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# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Monday, November 5, 2001**

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**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, November 5, 2001

The House met at 11 a.m.

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*Prayers*

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## PRIVATE MEMBERS' BUSINESS

• (1105)

[*Translation*]

### INDEPENDENCE OF THE RCMP

**Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ)** moved:

That, in the opinion of this House, the government should, pursuant to recommendation 31.3.1 of the interim report of the RCMP Public Complaints Commission on the events that took place during the APEC conference, set out in writing the nature and scope of the RCMP's independence in its relations with the government.

She said: Mr. Speaker, I am pleased to begin this hour of debate on Motion No. 391, which I presented.

While the September 11 events did have a significant impact on the business of the House since the reopening of parliament, the fact remains that even if certain issues have lost some of their priority, they remain as important as they were before September 11.

All the questions relating to interference by the Prime Minister's entourage in RCMP operations during the APEC conference are among these issues. First, since the events that triggered the motion before us occurred over four years ago, I will briefly review the facts.

From November 19 to November 25, 1997, the city of Vancouver hosted the APEC conference. During that event, which was attended by officials from various regions of Asia, the RCMP was the police force responsible for security. That essentially meant ensuring the security of 75 persons, including 12 who required a maximum level of protection.

During the last day of the summit, when conference participants were at a retreat at the Museum of Anthropology, located on the campus of the University of British Columbia, students and others voiced their opposition to the political systems of certain APEC members.

The events that followed and involved protesters and RCMP officers resulted in the filing of 52 formal complaints against the actions of these officers. These 52 complaints were grouped into 17 categories reflecting as many situations and events.

On December 9, 1997, the chair of the RCMP public complaints commission launched an investigation into these complaints. Following that investigation, a panel made up of three members was established on February 20, 1998, to hear the complaints. The hearings began on April 14, 1998 and ended in December of the same year, following the resignation of its members.

On December 21, former justice Ted Hughes was appointed interim commissioner to head an inquiry, which ended in the presentation on July 31 of an interim report of 453 pages plus appendices.

I must criticize the fact that, three months after its release, the report is still unavailable in French. Once again the government is failing to comply with its own laws.

Since the production of the report, apart from the fact that the RCMP, through Commissioner Zaccardelli, has publicly admitted its responsibility, the Hughes report has practically fallen into oblivion.

The terrorist attacks against the United States on September 11 have certainly not helped. However they must not serve as a pretext for the government to avoid matters that might embarrass it.

Given the excessive powers that could be given to the police under the bill, it is all the more important to set out the nature of the relations between the RCMP and the government, if it is to avoid finding itself in hot water once again.

In addition, it is useful to point out that the RCMP's *mea culpa* was expressed four years after the events in question, and the recognition of its errors has cost the taxpayers nearly \$10 million.

The point of this motion is therefore to provide for the codification of police independence in order to set standards for the RCMP's relations with the government.

Despite the fact that this motion will likely never be acted on, for reasons I will explain later, we hope that it will, at least, ensure that the report does not end up forgotten on a shelf under a pile of dust, something that is too often the case for reports criticizing the activities of the government.

To get right to the heart of the matter, let us start with subsection 5 (1) of the Royal Canadian Mounted Police Act, which provides, and I quote:

The Governor in Council may appoint an officer, to be known as the Commissioner of the Royal Canadian Mounted Police, who, under the direction of the Minister, has the control and management of the Force and all matters connected therewith.

*Private Members' Business*

We see immediately from this that the RCMP is not totally independent from the government. Despite the legislative power the solicitor general retains over the force, the RCMP in fact enjoys substantial independence under common law.

• (1110)

At this point, what appears at first to constitute a conflict with the principle of independence does not in actual fact cause a problem. On the one hand, unless it should become a private police force, which is most certainly not what we want, the RCMP cannot exist independently of a connection with the government. Hence the necessity that it be under the auspices of a department, in this case the department of the solicitor general.

As Commissioner Hughes states in his report, even if the nature and scope of the independence of the RCMP has no clearly defined basis in legislation, the existence of that independence is acknowledged. In a supreme court judgment, *Regina v Campbell*, it was clearly established that, when its actions are aimed at enforcing the law or carried out within the framework of a criminal investigation, the RCMP is generally totally independent of the executive power.

In this connection, the following is an excerpt from Justice Binnie's decision:

While for certain purposes the Commissioner of the RCMP reports to the Solicitor General, the Commissioner is not to be considered a servant or agent of the government while engaged in a criminal investigation. The Commissioner is not subject to political direction. Like every other police officer similarly engaged, he is answerable to the law and, no doubt, to his conscience.

As far as the law is concerned, we agree with the judge. As far as conscience is concerned however, I prefer to abstain from an opinion. Regardless, along the same lines, in a reference to the Commissioner of Police in *R. v Metropolitan Police Commissioner, Ex parte Blackburn*, in 1968, Lord Denning stated as follows:

He must decide whether or not suspected persons are to be prosecuted; and, if need be, bring the prosecution or see that it is brought; but in all these things he is not the servant of anyone, save of the law itself. No Minister of the Crown can tell him that he must, or must not, keep observation on this place or that; or that he must, or must not, prosecute this man or that one. Nor can any police authority tell him so. The responsibility for law enforcement lies on him. He is answerable to the law and to the law alone.

Once the premises have been established, the following holds. First, the government must not under any consideration exercise direct authority over the RCMP when it is carrying out its mandate of law enforcement. Second, the RCMP must be accountable.

We can see that despite all of its independence, the RCMP remains dependent on the government to some degree. It must maintain some sort of contact with the government. This is where things get more complex because, while everyone agrees on the issue of independence, there is no consensus when it comes time to define what constitutes an appropriate relationship between government and the RCMP, both in academic terms and legal terms.

Keeping in mind that a state expresses its power of persuasion over its citizens through police authority, it is in the public's interest to ensure that no government be able to interfere in the business of the RCMP. Let us not forget that we live in a constitutional state. If we allow the government to interfere in federal policing activities whenever it sees fit, this constitutional state will give way to a police state.

Conversely, the situation would be just as bad if we gave *carte blanche* to the RCMP without requiring it to be accountable. In this case, we are talking about the state exercising control, not influence, as was the case with APEC. No matter how we look at it, it is both inevitable and necessary that the state and the RCMP maintain some sort of link.

If we consider all of this as it applies specifically to the APEC events, clearly, the government's intervention, or rather, interference according to the Hughes report, was inappropriate. Obviously the RCMP was not present in Vancouver as a part of its mandate to fight crime. Its mandate was limited to providing security for an international events. In order to carry out this mandate, it had to work in close co-operation with government officials. However, this co-operation should have been based on security considerations, rather than political interests. Unfortunately, we now know that this was not the case. We now know that the problem with the involvement of the RCMP at the conference occurred at two levels.

First, as Commissioner Hughes points out, the performance of the RCMP was noteworthy for its glaring lack of professionalism and standards of acceptable competencies.

• (1115)

He felt that there were two reasons for this: a failure to co-ordinate planning and operations, and an inability to anticipate events.

In addition, in his final remarks, he mentioned that the conduct of the police was inappropriate in the circumstances and completely contrary to the charter. This alone is extremely troubling and worthy of attention. Worst of all is the possibility that political interference may have been one of the causes of this mess.

In his report, the commissioner emphasized that he did not agree with the contention of counsel for the complainants that, in ensuring the personal attendance of Indonesian President Suharto, the government would have taken care to see that he was not embarrassed. Hence the premature takeover of the Museum of Anthropology, the extent of the security perimeter and the noise-free zone.

Questions still remain. Even if the action taken was not related solely to preparations for President Suharto's visit, the commissioner still concluded that demonstrators' rights were violated by the intervention of Jean Carle who, as director of operations in the PMO, also served as liaison between the PMO and the RCMP.

Whatever the reasoning, the result was the same: Carle's interventions had the same repercussions as what could be described as interference in RCMP security operations.

Even at that, certain doubts remain because, when describing the reasoning behind Carle's actions and, therefore, those of the government, Commissioner Hughes used the phrase "I do believe", which is a very subjective way of putting things. In short, the second observation can only be that the RCMP violated charter rights, following government interference.

*Private Members' Business*

That having been said, it is vital that the government set out in writing the nature of its relations with the RCMP. This morning, the Bloc Québécois is calling on it to comply fully with recommendation 31.3.1 of the interim report of the RCMP Public Complaints Commission on the events that took place during the APEC conference. This recommendation reads as follows:

[*English*]

The RCMP should request statutory codification of the nature and extent of police independence from government with respect to:

1. existing common law principles regarding law enforcement; and
2. the provision of and responsibility for delivery of security services at public order events.

[*Translation*]

Above all, and in the circumstances, the RCMP must be accountable under law and it is with this in mind that we are putting forward this motion, which is fully consistent with this principle.

Since the next G-8 summit will be held in Kananaskis, Alberta, from June 26 to June 28, 2002, it is vital that the government comply with recommendation 31.3.1, as formulated, of the Hughes report.

[*English*]

**Mr. Stephen Owen (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I am pleased to respond on behalf of the Government of Canada to the motion brought forward by the hon. member for Saint-Bruno—Saint-Hubert concerning recommendation 31.3.1 of the APEC interim report of the Commission for Public Complaints Against the RCMP.

It is extremely important to underline the fact that this is an interim report and therefore an interim recommendation that we are considering.

Before commencing on the particulars of the motion, I would like to remind the members of the House that this is just one among several recommendations set out in the interim report. That report also represents just one stage in the civilian oversight process for dealing with public complaints about the RCMP.

What is the civilian oversight process for the RCMP and does the House play a role in it? Let me begin by answering the first part of the question.

The Commission for Public Complaints Against the RCMP was created by parliament in 1986. It is a fair, impartial civilian board designed to act in the public interest. The commission is mandated to conduct independent inquiries into complaints about the RCMP and to reach objective conclusions based on available information.

Does the House play a role in the oversight process? In responding to the second part of the question, let me quote the chair of the commission, Shirley Heafey, from the commissioner's last annual report. She stated:

In creating this Commission, Parliament acknowledged the need for a fair, impartial and independent agency that would ensure that the rights of both complainants and RCMP members are respected.

She further stated that the process “must maintain the confidence of the public, members of the RCMP and parliament and reflect a

clear understanding of the diversity and complexity of Canadian society”. In short, the commission's work must be unfettered by government interference if it is to meet the very purpose to which was created.

To ensure the impartiality of this commission, it is incumbent upon all members of the House to allow the commission to complete its investigation into the APEC complaints. To date, Mr. Hughes has released his interim report and the RCMP commissioner has responded to it. However the process is not yet finished. It is now up to the chair of the commission to consider both the documents and compile her final report with final findings and recommendations.

Civilian oversight is an essential safeguard in ensuring the integrity of the police. There are times when police must take necessary measures to apprehend criminals to ensure public safety. There are also times when police conduct is called into question. The freedom to question any perceived wrongdoing is fundamental to a law enforcement system that reflects and protects our core values of freedom, democracy and equality.

Police work must therefore be transparent and the police must be held accountable. That is why it is essential that we respect the independent civilian review process that is currently under way.

I believe that we can be assured of this independence through the Commission for Public Complaints Against the RCMP. The commission has 13 years of experience with a solid record for just and thorough deliberations. The government is confident that the commission will diligently review all the information brought before it to date and complete a fair and comprehensive final report.

It would therefore be both premature and improper for the House to endorse this motion because it pre-empts the conclusions of the commission chair. The commission must be given the opportunity to complete its work by using the process put in place by parliament.

The government acknowledges that the APEC public interest hearing is the longest and most complex in the commission's history, but that is why the commission must have the time it needs to thoroughly assess the complex issues before it. Let us not second guess the final recommendations. Let us allow the chair to complete this legitimate independent process and convey her recommendations.

I would now like to comment briefly on the substance of the motion which calls upon the government to set out in writing the nature and scope of the RCMP's independence in its relations with the government.

In his interim report Mr. Hughes recommended that this independence be reflected in statute. He also proposed five principles concerning the RCMP's independence from government. These principles recognize the RCMP's complete independence from government when it is performing law enforcement functions and its accountability to government when performing other functions unrelated to criminal investigations. They also emphasize the RCMP's accountability to the law and the courts in all situations and the RCMP's responsibility for weighing security requirements against the charter rights of citizens.

*Private Members' Business*

● (1120)

Who would disagree with any of these principles? In his public response to the interim report of Mr. Hughes, RCMP Commissioner Zaccardelli announced that these principles would form the basis for a clear national policy statement. Commissioner Zaccardelli gave the assurance that:

All members of the RCMP, particularly those involved in the delivery of security arrangements at major public order events, will be expected to have a clear and thorough understanding of this issue.

I commend the commissioner for taking this step. It will be particularly timely as the RCMP prepares the security arrangements for next year's G-8 summit in Kananaskis.

In conclusion, let me repeat that it would be improper for the House to endorse the motion. It is the role of the commission chair to consider both the interim report and the response of Commissioner Zaccardelli. The commission represents the public interests by ensuring that the issues raised from all sides are considered fairly and answered fully. This process should unfold without any influence by parliament. Let us support the civilian oversight process as parliament had intended by giving the chair the opportunity to make her final recommendations.

● (1125)

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, I rise today to participate in the debate on private member's Motion No. 391. I thank and commend the hon. member for bringing this motion to the House. To date the government has escaped criticism or questioning regarding the report released by Judge Ted Hughes.

Conveniently for the Liberal government, parliament was recessed when the findings and recommendations were released following the public hearings regarding complaints against the RCMP. Since the House resumed sitting on September 17, we have been preoccupied, and rightfully so, with the horrific events of September 11.

The unprecedented attack on America, and terrorism in general, has caught the attention of this country and the world. Canadians are anxious about the safety and security of our country and its people. They are concerned about the well-being of our friends and neighbours to the south as well. Therefore, all our efforts in the last two months have been focused on appeasing these concerns.

Despite this preoccupation, it is important that we address the issues raised by the Hughes report and discuss his many recommendations. Again, I commend the member for Saint-Bruno—Saint-Hubert, Quebec for providing this opportunity. It was a pleasure for me to second this motion.

If enacted, the motion before us today would have the government set out in writing the nature and the scope of the independence of the RCMP in its relation with the federal government, as recommended by Judge Hughes.

In his report Hughes concluded that the federal role at APEC was improper and that the RCMP succumbing to government influence was not appropriate. Therefore, Hughes recommended that the federal government bring in legislation to spell out the RCMP's independence from government interference.

In section 10 of his report, Hughes said that currently the nature and extent of police independence is not clearly defined in Canadian law. Furthermore, he stated "there is no consensus, either in academic writing or in judicial decisions, as to what is the proper relationship between the federal government and the RCMP although it is generally agreed that the RCMP does enjoy a measure of independence".

In fact, Hughes believes that the RCMP Act suggests that the force is not entirely independent of the government by stipulating that the commissioner of the RCMP is appointed by cabinet and controls the force under the direction of the solicitor general. Indeed, the commissioner of the RCMP is a deputy minister in this cabinet serving under the solicitor general.

After reviewing the English approach and the supreme court decision in *R. v Campbell*, Hughes stated "it is clearly unacceptable for the federal government to have the authority to direct the RCMP's law enforcement activities, telling it who to investigate, arrest and prosecute or other purposes. At the same time, it is equally unacceptable for the RCMP to be completely independent and unaccountable, to become a law unto themselves".

Based on this conclusion, Hughes recommended, under recommendation 31.3.1 of his report, that the RCMP request a statutory codification of the nature and extent of police independence from government with respect to two areas: first, existing common law principles regarding law enforcement; and, second, the provision of and responsibility for delivery of security services at public order events.

Responding to the Hughes report, RCMP Commissioner Zaccardelli dismissed this key recommendation saying that there was no need in his opinion for statutory recognition of police independence. To date the government has not embraced the recommendations, although it has accepted and is attempting to enact the second part of the Hughes report under Bill C-35.

