public in a difficult quandary.

As of tomorrow, the new restrictions on tobacco sponsorship under the Tobacco Act will have the force of law. However, the government says that it will administer the Tobacco Act after October 1 as if Bill C-42 has passed.

Let me quote from a briefing document from the Minister of Health's office which briefs the minister on how to answer questions on Bill C-42. The question is "What happens if the act is not in force by October 1, 1998 even if it is deemed to come into force on that date?" The answer is "Given that my intentions are now known it would be appropriate for the department to administer the legislation as if the amendment was in effect as of October 1, 1998". Mr. Speaker, I appended a copy of this document to the notice of this point of privilege that I delivered to your office earlier today.

For the Minister of Health to administer the Tobacco Act from tomorrow as if Bill C-42 had passed this House is in my opinion a clear contempt of this House. When the Minister for International Trade earlier this year announced the formation of a Canada-China parliamentary association as if the House had created one when in fact it had not, you ruled, Mr. Speaker, on April 23, 1998:

In announcing the establishment of a Canada-China interparliamentary group and thereby prejudging a decision which has yet to be taken, the minister clearly overreached his authority. I am somewhat disappointed that a minister of the crown in acting with such haste may have prejudiced the very outcome that he wished to bring about. Such disregard for the administrative competence of parliament does nothing to enhance its prestige on the international stage.

Members have expressed their frustration over other announcements by the government which appear to bypass the authority of the House. As I have been reminded, this may have taken place on more than one occasion during this parliament.

● (1530)

The evidence shows that in the case of Bill C-42 this has happened again. Some might wish to argue that the government routinely collects new taxes announced in budgets before legislation passes through parliament and that this situation is comparable.

However there is no comparison. There is no reasonable alternative to collecting taxes once they are announced, for the obvious reason that individuals would take action to avoid them in the interval between the announcement and their enactment.

The time constraints surrounding Bill C-42 could have been to the contrary entirely avoidable. The government obviously knew

Points of Order

that the October 1 deadline was in place and it had the opportunity to introduce amendments in a timely manner.

It is only through the carelessness of the government that we are now in a position of having to take the minister's intention as having the force of law. If this practice were condoned and the published intention of a minister were to have the force of law on a routine basis, there would be no point in having parliament at all.

For this reason, Mr. Speaker, I ask you to find that this constitutes a prima facie case of privilege and allow me to move that this matter be referred to the Standing Committee on Procedure and House Affairs.

The Speaker: Before I go to the government House leader I would put a question to the hon. member so that I understand.

The hon. member did send me copies of material that the minister was to have answered if he were asked a question. My direct question is to you, my colleague. Did the minister ever utter those words?

Ms. Judy Wasylycia-Leis: Not to my knowledge, Mr. Speaker.

The Speaker: I will go to the government House leader.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there are a number of things wrong with the statement made by the hon. member on this alleged question of privilege and sometimes called contempt of the House as it has been referred to in her remarks.

First, she is referring to a law which she herself has said in her remarks was not yet applicable. She said that the law would only be applicable starting tomorrow, so how can the non-administration of a law that is not yet a law be a question of privilege? That is the first opposition.

Second, whether or not a law is in force is not in itself a question of privilege, even if that law were already in effect. That is the second point.

The documents to which the member has referred, according to her, are briefing notes for the benefit of a minister should he choose to use those notes to answer a hypothetical question which has not yet been raised.

For all these reasons this is not a question of privilege. Finally, rest assured that I will not draw the parallel between this case and the raising of taxes. The raising of taxes works under the process of an initiative of the crown and works by way of a ways and means motion. Obviously that is not applicable in this case.

The Speaker: In view of the fact that I asked the hon. member and she answered that she did not know of the minister ever having said that, and in view of the fact that this is not October 1 and we

are dealing with a hypothetical case and we would have to deal with a real case, I would rule at this time that there is no point of privilege.

An hon. member: Mr. Speaker, take it under advisement.

The Speaker: I thank the hon. member for his advice but I have already made the ruling.

* * *

POINTS OF ORDER

HOUSE OF COMMONS SEATING PLAN

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, this is the first time I have had the opportunity to raise this matter since the event happened. What I am referring to is the seating arrangement in the House of Commons and the change in the party seating. Our party was located in the other end of the Chamber.

I will quote Beauchesne's and I will go through this point of order systematically, but I just want the floor for a minute or two.

The decision on where the parties would be assigned their—

• (1535)

The Speaker: I have read Beauchesne's. I will give the hon. member about a minute to put the case, but unless I find there is something new I do not know about I will probably intervene again.

Mr. Greg Thompson: Mr. Speaker, I am not sure that I can cram it into a minute. Beauchesne's fifth edition at page 34 under the section entitled "Places of Members", clearly states:

Members are allocated desks in the Chamber by the Speaker on the advice of the party Whips—

My argument is that our whip did not consent to this arrangement. The arrangement I am talking about is putting us at this end of the Chamber.

We admit and acknowledge that we are the fifth party in the House of Commons, but following the general election of 1997 it was negotiated by all parties, us being the fifth party at the time, where we would be sitting. That applied until last week.

The byelection in Quebec changed the House in terms of our membership by one person. That one person displaced an entire party to the other end of the Chamber. I fundamentally disagree with that.

The Speaker: The hon. member has every right to hold whatever opinion he wants. The fact of the matter is that our tradition has been as follows.

After an election the party that has the most seats has the first choice of the seats. The second party, the second choice. The third

party, the third; the fourth, the fourth; and the fifth, the fifth. I am responsible for where independent members sit.

We would hope that we would always act in the House after discussions and collaboration, but at the end of the day seats must be assigned and I have followed the traditions of the House.

There is no such thing as a bad seat in the House of Commons. We have all been elected in the same manner to sit in here as hon. members. I accept the hon. member may well be frustrated and disappointed, as other members might well be with their seating arrangements, but the seating arrangements as they are will stand.

Is the member rising on another point of order?

Mr. Greg Thompson: Mr. Speaker, I have a point of order based on unprecedented procedure and the discontinuation of the same argument.

The Speaker: This point of order is over.

REQUEST FOR TABLING OF DOCUMENT

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, I rise on a point of order. The Minister of Fisheries and Oceans, in response to my great question, made reference to a document that he sent an hour ago to the fisheries committee chairman. I would ask the Speaker to rule that the document be tabled.

The Speaker: First, for greater certainty, the minister is required to table a document if he quotes directly from it. Would the hon. member give me the time to review the blues?

Mr. Gary Lunn: Mr. Speaker, I would agree that he only referred to it; he did not read from it.

The Speaker: If he did not quote from it directly then there is no point of order.

ROUTINE PROCEEDINGS

● (1540)

[English]

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

Mr. Tom Wappel (Scarborough Southwest, Lib.) moved for leave to introduce Bill C-436, an act to amend the Canadian Security Intelligence Service Act (recommendations of the Review Committee).

He said: Mr. Speaker, this is a very specific bill to amend section 52 of the Canadian Security Intelligence Service Act. It would provide that the recommendations of the Security Intelligence Review Committee are to be implemented unless overruled by the minister concerned.

In the event that the minister were to overrule, the minister would be required to report to parliament the reasons for overruling

Routine Proceedings

the decision of the committee. If the reasons were secret, the minister would be required to report to parliament why they are deemed to be secret.

The principle of the bill has been recommended to successive governments by the Security Intelligence Review Committee. Successive governments keep ignoring that recommendation so I keep bringing the bill forward.

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

* * *

PETITIONS

GASOLINE ADDITIVES

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am honoured to present a petition signed by many residents of Grand Bend, Ontario, in my riding of Lambton—Kent—Middlesex.

They note that the use of MMT in gasoline has been proven to foul emission control devices and adversely affect engine performance resulting in higher smog levels.

They call upon parliament to set some new national clean fuel standards for gasoline with zero MMT and lower sulphur content.

SHUSWAP INDIAN BAND

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I am honoured today to table a petition on behalf of certain members of the Shuswap band in British Columbia who ask parliament to cause internal audits to be done within their band. They are very concerned about accountability of the funds the band is receiving.

MARRIAGE

Mr. Tom Wappel (Scarborough Southwest, Lib.): Mr. Speaker, I have five petitions on the same subject matter, totalling 334 signatures from the communities of Kelowna and Chetwynd, British Columbia; Brantford, Ontario; and Winnipeg, Manitoba.

These petitions from across the country pray that parliament enact Bill C-225, an act to amend the Marriage Act and the Interpretation Act so as to define in statute that a marriage can only be entered into between a single male and a single female.

GUN CONTROL

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I have three petitions to present today.

The first is signed by 73 people from my riding and requests that parliament support laws which severely punish all violent criminals who use weapons in the commission of crimes, support the new Criminal Code firearms control provisions which recognize and protect the right of law-abiding citizens to use recreational firearms, and would repeal existing gun control laws.

Government Orders

RIGHTS OF CHILDREN

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, the second petition notes that children have a need to be loved and nurtured by both parents and the right to be economically supported by both parents.

The petitioners call on parliament to pass legislation incorporating the rights of children and the principles of equality among parents.

MARRIAGE

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, the third petition asks parliament to enact Bill C-225 so defined in statute that a marriage can only be entered into between a single male and a single female.

* * *

• (1545)

[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 ask that all questions be allowed to stand.

The Deputy Speaker: Is that agreed?

[English]

Mr. John Cummins (Delta—South Richmond, Ref.): Mr. Speaker, I am inquiring today about Question No. 91. The question was asked on March 27, 1998. The time has long passed since it should have been answered. The question relates to the use of the antimalarial drug mefloquine by the Canadian forces in Somalia.

It would seem to be a straightforward question. The Minister of Health should know what his responsibilities are under the act and I would like to know when I can expect an answer to this question.

Mr. Peter Adams: Mr. Speaker, I have noted the member's interest in Question No. 91. I have noted the date on which it was presented. I will look into the matter as soon as I possibly can.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

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

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, ten months ago, I tabled a notice of motion for the

production of papers, Notice P-10 to be precise, concerning the relocation of the Lac-Mégantic HRDC centre.

Will the Parliamentary Secretary to the Leader of the Government give me a rational explanation for taking so long, more than ten months, simply on the relocation of a mini HRDC office?

Like the member for Frontenac—Mégantic, the people of Lac-Mégantic are starting to think that the government is not as white as snow on this issue.

[English]

Mr. Peter Adams: Mr. Speaker, I know the member's great interest in Notice of Motion for the Production of Papers No. P-10. I know that it concerns Mégantic. I assure him, as I did the previous member, that I will look into this matter as soon as I possibly can.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, in light of the lack of good will displayed by the Parliamentary Secretary to the Leader of the Government, I ask you to please call Notice of Motion for the Production of Papers P-10.

That an Order of the House do issue for copies of: (a) the public notices about the recent relocation of the Lake Mégantic Human Resources Development Centre and (b) all other documents concerning the details of the agreement on the occupation of the current premises.

[English]

Mr. Peter Adams: Mr. Speaker, I suggest that this Motion for the Production of Papers be transferred for debate.

[Translation]

The Deputy Speaker: The motion is transferred for debate, pursuant to Standing Order 97(1).

[English]

Shall the remaining Notices of Motions for the Production of Papers stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

TOBACCO ACT

Hon. Lyle Vanclief (for the Minister of Health, Lib.) moved that Bill C-42, an act to amend the Tobacco Act, be read the second time and referred to a committee.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I am pleased to begin in this House the second reading debate on Bill C-42.

Bill C-42 is a short bill. It is a simple bill. It proposes an amendment to the Tobacco Act and focuses on one aspect of the

Government Orders

tobacco issue, and one issue alone, and that is the promotion of tobacco products through the sponsorship of events.

• (1550)

What the bill does is straightforward. It will toughen the existing Tobacco Act. It will take a piece of legislation that is already one of the strongest in the world and make it even stronger.

The bill would ban the promotion of tobacco sponsorships following a five year transition period. Although the bill is short, it is not an isolated action. It builds on the enormous step forward which our government took in proposing the Tobacco Act and which the last parliament took in passing the legislation.

That act, members will recall, takes aim squarely at the number one cause of preventable death and disease in Canadian society. Its goal is to protect and promote the health of all Canadians. It is aimed specifically at keeping children and young people from starting to smoke.

The health facts are clear. Last year more than 40,000 Canadians died of tobacco related illnesses. That means that each day, on average, more than 100 Canadians died with tobacco standing in the background. Many of those people died of heart disease. Others died of lung disease. Still others fell victim to cancer or some of the many other illnesses that have their roots in the use of tobacco products.

There are some worrisome trends that could add to that toll over time. The percentage of young people between the ages of 15 and 19 who smoke has actually risen in recent years. We need to take continued and effective action to reverse those trends.