Canadians must have confidence that the RCMP can do its job. That includes doing its job in respect to investigating the government in suspected cases of wrongdoing without the fear of there being reprisals or interference.

Canadians must also be confident that the commissioner of the RCMP, although a high ranking public servant, is not and does not simply become a puppet of the current government supporting its policies and programs even when it may be detrimental to our national police force and to the very frontline police officers.

● (1130)

A couple of weeks ago Commissioner Zaccardelli appeared before the justice committee as a witness in regard to Bill C-36. During his testimony and subsequent questioning Mr. Zaccardelli said:

Obviously, we are very pleased with the resources we have been given by the government. This is not just with respect to the terrorist activities—

The commissioner went on to say:

Could I use more? Yes, I could. The government, as I said, has been very responsive to our needs as we deal with this.

*Private Members' Business*

In direct contradiction to Commissioner Zaccardelli, the Canadian Police Association which represents 30,000 officers across Canada including some RCMP officers told the justice committee that the \$9 million recently given to the RCMP as part of the government's anti-terrorism initiative was not enough to meet the exceptional demands placed on the Mounties since the September 11 attack.

The \$9 million would only allow the RCMP to hire 72 new recruits as 2,000 officers are pulled off priority organized crime cases and frontline community policing duties.

While the commissioner said the RCMP could always use more staff, Michael Niebudek, Canadian Police Association vice-president, told us there clearly is a staffing shortage. He says there are insufficient resources for the RCMP to work on both terrorism and organized crime investigations and that the RCMP has shelved important organized crime work across Canada. Mr. Niebudek said:

Under this flavour of the month approach, enforcement resources are allocated based on shifting political priorities. We have been robbing Peter to pay Paul, and the shell game has to stop.

While the commissioner praised the government and said it had been responsive to RCMP needs, Mr. Niebudek said the government must move swiftly to repair gaping holes in Canada's security and enforcement capabilities.

In response to Mr. Niebudek's comments the solicitor general denied the RCMP was unable to do its job properly because it lacked money and staff. According to an article in last week's *National Post* the solicitor general said:

What I've received from the RCMP Commissioner is that they are certainly able to fulfill their mandate.

While the top police bureaucrat and his boss say one thing, our frontline officers are saying something quite different. Clearly Mr. Zaccardelli is supporting or siding with the federal government when he should be supporting his frontline officers and defending the safety and security of our country's citizens.

It was only this spring that we brought witnesses to the justice committee in regard to a bill dealing with organized crime. We understood the severity of organized crime in Canada. We should not be shelving or putting on a back burner investigations that may lead to the apprehension of organized criminals, drug traffickers and other like-minded criminals.

We have a war on terrorism, unquestionably. However we have a war on organized crime as well. This war is a concern and it is bringing down our society as we see it. For the commissioner of the RCMP to be taking people off the organized crime file is irresponsible.

The commissioner of the RCMP should be fighting for the necessary resources so the RCMP can effectively meet the demands being placed on it because of the September 11 attack. For Mr. Zaccardelli to be doing otherwise and accepting the pittance provided to the force by the federal government demonstrates that he is a puppet of the solicitor general. This must be changed.

RCMP independence from the government must be statutorily codified as recommended by Judge Hughes. I therefore support private member's Motion No. 391.

● (1135)

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, I am pleased to take part in the debate on this private member's motion. I congratulate the member from the Bloc for her initiative in the matter. I associate myself with the remarks not only of the hon. Bloc member but of the previous speaker in fully supporting the motion.

I will use my few minutes today to focus on three aspects: first, the findings of Commissioner Ted Hughes; second, the response of RCMP Commissioner Zaccardelli; and third, what the RCMP has or has not learned as a result of the Hughes inquiry.

I have read the final report of the Hughes inquiry. It is clear that Commissioner Hughes pointed some pretty blunt fingers not only at the RCMP but at government officials. For the record I will go through some of those.

Mr. Hughes acknowledged in his closing observations that many of the examples of substandard performance reflected failures in the planning process. I will not go into detail but he referred to briefings and late buses at the UBC campus on November 25, 1997.

Referring to the open space in front of Green College, Hughes said there was a:

—failure to realize that the grounds of Green College located outside the secure zone were an obvious gathering place for those residents of Green College who had previously indicated a desire to protest, with the result that no contingency plans were in place to address the presence of protesters at that location.

Regarding the march to the fence which we kept seeing over and over on television, Mr. Hughes said there was a:

—failure to have anyone in a command role at the well publicized noon rally who was aware of the protesters' planned civil disobedience and was in a position to realistically evaluate late-breaking information of dubious credibility about the expected actions of the protesters.

I find this particularly significant. Mr. Hughes said:

My inability to determine who made the all important decision to allow protesters to have unobstructed access to the security fence tells a great deal about the state of readiness of the police to meet the challenges of the day. I will always believe that, but for that decision, based on dubious information, the events on campus from noon until 4.30 that afternoon may well have been non-violent throughout, though boisterous, noisy and challenging for the police. It was the violence that broke out at the flagpole at noon that set the stage for many of the subsequent events that unfolded over the remainder of the afternoon.

There are also references to the blockage of exit routes, the involvement of local RCMP detachments and the arrest of Jaggi Singh. Here Mr. Hughes said:

Had the UBC Detachment been properly integrated into the security planning process, I believe that Mr. Singh would not have been arrested on November 24 or at any other time for the November 7 megaphone incident. Had the UBC Detachment been required to consult on its plan to eliminate Mr. Singh from campus on November 25 with wise and seasoned heads with full knowledge of the background of the leaders' meeting, I believe that the plan would never have been implemented.

Similarly regarding the arrest of Mark Brooks, another frontline protester, Commissioner Ted Hughes said:

This was a precipitous arrest made in an atmosphere of crisis, directly attributable to the chaos that resulted from inadequate police planning to ensure the orderly and safe exit of the world leaders.

*Private Members' Business*

There were also negative references to the strip searching of all female protesters at the Richmond cells. Mr. Hughes was very condemnatory of the RCMP or police action at that time.

Mr. Hughes identified two areas where he believed the federal government acted improperly. The first was the removal of tents from the grounds of the Museum of Anthropology that has been alluded to earlier. Mr. Hughes wrote:

I am satisfied that it was because of the government's intervention that the tents were removed that evening. Were it not for that involvement, the contrary view of Site Commander Thompson would have prevailed. As it happened, his view did not carry the day because of the acquiescence of other RCMP personnel, principally Supt. May, who had succumbed to government influence and intrusion in an area where such influence and intrusion were inappropriate.

● (1140)

Mr. Hughes was critical of the improper and inappropriate level of federal government involvement in the RCMP's provision of security with respect to the size of the demonstration area adjacent to the law school. He noted that the government's efforts did not prevail due to the intervention of others such as Site Commander Thompson on behalf of the protesters. Had those intervenors not prevailed Mr. Hughes noted that the security challenges the RCMP faced on November 25 may well have increased.

In his final comments Mr. Hughes said:

It is inescapable that in most instances where I have found police conduct to have been either inappropriate to the circumstances of inconsistent with charter rights, the primary responsibility rests with those who held key offices in security planning for the APEC conference. That may go to the highest level of RCMP headquarters in Ottawa. This seems to have been the source of approval, if not direction, that security services on November 25 would be delivered by officers who were, at best, on the periphery of the two year planning process, while those intimately involved in that process were out of command from the moment the APEC conference opened.

Regarding gate 6, Staff Sergeant Stewart and the incident involving pepper spray, Commissioner Hughes wrote:

I feel very much the same way about the involvement of Staff Sergeant Stewart and those on site with him at Gate 6. He never should have been placed in the position of having four minutes to clear the road. Given the pressure he was put under, he made some unfortunate decisions but far more culpable, in my view, are those in positions of responsibility who allowed the Gate 6 events to develop and unfold as they did.

We need to point that out in the context of the former solicitor general's remarks in an unguarded moment a few years ago. In reference to Staff Sergeant Stewart he said "Hughie may be the guy who takes the fall". It is pretty clear from the report of the commissioner that this goes right to the top in Ottawa. Staff Sergeant Stewart should never have had to take the fall. Nor has he as a result of the Hughes report.

I think Commissioner Zaccardelli is supportive of the report although, as has been noted earlier, he does not agree with Ted Hughes that there is a need for statutory codification. That is perhaps shortsighted on the part of the commissioner of the RCMP.

Commissioner Zaccardelli said a co-operative relationship between the police and peaceful protestors is essential. I would challenge Commissioner Zaccardelli and the current solicitor general to take that comment in the context of what happened in Quebec City several years after the APEC inquiry. They should tell that to the mostly young people who were detained arbitrarily for several days before either being charged or sent on their way.

Three young people from my riding of Palliser were in Quebec City. They insist they were doing absolutely nothing wrong. They were sitting on the grounds outside the perimeter fence and security area when they were arrested by the police.

Our caucus in its entirety was in Quebec City. We saw tens of thousands of peaceful protestors. Yes, we acknowledge that some were bent on violence and disorder. However the overwhelming percentage of people were there to protest a cause they felt strongly about. I am concerned that the RCMP learned virtually nothing from its APEC actions.

● (1145)

They will not follow through with the security at APEC because of the flaws that have been identified by Hughes and others but they have stepped up security a lot more. We have seen that with whatever WTO protest is involved. This is all even before Bill C-36, the bill on anti-terrorism.

**Mr. Jay Hill (Prince George—Peace River, PC/DR):** Mr. Speaker, like it is for my colleagues on both sides of the House, it is a pleasure for me this morning to address Motion No. 391 put forward by my hon. colleague from Saint-Bruno—Saint-Hubert. As was noted the motion would set out in writing the independence of the Royal Canadian Mounted Police regarding its relationship to the government.

It has been four years since the riotous Asia-Pacific economic conference was held in Vancouver, an event that will forever be a black mark on the way our government interacts with our national police force. Despite the conclusion of a formal inquiry and various legal challenges, little has been done to change the intimate relationship between the RCMP and the government. In fact every effort seems to have been made to maintain the status quo.

It would be reasonable to expect that in a country such as ours there would be a very clear delineation between our politicians and our national police force. Therefore it would be unreasonable, one would assume, for a developed country to have its national police force influenced or controlled by elected politicians.

Likewise one would expect that in a developed country the rules regarding the control, interaction and scope of authority for the national police would be enshrined in legislation strong enough to prevent any future government from an abuse of power. Were this the case in Canada, we would not be having this debate.

The RCMP has earned a reputation as one of the finest policing agencies in the world. The men and women who wear the red serge do so with pride, and their professionalism and integrity serve as an example to all Canadians. This is a national institution that Canada should be striving to protect, not undermine.

As the national police force the RCMP will undertake duties within its scope and mandate. To enable it to do so effectively the mandate must be free from political interference. Regrettably the present accountability structure does not allow for this. The inherent difficulty in the accountability structure of the RCMP is that the commissioner reports to a single minister rather than to cabinet or to an oversight committee. It is here that we have a clashing of ideologies.



*Private Members' Business*

The commissioner of the RCMP is focused on law enforcement and national security, the core principles of any police agency. The minister, on the other hand, as an elected official is quite naturally concerned with re-election as well as the political impact the actions of agencies within his portfolio may have on the popularity of his party.

The introduction of politics is an intolerable situation. Any time the RCMP has to weigh the political impact of any decision it is called upon to make, its ability to do its job is undermined.

There are also reasonable concerns regarding the misdirection of the RCMP by the minister responsible. At present there are insufficient safeguards against the use of the RCMP for investigations which may find their basis more in political retribution than in fact, a potentially expensive undertaking, as Canadians discovered with the Airbus fiasco.

The RCMP is our single national police agency and as such cannot continue to be run as another branch of the civil service. It must be free from the influences of the government of the day. To be effective it needs to be independent. It is time for the government to examine its relationship with the RCMP and to draft rules regarding the nature of its relationship with the agency.

Previous speakers have talked about Commissioner Zaccardelli appearing before the justice committee. I was present the day he spoke to Bill C-36. He clearly identified one of the conflicts he has. On the one hand he is viewed as the deputy minister and on the other as the head of our national police force. To be quite honest I think it is an intolerable situation to place anyone in.

That is why I think the motion brought forward today is very appropriate, especially at a time when the country is debating Bill C-36 and where, by extension, there will be more powers given not only to the RCMP but to other police forces in the country, such as new powers to detain and to wiretap, and there is certainly at least the potential loss of privacy rights for Canadian citizens. Given all of that, I think it is appropriate that we are debating the motion today.

• (1150)

In conclusion, I am pleased to support the motion before the House as a means of increasing transparency and accountability. Again I congratulate my colleague from the Bloc Québécois for bringing this forward. It is extremely unfortunate that members will not have the opportunity to vote on it, which opens up a whole different can of worms in regard to how many times members take on issues and go through all the work of bringing forward motions and bills to the floor of the House of Commons only to see what we are seeing again this morning, a very worthwhile initiative that unfortunately will have one hour of debate and then in all likelihood that will be the end of it as far as the government is concerned. I say that is unfortunate.

**Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance):** Mr. Speaker, I also would like to congratulate the Bloc member for the motion. As the previous speaker indicated the motion is very timely in light of the fact that we are presently considering Bill C-36. Bill C-36 gives tremendous power, power that in a free and democratic society under normal circumstances we would never, ever consider. It is a bill that is draconian in nature and one that is of

deep concern, I am sure, to every member of the House. Therefore this motion is singularly timely.

Let us go back to the events of APEC in 1997. Flowing from those events, the activities of the police and the apparent interference of the Prime Minister and his office, there were two questions. The first question was about the actual conduct of the RCMP. As has been mentioned by the former ombudsman for the province of British Columbia, the member for Vancouver—Quadra, the point is that the public complaints commission established in 1986 indeed was the correct venue to be able to determine what happened, what the activities of the police were and indeed if they were appropriate, but there was an equally pressing second question that the government to this day has never answered. The question is, did the Prime Minister and his office interfere with the RCMP enforcement activities at APEC 1997?

I spent a fair amount of time at the hearings. In listening to the testimony of the people who came before the commission and in seeing the way in which the commission was actually started up, I saw that it was clear that there was the hand of the Prime Minister and the Prime Minister's Office, even through the public complaints commission, even through commissioner Heafy at the beginning of the public complaints commission process, to ensure that the people of Canada would never, ever receive an adequate or a true answer to the question, did the Prime Minister and his office interfere with the RCMP and its enforcement activities at APEC 1997?

We recall that at the beginning of the public complaints commission process there were three commissioners appointed, a chair and two commissioners, for a total of three people who were involved in that process at the beginning. What was very clear was that there had been interference. There was interference with the original chair of the public complaints commission. He said so himself. There is evidence that there was interference by the head of the public complaints commission, Shirley Heafy, into the process at that time. The question about that has never been answered: Why did she interfere with that process?

Let us fast forward to the end of this process, where commissioner Hughes has come forward with some innuendo, and that is all he can do, about the involvement of the Prime Minister in interfering with the RCMP. Why can he only do it by innuendo? Because that is the way the Liberal government set this up. It was to protect the Prime Minister. It was set up so that the public complaints commissioner himself, Hon. Justice Hughes, was incapable of getting to the bottom of the question of whether the Prime Minister and his office interfered with RCMP enforcement activities at APEC 1997.

Justice Hughes came forward with the portion of his report which has been noted by my Bloc colleague. Now the government says we must make sure that the commissioner and her reporting is unfettered by government interference. It is a little bit thick because in spite of the fact that she uses the words fair, impartial and independent, the fact of the matter is we know that at the beginning of the public complaints commission process she was not fair, impartial or independent because of the way in which the first three commissioners of this ended up crashing and burning.

*Private Members' Business*

• (1155)

We can fast forward to section 33.3.1 of Justice Hughes' report. Commissioner Zaccardelli of the RCMP was not standing up for the RCMP. He was being an apologist for the government. He was ignoring the involvement of the Prime Minister and the political aspect of the decisions that were made at APEC.

Colleagues before me gave a very good explanation of why he was doing this and I agree with them. He has to recognize as a top government official, the equivalent to a deputy minister, which side his bread is buttered on.

That is a very harsh thing to say and I am well aware of that. However it is my judgment that the Prime Minister of Canada got away with the fact that he interfered with the RCMP and its enforcement activities at APEC in 1997.

As a matter of principle there must be an absolute barrier between politicians and police in a free democracy. I say that as a politician, but as I take a look at other politicians, particularly people like the Prime Minister and other ministers of the crown in positions of authority who can directly influence the police without a clear line of delineation between politicians and police, they can continue to do that.

It is scary that Bill C-36, the anti-terrorism bill, gives so many powers to the police. It tips the balance away from our free and democratic society, the very freedoms we are trying to protect. We are having to set some of those freedoms aside so that we can protect the freedoms we must keep. It is a terrible situation for us as politicians to be in.

I commend the Bloc Quebecois member for her motion. I consider it a crying shame that it has not been permitted to come to a vote. This is an action that the Prime Minister and the government should be bringing to the House, if only for good faith reasons, as part of Bill C-36 so that we would understand that there could never be a breakdown of the barrier between politicians and police.

• (1200)

[*Translation*]

**Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, to conclude this debate, I would like to make a few comments. First, I strongly doubted that this motion would find an attentive government ear. The government would have had to eat humble pie and acknowledge that it had interfered inappropriately as the result of its improper relations with the RCMP. However, the statutory codification we are proposing is the only way to ensure that the mega mess of November 1997 could never recur. However we can legitimately ask ourselves whether there would be government support for this.

In view of the increasingly extraordinary discretionary powers the ministers are giving themselves with each new bill, the policy of silence that reigns throughout the government, its lack of respect for parliament during this crisis and its closer co-operation with the media than with parliamentarians, an unbridled arrogance toward the opposition, especially that part of it representing Quebec's interests, through its mockery of the unprecedented consensus in Quebec over Bill C-7, it is not surprising that the Liberal government wants to dilute the mandate of the RCMP to make it its political police, as was

the case in the 1970s when the RCMP was given the task of ridding Quebec of the sovereignist heresy.

Moreover, as if the obstacles faced by this motion were not enough to have it tossed under the table, it will not even be voted on, as several members pointed out earlier.

I have always believed that motions and bills presented by members of parliament should be votable items, otherwise we feel that we are treated unfairly and that our initiatives have little importance. It is easy to quickly lose faith in the system. We get to the point where we wonder if it is worth investing so much effort in drafting motions or bills and in preparing speeches to defend them.

By working on issues that may well not be acted on, we waste our energy, effort and time, and also those of the House. In such a context, a member does not bring any added value to parliamentarism. For example, since the beginning of the 34th parliament, in 1988, when I was first elected, 1,670 private members' bills have been introduced and, out that number, 17 have received royal assent and been enacted. One can imagine the interest that a motion like this one, which is not even a votable item, is likely to generate with the government.

With a system that kills initiative in this fashion, it is not just members of parliament who become frustrated, but also the public which, given such situations, is becoming increasingly cynical about our role.

Recently, on two different occasions, I talked to people about my private member's initiatives. When I told them that all private members' initiatives must go through a draw to be included in the order of precedence, these people were flabbergasted.

Members can easily imagine these people's reaction when I explained that, once an item had been selected, it had to go before a committee that would choose, depending on its mood, a few of these initiatives to make them votable items. Then, even if this motion had been selected to become a votable item, given the probabilities that I just mentioned, the chances of getting actual results are very slim to say the least.

Sadly, I can only conclude that private members' business is used much more to kill time than to help our society move forward in a democratic fashion.

**The Acting Speaker (Mr. Bélair):** The time provided for the consideration of private members' business has now expired. As the motion has not been designated as a votable item, the order is dropped from the order paper.

## GOVERNMENT ORDERS

• (1205)

[English]

### YUKON ACT

**Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.)** moved that Bill C-39, an act to replace the Yukon Act in order to modernize it and to implement certain provisions of the Yukon Northern Affairs Program Devolution Transfer Agreement, and to repeal and make amendments to other acts, be read the second time and referred to a committee.

He said: Mr. Speaker, this is a very important piece of legislation. There has been one constant since I assumed this portfolio and that is my commitment to change. I have been resolute in my determination to forge a new relationship with the people of Canada's north, a relationship that respects the proven capacity of northerners to manage their own affairs.

Mr. Speaker, as a northerner yourself, you would understand that those of us who are from the near north have always wanted more input. This very much follows the belief that northerners, given the opportunity, can create that new partnership that would see the northern territories evolve into self-managed and prosperous regions that would make strong contributions to the Canadian federation.

This partnership would recognize that governance, economic development and environmental stewardship in the north should reflect the priorities of the people who live there. A responsible partnership would carefully balance the interests of aboriginal and non-aboriginal residents of the region, promoting sustainable development and increasing the accountability of northern governments to their constituents. An inclusive partnership would empower northern people to exercise political independence, putting an end to the error where decisions about northern resources were determined by public servants in Ottawa.

I have the honour of being able to fulfill those promises and turn ideals into reality. It is with great pride that I rise before the House today to talk about the legislation that would demonstrate in a real way our commitment to putting Yukoners in control of decisions most important to the future of the territory.

I will be speaking briefly because I asked for unanimous consent of the House of Commons last week to allow my colleague from Yukon to deliver the majority of the speech. It is quite fitting that it should be a Yukoner, a northerner who was directly involved in making sure that the bill got to this place to complete the development of the kind of relationship I am talking about. Shortly I will be seeking unanimous consent to allow my colleague from Yukon to deliver his most important speech since he was elected to the House of Commons.

Bill C-39, the Yukon Act, would start the new century with a new way of governing the Yukon territory. We would deliver on our pledge to accelerate the devolution of provincial-like powers and responsibilities to the Yukon government by transferring the administration and controls of lands, water and resources.

We would bring the existing act, last overhauled in 1953, into the 21st century, formalizing in law what is current practice and

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reflecting the existence of representative and responsible government in Yukon. With unanimous consent of the House I would now like to hand things over to my hon. colleague from Yukon.

**The Acting Speaker (Mr. Bélair):** Is there unanimous consent for the minister to transfer his remaining time to the hon. member for Yukon?

**Some hon. members:** Agreed.

**Mr. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I thank the opposition for giving its unanimous consent. Since I have been in the House the opposition has always been very positive when I bring forward the aspirations of Yukoners and I very much appreciate this.

The bill is a bold step forward to a better future for all Yukoners. At such a forward looking time in our history, it would be remiss of me not to acknowledge my predecessors in this place, former members for Yukon: the Hon. George Black, Martha Louise Black, James Aubrey Simmons, the Hon. Erik Nielsen, the Hon. Audrey McLaughlin and Louise Hardy, all of whom have played a role in the political evolution of Yukon.

I would like to make it clear that Bill C-39 has a wide cross-section of support from Yukoners. The act is a result of extensive consultations with Yukon residents which began in 1996. We spent the past five years consulting and negotiating with the Yukon government and with first nations. Successive drafts of the bill were shared and discussed with our territorial partners throughout the negotiations. We have taken the necessary time to ensure that the bill protects and promotes the needs and interests of all parties.

I am pleased to report that the Yukon government and the Council of Yukon First Nation chiefs support proceeding with the Yukon devolution initiative. This essential milestone paved the way to the agreement which was signed by Yukon premier Pat Duncan and the Minister of Indian Affairs and Northern Development on behalf of Canada. It is now up to parliament to turn over comprehensive new powers to Yukon where the powers rightfully belong.

The new Yukon act would give effect to a number of provisions negotiated in the devolution transfer agreement. It would give the Yukon legislature lawmaking powers to manage land, water and other resources.

The bill would also modernize legislation to reflect the existence of responsible government in Yukon and the structure and responsibilities of public institutions consistent with current practices.

Let me explain what that means in practical terms. If approved, the bill will transfer the lawmaking powers over most of the public lands and resources, including forests, mines and minerals, in addition to water rights in the territory to the Yukon legislature. This will result in the Yukon government having decision making powers over matters fundamental to the economic well-being of the territory.

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Once devolution takes effect, proposed for April 1, 2003, the Yukon government will have the necessary financial resources to carry out its work. The Yukon will collect the royalties, rentals, dues, service fees and other charges currently collected by the Department of Indian Affairs and Northern Development. The agreement also ensures that the Yukon government will receive a net fiscal benefit from these new resource revenues.

Land and resource management responsibilities are in many ways the most important component of the devolution process because this places development decisions in the hands of the people most knowledgeable about local conditions and those most affected by the consequences of those decisions: northerners.

Devolution of these powers also acknowledges that local residents have a vested interest in and a commitment to sustainable development. They recognize that responsible management of the north's wealth of resources means ensuring that as development proceeds, the full impact on people, their communities and the environment are all taken into account.

The devolution transfer agreement sets out detailed understandings reached with the Yukon government and first nations on various aspects of the transfer of power. We have resolved a wide range of complex issues and overcome a number of obstacles to reach this agreement.

Certain Yukon first nations would prefer to see their land claims settled before we transfer the lawmaking powers to Yukon. That is why the Yukon devolution transfer agreement contains protection measures for Yukon first nations that have not yet completed land claim agreements. Just this weekend another first nation went through the process to ratify its agreement.

• (1210)

I believe the people of Yukon have waited long enough for these important powers. We all know that local control leads to empowerment and development. We also know that it must be carefully balanced to protect the rights and interests of all the parties involved.

I can assure the House that this agreement is fully consistent with the land claims and self-government agreements in Yukon, with the constitution of Canada, with responsible environmental practice and with fiscal management.

The process which enabled us to achieve this accomplishment embodies the spirit and partnership laid out in "Gathering Strength—Canada's Aboriginal Action Plan".

The Yukon devolution transfer agreement stipulates that Yukon first nation governments will continue to have jurisdiction over natural resource management on settlement lands. This agreement includes a number of bilateral arrangements and commitments for joint action between the Yukon government and first nations.

I am confident that these arrangements will lead to further enhanced government relationships between the territorial government and first nation governments in Yukon.

I also want to point out that the agreement contains measures to ensure that first nation rights and interests are not derogated and not abrogated by the transfer of powers to the Yukon government.

The Government of Canada will continue to have a fiduciary relationship with the aboriginal peoples of Yukon.

Finally, existing third party rights and interests issued under federal legislation up to the date of devolution will be continued undiminished by the Yukon government.

Until now the Department of Indian Affairs and Northern Development has been performing many provincial type powers in the north. After devolution the department's northern affairs program will cease most of its operations in Yukon. It will, however, retain responsibility for the existing contaminated mine sites.

Consequently, the federal resource management acts, namely the Yukon Quartz Mining Act, the Yukon Placer Mining Act, the Yukon Waters Act, will all be repealed. The Territorial Lands Act, which currently applies to the three territories, will no longer be applicable in Yukon. The Yukon Surface Rights Board Act will also be repealed at a future date.

The Yukon government will pass its own legislation to mirror the federal acts which will be repealed under the new legislation. The repeal of the federal acts and bringing into force the Yukon government's acts will be synchronized to ensure that the transfer is seamless.

With the passage of the bill, the Yukon government, in consultation with first nations, will be free to develop different resource legislation to reflect its own unique priorities.

I mentioned at the outset that the new Yukon act would provide lawmaking powers to the Yukon legislature over land and resources. These powers are similar to those of a province under the Constitution Act, 1867. Changes being proposed in this package will not change the constitutional status of the Yukon territory. It will continue to be a territory of Canada and the federal government will retain its authority in areas of international and national interest.

Title to public lands and waters will remain vested with the federal crown. Should it be necessary, the bill sets out a process to take back the administration and control of public land in the national interest, such as the creation of national parks or a conclusion of land claims.

The federal government will also continue to hold responsibility in such areas as environmental assessment and remediation of health and safety hazards, as well as the costs associated with environmental remediation at mine sites where these hazards were created prior to the date of devolution.

I mentioned earlier that the operations of the Department of Indian Affairs and Northern Development in Yukon will be significantly reduced after the bill comes into effect. I am pleased to note that the measures have been taken to ensure the fair treatment of the federal public service.

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Approximately 240 indeterminate federal employees currently working in the northern affairs program will receive permanent job offers from the Yukon government at a position, salary and compensation package comparable to their current federal levels. The provisions in the agreement meet all the requirements outlined in the workforce adjustment agreements between the treasury board and the public service unions. This means that federal employees who now make their home in Yukon will be able to continue to work and live in the territory. Equally important, their corporate knowledge and experience in the programs areas being transferred to the Yukon government will prove invaluable as it assumes these new responsibilities.

I can assure the House that given the lead time until the new act comes into force, in the spring of 2003, that we are working with our partners to ensure a smooth transition for industry, for the general public and for our employees. Government business in Yukon will continue uninterrupted.

• (1215)

[Translation]

As well, the Yukon government will continue to provide land and resource management services in both official languages, at the current level of service.

[English]

As important as the various clauses in the bill are pertaining to the devolution transfer agreement, other proposed legislative changes are also of high symbolic value to the people and the government of Yukon. They send a clear signal to Canadians to recognize the legitimacy of their government and have full confidence in their ability and responsibility to manage their affairs. They reinforce the fact that the Yukon government has taken on increasingly greater levels of responsibility and proven its capacity to administer territorial affairs. They acknowledge that there is responsible government in Yukon with a system of government similar in principle to that of Canada.

• (1220)

These provisions in the Yukon bill would bring the legislative framework into line with what has been common practice in Yukon for the last 20 years.

Consistent with governments elsewhere in the country, the bill would extend the term of the assembly from four years to five years, and would provide for the dissolution of the assembly by the commissioner rather than by order of governor in council.

The bill would modernize the powers of the Yukon legislature consistent with the objective of successive governments to transfer all remaining provincial type programs and responsibilities to territorial governments. The bill would also change the names of public institutions. For example, the council would be renamed the legislative assembly and the commissioner in council would be renamed the legislature of Yukon. The legislation would also formalize the practice that the commissioner of Yukon will act with the consent of the executive council, consistent with the conventions of representative and responsible government in Canada.

The package of increased powers and legislative changes in front of the House recognize that the people of Yukon have valuable contributions to make to the social, economic and political fabric of Canada and provides them with the tools to get on with the job.

In conclusion, I am tremendously proud of the bill. It fulfills our promise to provide teeth to modern governments in the north. It solidifies the structures that reflect the priorities of the territorial government and helps to set the stage for positive, constructive relationships across government in Yukon for decades to come. The bill would create certainty and establish conditions for further economic development and prosperity. It would reinforce environmental stewardship, a key to sustainable development in Canada's north.

Most of all, the new Yukon Act underscores our commitment to nation building and affirms our determination to put decision making powers into the hands of northerners. It reinforces our conviction that the key to building a strong, prosperous communities is to foster local solutions to local challenges.

[Translation]

This is a long-awaited bill, Mr. Speaker. The legitimate aspirations of the residents of Yukon will start to assume concrete form with the passage of this bill.

[English]

After decades of trying to advance these goals, I am sure we all agree that the time has come to turn good intentions into concrete actions. I call on my hon. colleagues to adopt Bill C-39 so we can get on with the work of creating a strong Yukon and, in turn, a better Canada for all of us. *Masi Cho. Gunalchish.*

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, it is my pleasure to rise today to speak to Bill C-39, an act to replace the Yukon Act. Let me put on the record that the Canadian Alliance will be offering support for the bill. The underlying principle of the devolution of power to the territory of Yukon is certainly one that we can support, and it perhaps is long overdue.