However, we must approach this in a way that recognizes that tobacco is a unique product, yet we simply cannot ban it. Tobacco is addictive and over time it is often deadly. It has made its way throughout our culture and indeed cultures throughout the world.

The reality is that to combat something that pervasive, simplistic solutions simply do not work. For that reason the federal government's approach to tobacco control has included a variety of elements. Legislation, educational programs and taxation have all been part of this mix.

Increasingly we have taken steps to affect other aspects of the process that lead young people to smoke. An important focus of the Tobacco Act was to cut the exposure of young Canadians to tobacco promotion. Tobacco advertising had been prohibited for some time and the Tobacco Act continues restrictions in a manner that we believe reflects the charter of rights and freedoms.

However, as traditional advertising avenues were closed off to the tobacco industry they seized on the use of event sponsorships and promotions.

[*Translation*]

According to research, the people who market tobacco products are no different from those marketing any other product. They all seek to understand consumer behaviour, especially the behaviour of consumers who are likely to start using their product. We know they are studying the various factors involved in making the decision to smoke.

[*English*]

So who are they studying? Something like 90% of all smokers start before they are 20 years old, usually well before. In fact we can even say as young as 12. So they must logically be an important target.

Like all marketers, these tobacco people want potential customers to associate their brands with positive images. More than that they want to get their product names in front of as many people as possible. They want tobacco products to be linked to events and activities that people enjoy.

With less and less recourse to traditional advertising, association with sports, cultural and other community events has become very important. Events take on cigarette names. Posters and billboards advertising them are everywhere. Therefore people, especially young people, become familiar with the brands, the logos and the overall presence of tobacco in our society.

We might say in this regard that familiarity breeds contempt, not by itself and not in a simple, direct and crystal clear line, yet there it is. There are many factors that influence a 15 year old's decision to smoke. There are many steps between a first puff and a consistent pack a day addiction. But the research indicates that event promotion is a very significant factor in the overall smoking decision process of our young people. Tobacco brand names can seem to become innocuous, present everywhere, as if they were a normal consumer product.

In making these points about the health impacts of smoking or the importance of event marketing to the tobacco industry, I am simply restating some important points that were made during the debate on the Tobacco Act in the last parliament. Perhaps more important, I am simply restating points that were made on both sides of the House and in the other place in that debate.

• (1555)

This House has historically demonstrated its awareness that smoking kills. Historically it has demonstrated that its support for measures to cut tobacco use by young people are correct and necessary.

The same was true with the Tobacco Act. Mr. Speaker, I am sure you recall the outcome of that debate. Reformers, New Democrats and Progressive Conservatives stood with us on it. They stood with the 91% of Canadians who support efforts by government to discourage young people from becoming addicted to tobacco.

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They stood with the 73% of Canadians who support efforts to discourage smoking among people who already smoke.

It was only the Bloc that opposed the Tobacco Act, and that was largely because of concerns about the impact of sponsorship restrictions on events. Now that the Parti Québécois government has moved in the same direction as we moved a year ago, I am confident that opposition will change there as well.

Of course, some people outside this parliament expressed concerns about sponsorship restrictions. Event organizers were concerned that they would not be able to line up new sponsors quickly enough. Some people in communities that look to these events for tourism dollars were concerned about the possible loss of those marquee events.

A particular area that drew some attention was the impact of the Tobacco Act on motor sports. If you have ever watched a race you will have noticed that every possible space is adorned with advertising: the cars, the racing suits, the facilities. They are all full of logos of sponsors. Those logos are often of tobacco brands that Canadians, Americans, Europeans and Asians use. Because of the concerns of event organizers it was agreed that the federal government would take another look at tobacco sponsorship and motor sports. But I must add that this should never have been seen as a *carte blanche* to water down our commitment to reduce tobacco use.

At that time we said that we would respect the charter of rights and freedoms, that we would respect international standards and that we would respect the health obligations and objectives of the Tobacco Act. As we consulted we heard from event organizers and we heard from health groups that were concerned with the potential influence of sponsorship on young people.

Through the process we remained determined to make this act even more solid than it was already. In the end we decided that we could not and would not create one set of rules for some motor sports events and another for everyone else. We recognized that we did and had to treat all currently sponsored events equally.

We also determined that we were being presented with an opportunity to really fine-tune the sponsorship provisions of the Tobacco Act, and the result is Bill C-42.

I will now turn to the regime the bill sets out.

At the core of this bill is a five year transition period. During that time we will move to a total ban on the display of tobacco brand elements in sponsorship promotions.

There are two types of events for the purpose of this bill. The first type includes events that were in existence and had tobacco company sponsors before April 25, 1997. If parliament agrees, these events would begin with a two year period under the status

quo. Tobacco promotion would be able to continue for that two years and we would continue to allow off site and on site promotions.

The next phase for those grandfathered events would last three years. On site promotions involving tobacco product related brand elements would continue at those events, but these promotions could only be in place for the duration of the event. We would close off opportunities for off site promotion and we would impose a 90:10 rule that appears in the Tobacco Act on those that are permitted. That is to say, only the bottom 10% of the space in the promotional material can display tobacco brand elements.

Direct mailings to identified adults would be permitted, but banners with large tobacco logos on lampposts all over town would not be. Advertising in publications with primarily adult readership would be permitted, but placement in corner stores of posters with cigarette names in bold, big type would end. Promotions such as tent cards in bars, which are legally off limits to young people, would be acceptable, but the same tent cards in regular restaurants would not be.

• (1600)

In short we would cut the tobacco marketers' off-site access to young people dramatically. That stage would end after three years, as I said. That brings us to five years from the date this amendment to the Tobacco Act would come into force. On that date, tobacco sponsorship promotions would end.

The second group of events are those in which sponsorships began on or after April 25, 1997. Those events will not be grandfathered. The restrictions currently in the Tobacco Act would apply to these events and after five years, the days of complacent sponsorship promotions will end.

Under the timetable that we hope parliament will allow us to pursue, in the latter part of the year 2003 there will be a total ban on tobacco sponsorship promotions whether on-site or off-site. There will be no legal ability to display tobacco related product brand elements on sponsorship promotions. Tobacco brand elements will not be associated with permanent arts and sports facilities.

That ban is more than even the Tobacco Act originally envisaged. That act would have simply brought in the 90-10 rule as a new status quo.

[*Translation*]

We have gone one step further in protecting the health of Canadians by cutting any ties between appealing and wholesome activities and tobacco consumption.

[*English*]

Some may ask why we have decided on a period of five years. The five year transition period provides event organizers with

plenty of time and plenty of opportunities to seek alternative sponsors. In our consultations with those organizers, it was clear that if we were determined to eliminate the use of sponsorship as a promotional vehicle for tobacco products, and we are, then they wanted time to make alternative arrangements and they could. In fact I know that process has already begun.

For example, we as a government are very pleased that Air Canada will become the new title sponsor of the Formula One Canadian Grand Prix next year. We believe that the five year time frame will allow other event organizers to demonstrate to other potential sponsors how valuable an association with their event can be.

If this was all we were doing on tobacco control, it would be noteworthy enough. Yet we are actually doing far more and that is why Canada is recognized as a world leader in tobacco control. Indeed we keep track of the steps that other governments are taking on this issue. I want to tell my hon. colleagues on both sides of this chamber that our approach is consistent with evolving international standards. Let me offer some examples.

The European Union recently announced that it is moving in the same direction as we are. It intends to ban tobacco sponsored promotions by the year 2006. It intends to pursue a transitional strategy on the way to that ban.

Australia announced last week that it too will totally prohibit tobacco sponsored promotions by the year 2006.

The United States is moving ahead on actions that will limit the exposure of children to tobacco promotion in ways that are consistent with much that is already in our Tobacco Act.

Canada is on a course to beat them all. Our legislation is among the toughest and most far reaching in the world. The initiatives that the Tobacco Act enables us to take include the regulation of the product, its components and emissions, more comprehensive reporting requirements for tobacco companies and stricter regulations on sales of tobacco products to minors.

It is also backed up by our continuing efforts to promote and protect health through anti-tobacco initiatives. For example last June we announced \$100 million in spending on the tobacco control initiative. We are proud of that. That money followed through on a commitment that our government made during last year's election. It was a commitment that we were proud to keep because it was really an investment in the health of Canadians.

The tobacco control initiative is co-ordinated and it is comprehensive. It pays particular attention to tobacco use among children and teens, groups vulnerable to taking up smoking.

Reducing the health damage caused by tobacco consumption is increasingly an issue, not only for the federal government but for our colleagues in the provincial governments as well.

Government Orders

A New Democratic government in British Columbia has taken legal steps against tobacco companies because of the costs their products place on the health care system. In Quebec, the Parti Québécois government has passed strong legislation that among other things restricts tobacco sales to minors and the promotion of tobacco products.

• (1605)

Both provincial strategies complement our own actions at the federal level. They complement our legislative and health promotion approaches. They demonstrate, just as the history of tobacco control legislation does here, that this is not a partisan issue. It is a health issue.

[*Translation*]

After all, that is the purpose of this bill, a short and straightforward piece of legislation that establishes a new and stricter framework for tobacco promotion through sponsorship and paves the way for the elimination of sponsorship by the year 2003.

[*English*]

It positions us to be heard and be ahead of the United States, most European states and Australia, all countries that have their own solid records on tobacco control.

The action that this bill proposes, together with the restrictions set out in the Tobacco Act as well as our tobacco control initiative are individual parts of a unified strategy.

We are continuing to work and invest significant resources to reduce smoking in Canada. We are taking action that we hope and believe will help reduce the percentage of young people who take up smoking.

This bill then is ultimately about the health of Canadians. It is about making a strong piece of legislation even stronger, all the while making it more realistic. It is a bill that I believe merits the support of all parties in this House.

[*Translation*]

The Acting Speaker (Mr. McClelland): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Pictou—Antigonish—Guysborough, APEC Summit; the hon. member for Winnipeg—Transcona, Trade.

[*English*]

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, I would like to seek the unanimous consent of the House to share my speaking time with the hon. member for Nanaimo—Cowichan.

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The Acting Speaker (Mr. McClelland): Does the hon. member for Macleod have the consent of the House to split his time? It would be 20 minutes each.

Some hon. members: Agreed.

Mr. Grant Hill: Mr. Speaker, as I speak today on Bill C-42, I would like to say that because it is a health issue it is certainly a non-partisan issue. One thing that my constituents have asked of me as I come here is to try not to critique just for the sake of critiquing. I think the public expectation of agreement where health is at stake is a fairly universal one.

I was a little surprised not to see the Minister of Health rise to speak to this bill. I have gone back and looked in *Hansard*, in that tobacco bills are fairly major pieces of legislation, and I have not found another indication where the health minister had not done so. In fact, I went back just today to look at what happened on tobacco control in the last government prior to the last parliament. I wanted to make a comparison and of course, the health minister of that day, Jake Epp, was here in person. I think that was an interesting omission.

On tobacco, we should judge not by rhetoric so much as by actual results. I noted a few quotes from the member for Waterloo—Wellington as he went through his speech. I would like to repeat these quotes. “This bill will toughen the Tobacco Act” and “This should never be seen as an attempt to water down our commitment to reduce youth smoking”.

I went back 10 years almost exactly, to 1987 and the second reading debate on the tobacco bill that was being passed then. I found quotes that are eerily similar. If I might quote from Jake Epp on Bill C-51, “The government has concluded that legislation banning all tobacco product advertising is the only acceptable option”.

• (1610)

On that day and during the process that followed, the government did in fact undertake to ban all advertising of tobacco products. How have we done? What I would like to review today is how we have done with those noble goals we set out on back in 1988.

Bill C-51 banned all tobacco ads. If I did not miss it, I think that is what we are doing again today. It is only 10 years hence. It is 10 years down the road. So how have we done? What happened to Bill C-51? It was considered a breakthrough. Sponsorship would only be allowed in corporate names. Sponsorship would not be allowed so that companies could sponsor and children would make a direct connection.

There was a very rapid incorporation of brand names. They became corporate names. The law was circumvented. It was circumvented so fast it would make one's head spin.

In September 1995 Bill C-51 was struck down saying that it was too restrictive on the freedom of the companies involved. We moved on to April 1997 where Bill C-71 came along, a Tobacco Act which banned advertising, this time directed at our youth. It would be tough to disagree with that.

My party and I supported that bill. We supported it vigorously. In fact we prevented procedural wrangling as we supported it. Sponsorship in Bill C-71 would be banned tomorrow, the day after today. I am not speaking figuratively. On October 1, 1998 sponsorship would be banned if Bill C-71 was passed.