While we offer our support, we also have questions and concerns that will need to be addressed by the minister, departmental officials and, most important, representatives from Yukon itself.

In reading the act, I see that there are three main features: first, to implement provisions under the devolution transfer agreement; second, to recognize the existence of responsible government in Yukon; and third, to make a number of consequential amendments to other federal acts.

I am not concerned at this point with the latter one, but as we debate both in the House of Commons and at committee, I am certain the details of the amendments to the other acts will naturally be determined and derived out of the clause by clause discussion at the standing committee.

As we look at the first two features, I believe that members of the House should be sure that as they go through the bill they understand it and that we do it well.

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I am pleased that the devolution transfer agreement has been agreed to by the Yukon government, the first nations of Yukon and the federal government. I believe that this is an area of specific interest to all parties in the House and that we will therefore devote some of our time and energies to looking at this.

As I understand the context of the bill at this time, the devolution agreement is to be consistent with the long standing objective of successive governments to transfer provincial type programs and responsibilities to a territorial government.

One critical goal of this objective is that with the transfer of responsibilities to the Yukon government the authority and accountability must also be transferred. This can take place through a staged process, but the end objective of the devolution of powers must include both responsibility and authority. To offer the responsibility of power without the authority to back it up would prove to be fruitless and pointless to any future Yukon government.

For instance, I have questions about the Canada-Yukon formula financing agreement and how it will work. As I currently understand the legislation, Yukon would now collect all royalties, rentals, dues, fees or other charges previously collected by the northern affairs program for these programs. Yet the federal government would continue to pay approximately \$34 million annually for the administration and control of land and resources in Yukon from funds previously allocated to the northern affairs program.

While I support the premise that Yukon should become more financially independent, I also want to ensure that all Canadian taxpayers benefit under the agreement. I will want to better understand from the minister and departmental officials how this portion of the agreement fits and compares with the current transfer agreement with the provinces. Of course, to do that we need much more information on this particular subject.

The area that I wish to explore at further length today, and which my colleagues and I will follow most closely is the second feature; the recognition of responsible government and all that the term entails.

The documents refer to the conventions of responsible government being similar in principle to those of Canada. While I understand that there are legal definitions attached to these phrases, let us remember that these words also have meaning to the citizens of both Yukon and indeed all Canadians.

As this is a tripartite agreement signed by the Yukon government, the Council of Yukon First Nations and the Canadian government, I believe that we should further explain and confirm what should be included under the term responsible government. Furthermore, these basic tenants should apply equally to all three parties of the agreement.

Responsible government must first reflect to whom it is responsible. From our point of view, it is and must be responsible to those it governs. Under the act, these would be the citizens of Yukon, Yukon first nations and then all Canadians.

The citizens of these three jurisdictions are the voters and taxpayers for each of these levels of government. Without the citizens and their respect, the government has no jurisdiction.

●(1225)

While many in the Chamber could add particulars to the much needed aspects of responsible government, accountability must be primary. Accountability may be discerned in many different ways, including governmental, financial and electoral.

For government to be accountable to the people it must be transparent. The decision making process must be clear for all to see and follow. This does not mean that everyone will like the final decisions, but it does mean that the rationale will be obvious for all to see.

Government decisions should not be based on special interest groups, favours or personal gain. Rather government decisions must be made that reflect the will and the needs of the people. Nor does it mean that some of these decisions will be easy. I am sure all my hon. colleagues in the Chamber know that many of the decisions we made may not always be popular, but they have to be made. They are often very difficult decisions made in the best interests of all Canadians.

I must say that one of the greatest concerns many of us in the opposition ranks have had is the transparency of the federal government in decision making processes. When members of the House are not able to follow the process, it is virtually impossible for members of the public to likewise see transparency in many government decisions. I sincerely trust this is not what the government is intending when it refers to the responsible governments similar in principle to that of Canada. Surely the Yukon government will start off in a better way than we often see displayed by the government in Ottawa where transparency is often not forthcoming.

There is also the aspect of financial accountability. There can be no greater control over the people than what a government does with the revenues derived from its citizens. Whether we like it or not, fiscal policy can be used to greatly assist citizens or seriously harm them. The best intentions of special interest groups, political alignments and even the government itself can have major impacts upon the decision making process.

I ask and even challenge the governments, which have signed the tripartite agreement, to analyze their roles and influences in light of financial decisions and fiscal accountability. Are they making decisions based on sound fiscal foundations both now and in the future? Will their decisions stand up to the test of time? In a free and democratic country such as Canada, no one government will be in power forever. Others will follow along and decisions will be reviewed and challenged. Ensure that decisions now will be viewed by the majority as being based on sound and transparent fiscal foundations.

Furthermore, the act specifies that the federal Minister of Indians Affairs and Northern Development will consult with the executive council in respect of proposed amendments in the future. Once again, we will hope that consultations will actually result in positive change and not just rhetoric. All too often in the past many Canadians in their own particular consultations with government have come to the conclusion that the consultations do not really change anything if the government has made up its mind.

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For instance, during the Nisga'a debate over 1,200 submissions were made to the government, none of which changed the final agreement. Imagine what that does to the citizens of a country who try to make some kind of impact upon government only to find that in actuality the government did not listen to them. We hope that is the standard for future consultations and that there will be open and honest debate reflecting the needs and concerns of its citizens in the Yukon government.

One particular aspect of the act that I am pleased to see is the preference by Yukon first nations is to settle all land claims before the devolution of power to the Yukon government is implemented. With the current plan to implement the new Yukon act by April 1, 2003, there is a need to move these settlement negotiations along. I believe there is sufficient time to reach the goal, but certainly the negotiations should not be delayed at all. I encourage all parties involved to actively pursue this goal, keeping in mind the need to reach a settlement that is affordable, achieves finality and meets the needs of all parties and their respective citizens.

● (1230)

This is a large bill and will have an effect on every single person living in Yukon. It will affect the employees of the northern affairs program and the Yukon government as well. While I generally believe that this is a positive move, I believe that all members of the House need to proceed cautiously to ensure that all aspects and conditions under the act have been fully considered.

There are a number of positive aspects to the bill. For instance, I am pleased that the powers granted under the act resemble provincial powers as outlined in the Canadian constitution. I can think of nothing better than to work toward the independence of Yukon as a province in due time. We will be very pleased to see it take its place alongside the other 10 provinces of this great country in the years to come.

I am pleased that the devolution of power under this act will cause the cessation of operations of the northern affairs program in Yukon. It has been the belief of the Canadian Alliance and our predecessor, the Reform Party, that the Indian and Northern Affairs Canada should be phased out over a period of time. In our opinion, this move in Yukon is a very promising first step toward that goal.

Recently, the leader of the official opposition spoke with Premier Duncan of Yukon and expressed our party's position on this act. I am pleased to hear of the Yukon government's support for this act as well.

I also have a few concerns about the bill. I trust the government will be willing and open in its anticipated briefings, its appearances before the standing committee and during debate in the House to listen to and accept all appropriate amendments that are proposed by hon. members from all sides. It would be reassuring to see the government actually actively consulting and implementing changes that would improve this bill rather than just proceeding without due care and attention.

I would like to hear if the government has a plan regarding the application by Yukon to apply for and achieve full provincial status. Obviously, the territory is coming closer to achieving this. Will this legislation speed up or slow down the application process?

The background of the bill clearly states that Yukon will be deriving powers parallel to those outlined for provinces in the Canadian constitution. I will be very interested to hear comments from the minister and members of his department on this issue in particular when they appear before the standing committee.

I will ask the government to further clarify the financial arrangements, whereby Yukon will receive new taxation funds to a maximum of \$3 million annually. My understanding is that these are funds that the federal government previously received. While these various taxes are applied to primarily natural resources belonging to Yukon, it is also my understanding that Indian and Northern Affairs Canada funds will also be redirected to Yukon.

While I support the move for Yukon to achieve financial independence, I believe that the governments involved must provide further clarity on this particular financial agreement. Yukon should retain the taxation revenues derived from its own resources and should not incur financial hardships due to this devolution of power. However, it appears that the federal government of course will be losing revenue and not decreasing its corresponding expenses. Somehow the minister should offer clarification in this matter as it goes before committee.

My last concern today regarding the bill specifically is whether or not the bill can actually be changed. All too often in the recent past legislation has come before the House for debate but the bottom line is that no changes can or will be made to the legislation especially if proposed by the opposition. The duly elected members of the House of Commons can debate this bill forever, but if no changes can be made to the agreement, our debate really amounts to nothing more than empty rhetoric.

I would like to take this opportunity to broaden the debate out generally to the minister and the Department of Indian Affairs and Northern Development. I must give credit where credit is due. I am generally pleased with the more approachable aspect of the minister and his departmental staff in recent months.

However, as I am certain that my colleagues on this side of the House will attest, it is difficult to speak to such an important bill without sufficient time to study the bill itself. On Friday my office received a five inch binder. The departmental staff did a good job of compiling the information regarding the legislation and the related items in it. However to receive and speak in depth on a bill as important as this one without the opportunity to fully research the bill shows somehow a lack of trust on the part of the government.

● (1235)

The bill refers to changes for employees from federal to Yukon status and the procedure for this to occur.

*Government Orders*

There are all kinds of things in here for which we needed the time to sit down, read and digest before we came to the House with them. Might I suggest that it would be in everyone's best interest to introduce the bill into the House of Commons, set departmental briefings with all those who want them and therefore ensure that all interested members of the House, particularly the opposition, are able to speak knowledgeably. If the House truly wants open and full debate, then the government must do its part to ensure that all members are given the tools to perform their tasks adequately.

The legislation affords me the opportunity to talk on the issue of consultations. Full and complete consultations are needed with all parties affected by the agreement. The government indicates that it has had those discussions. I look forward to hearing from the other parties involved in this agreement in order to ascertain that all parties agree with the government's perspective on consultations.

As I close, I wish to confirm my party's position on the bill. We see several advantages and progressive moves forward under the legislation. We also have a number of questions that require answers, clarifications or perhaps amendments. We are willing to lend our conditional support to the bill at this time and look forward to discussing it more fully in committee.

• (1240)

[*Translation*]

**Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ):** Mr. Speaker, I am pleased to take part in the debate on second reading of Bill C-39 on the revision of the Yukon Act. I am particularly pleased because my duties as the Bloc Québécois critic for Indian Affairs and Northern Development have increased since the recent introduction of two other legislative measures by the Minister of Indian Affairs and Northern Development.

In fact, since I was appointed to this position by the leader of the Bloc Québécois, I have had very little opportunity to comment on matters under the jurisdiction of the minister in question, since he has done virtually nothing since his appointment to Cabinet.

I am not aware of the causes of his recent motivation to raise his profile, but I must congratulate him nevertheless. It is good to finally see a minister putting forward some concrete legislative proposals that will, for once, lead to greater transparency and, particularly, to a degree of decentralization of the federal government's powers.

I am all the more pleased to take part in this debate because it also gives me an opportunity to really perform my primary duties as Bloc Québécois intergovernmental affairs critic. In fact, were it not for the continued extreme paternalism of the federal government with respect to aboriginal communities and the people in Canadian territories such as Yukon, Nunavut and the Northwest Territories, this bill might very well have been sponsored by the Minister for Intergovernmental Affairs rather than the Minister of Indian Affairs and Northern Development.

I could discourse on this for hours, but far be it from me to subject the House to an endless recital of the exponential disaster of the Liberals' handling of aboriginal affairs. The department was left to its own devices for decades, for lack of decent political leadership, leadership which, oddly enough, began with the appointment of the current Prime Minister as minister of that department thirty or so

years ago. In fact, one could even see in that leadership the considerable legacy of the Prime Minister throughout his impressive career.

Fortunately for the first nations and for all aboriginal communities, the Prime Minister did not, in those days, have to play the same role and exercise the same influence as minister of Indian affairs as he did as minister of justice in the early 1980s.

I would be remiss if I let this day, November 5, go by without acknowledging the sad and sombre 20th anniversary of the famous "night of the long knives", when the Prime Minister, mandated by former Prime Minister Pierre Trudeau, plotted in the back kitchen of a hotel with his good friend Roy Romanow, to isolate Quebec and make his mentor's dream to patriate the constitution from Great Britain to Canada come true, despite fierce opposition from all political parties in Quebec. That is another subject I could discuss for a long time, this dark episode of Canadian history, and more importantly, of Quebec's history. Since I will have the opportunity to do so in different circumstances, let us focus on the bill that is now before the House.

Bill C-39 will essentially modernize the political and democratic institutions of the Yukon territory. Also, this bill will implement certain provisions of the Yukon northern affairs program devolution transfer agreement, which came under the authority of northern affairs until now. Numerous other acts will also be amended consequently.

The will replace the current Yukon Act, principally by reflecting responsible government in Yukon. As such, the bill renames a number of public institutions to reflect current practice, and to provide the legislature of Yukon with new powers over public real property for instance.

The bill renames the "Council", which designates the legislative branch of the Yukon, as the "Legislative Assembly of Yukon", the "Commissioner in Council" as the "Legislature of Yukon" and "ordinances" as "laws of the Legislature". While the Yukon government will be able to appoint its own independent auditor at a future date to be fixed by the governor in council, the Auditor General of Canada will remain the auditor of the Yukon government, as set forth in the Yukon Act.

The bill also contains a preamble which states that Yukon is a territory that has a system of responsible government that is similar in principle to that of Canada. Establishing this fact specifies the relationship between the commissioner and the executive council of Yukon.

• (1245)

As Yukon does not enjoy the same constitutional status as the provinces, a musty holdover in Canada, the commissioner of the Yukon, appointed by the federal government, will retain his executive duties as representative, consistent with the current conventions of government.

In addition, Bill C-39 will amend no fewer than 90 statutes of Canada, affect seven bills currently before either the Commons or the Senate and repeal six statutes pertaining to the government of Yukon.



*Government Orders*

The statutory provisions giving the legislature new powers will ensure the implementation of certain articles of the Yukon northern affairs program devolution transfer agreement. Among other things, it will transfer the administration and control of public real property.

The minister's desire to modernize the institutions of Yukon is a good thing. And so we consider it a step in the right direction in order to decentralize the powers of the federal government in the day to day administration of communities so far removed from Ottawa and whose political aspirations are at the mercy of the declining political leadership at the head of the Department of Indian Affairs and Northern Development.

In closing, as the government of Yukon, whose premier I had the pleasure of meeting recently, wants this bill passed and since it has no effect on the constitutional jurisdiction of Quebec, the Bloc Quebecois will not oppose its quick passage.

[*English*]

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, as a former Yukoner who lived in Watson Lake, Yukon from 1979 to 1988, it is a pleasure to rise in the House today and compliment the government and the member for Yukon on their speeches. I would also like to compliment the minister of aboriginal and northern affairs for allowing his colleague from Yukon to really get the debate going. I compliment my colleague from Yukon on his great speech. I am sure everyone in Yukon is very excited about today's dialogue.

I also thank my former colleague from the House of Commons, Louise Hardy, who served in the House from 1997 to 2000. She was a great member of parliament. It was a close race. She is probably watching the debate or hearing about it and is very pleased with the government's actions toward her territory.

Also there are a couple of local territorial leaders of the New Democratic Party in Yukon from back in the 1980s and 1990s whom I would like to point out, Mr. Tony Penikett, and more recently in the 1990s, Piers McDonald. They were very supportive of this legislation many years ago. As well, there is my colleague Audrey McLaughlin and as has already been mentioned, the infamous 25 year member for Yukon, Mr. Eric Nielsen. There is a long line of parliamentarians who have come here. Our former leader of the party, Audrey McLaughlin, came from Yukon and served our party for many years. All of these people are very excited about this legislation.

One of my favourite things is to encourage everyone to visit us in Nova Scotia and the maritimes, but I also encourage everyone to visit Yukon. They should have a look at what is up there. It is an excruciatingly beautiful part of Canada. Once someone is there it is hard to turn the car or plane around and go back. It grabs hold of someone. As Robert Service said, it is a stillness that fills one with peace. Once it gets hold of people it is hard for them to leave. While I do not live there anymore a large part of my heart is with Yukon and many Yukoners who live there today.

One thing which I am very pleased about is the consultation with first nations groups. The first nations people of Yukon are getting it right in terms of co-operative dialogue with the territorial and federal governments. I am sure I speak on behalf of many of my friends who live in the aboriginal community in Yukon. They may not be pleased

with the speed of the dialogue that is going on; things could move a little quicker, but we could have that debate another day. However they are very pleased that more power in making decisions will be with the territorial government in Whitehorse, not necessarily in Ottawa, although Ottawa will have some control in that regard.

As the member for Yukon and the minister know quite well, anyone who has been there or lived there for a while knows how precious Yukon's environmental concerns are. We encourage the government and those of the territories and all members of the House of Commons when development concerns come up, as they did in Faro on forestry issues and the Liard basin, that we keep in mind how precious the environment is north of 60, especially in Yukon.

I am convinced that the hon. Pat Duncan, the leader of the territory government, along with other members of the Yukon territorial government will deliver very sound and positive environmental concerns when it comes to any other development.

In 1942 Yukon was just a place on the map, not very many people had heard of it. Then the American corps of engineers told the Mackenzie King government that a road was needed from Dawson Creek all the way to Fairbanks. The engineering marvel of that century was probably that they were able to build 1,500 miles of road out of virgin territory from Dawson Creek right to Fairbanks. I lived in Watson Lake which was known as mile 635. That road was built in nine months fearing Japanese invasion of the Aleutian Islands. It was a tremendous economic benefit to the north as well as a wonderful engineering marvel.

Since then Yukon has welcomed millions of visitors. It is home to the largest mountain range in all of North America in Kluane park. Again, I encourage everyone who gets the opportunity to visit Yukon.

● (1250)

There is a dialogue among all the political parties. We understand that the Yukon party may not be supporting the legislation in full. I am sure that if it carefully read the brochure and understood what benefits, economic and otherwise, this would bring to the people of Yukon, it would change its mind and understand exactly what the member for Yukon was saying earlier.

I do not have too much more to say on this except that I encourage the government to ensure, and we have heard it in the House today, that the federal servants are well looked after, that their economic needs and their job prospects are not deterred in any way. It must also ensure that all first nations groups have a continuous dialogue and full and open access to the governments in order to ascertain their needs. The government must also ensure that the environment is protected along with development to encourage job and economic growth and tourism for Yukon.

*Government Orders*

I am proud to stand on behalf of the federal New Democratic Party and support the legislation. I would be willing to entertain any questions or statements the House may have.

**Miss Deborah Grey (Edmonton North, PC/DR):** Mr. Speaker, I rise today to give qualified support to the government on this bill. We have questions that will come forth in committee but we look forward to getting the bill into committee so we can have those discussions.

As the minister knows, it has been a long time coming. It has gone on for a few generations. Certainly since the gold rush in 1898 there have been updates and changes made to it but this particular form of the bill seems to have taken a while to work its way through the labyrinth of parliament. I certainly look forward to the discussion. It is probably a really happy day for people in Yukon.

We have heard various members of all parties here say that the Yukon government and aboriginal groups are in favour of the bill. I am sure a lot of third party private exploration concerns are also in favour of it. It makes me nervous to think that things are going so well here that maybe this will get through and everyone is in favour of it. That is probably a testament to the fact that the minister realizes how important consultation is, not just a kind of phony, trite consultation but to really get in there and talk about it because we need to get the thing right in the first place.

It is good that we can look at some of the specifics of the bill but also see that there is a good spirit and a good intent for whatever groups to work together and say let us get this thing right and make sure it stays that way.

This will take effect at the beginning of April 2003. Going back 10 years we thought that the year 2000 would never arrive. All of a sudden here we are ready to go into 2002. Even for people who think this is still a long time coming, that is just a year this coming spring and many things have to be put in place before then. It is probably wise to have the time limit on it and the starting date.

On the Yukon northern affairs program devolution transfer agreement, it is a smart thing to start devolving powers. Yukon certainly is not just some young kid looking forward to adulthood. It has gone on its own for many years in terms of functioning as a territory. That is one thing in particular that makes the amendment in Bill C-39: that the words "the Yukon territory" will be replaced with "Yukon". Some people may think that is a very small thing but it is important to notice that now it will simply be called "Yukon" and we will be able to celebrate that.

The legislation gives Yukon the power to make laws regarding exploration, development, conservation and management of its own non-renewable natural resources. Although in theory I am sure there has been a great deal of that going on over the last few years, this transfers that power and says "Yes, you really are you and yes, you really will have the power and the authority to make your dealings and look after your own land management, et cetera".

It also allows the Yukon legislature to make laws regarding oil and gas pipelines located entirely within Yukon and the export of the primary production of non-renewable natural resources and forestry to other parts of Canada. In other words it is assuming and finally legislating on those things that have been going on in theory and

perhaps some practice over the years but on which it always had to go to Ottawa for permission, to see if it was okay with big brother. It is certainly wise that Yukon be given the authority to sign these deals and have its own self-sufficiency. Of course we have been dealing with that lately in the Alberta and Saskatchewan land claims agreements to make sure that third party interests are protected, and in the Manitoba Act as well. This is one more in the chain.

The Auditor General of Canada will conduct yearly audits of the Yukon government and will report his or her findings to the legislative assembly. It is good for all of us to be held accountable financially. We think this is very wise.

The federal government will retain some administration and control of property in Yukon if it is deemed necessary for defence and security, creating a national park, settlement of an aboriginal land claim, et cetera. The federal government should continue to maintain those responsibilities.

What happened on September 11 seems to work its way into almost every piece of legislation, or everything that happens in the House.

• (1255)

When we talk about defence and security it certainly has a more poignant meaning to it now. When we look at the enormous borders in northern Canada we can see that it is something we need to be very concerned about in terms of defence and security.

Those are some positive things we see in the bill. I will talk now about some concerns, not just pros and cons but things that we in the coalition want to ask questions about. We want to make sure that everything is right on before the legislation goes through.

We have concerns regarding the federal authority that could perhaps be seen as maintaining a heavy hand in the legislation. The commissioner of the Yukon would be appointed by order of the governor in council. That makes it political in its own right without a free and fair election. We always need to be careful that it is not just the loudest person who says "I am the best. Vote for me". In fact politically over the years when our party was the Reform Party, we said that the first five people who came running to us saying "Pick me, pick me" probably should get eliminated from the list automatically.

We need to make sure that we find a lot of really qualified people, not just those who have lined pockets or who have been appointed because it has been a good election year. It must be based on merit and merit alone to make sure that the commissioner is the very best person we possibly can find, because of course that commissioner would be doing an incredible amount of work and I suspect would be seen as a puppet of the federal government if the appointment was nothing more than a political one.

Under the legislation the commissioner of Yukon must follow any written instructions given to the commissioner by the governor in council or the minister. Again we need to be careful about sending out missives, memos and dear knows what all to say "Thou shalt do this". The commissioner, if chosen by merit and if from the Yukon, would probably know at the ground level what is more practical, reasonable and workable for them rather than a missive in a memo from the governor in council or the minister.

*Government Orders*

However I do notice in the legislation that 10 years hence this clause will be repealed. That sort of sounds like a sunset clause. I find it strange that there would be a sunset clause in this legislation but not in another piece of legislation that is working its way through here, so it is not necessarily a sunset but a sunset if necessary. We need to be really careful, because if it is good enough in this bill to phase out something 10 years later we need to hold every piece of legislation up to that bar and say that there must be a mechanism for review, whatever we want to call it, that sooner or later down the road in every piece of legislation there will be a sunset clause, that federal powers would phase out somewhat, to be able to re-examine the legislation, whether it is in this bill, Bill C-39, or in Bill C-36, the anti-terrorism legislation.

Another concern we have is that the governor in council could direct the commissioner to withhold his or her assent to any bill that has been introduced in the legislative assembly. The governor in council could disallow any bill from the legislative assembly within a year after it is passed. That is a bit of a hefty veto, for sure. If a law is legitimately passed in the Yukon legislature, an entire year later the minister would be able to slap a veto on it. That piece of legislation would have worked its way right down to the streets in the Yukon. To give the governor in council the power to disallow any bill from the legislative assembly within a year after it is passed would, I sense, cause some nervousness at the ground level. We would encourage the minister to make sure that would not happen for some political reason which may not have any practicality at all.

Bill C-39 would give the commissioner and the executive council the power to appoint an auditor general. It could be the Auditor General of Canada but does not necessarily have to be. We believe the entire legislative assembly should have the right to review qualified candidates for the position rather than the appointment being left to the commissioner and the executive council. Again the point is to get it right. If he or she is the best auditor general we can find then surely the ratification and the strength that would come from it, from the entire legislative assembly, would be nothing but healthy. Therefore it is a great idea to make sure that everyone ratifies this position. It is not that huge a task to make sure that someone is the best person for the job and that the appointment is based on merit and merit alone. Surely it should go past the legislative assembly, not just the executive council. It opens it up and frees it up. It makes the process more transparent and therefore more saleable down the road.

• (1300)

There are a number of questions regarding certain clauses in the bill. I look forward to having a chance to discuss those in committee. Bill C-39 in clause 18 gives Yukon the power to define what constitutes an intoxicant for the purposes of making laws on importation of those intoxicants into Yukon. I think we should define what they are ahead of time. Under the Northwest Territories Act and the current Yukon Act intoxicants are defined, but in Bill C-39 they are not. I would like to know, the coalition would like to know and I am sure the whole committee would like to know, including the Liberal members, why this definition has changed or why it has been omitted in Bill C-39. Intoxicants used to be defined. Now they are not. For people who will be using those intoxicants or for some who may try to traffic in those intoxicants, I think it is only fair and might

be a really good idea to have that definition right up front so people would know the penalty involved.

Clause 190 amends the Judges Act to double the cost of living compensation for supreme court judges in the north from \$6,000 to \$12,000, maximum representational allowances for senior judges from \$5,000 to \$10,000 and for chief justices as well from \$5,000 to \$10,000. I will not necessarily squawk about the numbers or amending the Judges Act, however it would seem to me to be a really smart thing to amend the Judges Act and not necessarily the Yukon Act. We will be asking those questions in committee to make sure that everything lines up, that it is parallel and that it fits together perfectly like a jigsaw puzzle.

Subclause 48(1) gives the commissioner of the Yukon "the administration and control of all rights in respect of waters in Yukon" and then of course with the consent of executive council the power to exercise those rights "or sell and...dispose of them" while retaining the proceeds of the disposition. Starting to talk about water immediately sends out an emotional signal, so I think we need to be really careful in the bill in terms of what we mean by "the administration and control of all rights in respect of waters". We have just been through something like that with the provincial government in Newfoundland talking about provincial rights to export water.

We want to be very careful here. I know of the environmental concerns of Yukon people. I know how important water is to them. We had better spell it out very clearly ahead of time rather than having some commissioner down the road who realizes he has absolute control of all rights in respect of waters. We do not want to get a bad egg in that position. We do not want someone who thinks he may be able to make a quick buck by transferring water and selling it. It seems to me we would be very wise to define exactly those "rights in respect of waters in Yukon", because down the road somewhere in a financial crunch that renewable resource might look pretty profitable. I think we need to be very careful to have that spelled out ahead of time because, as we know, it is a lot more difficult to try to spell it out after the horse is out of the barn. We need to make those definitions, laws, legislation and regulations very clear up front.

There is a wonderful leader in Yukon now, Pat Duncan, and there may be an excellent commissioner coming after this one, but who knows what will happen and who will be there several years down the road? We would be a lot smarter to cut that off at the pass ahead of time.

Of course there are questions. Would this include the right to export Yukon's water? How does this affect the rights of aboriginals under the Yukon Indian land claims agreement? All those things need to be spelled out ahead of time so they are clear. Then we would not get into an emotional fracas down the road with people saying we did not tell them, that they did not know, and that they thought they had the exclusive right. Again, it is just human nature to try to push the parameters. We need to be very particular and put those safeguards in place ahead of time.

I look forward to dealing with this in committee. I thank the minister for bringing this forward and for the debate we have had on Bill C-39 today.

*Government Orders*

•(1305)

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, now that all the parties have spoken on the bill, if I may I will make a couple of comments as opposed to asking a question.

First, I was glad the coalition member mentioned how the bill would help local development and put local economic decisions in local hands. She mentioned oil and gas, which are very important.

At the moment we have a very talented senior statesman as commissioner. He is a chemical engineer, a lawyer and has a master's in business administration. Basically the bill would make the powers of that position similar to those of a lieutenant governor. The vetoes, as the member mentioned, will expire in about 10 years. In fact they are basically what is in place now. I cannot remember them being used in recent years. They are not poorly used now and I do not think they would be used very often.

The one technical question that came up was related to financing. Basically the formula for financing would stay the same but there would be the ability to collect fees on resources. The Yukon government would be able to keep up to \$3 million and the rest would affect the formula so that both the taxpayers of Canada and the taxpayers of Yukon would have a good system.

In closing, I just wanted to mention that my former Yukoner colleague from the NDP did a bit of a travelogue on Yukon, so I will add to it.

First, the land claims and self-government agreements, as I said earlier, are totally preserved and protected in the bill. There are great Yukon first nations: the Tlingit, the Tagish, the Haan, the Gwich'in, the Northern Tutchone, the Southern Tutchone and the Kaska. There are the great municipal governments of Teslin, Haines Junction, Mayo, Dawson, Whitehorse, Dawson City and Carmacks. Finally, we have the highest mountains in Canada, in fact the second highest mountain in North America, and the greatest polar icefields outside the two poles, and I encourage everyone to visit the magic and the mystery of the home of the world's greatest gold rush.

•(1310)

**Miss Deborah Grey:** Mr. Speaker, I appreciate the member's comments. That high mountain referred to, is that Mount Trudeau or Mount Logan? I want to get that straight. It is Mount Logan and I am glad it is still Mount Logan and I am sure the member for Yukon is as well.

I spent a couple of days in Whitehorse two summers ago. My only regret is, first, that I was not there longer, and second, that I was not there with my husband, with our truck and camper and a couple of motorcycles. We look forward to the day when we are able to get there and do some travelling and fishing.

[*Translation*]

**Mr. Gérard Binet (Frontenac—Mégantic, Lib.):** Mr. Speaker, I am proud to be associated with this progressive legislation. The modernized Yukon Act introduces a range of improvements over the current legislation that I am convinced will be beneficial to both aboriginal and non-aboriginal people of Yukon.

I would like to reassure this House that, in achieving this progress, negotiators took care to ensure that the needs and interests of current

federal government employees who will be affected by the transfer of land and resources management powers and programs, who are, I should point out, in many cases northerners themselves, will also be protected and respected.

Federal negotiators, specifically, recognized the tremendous contributions employees of the Department of Indian Affairs and Northern Development (DIAND) have made to the development of Yukon. In fact, they were determined to ensure those employees' skills and knowledge would be available to the Yukon government once devolution takes effect and it assumes responsibility for many of these program areas.

Let me quickly review the human resources provisions contained in the agreement in order to demonstrate that federal workers involved in this historic development will be fairly treated.

Approximately 240 permanent staff members of DIAND's Northern Affairs Program in the Yukon Regional Office will be directly affected by the transfer.

Under the terms of the devolution transfer agreement (DTA), each of those individuals will receive an offer of permanent employment from the Yukon government approximately six months prior to the date of devolution. The transfer is currently scheduled to take effect on April 1, 2003. Given that there is adequate lead time to complete the transition, both industry and the general public in Yukon can be assured of a smooth transition.