I hark back to the quote from the member who said that this should not be misconstrued as weakening our resolve directed toward youth. I say judge by the results, not by the rhetoric.

Here we are debating Bill C-42 today. It will provide an effective delay of five years directed toward advertising to our youth. If that is not a weakening, I have never seen a weakening.

In 1988 parliament said no to cigarette ads. In 1998 we are here saying the same thing. In 2003 when this bill will come into complete force if the effective date is tomorrow, does anyone really believe that those ads will be gone? I ask that in deep sincerity. Does anyone really believe this?

What objective gauge is there of the effectiveness of our anti-tobacco measures? I believe there are four. I would like to go over each one of them.

The number one gauge of how effective we are is the number of smokers, especially our youth.

The second good gauge is the number of cigarettes those smokers smoke. It is fairly easy to graph that. This is followed by epidemiologists across the world. How have we done with the number of smokers and the number of cigarettes they smoke?

Since about 1970 the U.S. and Canada had a wonderful record of smoking coming down in lockstep, the two lines coming down together. In 1993 the U.S. continued to plunge and Canada rose. Something happened in 1993 in Canada that was the responsibility of the government of the day. I will not spend a lot of time on that but it was a mistake.

Third, we can judge how we are doing by the profitability of the tobacco manufacturing companies. From the records we find that in 1988, 10 years ago, Players made a profit of \$308 million; in 1997, 10 years hence, it made \$775 million. Rothmans in 1988 made \$54.55 million; today, \$112.3 million. They say that is because they have been very effective in branching out. We all know they are effective because they are selling more smokes to more Canadians.

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Finally, we can judge our government's commitment to tobacco use reduction by youth by what the government is spending on educational programs.

• (1615)

It is spending \$20 million per year over the next five year, if it spends it, and it takes in \$2,000 million per year in tax revenue. It is 1% toward those education components. That is not good.

Why the weakening? Why have we got a weakening? Let me be so plain, there is a weakening here. Formula One was used as a lever. I am the keenest formula one fan so I watch this with great interest. It was in Montreal. There was a threat that it would leave Montreal. There was a unity component to it and there was an election just coming up. So there was a quiet, private little commitment to the Formula One crew that logos would still be allowed. If that is allowed the government says that it better allow it to everyone else. That is what it has done.

What is happening in Formula One elsewhere? Members heard what the member from Wellington said about Formula One in some countries. Let me be more specific about what countries are doing that are serious about this issue. If anybody watched Formula One this year they saw no signs on the Ferraris the Williams cars, the Benneton cars and the Mild Seven cars. France, Germany and the United Kingdom stood firm and powerful. They were not timid. Belgium next year will have no signs on Formula One cars.

Bernie Ecclestone, a billionaire, the head of the governing body of Formula One, the F1A, has promised that he will voluntarily ban tobacco sponsorship by the year 2002 if the relationship showing sponsorship increase and smoking is established. The head of the whole group is ready to do this voluntarily.

Air Canada has stepped up to be the title sponsor for Formula 1. Is that an unusual thing? The world is moving rapidly. Canada is moving timidly.

What other major events in Canada have also seen their sponsorship replaced? The Canadian open is now sponsored by Bell Canada. It used to be sponsored by a tobacco company. Women's tennis is now sponsored by Corel. I give those companies high marks for coming in and replacing sponsorship which was inappropriate. Healthy vigorous activities are being sponsored by companies that are not promoting health and vigour.

If the event is popular and visible new sponsors will move in to replace those cigarette sponsors? What type of sponsors? There are the banks, oil companies, computer firms and the list goes on. Here are the things they would sponsor. I would like the public to listen to the type of things, the active and healthy things. There is tennis and jazz. Maybe everybody smokes in a quiet jazz bar. There is

show jumping, golf, the rest of auto racing, fireworks, white water rafting, extreme ski racing, hydroplane racing and country music concerts. I cannot imagine how those events will not find sponsorship that is proper.

Let me finish off by going back to another quote which reflects on Bill C-42: "Our legislation is among the toughest in the world". I have talked to health groups from across this country. Not one single health group agrees with the member for Waterloo—Wellington. By all objective assessments, the government looks, acts and talks tough on tobacco but the Liberals are defensive, timid and moving in reverse when it comes to protecting our youth.

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, I am glad of the opportunity to speak to Bill C-42, an act to amend the Tobacco Act. I do not think anyone in the House would minimize the importance of this act.

Tobacco consumption poses one of the most serious risks we have to the health of Canadians. I was very glad to hear the Minister of Health say that in the House today in answer to a question during question period. I am just sorry that he chose to send one of his lower echelon members of the health committee to speak rather than himself because it shows I guess the kind of importance he attaches to the bill.

• (1620)

Even those people who choose to use tobacco products will agree that it is a lifestyle choice that could lead to serious illness or early death. There are literally thousands of studies by competent health care professionals that attest to this fact. The issue of risk to health is not really the issue here. It is rather the one of whether the government takes seriously its role through Health Canada to protect the health interests of Canadians.

I suggest that in presenting Bill C-42 the government is not fully accepting this responsibility. It is a step in the right direction but it hardly goes far enough. Why in the world would we in the Reform Party oppose the bill when it ostensibly purports to decrease the influence of the tobacco industry over the general public and young people in particular? Simply put, because it will not really do that in the long run. Why do I say that?

First of all, it allows tobacco companies to use retail ads and billboards to advertise cigarettes to children. Ten years have passed since parliament first told the tobacco companies to take their advertising material out of the corner stores of this nation, to get them off the streets of Canada. Instead, Bill C-42 continues to give the tobacco companies another two years to reach Canadian kids on their way to school and in the stores they frequent. That is just not acceptable. If the government and the minister were really concerned about our children they would shut the door tomorrow.

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I have eight children. Three of the four oldest had brief times in their lives when they smoked. I am happy to say that none of them smokes today, but it was not because of the government's poor attempt to curtail the advertising of tobacco products when they were in their teenage years. It was because of good peer pressure from both family and friends who continued to remind them of the terrible health risks of smoking: the threat of cancer of the lungs and throat, the damage to a healthy heart that is sustained by prolonged smoking, breathing that becomes hard and laboured, fingers that are discoloured, not to mention the damage that second hand smoke does to innocent children and family members who have exercised their right not to smoke.

In two years' time how many children will begin to smoke because of the advertising campaigns of the big tobacco companies? How many will get cancer in later years? How many will eventually die? Do the minister and the government want to have the blood of these young people on their hands? I urge the government to reconsider the bill and force the tobacco companies to cease this advertising immediately.

I cannot support the bill also because it allows lifestyle advertising of cigarettes to continue. The Tobacco Act says tobacco companies can advertise but not with lifestyle ads. In my estimation that is entirely appropriate. These are the ads that somehow convey to young people that smoking is fun. There is no fun in shortness of breath, no fun in irregular heartbeats, no fun in the loss of taste and smell, no fun in the pain of lingering cancer, no fun in that at all.

Third, I cannot support the bill because it does not guarantee that sponsorship promotion will end in the five years as promised. The government would have Canadians believe that Bill C-42 will make sure there is a total ban on sponsorship in five years. But the way the date is set allows the government to reset the clock and allow further extensions without coming back to parliament. That is wrong and furthermore it is undemocratic.

Clause 5 of section 52 says: "The governor in council may by regulation prescribe a day for the purposes of—", that is beginning the countdown to restrictions and ban of cigarette sponsorship ads.

• (1625)

What that means is that using "may" instead of "shall" allows the government to give a permanent extension by neglecting to set the date. It means this government can test the political wind and see which way it is blowing and continue to stall on this if it is not to its political advantage.

It means that the powerful tobacco lobby will have more opportunity to influence the government's decision. It means this

government, if it continues in office for the next five years, perish the thought, could simply let this thing slowly disappear into the sunset never to be heard of again. I believe Canadians feel that is totally unacceptable. It shows once again little regard for the health of Canadians.

I also cannot support this bill because allowing sponsorship advertising has already increased the retail advertising of cigarettes. A Health Canada survey shows that since the Tobacco Act came into force, retail advertising for cigarettes has actually gone up.

Health Canada has commissioned two surveys of tobacco advertising in retail outlets conducted by A.C. Neilson of approximately 5,000 retailers. The first survey was conducted in 1997 when there was no legislative ban on tobacco advertising. The second was conducted in September 1997, five months after the passage of the Tobacco Act.

What are the results? In five months the survey showed a 1.4% increase in sponsorship ads. These ads very subtly allow a local event, perhaps held in Pumpkin Corners, B.C., which would draw perhaps 1,000 people locally, to be advertised in over 10,000 retail outlets across the country. Why? At the bottom of the ad prominently displayed is the name of the tobacco company as the sponsor of an event that has relevance only to the 1,000 souls in Pumpkin Centre. From my point of view that is not honest advertising and it should not be allowed.

The big events like the Canadian Grand Prix have maintained that without this kind of advertising and support from the tobacco companies they will simply fold up and die. This claim, however, is not holding up in the face of reality. For example, the Canadian Grand Prix, as my colleague has already mentioned, has a new title sponsor in Air Canada replacing Players, a cigarette brand.

If an event is an outstanding contributor to the Canadian cultural or sports scene it will find a sponsor who will see it as a great and glorious opportunity to advertise their company or product. These events do not need tobacco advertising to exist.

It is for these reasons that I cannot support this bill. My only hope is that as it comes to the health committee for study we will see an all party consensus to make substantial amendments to it that will truly make it a bill that will safeguard the health of Canadians. If it passes third reading the way it is it will be just another example of an uncaring Liberal government that listens to big business before ordinary Canadians, a government that procrastinates while the health of young people is in jeopardy, a government that, as in many other instances, does not keep its word.

I urge all caring members of this House to oppose this bill.

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[Translation]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am rising today to speak on Bill C-42. My approach will be somewhat different from those of my colleagues who have already spoken. I would particularly like to address it from a more technical point of view, perhaps a little more difficult one as a result. I would, however, like my view of the bill to still be clear enough to be interesting.

Bill C-42 defers certain provisions of the Tobacco Act, the current act concerning tobacco company sponsorships. The amendments bring in a two-year moratorium on the prohibition of tobacco sponsorship promotions, i.e. until October 2000. Between the third and the fifth year, the restrictions will apply as initially set out in the current act, which is that 10% of sign advertising will be allowed, until the total ban kicks in on October 1, 2003. At that time, in other words, all tobacco company sponsorship signs will be totally banned.

• (1630)

This initiative is in response to a request made by the Bloc Québécois and by all organizers of sports or cultural events, to give time to these organizers to find other sources of funding. It is, however, deplorable that the government is backtracking and refusing to contribute to the compensation fund that has been set up in Quebec.

In order to understand what Bill C-42 is all about, it is important to keep its origins in mind as well as the grounds for the government's decision to re-examine the conditions the current act had set for sponsorships.

We will recall that, in September 1995, a decision by the supreme court invalidated the provisions of the Tobacco Products Control Act pertaining to advertising, thus creating a legal void on the issue and enabling the tobacco industry to resume its advertising.

It is true, the industry voluntarily set up a code of ethics for itself, but, once again, as with the voluntary moratorium on medically assisted human reproductive technologies, this voluntary code was, to all intents and purposes, never really enforced.

The Minister of Health at the time tabled in December 1995 the outline of the anti smoking strategy the government intended to introduce.

It contained restrictions on advertising and on tobacco sponsorships, standards for young people's access to tobacco, packaging and labelling requirements, reporting requirements for the companies and, finally, restrictions on points of sale.

In short, this master plan provided for total regulation of tobacco products at all stages, from their manufacture to their points of sale.

Only one thing was missing, provision for compensation of the groups that had been sponsored by the tobacco companies. This sponsorship would be significantly reduced, if not eliminated.

More than a year after the Supreme Court decision, which overturned a number of the provisions in the Tobacco Products Control Act, more than a year after the master plan of the former Health Minister was tabled, the government finally introduced some measures to counteract the ill effects of smoking.

The Bloc Québécois has always been in favour of the principle of protecting public health, which is why we voted in favour of the bill at second reading. Far be it from me to disagree with the harmful effects of smoking my colleagues in the Reform Party have listed. Who could be against everything possible being done to do away with smoking? Certainly not the Bloc Québécois.

Although we voted in favour of the bill at second reading, the feeling that we have acted on principle ought not to prevent us from seeing the impact of our actions on society. Unfortunately, the tobacco bill, its good measures notwithstanding, swept under the rug the whole issue of sports and cultural events. These were, unavoidably, going to feel the impact of the bill, mainly because of the de facto ban on tobacco company sponsorship without any plan for compensation, as we know.