I can assure my hon. colleagues that the offer of employment from the Yukon government will be to a position whose duties and functions match, as closely as possible, those of the person's former job with the Department of Indian Affairs and Northern Development.

In addition, there will be no impact on pension entitlements of the federal government employees who accept the Yukon government's offers of employment. This is because all Yukon government employees are members of the public service superannuation plan.

Furthermore, the salary of any DIAND staff member who accepts a position with the Yukon government will be equal to the employee's base federal salary plus the environmental allowance and the cost of living allowance components of the federal isolated post allowance. Most of the other allowances in the two systems are comparable as well.

In addition, federal government employees who accept the Yukon government's offer will be entitled to receive from the federal government a lump sum payment of up to three months salary. As well, an amount equivalent to severance payment will be transferred to the Yukon government. If and when those workers subsequently leave the Yukon government, they will be entitled to receive severance payments which will include their years of service both as federal and territorial employees.

I want to point out to my hon. colleagues that the terms and conditions set out in the devolution transfer agreement not only meet the requirements of the federal government's workforce adjustment policy, but in some cases exceed them. By this, I am referring to the workforce adjustment agreements between the federal government and public service unions.

*Government Orders*

I would like to note that there are a number of differences between the YTG and Government of Canada's collective bargaining agreements. Several benefits provided by the YTG are not available in the federal government system.

Workers who choose to accept the Yukon government's job offers and who have completed five years of continual employment with the federal public service will be entitled to an additional five days of long service leave with the Yukon government. In addition, they will also benefit from an additional statutory holiday each year.

In other cases, benefits available now are not available in the Yukon government system. For example, under the current isolated post allowance, in the federal system, once a year employees living and working in isolated areas are entitled to airfare for the entire family to the nearest major location.

• (1315)

In the case of employees in Yukon, this point is Vancouver. In order to receive this benefit, the employee or his family must travel. Under the Yukon system, the Yukon government provides a fixed sum to each employee regardless of whether travel takes place or not. Currently, this amount is \$2,042.

Ultimately, each federal government employee will need to evaluate his or her personal situation in order to decide whether or not to accept the offer of employment from the Yukon government. The federal government, working closely with the Yukon government, will ensure that they have the information necessary to make that decision.

Some workers may choose not to make the move and, certainly, that is their prerogative. However, I think it is important to note that the unions representing these workers were consulted on a regular basis throughout the negotiation process.

These labour groups agree that the provisions negotiated under the devolution transfer agreement meet the terms and conditions outlined in the workforce adjustment agreements between treasury board and public service unions.

No one is denying that difficult decisions confront current federal employees as they consider their future. However, there is also no question that negotiators worked hard to ensure a fair deal for employees and ensure that past federal service would be recognized for leave and pension entitlements, and that affected employees would not be subject to new waiting periods before being eligible for benefits under the Yukon system.

I believe that it is very important that these federal workers choose to build Yukon as it capitalizes on this progressive legislation. They have a long corporate memory and hands-on experience, and specialized expertise and I hope that they will seize the chance to put their personal stamp on this exciting nation-building initiative.

Whatever their choices, members of parliament can be confident that their best interests have been considered and are protected under the initiative now before this House.

On this basis, I now turn to my hon. colleagues to ask for their support in passing this very worthy legislation.

I also wish to say hello to my constituents in Frontenac—Mégantic, which I consider a very beautiful region. I have never been to Yukon, but I am very proud to have had a seat beside the member for Yukon since first being elected to the House of Commons.

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I congratulate my colleague on his speech.

[*English*]

There was a question earlier about whether this act would help Yukon become a province more quickly. Basically Yukon already has about 75% or 80% of provincial powers. Bill C-39 would transfer a majority of the remaining powers to Yukon, including those in the Department of Indian Affairs and Northern Development. It would include water because the department does a lot of water testing and management of water. The act would simply transfer those powers.

There are a few other communities that Bill C-39 would affect which otherwise would never have had an opportunity to be in *Hansard*. They are the great communities of Stewart Crossing, Faro, Ross River, Old Crow, Pelly Crossing, Destruction Bay, Watson Lake, Elsa, Keno City and the farthest community in western Canada, Beaver Creek.

• (1320)

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, could the hon. member list the advantages and benefits that he sees in agreements, for example the agreement with the government of Alaska in terms of not only the Alaska Highway but also shared resources?

The famous porcupine herd is controversial now because the United States wanted to open the Arctic refuge for oil and gas drilling prior to September 11. Many of us, including those in our party, would like to see that area preserved in perpetuity so the porcupine herd could travel the normal migration route that it has for thousands of years.

Could the member give us details of what the benefits would be to the Yukon government of being able to deal effectively with the government of Alaska on issues of this nature?

[*Translation*]

**Mr. Gérard Binet:** Mr. Speaker, it is a pleasure for me to be a member of the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources.

Where environmental protection is concerned, our government is most certainly very responsible. We have not yet addressed these subjects, but it is certain that, before taking any steps whatsoever, we are going to hold more in-depth discussions with some of the stakeholders.

*Government Orders**[English]*

**Mr. John Finlay (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, there are many compelling reasons to support this important legislation and we have heard a number of them this morning. One of the most persuasive is that the bill represents the culmination of many years of hard work based on widespread consultations. It has led to an agreement to transfer federal powers to the Yukon legislature which has a broad base of support in Yukon. What we are doing is moving Yukon closer to full provincial powers so that one day it might become the 11th province.

The bill has taken a lot of consultation and work in the meantime. It is a tribute to the tenacity of the dedicated individuals who gave countless hours to hammer out the details of this devolution transfer agreement, parts of which are implemented in the legislation.

Canadians can be justifiably proud of negotiators representing the governments of Canada and Yukon as well as the Council of Yukon First Nations and other first nations. These people deserve enormous praise for their determination to find a fair and balanced agreement that meets the call by northerners for greater management of their own affairs. This precedent setting piece of legislation stands as a model for other territories and our nation.

We have seen other negotiations on a similar level take many years. Members will recall the Nisga'a agreement and the number of years that took. It went before Queen Victoria and eventually ended up in the House of Commons just two years ago.

People worked on this agreement long and hard. I would like to review for the House the major steps and milestones that have led us to this point. In so doing I remind my hon. colleagues that Bill C-39 reflects the will of the majority of Yukon people.

The earliest stages of this legislation date back to June 1996. At that time the minister of Indian affairs and northern development released a proposal for public consultation to contemplate the devolution of its provincial type responsibilities, programs and services from Canada to the Yukon government. That put in motion a series of consultations with Yukoners who had a stake in Bill C-39. Then DIAND Minister Ron Irwin stated:

We can't go about this haphazardly. I want to ensure that both aboriginal and non-aboriginal interests are protected and that we find solutions that will best address those interests before we develop our final proposal on how this transfer is going to take place.

This commitment to consultations reflects our government's firm belief that decisions must be taken by those who know local conditions and who are best situated to plan for the future, and those who must live with the consequences of these decisions. It also acknowledges that people living in the territory see The Yukon Act as a form of their constitution, something they want to contribute to and take ownership of. As parliamentarians, this is something we should all encourage and respect.

In January 1997 following consultations the federal government presented a comprehensive devolution proposal to transfer the control and management of lands and natural resource responsibilities, including mines, minerals, forestry and inland waters to the Yukon government. In June 1997 the Yukon government leader and the grand chief of the Council of Yukon First Nations conditionally

accepted the proposal. However they raised seven issues in a letter to the minister of Indian affairs and northern development.

Following this positive response the federal, territorial and first nations negotiating teams began work to clarify and address these seven issues. The negotiation process included the federal and Yukon governments along with all 14 Yukon first nations and the Kaska Band.

● (1325)

In September 1998 a Yukon devolution protocol accord was signed. It was signed to secure multi-party agreement on a framework that would permit both the first nations' land claims negotiations and the devolution negotiation process to proceed separately but simultaneously, on two tracks, as it were, not together but connected. The accord identified the parties to the negotiation process. It reaffirmed the commitments to proceed with final claims, self-government and programs and services transfer agreement negotiation processes. It provided financial support for first nations participants.

In February 1999 the federal government, Yukon government and first nations' negotiators reached a set of understandings on key issues. In each step of the process the various drafts of the working documents were shared with government representatives and the affected first nations.

Late in 1999 the Yukon government conducted extensive public consultations on possible amendments to the Yukon Act. Following those consultations, the Yukon government proposed to the federal government a range of amendments to the act. Building on these proposals, legislative changes required to implement aspects of the devolution transfer agreement, as well as necessary changes identified by the federal government, were prepared in draft legislation form by the Department of Justice.

Successive drafts of the bill were shared and discussed with representatives of various parties on a regular basis throughout 2000 and 2001. It goes up to some 26 different drafts in my briefing book. Therefore there was a lot of consultation and work. Multi-party meetings as well as legal reviews of the devolution transfer agreement continued on a regular basis. Comments received from the Yukon government and first nations helped to improve the legislation to ensure it addressed the priorities and concerns of all stakeholders.

As a reflection of the scope and importance of this initiative, in October 2000 the Yukon government recommended resetting the target of devolution to 2003 to facilitate completion of revisions to the Yukon Act, to deal with transitional issues and to allow more time to conclude Yukon first nations' land claims. The negotiations for a devolution transfer agreement were completed in the summer of 2001.

Last August negotiators for the federal government, the Yukon government and the Council of Yukon First Nations initialled the devolution transfer agreement and recommended that the effective date for implementing the devolution transfer agreement be April 1, 2003. There is still work to be done. Concurrent with the transfer agreement negotiations, parties also worked jointly on draft legislation in the form of a new Yukon act. Now we have before us the product of those many months of deliberations.

Clearly this is a bill that captures and reflects the needs and priorities of all Yukoners. The Yukon government, the Government of Canada and the Council of Yukon First Nations have agreed to proceed with an agreement on devolution that addresses the interests of the federal, territorial and first nations in the devolution process.

The devolution negotiations and consultations involve the full participation of the Yukon government and first nations which embody the spirit of partnership that the government laid out in the document "Gathering Strength—Canada's Aboriginal Action Plan". Bill C-39 would fulfill one of the key objectives of gathering strength, which would be putting power in the hands of the people. Local control over natural resource management in Yukon would mean that decisions would be taken by those most knowledgeable about local conditions and most affected by the consequences of those decisions.

• (1330)

In other words, they would have accountability for what they decide to do, for what goes right and what may not go right. That is exactly how it should be.

I urge my hon. colleagues to now take the necessary next step and pass Bill C-39 to ensure that this thoughtfully and carefully negotiated agreement comes to fruition.

I note that some of our previous speakers from across the House have some suggestions to make, therefore this bill will of course go to committee I hope today. I would like to make a few comments of a personal nature.

My colleague from Edmonton North lamented that she had only spent two or three days in Yukon. I have not spent years in Yukon, but fortunately I spent a few more days than that. Last summer I travelled from Skagway to Whitehorse to Dawson City on the White Pass and Whitehorse railways. I have been down the inside passage on a cruise. As my friend from Sackville—Musquodoboit Valley—Eastern Shore pointed out, Yukon is a very picturesque and exciting place with the second highest mountain in Canada, and so on.

It also has some other things of great interest to me. One is the poet, Robert Service of Yukon. Many people think that Robert Service was a sourdough and that he went on the gold rush in 1898. That is not true. I think he did not get to Dawson City or Yukon until 1908. He was 10 years late for the gold rush. However, he certainly picked up on the people of the area. He wrote:

There are strange things done in the midnight sun  
By the men who moil for gold;

The arctic trails have their strange tales  
That would make your blood run cold;

### *Government Orders*

The Northern Lights have seen queer sights,  
But the queerest they ever did see

Was that night on the marsh of Lake Leberge  
I cremated Sam McGee

Another one everyone will know is:

A bunch of the boys were whooping it up in the Malamute Saloon;...

When out of the dark...and into the din glare,...  
stumbled a miner...dog-dirty, and loaded for bear...

We could go on, but the songs of the sourdough speak of the spirit of Yukon and of the gold rush.

I come from Oxford County, which of course is a little borough of county between London, Kitchener-Waterloo and Brantford. We have a strong connection with Yukon. I know that my friend from across the hall will appreciate this.

Colonel Joe Boyle grew up in Woodstock. Colonel Joe Boyle was an adventurer. He played the horses. He went to sea when he was 14. His parental home in Woodstock, which was called "The Firs", was there until a few years ago. It was a very lovely home near Dundas Street.

Joe Boyle went off to the gold rush in Yukon. He ended up making a lot of money. He had several of those large hydraulic rigs that shot water at the gravel face along the creeks which pick up the stones and gravel and sort out the gold. It saved having to pan it. He made a lot of money before the first world war. He outfitted a machine gun battery with his own money. He made himself his own uniform. The insignia, which the Yukon corps of machine gunners wore on their shoulders, was Yukon gold.

• (1335)

The colonel dubbed himself colonel and swashbuckled his way to France with his machine gun company. Since he could pay for all this, which he did, he got away with it.

Toward the end of the war, he went to Romania and met the princess. He was instrumental in going to Moscow and getting the Romanian crown jewels out of the vault. The Russians had taken them there for safekeeping. It was a James Bond adventure. Joe Boyle died in England and the monarch of Romania sent a Romanian eastern orthodox cross to go on his grave.

A good friend of mine, by the name of Ed Bennett, who knew the history and who was at Dieppe, felt we should get Colonel Boyle home. With the help of the Canadian government some 10 years ago, his body was exhumed in England, brought to Woodstock where he was buried, and the Romanian cross was placed on his grave; a very impressive tombstone. That is our connection with Yukon. It is an important connection and gives us some kinship with the people of Yukon. I applaud the House and all parties for supporting the bill.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, first, I would like to make a correction. In my previous question, I talked about the porcupine herd. I can just see Canadians thinking that 130,000 porcupines went from Yukon. I meant to say the porcupine caribou herd. I apologize for that.

*Government Orders*

When we talk about Yukon, I cannot help but notice the alluring effect it has on people. By talking about it, I think it would encourage people to say "What are these guys talking about? I have to go up there and see this place". People there have a fairly historic value to not only Yukon but Canada. Byron Delzell was one of the original bush plane pilots in Yukon, even before the Alaska Highway. I think of Hector Lang, whose children Archie and Dan Lang live in Whitehorse, and the exploration work that he did. Also, Peter Gzowski, a known commentator in Canada, cited Watson Lake, Yukon, as one of his favourite places to go in Canada. When someone like Peter Gzowski thinks that way, then it is quite obvious Yukon has a very special effect for all of us.

When the transfer agreement is finally done, could my colleague from Oxford comment on the long term effects, say 10 years from now, that will arrive from this agreement for Yukon as well for all of Canada.

● (1340)

**Mr. John Finlay:** Mr. Speaker, my sincerest hope and wish is that the agreement be successful and that the Yukon instead of being a have not area, which it may well be now considering the responsibilities that the Department of Indian affairs and Northern Development has there, may well become an important player in our mercantile and industrial system, as have Alberta with the big oil and B.C. with the forests.

We talk of the gas pipeline, or perhaps an oil pipeline or the Mackenzie River. There are many resources that can be developed and the local people are the ones to do that.

I want to mention one other little matter to my friend from Sackville—Musquodoboit Valley—Eastern Shore. He mentioned bush pilots. My nephew, who was in effect a bush pilot, lives within a stone's throw of my friend. He learned to fly equipment to the Edmonton oil fields. He now lives half a block from my colleague.

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, with the opposition and the government all mentioning Robert Service I feel like I will lose my job here soon. The little street in Dawson where the log cabin of Robert Service is located is like Poet's Way on which Pierre Berton and Jack London also had cabins. I have been told Robert Service wrote the biggest selling poetry book in history just as Shakespeare wrote the biggest selling book of plays.

Robert Service wrote about the beauty of Canada. I am not sure Canadians and Yukoners take advantage of this information and market it enough.

About eight years ago Doug Bell and I started the Robert Service dinners. Every year on his birthday, January 16, people everywhere in the world who know and appreciate Robert Service mark the occasion with a dinner in their house. We have a whole banquet hall with hundreds of people. I hope every member of the House of Commons, wherever they are on January 16, will support these dinners and recite Robert Service poetry. I have been a guest speaker at these dinners in places as far away as Scotland and Sacramento.

I will answer one concern raised by my colleague from the NDP who is a former Yukoner. He wanted assurance about Anwar Drilling. The devolution agreement would give the Yukon government more authority over its resources just as Alaska has some

authority over its resources so that Yukon and Alaska could deal with each other more as colleagues.

The Anwar 10-02, which is a small part of Anwar on the north coast of Alaska, is sometimes called the Serengeti of the north for its tremendous wildlife resources. The Vuntut Gwitch'in of Old Crow depend on this wildlife. There is no road to their village and they depend on the wildlife for their way of life. A herd of 130,000 caribou migrates past their village in the spring and fall. That is their livelihood. I have been in cabins in that village. We sometimes ate caribou for three meals a day. It sustains an important way of life.

There is no need to drill there now. There are other sources of oil. We do not need to drill in that little spot. Horizontal drilling is becoming better and maybe the oil will be extracted without ever touching the wildlife reserve. By then we may have other sources of energy and not even need that oil.

I want to make sure people do not mix up the oil that is there with the natural gas that is in different locations in Alaska. We hope to carry Alaskan natural gas down the Alaska Highway by way of the biggest project in northern Canada's history, a project worth \$20 billion. At a time like this with the Canadian economy as it is now it would be a boon and a great boost. We hope we have the support of all members of the House to keep trying to get the project going in these tough times.

There is a village of first nation people who live a way of life that does not exist anywhere else in the world. It is unique. We are fighting to preserve it. Members will remember that the Minister of the Environment was chastized a few weeks ago by a senator. Successive governments of Yukon and Canada have always stood for protecting that way of life.

What society in the world has all the answers to the way we should run our society? Is there not crime, illness and poverty in every society in the world? We need to preserve every unique type of society. In those societies there will be strengths and weaknesses, but we could use their unique strengths as clues and solutions to the difficult problems of today's world to help preserve the survival of all of us.

● (1345)

**Mr. John Finlay:** Mr. Speaker, I was not aware that January 16 was Robert Service's birthday but it is relatively close to mine. I would not mind hosting a dinner.

I do not reserve *The Cremation of Sam McGee* simply for dinners. I recited it three years ago for the church talent show and have been asked back each year since. I have switched to monologues like Noah and the ark and Jonah and the whale but some people at the church asked me to go back to Robert Service and do *The Shooting of Dan McGrew*. That is what I have on my ticket for next year. Maybe I could do it on January 16.

**The Deputy Speaker:** Does anybody have an in as to where we could get a supply of caribou? Then we could all host a dinner.



*Government Orders*

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, it is encouraging to see my colleagues on both sides of the House speaking in support of this progressive, dynamic and much needed legislation.

In 1996 the government decided to embark on a project that would give the people and government of Yukon control over their destiny to a large extent in regard to natural resources, the management of water and the mining sector. One cannot help but ask why it has taken so long. Why did we not think about this in the early 1900s and late 1800s?

It has taken the boldness and vision of the government and the leadership of the Prime Minister to finally bring this legislation to a head and put it into force so that native communities in Yukon can once and for all have the final say in deciding what are the best interests of Yukon and its people.

When it was initiated in 1996 the idea was to have broad consultation on both sides. The federal government would embark on consultations with all stakeholders including native communities, those who work or live in Yukon, and those who have any kinds of dealings with Yukon.

The Yukon government embarked on a similar consultation process. At the end the Government of Canada and the Yukon government came up with what we see before the House today: a legislation that is conclusive, inclusive and pays detailed attention to all the specific and general needs of the people of Yukon.

I congratulate all those who were involved in the development of this legislation, whether they are with the federal Department of Indian Affairs and Northern Development or the government of Yukon. The administration on both sides has shown that when we work together we can achieve beneficial results that are in the best interest of our people.

There have been difficult times but at the end of the day the final product will be an excellent one. The bill before the House will go to second reading and make its way to committee where the community as a whole will have an opportunity to come forward and give its views on either the total bill or specific parts of it.

The devolution of certain programs or most of the programs to the Yukon government is an exceptionally progressive approach. It would to a large extent allow the government of Yukon to have the final say in the affairs of its people, industries and resources. It would at the same time bear in mind that there will always be a federal role in every part of the country on issues of national magnitude and national interest.

Two such issues that come to mind are the whole notion of water management and the environmental assessment. On those two issues specifically we will see a collective approach between the Yukon government and the federal government.

• (1350)

The government has shown great vision in allowing the management of land and resources to be in the hands of the government of Yukon. Because it is closer to the people the Yukon government is able to define and decide the priorities of its communities.

A number of people have been asking what would happen to the transfer payment from the federal government to the Yukon government if devolution took place, for example in mining. The bill deals specifically with this question.

The federal government has made a provision whereby the Yukon government would retain up to \$3 million on an annual basis from royalties or other types of revenues without affecting the transfer payment. That is a progressive and positive element of the bill for which the government should be commended.

The bill contains certain components dealing with the overall management of the resource sector. Let us look at the devolution of powers. A lot of people in the business sector already have arrangements with Yukon which existed prior to this bill being introduced in parliament. If one is a business person with an investment in Yukon one would want to ensure the investment is protected. The Government of Canada and the Yukon government have recognized the right of such arrangements to continue under the new agreement.

To that extent both governments have recognized and made clear in the legislation that existing agreements would not be affected. The Yukon government would respect such agreements and ensure that whatever arrangements the federal government had with such individuals or entities would be respected.

There are also components that deal with the whole issue of water management. Notwithstanding that the Yukon Waters Act would be repealed after the proposed Yukon act came into force, the minister would continue to be responsible for certain elements to protect federal interests, national interests and those of Yukon. These would include the issuing of water licences within specific periods of time and/or the appropriation of land particularly for the construction of pipelines.

Another important issue that came up during the whole debate about the transfer was the notion of environmental assessment. Also of importance was the element dealing with interprovincial and international proposals, for example if a pipeline were to cross from Yukon into other Canadian provinces.

The arrangement would respect the fact that the minister and the Government of Canada would work with Yukon as well as with first nations people to ensure the environment is protected. While we want economic development to take place we also want to ensure we have a system that represents and respects the interests of the people.

My main interests concerned the issues of water and the environment. After looking through the bill I am fully satisfied that the governments of Canada and Yukon have taken good care of those two components. To that extent I am fully supportive of the bill. I hope it will go through the House quickly.

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

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

*S. O. 31*

**The Deputy Speaker:** Accordingly the bill is referred to the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources.

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

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## STATEMENTS BY MEMBERS

• (1355)

[*Translation*]

### INFRASTRUCTURE PROGRAM

**Hon. Serge Marzil (Beauharnois—Salaberry, Lib.):** Mr. Speaker, the Metropolitan Montreal region lacks any bypass routes, and thus thousands of vehicles, heavy trucks in particular, have to use the congested traffic arteries of Montreal Island.

According to studies, in 1998-99 metropolitan Montreal businesses lost over \$500 million due to delivery delays. Judging by the way the truck traffic is building up on the Champlain and Jacques-Cartier bridges, and on Metropolitan Boulevard, by the year 2010, metropolitan Montreal will be totally choked up, and the resulting economic losses to our businesses will be enormous.

The Government of Canada has always been involved in the construction of various sections of Highway 30, and has contributed \$25 million to build the Brossard-Candiac section in partnership with the Government of Quebec.

In November 2000, the Liberal Party of Canada, Quebec section, made a firm commitment to take part in the completion of this by building 14 kilometres of highway and two bridges over the St. Lawrence.

The process for making this great project a reality is in motion, and the Government of Canada intends to make this commitment a reality.

\* \* \*

[*English*]

### MIKE WEIR

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, Canadian golfers were thrilled this weekend when Bright's Grove, Ontario native, Mike Weir, became the first non-U.S. winner of the PGA Tour Championship in its 15 year history.

In an exciting conclusion to sudden death overtime play, Mike won the tour championship by making a five foot birdie putt on the first hole of a four man playoff.

The field featured the top 29 players of the PGA tour, making this win for Mike a career highlight. It gives Canadians great pride to know that left to our own resources, in a field of competition with the best, we can be the best.

On September 11 our world changed. It is particularly important at this time that we share the happy moments of our fellow citizens with the confidence that we will overcome any obstacles that life puts in our path.

I join with all Canadians, golfers and non-golfers alike, in extending our congratulations to Mike on his exciting win at the Champions Golf Club in Houston, Texas.

\* \* \*

• (1400)

## THE ENVIRONMENT

**Mr. Andy Savoy (Tobique—Mactaquac, Lib.):** Mr. Speaker, following a 1999 report by the National Round Table on the Environment and the Economy, Industry Canada established the sustainable cities initiative to help bring Canada's niche environmental expertise to other countries.

SCI uses an innovative public-private business model to provide host cities with Canadian solutions to their environmental problems. SCI's partners have successfully generated interest in 58 projects and \$3 billion in potential economic activity.

One such partner, ADI Group based in Fredericton, is currently finalizing a deal that will provide the city of Katowice, Poland with a \$3 million waste water treatment facility.

As Mr. David Beatty, president of ADI Limited, explained "SCI is a very useful vehicle for heightening Canadian firms' visibility in international markets".

My congratulations to Mr. Beatty and ADI on their successful bid. It is my hope that SCI will be expanded to full program status. This will allow our Canadian firms the opportunity to share their environmental expertise with the rest of the world.

\* \* \*

## WILLARD MACPHAIL

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I rise today to say a few words in tribute to Willard MacPhail, a well-respected farmer and community leader who recently passed away.

Willard's accomplishments are many. He served as a municipal councillor for 21 years and became the first mayor of Cornwall after the amalgamation of North River, Cornwall and Elliot River. He was a founding member of the North River fire department and remained active for 37 years.

Willard organized the P.E.I. Quality Swine Units, served as a director of the Canadian Swine Breeders Association and was chair of the Canadian Centre for Swine Improvements. As well, he served as a member of the Chicken Farmers of Canada.

However, first and foremost, Willard was a family man, devoted to his wife Kathy and their three children. While he would not want to be singled out as a role model, he certainly was that and more.

Willard's commitment and dedication is appreciated and will be greatly missed.

### HUMANITIES AND SOCIAL SCIENCES

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, the Humanities and Social Sciences Federation of Canada and the researchers it supports play a special role in our nation.

Today we speak of the global village, a concept created by Marshall McLuhan, a great Canadian. When discussing links between demography and society we commonly refer to the boom, bust and echo generations, concepts created by David Foot of the University of Toronto.

The work of these Canadians and of more than 18,000 Canadian researchers who work in the humanities and social sciences is a precious national treasure.

Their research advances our understanding of the histories, attitudes and values shaping human behaviour. It allows individuals, communities and organizations to better understand the major social and cultural transformations affecting them. It enables us to know ourselves.

The tragic events in the U.S. illustrated the essential contribution of the humanities and social sciences. We cannot go a day without the media quoting expert researchers in the fields of culture, religion, international relations or psychology. Let us support the humanities and social sciences.

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### AIRPORT SECURITY

**Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance):** Mr. Speaker, a few weeks ago I asked the Minister of Transport to explain how spending tens of millions of taxpayer dollars on state of the art detection equipment for major airports would enhance safety for the travelling public when many smaller airports do not even have basic x-ray equipment. Passengers travelling through these smaller airports arrive on the secure side of the minister's fancy new equipment.

His answer was that travellers from these smaller airports are rerouted through security at the larger airports. That is untrue. The minister either intentionally misled the House or he is imply incompetent.

I pursued this matter at adjournment proceedings where I had the opportunity to expand on my question and seek a more detailed and hopefully more accurate answer.

The minister obviously thinks so little of the safety of the travelling public that he did not even send his parliamentary secretary. He sent the Parliamentary Secretary to the Minister of Health who, if possible, knows even less about airport security than the transport minister.

Perhaps the Prime Minister should make airport security the responsibility of the immigration minister, a portfolio where Canadians have learned to expect incompetence.

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### GHANA

**Hon. Jean Augustine (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, I rise to give a hearty welcome to His Excellency John

*S. O. 31*

Kufuor, president of the Republic of Ghana, on the occasion of his official visit to Canada.

President Kufuor is the first Ghanaian head of state to visit Canada since the country's independence in 1957. He is a founding member of the New Patriotic Party in Ghana and was elected president of the country in December 2000.

Ghana is one of Africa's thriving nations with a commitment to the principles of democracy. Its peaceful and transparent transition of political power from one democratically elected government to another is a model for many African countries.

Relations between Canada and Ghana reflect four decades of personal and official contacts that began through Canadian development assistance and through common membership in the UN and the Commonwealth.

Ghana receives Canada's largest aid program in sub-Saharan Africa and is Canada's third largest export market in sub-Saharan Africa.

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● (1405)

[*Translation*]

### QUEBEC MUNICIPAL ELECTIONS

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, yesterday was election day for more than 330 Quebec municipalities. More than 4,000 municipal representatives and mayors were entrusted with the responsibility of representing their fellow citizens.

Voting day is never a commonplace occurrence, but yesterday's exercise of democracy was a historical event for many cities. Montreal, Quebec City, Longueuil, Sherbrooke, Lévis, Trois-Rivières and Gatineau, to name but a few, were electing the mayors and councillors for their new cities for the first time.

The Bloc Québécois wishes to congratulate all the mayors and councillors who were elected yesterday. Quebec's cities are an important part of our lives. We are certain that these elected representatives will continue to contribute to the development of their respective cities and of Quebec as a whole.

\* \* \*

### QUEBEC MUNICIPAL ELECTIONS

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, yesterday, the Outaouais region experienced a great exercise in democracy.

The new city, a result of a forced merger by the government of Quebec, elected its first mayor and councillors. This amalgamation of five existing cities, Aylmer, Hull, Gatineau, Masson-Angers and Buckingham, will form the new city which will be called Gatineau. This name was imposed by decree by the government of Quebec.

There were two well-known municipal politicians running for mayor: Yves Ducharme, mayor of the current city of Hull, and Robert Labine, mayor of the current city of Gatineau. The people spoke, and Yves Ducharme was elected mayor of the new city.

*S. O. 31*

I would like to congratulate both mayoral candidates in addition to all of the candidates for council for their valuable campaigns. I would especially like to commend their volunteers for their commitment and dedication.

I wish to offer my mayor, His Worship Yves Ducharme, my sincere best wishes and my complete co-operation. The challenges will be difficult, but Mr. Ducharme and his team are up to the task.

\* \* \*

[*English*]

#### FOREIGN MISSIONS AND INTERNATIONAL ORGANIZATIONS ACT

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, 10 months ago an Ottawa woman, Catherine McLean, was killed by a Russian diplomat who was driving drunk. At that time the Minister of Foreign Affairs deplored the fact that the drunken diplomat was able to claim immunity from Canadian law.

Now under Bill C-35 the same minister proposes to expand the number of foreign representatives who are above Canadian law. This contrasts to Bill C-36 which asks Canadians to surrender their civil liberties in the name of security.

It is not true that expanding diplomatic immunity is necessary to catch up to the international community. Most countries such as the United States and the United Kingdom are very careful about not extending diplomatic immunity too far, no further than is required under international law.

There is no excuse for putting anyone above the law while asking Canadians to surrender their civil liberties. Bill C-35 should be withdrawn.