The Bloc Québécois therefore voted against Bill C-71 at third reading, and I will explain why we did so.

The measures relating to sponsorships impacted in a very serious way on sports and cultural events. The Bloc Québécois called upon the ministers of health and of heritage to offer financial compensation and to act like politicians responsible for their actions.

• (1635)

However, the minister at the time, David Dingwall, failed to assume his responsibilities and refused categorically.

Bill C-71 was constructed in such a way that a number of clauses simply gave the minister the power to regulate in various areas, without defining the scope of these regulations. In fact, all of the clauses in Bill C-71 referred to future regulations. This was tantamount to giving the Minister of Health a blank cheque and seriously complicated our work as elected officials.

I do not wish to accuse anyone of bad faith, but the government must not get into the habit of introducing this sort of bill, much of which cannot be debated in the House or in committee.

We cannot let the accelerated passage of this bill go unnoticed. At second reading, debate was limited to a single speaker from the

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Bloc Québécois. During committee deliberations, the Bloc Québécois had to fight for an additional half day to hear witnesses. Originally, barely a day and a half had been set aside for this stage. This was really ridiculous. We wait nearly two years for the government to decide to introduce a bill and in committee we are asked to debate it in a day and a half at breakneck speed. This is really unusual, and I hope the government will stop this practice, because it really does not respect the members' work.

Finally, although we agree completely with the protection of health, as I mentioned earlier, we have not forgotten that this is a provincial jurisdiction and that Bill C-71 allowed the federal government once again to interfere in a sector that the provinces are quite capable of managing on their own, as evidenced by the recent tobacco legislation passed in Quebec City.

Bill C-42, however, was introduced by the federal Minister of Health on June 3, one year after the promise made by the Prime Minister on the eve of the last federal election. Faced with the outcry that greeted Bill C-71 in Quebec, primarily among organizers of sports and cultural events, the Prime Minister made a promise during the election campaign to amend his anti-smoking legislation, obviously in order to win a few votes in Quebec.

Although the primary goal of this amendment was to repair the damage done by the federal government's error, Bill C-42 also refers to several draft regulations, the effect of which will be to clamp down even harder on the production methods and products of tobacco companies.

Before the Tobacco Act took effect on April 25, 1997, manufacturers and importers were required to provide certain information regarding tobacco sales, ingredients and advertising. What I wanted to focus on here are the measures and regulations that place greater restrictions on tobacco companies, and their effect on those companies.

Under the new regulations, better information would be obtained from manufacturers on tobacco sales, ingredients, research, as well as the manufacturing, distribution and promotion of tobacco products.

Regarding sales and toxic components, it also proposed to extend current disclosure requirements to include all categories of tobacco products, including cigarettes, cigarette tobacco, pipe tobacco, cigars, smokeless tobacco, clove tobacco and the hand-rolled Indian cigarettes called bidis.

Studies are also covered. Under the proposed regulations, tobacco manufacturers would be required to disclose and list any study on the toxicity or health effects of their products, the taste and aroma of tobacco products, the improvement or development of tobacco products, as well as the ingredients they contain.

• (1640)

This information would promote a better understanding of how tobacco products are modified so that regulations can eventually be proposed to reduce the impact of smoking.

With respect to promotional activities, manufacturers and importers of all types of tobacco products would be required to disclose promotional activities and sponsorship promotions by brand name and province for any event, activity or facility.

The main thrust of Bill C-42 is to amend the existing Tobacco Act to extend the transition period before the restrictions already provided for in the act come into effect. This is the kind of common sense the Bloc Québécois tried to inject into the debate when Bill C-71 was introduced over a year ago.

The first phase, spanning two years after the amendment is enacted, will extend the status quo regarding promotion both on and off the site of events and activities sponsored by a tobacco company before April 25, 1997. Tobacco sponsorship promotions will not be subject to any restriction under federal legislation.

The second phase, lasting three years after the two years of transition, will again extend the status quo for promotions at the site of sponsored events and activities, by permitting the display of product-related brand elements in promotional material throughout the site of events; permit sponsorship promotions on the site of an event as it unfolds or according to other regulatory provisions; and apply the existing 90/10 restriction—10% advertising at the bottom of a sign—to sponsorship promotions off site. These promotions will be permitted in mailings sent directly to adults who are identified by name, in publications whose readership is essentially adult and in bars and taverns where minors are denied access by law.

The third aspect of the amendment is the considerable toughening up of the Tobacco Act in relation to the bill passed in April. Where some might have interpreted the 10% rule as a breach, there is no longer any doubt. We are talking zero tolerance.

This total prohibition will take effect immediately following the five year transition period. At that point, the Tobacco Act will prohibit all promotional sponsorship by tobacco companies. It will also prohibit the appearance of brand elements on permanent facilities or in them.

With such measures, Canada is following the worldwide trend to set more and more restrictions on the sponsorship and promotional activities of tobacco companies. The European Union intends to prohibit all industry sponsorship by 2006. A number of signatory countries have already prohibited all tobacco advertising and

sponsorship within their borders. New Zealand, Australia and the United States have—or are heading toward—a total ban.

The total ban after October 1, 2003 is therefore ahead of a number of countries, but the extended deadline makes it possible to take a sensible approach which will avoid numerous problems at the international level, for Formula I in particular, as well as on the economic level.

The problem with Bill C-42 is the lack of any transition fund, any compensation. The Bloc Québécois feels that jurisdiction over health ought to be left to the provinces. Health is a provincial jurisdiction—a Quebec jurisdiction, in our case—and we denounce the current situation.

It must be kept in mind that health is, as I have said, a provincial area of jurisdiction, although the numerous federal incursions into it tend to make some people lose sight of that fact. The provincial level is therefore the main one on which health protection initiatives need to be designed and implemented.

I would like to give you an overview of the tobacco legislation Quebec has just implemented, which will perhaps give you a more informed view of a bill we feel is a very intelligent one.

• (1645)

The bill of Quebec's Minister of Health Jean Rochon was introduced on May 14, 1998 and passed unanimously on June 17, 1998. The bill received a favourable reception from the media, the health organizations, the organizers of sporting and cultural events, and the general public. The Quebec Minister of Health avoided the pitfalls of the federal Liberals by adopting an approach that was far more attuned to reality, while at the same time bringing in new standards for the anti-smoking campaign. His bill is bolder as far as content is concerned, yet more flexible as far as application is concerned.

Regarding the prohibition of sponsorships, the provincial legislation gives organizers of events a choice between two types of transition: they either discontinue all tobacco sponsorship activities by October 1, 2000, and have access to a financial assistance program running until October 1, 2003, which is the Quebec government solution, or they will be subject to a five-year transition with restrictions after October 1, 2000, and forfeit the financial assistance, as provided for in the bill before us.

Under this bill, sponsorship contracts already signed with tobacco companies can be honoured and renewed up to October 1, 2000. However, the Quebec legislation imposes as ceiling on the value of such contracts the maximum contracted amount as of June 11, 1998.

Organisers have until October 1, 2000, to make a choice. For those who choose the second transition option, the amendment

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states that sponsorship promotion may continue on the site where an activity is held and during this activity for three more years after October 1, 2000.

Being able to choose between two options, each having its advantages and drawbacks, is another example of a balance between laxity and rigidity. To achieve this balance, Quebec finance minister Bernard Landry agreed to use part of the extra income generated by the recent tax increase imposed on tobacco products to compensate organizations that will discontinue tobacco sponsorship in the year 2000.

According to the Constitution, anti-smoking efforts, like any health initiative, should come from the provinces, not the federal government. If Quebec and the other provinces did not have to hand over more than \$30 billion in taxes every year, if we could hang on to that money, we could invest more in these prevention and awareness initiatives.

But hand it over we must and, in the last 30 years or so, federal transfer payments have dropped from 28% to 14% of Quebec's budget. In Quebec's health sector alone, the federal government's contribution has dropped from 39% to 30% in the last 10 years.

For 1997-98 alone, the Government of Quebec estimates that the \$590 million cut by the federal government represents 80% of the total \$760 million budgeted by Quebec for the entire health and social services sector.

Far from giving the provinces more room to manoeuvre, Ottawa is unilaterally cutting transfer payments, and then spending the money itself. The entire issue of federal government health funding must be reviewed and overhauled.

In the meantime, it is important that the federal government assume its responsibilities and contribute to the compensation fund set up by Quebec, and by the other provinces if they so wished. The government is benefiting from the hundreds of millions of dollars in spinoffs from sports and cultural events.

The federal Minister of Health must support efforts to offset the negative effects of anti-smoking measures. This is an investment in the economies of Montreal, Quebec and Canada.

• (1650)

The Bloc Québécois is pleased to see that Bill C-42 takes a much more balanced approach to the provisions of the Tobacco Act since the adoption of Bill C-71. It is deplorable, however, that it has taken the Liberals over one year to understand what we have been saying from the beginning of this debate: it is possible to mount an effective campaign against the dangers of smoking without unduly penalizing any one group.

The fight against smoking is one that must be waged by all of society. A habit that has been around for many generations will not

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be easily changed. But authorities will now have better weapons against the serious public health problem it represents.

[*English*]

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I appreciate the opportunity to tell the House and all Canadians why we in the New Democratic Party oppose Bill C-42 and to propose some amendments that we believe are absolutely essential if the bill is to go forward.

For me and so many in this place today Bill C-42 is about kids. For me personally it is about my nine year old son Joe who wants to be cool like any kid in his age group, who but for the harping of his parents and for the good teachings and role models at his school might think that to be cool, to be liked and to be athletic he should smoke. Families, individuals and young people are willing to do their part to deal with the terrible addiction to tobacco and to speak out against rampant advertising of tobacco products.

The question for us today in the context of the bill concerns what is the role of government. What is the plan of Liberals in the House for meeting their responsibilities and obligations when it comes to such a fundamentally important public health issue as tobacco addiction?

Under the bill, tobacco companies will have another two years of unfettered lifestyle advertising to the sponsorship of arts, sports and cultural events. All kinds of studies have shown that this type of advertising is deadly effective in recruiting underage smokers. Boys and girls see their sports and music heroes associated with cigarettes. It makes tobacco look cool when in fact tobacco kills half its users. That is 40,000 Canadians every year.

This is a product that when used properly, when used as recommended, will kill and injure its users. It costs our health care system billions of dollars. It costs our mothers and fathers, sons and daughters their lives.

Yet this is what the government is proposing to do today. It is proposing to delay action on something as significant as tobacco sponsorship and advertising for another two years. The delay in terms of restrictions on sponsorship and advertising by tobacco companies combined with a delay in actions by the government to actually prevent young people from turning to tobacco that is so deadly are together causing us so much grief in the Chamber today.

I do not need to remind anyone in the Chamber or those across the country of just how serious a problem we have. By the Minister of Health's own statistics, every year 250,000 young people start smoking.

We could be moderate in our expectations and say that if even 10% of these young people do not start smoking it would amount to

25,000 of them. If through an effective program of education and communication we could convince half those people never to start again, we would save a minimum of 12,500 lives from cancers, heart disease and other tobacco related illnesses.

• (1655)

Today we ask the government to rethink this delay in terms of advertising by tobacco companies when it comes to sponsorship and advertising generally. We ask for more. We ask for the plan of action to actually prevent smoking among young people and for programs that will help young people to cease and desist when it comes to cigarettes. We are not getting the answers.

Today I plead with members across the way to come forward with specific plans to meet the commitments they have made publicly to Canadian people time and time again. I think specifically of the promise of the Liberal government in the 1997 election to increase emphasis on preventing illnesses and specifically to double its funding to \$100 million over five years to provide more programs at the community level which prevent young people from smoking or help them to stop.

As I pointed out in the House earlier today, when we requested the information to show just how much of this money had been spent, the minister informed the House that for the year 1997-98 \$200,000 of the \$20 million a year or \$100 million over five years had been spent, a tiny percentage of what the government promised and what is absolutely required to make the difference.

I also remind members that the government has made commitments internationally. Just a few days ago we received a press release that came out of the conference of the ministers of health of the Americas which agreed to take measures to protect children and adolescents from tobacco by regulating advertising and enforcing laws against cigarette sales to minors as a top priority.

I assume that this commitment has been made and now the government has an obligation to live up to it. The measures presented to us in the legislation today flies in the face of the kind of commitment and action so desperately needed on the part of the government, specifically the health minister.

On October 1, tomorrow, certain provisions of Bill C-71 come into effect. Let me remind members that Bill C-71 is the Tobacco Act passed by parliament in 1997. The provisions due to kick in tomorrow would restrict sponsorship advertising. For example, tobacco brand names could only appear on the bottom 10% of signs.

However, the bill before us today, Bill C-42, puts the whole thing off. There is one positive provision in Bill C-42 before us today, and that is the total ban on tobacco sponsorships in five years. The date is not entrenched in law. A deadline is not included in the legislation. The way the bill is drafted would allow cabinet to fix

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and unfix the date behind closed doors without ever consulting parliament or Canadians.

It is a built-in mechanism for delaying or gutting the bill altogether. It is designed to build support for a bill with the primary purpose of delaying the tobacco ad restrictions of Bill C-71. That in my estimation is underhanded and reprehensible. Nobody is falling for it. It means two more years of open season on Canadian kids. We cannot let that happen.

Bill C-42 allows tobacco companies to continue to place cigarette promotions near schools and playgrounds. Why did that provision have to remain in the bill? Why could we not begin the immediate restriction in terms of off site sponsorship advertising? We have all been exposed to what that kind of advertising means. I have seen it. I have photos of a cigarette ad near a playground in Edmonton. It is just metres outside the voluntary 200 metre limit set by tobacco companies.

● (1700)

Why not act on something as clear and helpful as restriction in retail stores, in any community location where young people gather? Ideally we would like to see sponsorship restrictions come into effect right way. We would like to see that in conjunction with transitional funding for groups and events that lost tobacco sponsorships.

Failing that, we would like to see Bill C-42 amended so that material promoting tobacco use is not visible to the public within 1,000 metres of a school, a place of worship, a community centre, playground, public park, recreation centre or child care centre. Why did the government not come forward with a safe zone proposal so that young children at schools, day cares and community centres would not be exposed to this kind of lifestyle advertising?

Related to that, why not support our suggestion in this bill to prohibit sponsorship promotion inside and outside stores where tobacco is sold? Children go to corner stores to buy candy, to buy comic books. Why are they inundated with glossy images of attractive events associated with tobacco?

We would like to see Bill C-42 amended so that it contains an actual date, a definite timetable in terms of when the clock starts ticking for this five year lead-up to a total ban. When can we expect precisely when this ban will come into effect? Why does the government not come forward or support our suggestion for a definite date such as October 1, 2003 and accept this as the fixed time in law that all tobacco sponsorships will finally end?

It seems to us the two year delay period should end on October 1, 2000, not at the will of Liberal cabinet ministers who sat on the boards of directors of tobacco giants.

We have to have guarantees that this timetable is entrenched in law. We cannot leave it to the whims of the government to be changed at will by order in council. The track record frankly of members opposite is not great in terms of meeting commitments when it comes to tobacco related legislation.

We also want to see this bill amended so that the grandfather provisions apply only to events sponsored in Canada as of April 25, 1997. As members know, right now as it stands, if a tobacco company sponsored an event anywhere in the world, whether in the United States, Malaysia or Paraguay, it can make a claim under the grandfather provisions.

We want to see Bill C-42 changed so that it reads that during the delay period sponsorship promotions would not be allowed to contain images of people, be misleading or be conveyed through non-tobacco goods such as hats or jackets.

We want to see representatives of tobacco companies required to appear before the health committee of parliament to reveal their recruitment strategies for smokers under 18. We want to see their documents which show they knew tobacco kills.

Earlier today I raise the matter of the timing of Bill C-42 vis-à-vis the provisions of the Tobacco Act being changed in Bill C-42 come into effect tomorrow.

● (1705)

It is my view that it is a contempt of parliament to have the introduction of a bill so late, knowing full well the timetable in terms of the previous tobacco legislation, Bill C-71, and the time it takes for this parliament to pass Bill C-42, putting it through all the proper stages.

Bill C-71, the Tobacco Act passed by parliament in 1997, takes effect tomorrow. Can Bill C-42 pass tomorrow? No, we all know that. It is impossible. There will be a gap of weeks in which the government will not enforce the law.

I guess in my most cynical moments I could say that maybe this is in keeping with the kind of arrogance we have seen from the Liberal government on so many issues, especially over the past number of weeks pertaining to the silencing of peaceful protesters to protect a bloody dictator's pride. Surely we could all agree that the rights and health of Canadians should always come before the profits of multinationals, selling hazardous products or the embarrassment of tinpot dictators.

I remain concerned about the actions of this government with respect to the legal void that has been created. I heard the Speaker's ruling today in response to my matter of privilege and I invite members of the Liberal government in questions and comments to address this issue.

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I would like a member of the Liberal government to actually answer what happens if the act is not in force by October 1, 1998. What happens if Bill C-42 is not passed and proclaimed tomorrow?

According to the minister's own briefing notes, members of the Liberal government have been advised to say given that my intentions are now known, it would be appropriate for the department to administer this legislation as if the amendment were in the effect as of October 1, 1998.

I encourage members to address this topic. This is a serious matter for the work we do as parliamentarians and it is a serious matter for all Canadians concerned about government actions and inactions with respect to this very important issue.

I would like to acknowledge the work of many in society today with respect to dealing with this very serious public health issue of smoking and tobacco.

I have benefited from the advice and encouragement of many in our communities, in my own constituency and organizations representing thousands of Canadians right across this country. I think it is important for us in parliament to acknowledge the work of those people and those organizations.

In particular I thank the Canadian Cancer Society, Physicians for a Smoke Free Canada, the Non-Smoker's Rights Association and the many health organizations and concerned parents from everywhere in this country who have worked so hard for stronger tobacco laws for the sake of our health and for the sake of our kids. We all owe them a debt of gratitude.

All of us in the New Democratic Party are very clear today about our position on Bill C-42. On behalf of all members of our caucus, I pledge our support for an end to the recruitment of our young people to a lifelong addiction to smoking.

We look forward to pressing for effective amendments to this bill and addressing the very serious issue of tobacco marketing at the health committee.

• (1710)

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, the only way we are going to resolve anything is to declare all out war on smoking. I say war because I want to remind the House and Canadians that 42,000 Canadians died in World War II between 1939 and 1945. That is almost the same number of Canadians, documented, who are dying every year in Canada as a result of smoking, specifically 45,000. That is more than what we lost in World War II. It is hard to believe.

That is the seriousness of the problem. Sadly the government is doing nothing about it. It is caving in to the interests of the big tobacco lobbyists, and there is none any bigger in this country. There would be only one group of business people lower on the acceptability scale, maybe including politicians, and that would be

the big banks. They rank with the biggest of the biggest and they are extremely powerful.

Critical in the debate is that 250,000 young Canadians begin to smoke each year in this country. Statistics shows this is going to lead to an early death for at least 50% of those young Canadians. The numbers are overwhelming and it is sobering when we look at the sheer number of Canadians starting to smoke every year.

Some of the arguments cigarette companies use to promote the use of their product are almost mind boggling. This shows us the power of advertising, the power of the cigarette companies and some of the bizarre things they have done in the past and continue to do.

Knowing that 40,000 people a year die from smoking, being the health critic immediately I would say imagine the drain this puts on our health care services. How much money is devoted to the care and concern of those 40,000 Canadian who are dying because of smoking?

The cigarette companies claim there is a death benefit to smoking and it would be in the government's best interest if all Canadians smoked. The argument is so bizarre it is hard to believe they commissioned a study to attempt to prove this. The cigarette companies say smoking is not a drain on society. It does not result in a cost to government because of sickness, death and work related illness because of smoking.

The cigarette companies are saying that there is a death benefit to smoking and they argue that if you smoke you are going to die younger. Their perverted logic says if you die younger it means you will not be taking in as much in terms of social security from the government. In other words, you would not collect Canada pension as long and this would be good for the government. The cigarette companies argue that you would not be collecting old age pension as long because obviously you are going to die younger. As a result, the government is going to save money.

The argument is so bizarre and so illogical that it is hard to believe that a cigarette company would actually promote it, but they have and they do. It has been discounted and discredited by just about every think tank in the world, including the Work Bank. It is such a bizarre statement, claiming it is factual.

As ironic as it may appear I believe the government buys into the argument because if it did not why would it not crack down on smoking the way it should and the way it can? No, the government has caved in once again to the big cigarette manufacturers.

• (1715)

The government has someone in its own caucus who is proposing to do something about it but unfortunately he is in the other place. I am of course talking about Senator Colin Kenny. Mr. Kenny has a bill before parliament that will do something now about smoking. However, I do not believe the government is going

to buy into this one because it means he is doing something decisive, he is doing it now and he wants action. He does not want the government to backpedal on what it should be doing.

This is a good example of what the Senate can do. What the senator is proposing is workable and very doable. Some of the statistics that Colin Kenny cites when he gives his public speeches are the very statistics we are using in this House today.

What I would personally like to see I think goes beyond what Senator Kenny is talking about. If we are going to attack cigarette smoking, three elements have to be in place. We simply cannot attack advertising or education. We have to attack three major components.

One would be the price point. The price point of cigarettes is determined to a large degree by taxation. What I am saying is that a tax increase on cigarettes, a dedicated tax where it would be used for education and maybe for some assistance to the farmers, has to be part of the equation.

The second thing we must do is educate our young people about the risks of smoking. They did that quite successfully in California. Today in California \$4 per person per year is spent to advertise the dangers of smoking. In Canada I think the federal government is spending about 30 cents per person to educate Canadians and especially young Canadians about the risks of taking up the habit of smoking.

I have mentioned taxes and education. The third thing is advertising. We have to hit advertising very hard but this bill is not doing that.

Driving here or in any major city such as Montreal, it is pretty obvious what the cigarette companies are up to. They are promoting lifestyle. While driving through the city of Montreal I could come to the subliminal conclusion that by taking up smoking du Maurier cigarettes I am going to be a concert pianist or violinist. I believe that was the market that particular cigarette company was after. It is one of the biggest selling cigarette brands in the country. However, if I wanted to be a downhill skier and possibly a world medalist in skiing, I would probably smoke Export A. Then again if I wanted to be a race car driver I would probably pick up Rothmans.

Cigarette companies are targeting their audience. They know who their audience happens to be, the younger members of our society.

I have mentioned taxes, education and advertising. Where the government went wrong, the single biggest blunder it made in this war on cigarette smoking was in 1994 when it capitulated and dramatically decreased the amount of tax on a package of cigarettes. When taxes were significantly reduced in 1994 there was the

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single biggest increase in the consumption of cigarettes by young people in the history of the country.

The government caved in. Who did it cave in to? This is even more bizarre. It caved in to the smugglers. Instead of putting money toward the problem of smuggling and enforcing our own revenue laws as it should have, the government caved in to the smugglers. Who did the government hurt? The government hurt 250,000 young Canadians who pick up the habit every year. Who did the government help? I do not know. I guess it helped itself. In 1994 that was the easy way out for the government and it caved in and did it. It was wrong and it is still wrong.

● (1720)

Mr. Speaker, I want you to tell me how much time I have left because I have some amendments to the bill. Five minutes. That should be enough time, because I want to put six or seven amendments on the table. The Speaker is saying 10 minutes and more if I need it.

I see the minister of agriculture is here listening intently and encouraging me as I go along.

I want to put these amendments on the record. Being realistic, we can expect the government to do some things and not to do other things. These amendments are very consistent with what we would like to see happen as a party, as a caucus. It probably does not go far enough as far as I am concerned. I think it has got to be a cold turkey approach: no advertisements, a complete ban on advertising from day one.

Let us go through some of these amendments because they temper some of my own thoughts with regard to this. I want to give credit to the Canadian Cancer Society as well because it has worked hard on some of these amendments. Some of them come directly from the Canadian Cancer Society. I am going to be reading these into the record and I will forward these to the House when I am finished.

One, there should be a ceiling on tobacco company sponsorship promotion expenditures during the delay period. This would prevent tobacco companies from increasing the exposure of sponsorship promotions. It would prevent tobacco companies from increasing the financial dependency of sponsorship recipients. It would stop the sponsorship problem from getting worse. Although the former Tobacco Products Control Act contained a ceiling on brand name sponsorship expenditures, tobacco companies cited a loophole in another provision of the act and increased sponsorship expenditures from \$10 million in 1987 to \$60 million in 1996.

The second point to be considered in terms of amendments would be that during the delay period, sponsorship promotions should be prohibited on the inside and outside of stores where tobacco is sold. These promotions, which were scheduled to have

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been banned on October 1, 1998, are completely unnecessary for the promotion of a cultural or sports event.

During the 1996-97 period, including the 1996 summer sponsorship season, sponsorship promotions were generally not found at point of sale. Sponsorship promotions that had previously been visible at point of sale were replaced by direct advertising, given that the tobacco companies were not prevented by law from doing so during the period after the advertising restrictions were in force and before the Tobacco Act was passed.

Sponsorship promotions at point of sale typically contain lots of attractive images and little information, sometimes for events that are thousands of kilometres away or that occurred months earlier. Children go into corner stores every day and they should not be exposed to such promotions.

The reasonableness of such an amendment is demonstrated by sponsored events still being able to use every other media to promote their activities: newspapers, direct mail, television, radio, on-site programs, Internet, billboards, transit vehicles and shelters. Indeed the extensive scope of permitted sponsorship promotions emphasizes just how serious the further delay period will be.

Three, the bill should be amended so that the two year and five year delay periods begin on October 1, 1998 and end on October 1 in the year 2000 and October 1, 2003 respectively. It is an interesting point that at present the cabinet is free to determine whatever starting date it wants. The cabinet can determine whether it is October 1, 1998, January 1, 1999 or some other day in the future. Every month of additional delay means more teenagers needlessly become addicted.

• (1725)

As an aside, the Quebec tobacco act has two and five year delay periods that begin on the fixed date of October 1, 1998. There is no reason for the federal delay periods to begin at the same later date.

Four, the bill should be amended so that only events sponsored as of April 25, 1997 are allowed to continue during the delay period with tobacco sponsorship promotions. At present the bill does not allow sponsorship promotions unless the event or activity was sponsored prior to April 25, 1997. This is a good start, but as the bill now reads, it would allow events or activities whose tobacco sponsorship ended five, 10 or 15 years earlier to be revived. A simple amendment would prevent this scenario from occurring.

Five, the bill should be amended so that the grandfather provisions apply only to events sponsored in Canada as of April 25, 1997. At present the grandfather provision applies to anywhere in the world, whether it is the U.S., Argentina or Botswana. Tobacco

companies should not be able to claim that because a Rothmans sponsorship existed in a foreign country and not in Canada, that sponsorship promotions for a foreign event can occur in Canada during the transition period.

Six, during the delay period, any sponsorship promotions should not be allowed to contain images of people, to be misleading, or to be conveyed through non-tobacco goods, for example T-shirts or baseball caps. This amendment could be implemented by making sponsorship promotions explicitly subject to section 21 of the act which bans the use of people in advertising and section 20 of the act, misleading advertising. Sponsorship promotions should be explicitly subject to sections 27 and 28 of the act, the use of tobacco brand elements on non-tobacco goods, with an exemption if necessary for existing international auto racing events for cars and clothing of drivers and pit crews.

Finally, the bill should be amended so that only international auto racing events are able to have tobacco sponsorship during a further delay period, and not all sponsored events. By allowing all events a further extension, allowing for a total delay of four seasons after the act was passed, there will be an unnecessary undermining of the objectives of the act. Delay periods of two years or less have been implemented in many places, including Belgium and France. Thus the bill would be amended to remove the extra two year delay for all promotions for all events, and to remove the extra five year delay for on-site promotions.

In 1988 when I was elected to this place for the first time, I replaced a longstanding member in this House by the name of Fred McCain. Fred McCain was a lifelong smoker. He smoked for over 50 years. It was a habit that Fred said "I took up when I was a young boy. If I had known then what I know now, I certainly would not have taken up the habit". Fred McCain died just about a year ago. One of the things he impressed on me was to stay the fight, stay the course; we have to keep young Canadians off of that habit.

One of my constituents, Glenn McLeod, immediately after my election last year informed me that he has lung cancer. It was the same situation as with Mr. McCain. He started smoking as a very young man many years ago without knowing the dangers of smoking. But he said to me "If there is one thing that you want to impress on young Canadians, it is the real threat to our health as Canadians".

Things have evolved over the last 40 years in this country. We now know that smoking is a danger. We now know that 250,000 young Canadians take it up every year. Let this House do the right thing. Bring in a strong bill. That is the only bill that we will support. We want fewer smokers and fewer deaths in Canada as a result of taking up that habit.

The Acting Speaker (Mr. McClelland): Unfortunately there is not time for questions and comments.

• (1730)

I know there are many members bursting out of their seats wishing to ask questions and make comments. The hon. member will have his 10 minutes of questions and comments the next time the bill comes before the House.

It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business, as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

EQUALIZATION

Mr. Norman Doyle (St. John's East, PC) moved:

That, in the opinion of this House, the government should review the current equalization program formula with a view to decreasing the clawback on provincial revenues from resource development projects.

He said: Mr. Speaker, last fall I had a private member's bill on Newfoundland's unemployment problem selected and debated here in the Chamber. In my final remarks I remember saying that if we had a fairer equalization formula applied to Newfoundland, and for that matter applied to all of the have-not provinces which receive equalization payments, then we would be a whole lot better off as a nation.

The Canadian equalization program, as we are all very much aware, redistributes the wealth of the nation. Last year the province of Newfoundland received about \$996 million in equalization payments.

In this fiscal year we are expected to get roughly \$896 million. That figure, of course, can be greatly affected by the national economy. In a good year any province that receives equalization payments can receive more and, of course, it can receive less when the economy is down.

The population of the receiving province is also a factor. In recent years it has meant a downward trend because of Newfoundland's decreasing population. Since 1987 Newfoundland has lost approximately 60,000 people. It is very serious indeed when the province in total has a population of less than 600,000 people.

However, the main variable I am concerned with is the fact that, with any major new influx of resource revenue, those revenues are deducted dollar for dollar from our equalization entitlements. That is to say, if the province had taken in about \$1 billion in additional resource revenues in the 1997-98 fiscal year, we would have been only \$4 million better off.

Just imagine that a province like Newfoundland can take in a billion dollars in additional resource revenues in any fiscal year

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and only be \$4 million better off because, of course, the first \$996 million of revenue will have merely gone to replace equalization.

There is not much of a chance for a province receiving equalization payments to catch up, to become equal with the other provinces. Of course, there is not much of an incentive for any province to develop.

I served as a member of the Newfoundland House of Assembly for a number of years. During those terms both PC and Liberal governments talked about the equalization formula that we have in this nation.

I think that was brought into focus in Newfoundland especially by the massive Hibernia discovery on the Grand Banks of Newfoundland. At the time of that discovery in 1979 Hibernia held the promise of jobs and revenues for our beleaguered provincial economy.

• (1735)

In the early eighties oil prices were high and the prospect of multibillion dollar annual oil revenues was not out of the realm of the possible. Overcoming the equalization problem, the equalization hump, seemed to be within the realm of the possible. That is to say, we would lose the first billion but we could keep subsequent millions or billions of dollars, whatever the case may be.

However, as we are all aware, it proved impossible at that time for the government, the Trudeau administration, to negotiate an offshore oil agreement. So an agreement on offshore revenues was held up until the Mulroney administration came to power in Ottawa. By the time we actually started to develop that project oil prices were a whole lot lower. Now there was no possibility of multibillion dollar oil revenues and it looked as if the oil revenues that would be generated would merely replace equalization payments.

What happened then? To his credit, John Crosbie negotiated a deal with the Mulroney administration that would see us lose only 70 cents on the equalization dollar for revenues raised from the Hibernia project. However, the deal applied only to that particular project. The revenues from projects like Voisey's Bay would still be subtracted on a dollar for dollar basis.

Do not get me wrong. We are pleased that we have an equalization program. That equalization program can keep a province from starving. However, we are not pleased that it is a formula that will also keep us from getting ahead as a province. How can we ever be expected to catch up if every new dollar we earn is subtracted from equalization entitlements? And catch up we must.

For as long as I have been in public life the unemployment rate in the province has been double the national average. On top of that, the federal government has cut transfers for health and education by 35%. As a result, thousands of provincial public servants have been laid off and our public services are now under a great deal of strain, especially those in rural Newfoundland. The

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federal government has cut the federal public service in Newfoundland by 30% as compared with 15% nationally. It is hard to believe that a province with double the national unemployment rate was saddled with double the rate of federal job cuts.

Because the public service in general plays a larger than usual role in the province's economy, the cumulative effect of these cuts has been more devastating in Newfoundland than in other provinces. That is one more reason we need a new deal in this Confederation if we are to move out of park and into high gear.

The United Nations says that Canada is one of the best countries in the world in which to live, but I guess it all depends on where you happen to live in this nation. How can Canada hold up its head in the community of nations while one of its provinces, in this case the province of Newfoundland, has an unemployment rate that is double the national average? That is another reason we need a better equalization formula, to leave more wealth in the hands of the people of the province.

The province of Newfoundland and Labrador has vast oil and gas reserves. It has a lot of iron ore, nickel and hydroelectricity. In most countries that would form the basis of a massive industrial complex which would bring more people into the province. Instead, what we have in Newfoundland is the exporting of people and raw resources. I do not want to be cynical about this, but it seems to me that the centres of power in the nation do not want that to change.

• (1740)

Indeed we have recently been treated, if you will, to political and editorial comments out of central Canada that our nickel reserves should be used to feed smelters in Ontario and in Manitoba as well. The premier of Ontario really should have more sense than what he demonstrated in making that point about resource development in Newfoundland in Voisey's Bay. He should be saying as the premier of the largest province in Canada that we should be allowing the province to develop and we should be allowing the province to catch up.

We should be helping provinces like Newfoundland do that by implementing a new program that would see equalization cut by only 50%; a 50% clawback on the resource related revenues in the province.

I suppose some provinces can argue, and rightly so, that Newfoundland and the have-not provinces owe them something for providing jobs to migrant Newfoundlanders over the years, but should we therefore give away the wherewithal that we need to make us self-reliant? I think not.

I can understand, for instance, that the good people of Sudbury are concerned that the days of cheap local iron ore are over. Mining

and related operations generally have a very fixed lifespan, as we are well aware.

I remember in Newfoundland, in my own constituency, that the towns of Bell Island and Buchans had to deal with the reality of ore running out and the tragedy of those mining towns shutting down. Such is the eventual fate, of course, of any mining town.

While we wish all the best to the good people of Sudbury, I do not feel that the nickel discovery at Voisey's Bay is the solution to their problem. Rather, the Voisey's Bay find is one of the solutions to Newfoundland's chronic economic problems. Properly done, with a new equalization formula, that project could provide thousands of jobs and billions of dollars in revenue. Being able to hold on to some of that revenue from that resource is what this motion is all about today.

We need revenues to do more than merely replace equalization. We need revenues to augment our economic situation. We need revenues to augment our equalization. We need those revenues to catch up, to make progress and to try in some way to become, if we possibly can over time, equal to the rest of Canada.

Canada will never be the nation that it should be if it does not seriously try to help rectify the crippling unemployment problem that we have in Newfoundland. I have suggested one mechanism, that of an improved equalization formula, which would leave more wealth in the local economy. Lower payroll taxes and income taxes could also help.

However, I do not believe anything will change if there is not an attitude change on the part of the federal government. That is why I am standing here today in the House asking for understanding for the kind of plight the province finds itself in. I am asking for understanding for a new deal within the Confederation of Canada, where all Canadians can be truly equal, wherever they happen to live, whether it is in Newfoundland, British Columbia or Nova Scotia. I do not think that will ever happen unless we get a new deal in this Confederation.

• (1745)

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, it is a pleasure to rise and speak on behalf of the government in response to private member's motion 424.

The motion deals with two of the most important attributes that make both Canada and its federation unique: first, the economic significance of the resource development project and, second, the efficient and equitable system of transfer programs that form the heart of Canadian federalism, in particular the equalization program.

The role of financial transfers in the Canadian federation has a long and rich history. Built on the spirit of a Canadian fraternity our

system of transfers illustrates the willing co-operation and coordination which has long become a Canadian trademark that is the envy of federations around the world.

In a recent report to parliament the auditor general referred to the program as one of the main successes of the federation. For over 40 years the federal government has fulfilled its constitutional responsibility to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services and reasonably comparable levels of taxation through the equalization program. It is an example of how the Canadian federation has and will continue to work well.

I confirm to the House once again that the government is committed to the ongoing sustainability of programs as important as the equalization program. As we enter a new era of government financing it is critical that we continue to do what is most important to Canadians and to do it in the most efficient and equitable way possible.

With reference to the motion before us, let there be no doubt that natural resources have long been a staple of the Canadian economy. From coast to coast to coast since the first settlers arrived from Europe in the 15th century, even prior to European settlement on this continent, natural resources formed the heart of aboriginal economic development. From forestry to nickel, from oil and gas to sand and quarrying, natural resources have been the foundation of Canadian economic success for centuries. They are under our constitution an area of provincial jurisdiction.

The sustainable development of our rich natural resources is crucial to provincial economic growth, and sustainable economic growth is critical to fiscal stability and autonomy for all provinces. The government is committed to supporting all efforts by provinces and regions to develop their economies and to promote the sustainable development of our rich natural resources.

The motion presented to the House is concerned with the reductions in equalization payments that occur as revenues from natural resource development projects come on stream. There is no doubt that the government wants to work co-operatively with provinces but I think we must be clear. The government believes it is crucial that such economic development projects go ahead on their own merit. Such economic development projects must go ahead because they make good economic sense and not simply because of government subsidies. This is why we must keep strong, effective programs such as equalization separate from individual provincial economic development decisions.

Equalization is an unconditional transfer that provides provinces with resources to support economic development projects. The federal government does not say where such resources must be spent. Decisions on how to allocate such revenues are at the discretion of provincial governments. In this way equalization is a

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central component by which co-operative economic development takes place within Canada. Provinces that require support receive such financial support with the maximum amount of flexibility to use as they see fit. Equalization must maintain its transparency, sustainability and underlying principles of fairness.

It works according to a formula approved by parliament that applies equally to all provinces. The amount a particular province receives is determined by a statutory formula and not by the political pressures of the day or a particular development project. As the province's fiscal capacity goes up its equalization entitlements go down. As a province's relative fiscal capacity goes down entitlements go up. It is the way equalization has worked for over 40 years. It is this principle that applies to all equalization receiving provinces. The formula is the very basis of the program.

We cannot compromise a formula driven program that applies to all provinces equally by treating some provinces better than others. This motion would do just that. Compromising the program for one province would undo the 40 years of successful co-operation and sharing that characterizes the equalization program.

• (1750)

As Canadians we are there for each other. We help each other out when times are tough. We saw this in the aftermath of the floods in Manitoba and Quebec last year and in the ice storm in eastern Ontario and western Quebec during January 1998. It is in the same spirit that the equalization program works. When times are tough, when times are bad, equalization payments increase but as a province's economic situation improves its equalization entitlements are reduced. Even when times get better the equalization program has the added benefit of protecting provinces against large, year over year reductions in entitlements.

There is a floor provision that applies to all provinces which ensures not only the predictability of the program as a whole but also that provinces which experience growth will not be immediately or adversely affected by reductions in equalization.

In addition to this protection, Nova Scotia and Newfoundland have traditional protection for revenues that result from offshore developments. Under the Canada-Newfoundland offshore accord signed in the early 1980s, Newfoundland is granted transitional protection against equalization reductions. It lasts for 12 years. It allows the province to benefit from natural resource development projects. Under the Canada-Nova Scotia offshore accord Nova Scotia is also granted transitional protection.

Under the current agreements and arrangements Newfoundland would benefit substantially from the offset arrangements already in place. It ensures that Newfoundland's overall physical position is not significantly impacted and that the provincial economy will

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benefit from job creation, higher incomes and stronger, more lasting growth. This protection is on top of the expected increase in revenues that the province would derive from the project through royalties and taxes.

Further, the federal government also supported the development of Newfoundland's natural resources through other means, including the \$195 million coming from the Canada-Newfoundland offshore development fund, over \$2 billion from the petroleum incentive program and over \$1 billion in federal cash contributions, interest free loans and loan guarantees entrusted toward the development of Hibernia. This is on top of the fact that both Newfoundland and Nova Scotia have historically been the main beneficiaries of equalization.

Together these arrangements show the extent to which the federal government is an active partner in supporting natural resource development projects that make for long term economic success in the provinces. The current equalization agreements clearly allow for provinces like Newfoundland to benefit significantly from such projects.

As I said earlier, equalization is a program that works and works well. It is one of the most established and successfully recognized transfer programs of the Canadian federation. It is distinctly Canadian. It is about ensuring that all Canadians, regardless of where they live, have access to the same kind of government programs and services at comparable levels of taxation. For 40 years the program has been there for provinces when regional economies faltered. It will continue to be there in the future.

Even when we were forced to reduce expenditures during our deficit battle the equalization program was not touched. Why? It was because of its importance to Canadians from coast to coast to coast. Compromising national programs for the sake of any particular province does not make a strong federation. Canadians want strong national programs that are efficient and equitable. Equalization as an enduring program fulfils these criteria. The government will ensure that it is sustainable, transparent and fair to all Canadians.

It is for these reasons that I urge my colleagues to reject Motion No. 424.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, I am pleased to rise in debate on Motion No. 424 regarding equalization put forward this evening by the hon. member for St. John's East. I commend the hon. member for his hard work on this matter and his diligent representation of the interest of his province and constituency. I think the member is well known for such diligence.

The motion seeks to end what the member characterizes as a decrease in equalization payments to provinces that see an increase in revenues through resource development projects.

• (1755)

In this case he is referring to the projects recently off the ground in Newfoundland such as Hibernia, Voisey's Bay and others. All Canadians take some gratitude in the fact that we now have some real economic development in terms of natural resources happening in these areas of Newfoundland. We all hope that these developments will signal a new and brighter economic future for the people of Newfoundland and Labrador.

The motion addresses the question of equalization. It seems to us that equalization formulae already take into account the possibility of provincial revenues growing from within the resource sector. There are already in place floors to protect provinces from variations in the reductions from equalization as a result of increases in the provincial resource tax base.

A province with a relative per capita fiscal capacity less than or equal to 70% of the national average in the equalization formula is entitled to a floor protection of 95% of the equalization entitlement of the previous year.

In the case of Newfoundland, which has already signed agreements with the federal government applying to resource projects initiated by the Hibernia project but also applicable to White Rose in Voisey's Bay, this means that in the short run Newfoundland may lose just 5 cents in equalization for each new dollar in resource revenue and that in the medium run it may lose less than \$1 or about 70 cents in equalization payments for each new dollar in resource revenues. In other words, a transition mechanism is already built into equalization to smooth resource driven declines in equalization entitlement.

If the capacity of a province to raise revenues increases then its equalization entitlement should decrease, which is what the current formulae allow for. However that decrease is smoothed out over time. It is not jarring. It does not happen too quickly so provinces should have the ability to adjust.

The hon. member appealed at the end of his remarks for a new deal in Confederation based on true equality among Canadians so that all people would be treated equal. Those of us in the official opposition could not agree more strongly. We advocate the principle of equality as the basis for any true and lasting union in our Confederation.

However, the kind of equality that we speak of in economic terms is equality of opportunity and not equality of outcomes. It is simply not possible for this or any other government to guarantee equality of outcomes in terms of the economic situation of various Canadians. We can try to provide a basic level of equality of opportunity, and that is what the current equalization system attempts to do.

Private Members' Business

The problem with the hon. member's motion is that it would seek to treat Newfoundland differently from all other provinces. The money that comes from equalization payments does not just come from out of thin air. It does not grow on trees. It is not just printed by the Bank of Canada. It is money that is taxed from certain Canadians and redistributed to provincial governments in other parts of the country. In this respect I do not believe that equalization is necessarily the most efficient means of creating equality of opportunity and redistributing income.

There are people in my constituency in Alberta of modest income. They work hard and carry a very large tax burden, yet part of the federal taxes they pay to Ottawa are redistributed in the form of equalization payments to citizens in other provinces, which in the sense of fairness that Canadians pride themselves on is a reasonable principle. Except what you end up with is the aberration of lower income working people paying taxes to Ottawa in areas like Alberta, Ontario and British Columbia in order to subsidize public services that upper income people benefit from in other provinces such as Newfoundland and Quebec and the other so-called have not provinces.

• (1800)

This is not an equitable form of redistribution. It is difficult to believe that in a country like Canada, being one of the wealthiest countries in the history of the world, there are seven have not economically disadvantaged provinces.

We accept the principle that we need to assist those who are going through difficult times such as people in Newfoundland and Labrador. We do not accept the principle that there are seven have-not provinces which should always be guaranteed a transfer from the taxpayers of other provinces. That is why we would propose to readjust the equalization formulas to focus benefit on the four poorest provinces as opposed to the seven provinces which are currently characterized as have not.

In so doing, by changing the incentives in the equalization system we hope to remove the potential for the so-called welfare trap effect taking place. There is now a disincentive for provincial governments to broaden and deepen their tax bases because if they do so they lose some of the equalization payments. What is needed are greater incentives for serious private sector economic development which can create meaningful sustainable jobs for the people of the economically disadvantaged regions.

For 30 years we have followed an economic approach in places such as Newfoundland and Labrador predicated on government intervention, on enormous subsidies and transfers. As a result we have seen unacceptably high levels of unemployment and unacceptably low levels of economic development. If we look to those

areas of the country which have relied more on policies that are oriented toward private sector investment and lower taxes, greater incentives for people to work, save and invest, what we see in such jurisdictions as Alberta are the lowest levels of unemployment and the highest levels of growth.

We ought to look to the recent economic history of Confederation to suggest that continuing the enormous subsidization of regional economies does not create real jobs or real opportunities. Unfortunately that is why so many people from the province of Newfoundland and Labrador are leaving, because of a lack of economic opportunities. They are moving to, for instance, Alberta which has for the past many years has pursued quite a radically different approach to economic development, one of lower taxes, less intervention and fewer subsidies.

I close by commending the hon. member for the sentiment behind his motion and his effort to speak on behalf of what he regards as the best interests of his constituents. However, in the true interests of equity and fairness across the country we cannot change the rules of equalization when a province is starting to see some broadening of its tax base. We must treat all provinces with some degree of equity. For that reason we would like to reform equalization but not by creating a double standard where a province can see higher own source revenues and continue to be subsidized by Ottawa.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, it is an interesting debate.

It was interesting when the member responsible for the subject being debated in the House was speaking, but it is always more interesting after the member from the Reform Party gets up. We hear in his comments on the proposal the not so hidden but explicit agenda of the Reform Party with respect to equalization.

I do not agree with the hon. member from Newfoundland with respect to his proposal for some of the reasons that have been outlined in previous speeches on the government side and on the official opposition side, that it would be a mistake to make this kind of exception. It could prove over the long term to be the undoing of the equalization payments program we have in this country, a concept and a program that Canadians should be reminded is in the Constitution of Canada. This is not some ad hoc or even long term contingent decision of successive Canadian governments. The principle and policy of equalization payments was enshrined in the Constitution when we patriated the BNA Act in 1982. I was in the House at the time and remember well that this was one of the concerns that many of us had, that when the Constitution was patriated the principle of equalization would be enshrined and therefore beyond the reach of governments which, for whatever reason, might have wanted to do away with the principle altogether.

Private Members' Business

● (1805)

I think it is a great principle and I think it is too bad that we cannot bring ourselves to treat each other the way we have decided to treat each other when we consider ourselves as provinces. In other words, we have this principle in the country that all provinces shall basically have a guaranteed adequate income in order to provide, if I remember the wording correctly, reasonably comparable services to all Canadians no matter where they live.

I say that because the member from the Reform Party repeatedly talked about equalization payments as having something to do with economic opportunity and equality of opportunity. Only in a very indirect sense, because equalization payments are not about equality of opportunity, except in so far as they may be about a reasonably comparable level of educational services or a reasonably comparable level of health services or a reasonably comparable level of many other kinds of services provided by the provincial government. But it does in the end have to do with the provision of services by the provincial governments so that provincial governments, no matter what province they may be the government of, can provide this reasonably comparable level of service.

I think that is a principle we need to preserve and extend into the way we treat each other as individuals so that all Canadians as individuals and not just their provinces might be guaranteed a reasonably comparable standard of living no matter where they live.

It was interesting to hear the member from the Reform Party who talked about Albertans being taxed so heavily. Is this not the province that does not have a sales tax? I always get a bit of a charge out of hearing people from Alberta say woe are the Albertans because they are so heavily taxed. They do not have a sales tax. Whatever taxes they do have are ameliorated by the income that has come from the energy sector there over the years. It may be going down now, but this may be because, contrary to the rhetoric of the hon. member, it is not just in various imaginary socialist worlds that governments subsidize industry. What about all the money in Alberta that has been lost subsidizing capitalists like Peter Pocklington who liked to go around badmouthing government and badmouthing subsidies and badmouthing intervention in the marketplace but have been more than willing to step up to the trough when it was their turn.

It not just amused me but actually infuriated me that I have had to listen to so much anti-government intervention rhetoric over the years here from Alberta members of parliament when successive Alberta governments, Progressive Conservative governments in particular, have been more than willing to put all kinds of public money into various private ventures and not, I might say, with a great deal of success. So spare us the false dichotomy between those on the right who are so prudent with the public's money and those on the left who allegedly are otherwise.

● (1810)

The record will show that governments on the right have been frivolous and even outrageous with the kinds of the money they have been prepared to put into the business ventures of their friends. It is not that we intervene in the marketplace. It is that we intervene in the marketplace on behalf of somebody who is not our friend. That is the real offence of the right-wingers in this country. If it is done on behalf of friends it is trying to help the economy along, trying to create the right climate, all that sort of thing that we have had to listen to for years.

I am also concerned about an argument that I heard just the other day. We need to be aware of this as there is some truth in it. Those who supported the free trade agreement should be concerned about it. I heard that Professor Thomas Courchene said, I think at a C.D. Howe Institute forum, that over the long term the erosion of east-west economic and political ties in the country and the strengthening and expansion of north-south ties would erode the willingness of Canadians in the so-called have provinces to participate in equalization.

His argument was that in the previous Canadian context if money was going from Ontario, Alberta and B.C. to other provinces and they were spending that money they would be spending it in a national economy. The money would return to Ontario, B.C. or whatever in the form of purchasing goods or commodities coming out of those so-called have provinces. The long term effect of the free trade agreements would be that this no longer would be the case. Money coming from Ontario to Manitoba would not be turned around and spent in Ontario again. There would not be this effect that there used to be. The money would be spent somewhere else, probably buying something made in the United States or Mexico or in the global economy given the effect of globalization.

It is a very interesting argument and one that bothers me. It is not something I would like to see. It points out once again all the unintended side effects of entering into these agreements which at the time many people warned would have the effect of breaking down certain traditions within the country and certain ways of viewing each other and relating to each other.

Equalization is one of the primary ways we have of relating to each other as Canadians through the principle that all Canadians no matter where they live should have provincial governments that are fiscally able to provide a reasonably comparable level of service. Anything which poses a danger to this should be of concern.

I have noticed in the past that Mr. Courchene has often been the harbinger of bad policy and things that when we first heard them we hoped they would never come true but then 10 or 15 years down the line they are conventional wisdom. I hope his current reflections on the equalization program do not belong in the same category.

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Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, I am very pleased to close the debate. I thank all hon. members for their submissions in this debate. I am not surprised that there is very little agreement among members especially from have provinces to change the equalization formula.

• (1815)

With respect, the government member who spoke talked around the problem of equalization. He talked around the motion. We are all very much aware of how the formula came about. He offered very little help and very little advice about how the formula could be changed to reflect the very real economic problems of the have-not provinces in this nation.

Simply put, we need economic development and jobs. We need to maximize the impact of any resource development on our economy and on the provincial treasury. We in Newfoundland and Labrador have lost a lot in our economy due to federal government cuts in programs and personnel. We are seeing the spectacle of every new resource dollar being clawed back, being subtracted dollar for dollar from our nearly \$1 billion in equalization payments. As I said earlier in the debate, the Hibernia development is an exception. From those revenues, we will only lose 70 cents on the equalization dollar.

We need the equalization formula improved. This improvement needs to be applied to the other resource developments as well. That is the whole point of the motion, a change in the equalization formula. If there is no change, there will not be a catching up. There will not be a chance for equality of the provinces unless there is some recognition of the fact that the very pool of money made available by the federal government through equalization to keep provinces from starving is the same pool of money that will keep them permanently poor.

I am not saying that we should put in place a new equalization formula for ever and a day. I am saying that we should work out an arrangement for have-not provinces that will see resource revenues clawed back on a more gradual basis. For example, there could be a 50% clawback on a development such as Voisey's Bay and maybe a 35% or 40% clawback on a development like Sable Island. That way there would be an opportunity to play catch up, to bring back to an acceptable level the employment rate and the quality of life for people who happen to live in a have-not province.

I am willing to listen to an alternative to that. If there happens to be no agreement on changing the equalization formula, maybe in the next budget some alternative measures could be taken to help the economically deprived provinces of which I belong to one. I do not expect to change the world today but I want the people of Canada to know that the current equalization formula is taking one step forward and one step back. If that is the case, how can we ever get ahead, how can we equalize, how can we catch up?

[*Translation*]

The Deputy Speaker: Order, please. There being no further members rising for debate and the motion not being designated as a

votable item, the time provided for the consideration of Private Members' Business has now expired and the order is dropped from the Order Paper.

[*English*]

Do hon. members agree to call it 6.30 p.m.?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[*English*]

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

APEC SUMMIT

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am honoured to rise in the House and to follow the remarks made by my colleague from Newfoundland. He spoke very eloquently and no doubt is going to be a fine parliamentarian in the same vein as the speaker previous to him, my colleague the House leader of the New Democratic Party.

I am pleased to speak tonight with respect to the Liberal government's mishandling of what is now becoming the APEC security issue and the scandal surrounding it.

• (1820)

Day after day in this House, the Canadian public and we in this chamber have been subjected to the repeated evasions and diversions to questions about the role of the Prime Minister in this matter. There is also the matter of the government's selected perception as to the role of the RCMP Public Complaints Commission in investigating last November's crackdown at the APEC summit in Vancouver.

The issue extends well beyond whether the RCMP were out of line in security measures they used against protesters. It extends beyond the appropriateness of former Indonesian President Suharto even being here on an official state visit.

At the heart of the issue is the mounting evidence that the Prime Minister and his office staff interfered with the RCMP in the arrangement of security to basically placate the wishes of a foreign dictator, to avoid offending him. We have seen e-mails, memoran-

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dums and notebooks which express the wishes of the Prime Minister and his staff. They are referenced there quite clearly.

We have also witnessed the Prime Minister in the thick of the protest. Camera angles have caught him at that. Even the Prime Minister's assertion that he was not, in the words of the NDP, barking out orders, it certainly raises questions as to what was taking place at that time.

At the very least, the Prime Minister should be given the opportunity, and I suggest he has the opportunity, to rise in this House and clarify contradictory statements made about the handling of this affair.

A ministerial statement in the House is appropriate. That is why my colleagues in the Conservative Party and I have been calling for the Prime Minister to make such a statement in this House and clearly outline what role he played in directing the RCMP during the security at APEC.

That is why as well we put a motion before the justice committee to conduct an independent review of the relationship between the PMO and the RCMP to determine whether political interference occurred in APEC and whether there are grounds to look at this further and perhaps clarify the boundaries of what the Prime Minister's role should be in political interference when the RCMP are handling matters such as this.

Canadians rightfully want answers and the government continues to throw up smoke. It points to the inquiry conducted by the RCMP Public Complaints Commission into the APEC role as a means to get to the bottom of these questions.

Regardless of the commission's inquiry, nothing prevents the Prime Minister from speaking to this matter in the House. It would not interfere with the inquiry in any way, shape or form. In fact it might raise new questions for the commission to pursue.

I suggest the cloud that hangs over the commission further complicates the matter because the commission's mandate is intended to focus on complaints directed toward the RCMP. It has nothing to do with political interference. The commission is headed by a chairperson who has made political donations to the Liberal Party of Canada, thus bringing into question the arm's length integrity of that person, sadly.

The recommendations that that commission might make in any event are not binding. The report is then made to the RCMP commissioner or the solicitor general himself, thus further undermining the integrity of that commission.

Clearly what we need to have happen in this case is have the Prime Minister stand in his place in this chamber and give Canadians what they deserve: accountability and responsible leadership in government.

Canadians need an investigative process that is open, transparent and accountable and also has the appearance of such. I call again

upon the government and the Prime Minister to clarify what exactly took place in Vancouver. Let us stop the stonewalling. Let us stop talking about what the commission is charged with doing and talk about what the commission is not charged with doing, and that is the accountability of the Prime Minister and political interference that is alleged in this matter.

Ms. Beth Phinney (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, the public complaints commission was created by parliament in 1986 to act in the public interest in addressing complaints by the public against the Royal Canadian Mounted Police.

The commission is an independent civilian board. Each year it receives on average 1,000 complaints from Canadians about the RCMP. About 300 of these complaints result annually in independent investigations. The commission has a strong list of members and has carried out its mandate with integrity.

Opposition members of this House have charged that the public complaints commission will not be able to get to the bottom of the issues relating to the APEC summit because its mandate is too narrow.

The terms of reference in this particular hearing show clearly how broad the scope of an inquiry can be. The APEC panel will hear all evidence and will report on "the events that took place during or in conjunction with demonstrations during the APEC conference in Vancouver".

The chair of the public complaints commission has stated that the panel will follow the evidence where it leads and that the scope of the investigation will be broad.

● (1825)

Any questions regarding the RCMP operations prior to and during the APEC summit are squarely within the scope of this hearing. Continued attacks on the ability of the PCC to investigate properly the APEC summit will undermine the integrity of this body, which I might emphasize has developed a strong reputation over the past 12 years for fairness and thoroughness in its deliberations.

Members should be aware that the government has provided additional funding to assist the commission to hold a very complex hearing in the public interest. This funding will, for example, cover the administrative and witness costs of the APEC hearing. A number of senior federal officials from, for example, the PMO and DFAIT will testify at the hearing.

I also stress that the government has co-operated fully, indeed has gone to great lengths with the commission's council for the release of documents. The government is just as interested as hon. members across the House in seeing a full and complete independent inquiry into security at the APEC summit.

TRADE

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I rise pursuant to a question I asked of the Minister for International Trade in the House last week with respect to the decision taken by the government this summer having to do with the suit brought against the government by Ethyl Corporation under the conditions of NAFTA, whereby Ethyl was suing the government for \$350 million on the basis that the government's decision to ban MMT, the gasoline additive, would cost Ethyl Corporation that amount of money in anticipated profits from the sale of MMT.

This was done pursuant to chapter XI of NAFTA in which we find one of the more insidious aspects of NAFTA, something that was not included in the Canada-U.S. Free Trade Agreement but which found its way into NAFTA. That is an investor state dispute settlement process whereby investors are able to directly sue governments in a way that they were never previously able to do with respect to trade disputes.

In the past, prior to NAFTA, a corporation, an American corporation in this case which felt that it had been unfairly treated by the Canadian government, would have had to persuade its own government to enter into a trade dispute settlement process with Canada. This now with NAFTA is not the case and Ethyl was able to proceed to sue the Government of Canada under chapter XI.

What happened this summer was that the government capitulated, settled out of court with Ethyl, paid \$13 million and declared that it had been wrong on MMT.

This raises a couple of concerns. One is the environmental concern with respect to MMT, but the one that I am more concerned about today is the way in which the response of the government to the suit by Ethyl Corporation points out the weaknesses of NAFTA. I believe this is why the government settled out of court.

The government did not want it to go the full length of the process under chapter XI because had it gone the full length of the process and had the ruling gone against the government, as I think the government anticipated it might have, this terrible fundamental flaw in NAFTA would have been bared for all to see. It would have been revealed to be the kind of mistake that it truly is.

Instead of allowing this to proceed and having that revealed for all Canadians to see, the government decided to settle out of court, blame its decision on another ruling having to do with the internal trade agreement between the provinces in Canada and duck altogether the possibility that this terrible weakness in NAFTA would have been revealed.

I asked the minister of trade if in that light, having learned this about the agreement, he was now prepared to say that the govern-

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ment would not be pursuing a multilateral agreement on investment which included this investor state dispute settlement process because the MAI, as it is currently outlined, would extend this provision to investors in all OECD countries. Instead of just American corporations having the power to bring suit against the government, it would be all countries of the OECD.

• (1830)

What kind of answer did I get? The minister got up and said "This never went to a NAFTA dispute settlement panel" and then she sat down. I never said it went to a NAFTA dispute settlement panel. That is an entirely different matter, an entirely different aspect of the agreement.

What I said had to do with the investor state dispute settlement process and I never received a decent answer from the minister on that.

Ms. Beth Phinney (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, the government's decision to delist MMT responds to a ruling by a panel established under the agreement on internal trade, AIT.

This panel determined that the Manganese-based Fuel Additives Act was inconsistent with the federal government's obligations under the AIT.

In the light of the government's response to the panel's recommendation, the government also moved to resolve Ethyl Corporation's NAFTA claim and Ethyl Canada's challenge in the Ontario court. Ethyl has terminated its legal actions.

Studies in Canada and the United States are proceeding on the impact of MMT on health and the environment. If subsequent federal government action is warranted, it will act using the Canadian Environmental Protection Act.

The government's right to regulate in the public interest is not in question. NAFTA is consistent with Canada's sovereign right to regulate in the public interest respecting public health, environment and the safety of Canadians.

In the investor state proposals under discussion in the MAI negotiations, Canada continues to favour open and transparent processes which reflect high standards of procedural fairness compatible with Canada's legal practice.

The government's position is clear. Nothing in the MAI would prevent the government from regulating in the public interest. This includes legislation to protect our environment, our labour standards and our health and social services.

In April, together with other OECD countries, Canada confirmed that the MAI must be consistent with the sovereign responsibility of governments to conduct domestic policies and not inhibit the

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normal non-discriminatory exercise of regulatory powers by governments.

The Government of Canada will only sign an agreement if it protects and promotes our national interests. This includes our sovereign right to regulate in the context of protecting the health, safety and environment of Canadians.

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.32 p.m.)

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