\* \* \*

#### SCIENCE AND ENGINEERING

**Hon. Stephen Owen (Vancouver Quadra, Lib.):** Mr. Speaker, I congratulate the very accomplished individuals receiving awards granted by the National Science and Engineering Research Council of Canada today.

Dr. David Schindler of the University of Alberta received the Gerhard Herzberg Canada Gold Medal for Science and Engineering. This \$1 million research prize is one of the largest awards for science in North America and recognizes Dr. Schindler's enormous contribution to the field of ecology.

I also recognize the winners of the NSERC 2001 Steacie fellowships and doctoral prizes. Steacie fellowships are awarded to the most outstanding Canadian university scientists or engineers who have earned their doctorates within the last 12 years.

One of the recipients is Dr. Sarah Otto of the department of zoology at the University of British Columbia which is located in my riding of Vancouver Quadra.

NSERC also awarded the first Howard Alper Post-doctoral Prize to Dr. Glenn Tattersall, also of the University of British Columbia.

● (1410)

#### WORLD TRADE ORGANIZATION

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, the next round of the WTO begins this week and will continue to promote a definition of free trade which is far too narrow.

WTO rulings have been forcing Canada to begin dismantling too many programs including the auto pact, domestic and export support programs for agriculture, and research and development assistance in the high tech sector.

Issues this week at Qatar could include health care and education. Canadians certainly want to ensure these vital sectors remain in the public non-profit sector.

The New Democratic Party remains adamantly opposed to the WTO because it fails to meet the most basic and elemental tests of democracy, equality and sustainability.

Until the WTO devises a rules based economy that begins to protect people and not just the multinationals, until we have enforcement of rules to protect human rights, working men and women including farmers and our environment, this party shall continue to oppose the WTO with vigour.

\* \* \*

[*Translation*]

#### UNIVERSITY FOOTBALL

**Mr. Robert Lanctôt (Châteauguay, Lib.):** Mr. Speaker, the Bloc Québécois is thrilled that the University of Montreal will have a new elite football team, for the first time in 30 years.

The Carabins will benefit from an investment of close to \$2 million in the stadium and artificial surface, of which nearly \$1,637,000 came from Quebec's Secrétariat au sport et au loisir.

Francophone students and athletes will now have a football option in Montreal. This alternative will lower costs for the academic year by providing young players with opportunities at home.

University football players and fans will now have a choice. Following the success of Laval's Rouge et Or, Quebec has built a solid inter-university reputation, and the other university teams are looking forward to the arrival of the Carabins on the circuit.

\* \* \*

[*English*]

#### IRELAND

**Mr. Pat O'Brien (London—Fanshawe, Lib.):** Mr. Speaker, the Canada-Ireland Interparliamentary Friendship Group which I am proud to chair has met many key political figures from Northern Ireland during the past four years, including president Mary McAleese and Ulster Unionist Party leader David Trimble who seeks re-election tomorrow as first minister of the Northern Ireland assembly.

As Canadians we pray for the success of the peace process in Northern Ireland, especially those four million of us who are of Irish ancestry from both traditions.

Today I congratulate the leader of Sinn Fein, Mr. Gerry Adams, for his outstanding contribution in advancing the peace process in Northern Ireland. Mr. Adams will meet once again with our Prime Minister later today. I ask members to join me in welcoming to Ottawa the leader of Sinn Fein, Mr. Gerry Adams.

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### SENIORS

**Mrs. Elsie Wayne (Saint John, PC/DR):** Mr. Speaker, it is my duty to remind the House that this week is National Seniors Safety Week. While in these changing times issues of personal safety and security are foremost on all our minds, we must recognize that for our aging population there are even greater concerns requiring even greater care.

We must take seriously our responsibility to our senior citizens by ensuring that they have within their reach all the necessary means by which they can make their lives and homes safer.

In our efforts to help Canada's senior citizens we must always take steps that not only prevent accidents but also enhance independence. Simple home renovations that provide better lighting and clearer instructions on prescription medication are just two simple ways that our seniors can protect themselves.

I urge all members to work toward ensuring that seniors and seniors' issues are not pushed aside but rather that they are dealt with in a swift and decisive fashion.

In that spirit I renew my call on the government to appoint a minister of state responsible for seniors' issues to ensure that our seniors have a clear and focused voice in cabinet.

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### PESTICIDES

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, the World Wildlife Fund has compiled a list of 60 pesticides that are banned in several countries because of concerns related to birth defects, toxicity hazards and the danger they pose to people, water quality and wildlife.

Canada's pesticide regulatory agency confirms that 59 of those pesticides are still in use, leaving Canadians exposed to chemicals that certain other countries deem to be too dangerous.

Approximately 500 pesticides are allowed for use in Canada, nearly three times the number some European countries such as Finland, Sweden and Denmark allow. Many of these pesticides were approved before 1960 and therefore a prompt re-evaluation of these pesticides is urgently needed.

Canada's 30 year old Pest Control Products Act is badly inadequate for the protection of the health of Canadians and children in particular. I urge the Minister of Health to introduce new pesticide legislation.

### Oral Questions

● (1415)

### VETERANS WEEK

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, today marks the beginning of national Veterans Week in Canada. It is ironic that on November 5, 1911, an aircraft was first used for the dropping of bombs.

Several years ago the Royal Canadian Legion had a theme leading up to November 11. That theme was "If you can't remember, think". Today because of what happened on September 11 Canadians have had the time to think, and indeed we have to remember what has happened in the past.

Lieutenant Colonel John McCrae warned us "If ye break faith with us who die, we shall not sleep". Today we know that on many occasions we have broken that faith. This week Canadians must vow never to break that faith again.

We must endeavour to make sure that our curriculum in our schools honours in a profound way what that debt is so that we can enjoy liberty and freedom today.

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## ORAL QUESTION PERIOD

[English]

### NATIONAL SECURITY

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, last week one of the Prime Minister's parliamentary secretaries admitted that the job loss, especially as related to the softwood lumber industry, is connected to the lack of commitment that Canada is making to a secure perimeter around the continent.

The Prime Minister cannot keep flipping back and forward on this. How many more jobs in Canada have to be lost before the Prime Minister will commit to a continental security perimeter with the United States?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the parliamentary secretary never said such a thing. We are working with the Americans to make sure we have good protection on the continent.

We passed a bill on immigration that became law a few days ago. We are working on the security law under the name of the Minister of Justice. It is in front of the Senate, and the Senate and House of Commons have already reported.

We are making sure we have security around the border of Canada. The Americans are doing the same thing about the border—

**The Speaker:** The hon. Leader of the Opposition.

[Translation]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the government cannot turn around today and say that its lack of progress on issues such as softwood lumber is not linked to its failure to establish a North American security perimeter.

*Oral Questions*

The Prime Minister claims that he raised these issues with President Bush two weeks ago. Why, if he has raised the issue of softwood lumber with the Americans, are they not listening to him?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have been discussing this issue with the Americans for a very long time. We had an agreement that worked for five years. The provinces and the industry want an agreement.

We would prefer a total free trade agreement, because, as I said to the president, “If you want Canada's natural gas, and Canada's oil, why don't you also want Canada's wood, if we have free trade?”

We are working toward an agreement and we hope to have free trade for softwood lumber just like—

**The Speaker:** The hon. Leader of the Opposition.

[*English*]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, we have to get specific here. He talks about chats with the west wing. The last time the Prime Minister called the west wing was he specific and did he tell the president that in British Columbia, on the softwood lumber dispute, 12,000 people are out of work and that entire communities are closing down? We warned this government about this for three years. Did he ask the west wing if a more firm commitment to a border security perimeter would help people losing jobs in the softwood lumber industry and other areas? Did he ask him that?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, everybody knows that the softwood lumber problem existed long before September 11. Everybody knows we mention that to our American friends all the time. I am in communication every two or three weeks with the president. I spent some time with him in China.

The Leader of the Opposition pretends that if he were prime minister he would direct the president of the United States. That is why he will never be prime minister.

• (1420)

**Hon. Grant Hill (Macleod, Canadian Alliance):** Mr. Speaker, last week they insulted the people of B.C. and now we get nothing but insults from the Prime Minister again.

The Canadian Alliance has proposed and is supporting a security perimeter with the U.S. Many Canadians agree with that position. Will the Prime Minister stop fooling around with our border and get down to serious and fundamental change for the safety and security of all Canadians and for the U.S.?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, that is exactly what we are doing. We are talking with the Americans all the time. However the one thing we will do is pass a law for Canada and the United States will pass a law for the United States.

**Hon. Grant Hill (Macleod, Canadian Alliance):** Mr. Speaker, there is a choice opportunity to do that and it is right now, and not wait for the U.S.

There is another thing going on. Liberals have been musing about an economic union with the U.S. In fact, the Liberal member of the finance committee has mused publicly about that. Does the Prime Minister agree with that individual Liberal member that we should have an economic union with the U.S.? Yes or no.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, for the other side to ask if the leader agrees with every member of his caucus is very funny. Listening to the Leader of the Opposition led to the coalition in the corner.

We have debates in our party. People can express their views in our party. However, when a policy is adopted, it is the policy of the Liberal Party, not a policy of a strange coalition.

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, as the World Trade Organization prepares to hear the complaint lodged following the imposition of countervailing duties, Canada is continuing its discussions with the United States on softwood lumber. The special envoy of the American president will be in Ottawa tomorrow.

If the aim of the government remains a return to total free trade, does the Prime Minister intend to ask himself the special American envoy to pass on the following message to President Bush: “Respect the spirit of the agreement and suspend all of the duties on softwood lumber until the WTO has made its ruling”?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, that is what we have been asking for months.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, I put the question because earlier the Prime Minister merely spoke of an agreement with the United States, which is different from a return to total free trade. American allegations have always been rejected.

Will the Prime Minister make sure the WTO looks not only at countervailing duties, but at the anti-dumping duties unfairly imposed by the Americans, another application before the WTO?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Hon. Pierre Pettigrew (Minister of International Trade, Lib.) Mr. Speaker, we have already asked the World Trade Organization to look into six elements of the American strategy and we know full well it will decide in favour of Canada, because we have always been right on this.

Our objective is essentially to continue with the litigation and carry on discussions with the Americans at the same time, in order to come up with a solid and long term solution.

I will have an opportunity tomorrow to talk with Mr. Racicot, who was appointed by the president of the United States, and I can assure members of one thing: he will understand exactly where we stand on this issue.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, following the Americans' decision to impose anti-dumping duties of 12.6% on Canadian and Quebec lumber, the Minister for International Trade said last week that he was prepared to meet stakeholders at the appropriate time.

My question is very simple: Can the Minister for International Trade tell us exactly what he means by “appropriate time”?

*Oral Questions*

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, it so happens that I spent the weekend discussing this with representatives from the lumber industry in all the provinces. I spoke to about ten of them. I had close consultations with them personally and also through my team, my department.

At this point, there is no great desire to have discussions with companies now, because they feel that the lines of communications are wide open and that the dialogue is very successful.

Talks with the United States will resume on November 12, on solid ground. Tomorrow, Mr. Racicot will pay us a visit and then we will decide on how to go about this issue.

• (1425)

**Mr. Pierre Brien (Témiscamingue, Lib.):** Mr. Speaker, industry representatives have said for some time that they want a summit meeting to which all stakeholders would be invited.

Will the minister listen to these people and immediately call such a meeting?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, I do not know to whom Bloc Québécois members speak, but I can assure the House that, at this point, the lines of communications are wide open and such a meeting would seem premature to the vast majority of industry representatives, with the possible exception of two or three.

At this point, the majority is convinced that it is better to carry on in the direction that we have chosen with these talks on substantive issues.

I really appreciate the attitude of the Quebec and British Columbia governments, which have come to the table to talk seriously.

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[English]

**FOREIGN AFFAIRS**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, Lloyd Axworthy has confirmed firsthand the desperate humanitarian crisis unfolding in Afghanistan and Pakistan.

In supporting the call for a halt in the bombing, the foreign affairs minister stated "I hope the U.S. will start listening to some reason."

Will the Prime Minister listen to reason?

Humanitarian aid must be allowed to reach the millions who face starvation. Will the Prime Minister now support the call for a halt in the bombing?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the position of the government is that it is a member of the coalition and it is supporting the coalition. It is not the time at this crucial moment to have a divided coalition. Having a solid coalition is very important.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, let me quote what the current foreign affairs minister had to say earlier today. He said that we had to worry about the hearts and minds of the people of Afghanistan. Surely bombing the hell out of them and starving them to death is guaranteed not to win their hearts and minds. I implore the Prime Minister to understand that.

For both humanitarian and practical reasons, the bombing must be halted. If people's bodies are broken so will their hearts and minds be broken. Will the Prime Minister not understand that?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there is a very easy way to stop the bombing and that is for the Taliban to return bin Laden to face justice in the United States. That would stop the bombing right away.

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**PUBLIC WORKS AND GOVERNMENT SERVICES**

**Miss Deborah Grey (Edmonton North, PC/DR):** Mr. Speaker, the minister of public works is trying to gag the conflict of interest code again. The code states:

A public office holder shall not accord preferential treatment in relation to any official matter to family members or friends or to organizations in which they, family members or friends, have an interest.

The latest in a string of friends, Mr. Creuso, received contracts with Canada Post and CMHC. Why does the Prime Minister keep allowing this minister to crack the code?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, this is another accusation that is based on nothing. If the member has some real proof that something wrong has been done, she has to table that. She is always making large accusations and she has always been proven wrong.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR):** Mr. Speaker, the public works minister has connections to an Italian adviser and an agent with a shady past. His Pisan on the payroll is the latest in a long list of unaccountable Liberal lapses in ethical judgment. Mr. Maurizio Creuso, a longtime friend and travel companion of the minister, was awarded two government contracts with CMHC and Canada Post, despite having a conviction for fraud and allegations of corruption in Italy.

Will the Prime Minister immediately refer this highly questionable ministerial action to the ethics counsellor, or is that report already written?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, another accusation by the party that, when it was in government, had about 10 ministers resign because of conflict of interest. That is something that has not happened in this government in the last eight years.

*Oral Questions*

●(1430)

**IMMIGRATION**

**Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance):** Mr. Speaker, last week the minister of immigration dismissed Jack Manion, one of Canada's most distinguished public servants, as just some retired, old civil servant. In that crass remark she revealed a petty defensiveness over legitimate criticism of the immigration system. Mr. Manion has 30 years of experience and holds the Order of Canada. He deserves a lot better than that. The minister dismissed Mr. Manion because she cannot handle the truth about national security.

Will the minister stand and just simply apologize for her intemperate remarks?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I am very aware that there are many who hold different views than I do. In fact there are many who would agree with me that the existing systems that we have in place need changes. That is why we brought in Bill C-11, the new immigration and refugee protection act, which is a fundamental change in how we approach immigration and refugee determination matters.

**Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance):** Mr. Speaker, the distinguished former ambassador, Martin Collacott, has also stepped forward to raise the alarm. He says the government has completely lost control of who is coming into our country, both in numbers and who they really are. He too has 30 years of experience.

Is this two year minister going to completely dismiss Ambassador Collacott as well?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I too read the article that was in the *Ottawa Citizen* this weekend. I was shocked by how inaccurate it was. It said that the majority of people coming into Canada are family class, when in fact it is in the United States where 72% of the immigration comes from family class. In Canada it is only 29%.

There were gross inaccuracies, including the fact that people could sponsor parents who were ill. That is just not true. If people want to bring their parents to this country, they would have to pass medical exams; if they do not, then they are inadmissible.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the Coalition chômage Gaspésie—Îles-de-la Madeleine has criticized the Liberal MP for its part of the country, saying that, for a man who said last year that he would work to improve the EI program, his hands are remarkably clean of any signs of work.

How can the government be ignoring today the formal commitments made by Liberal ministers during the campaign to the effect that, once elected, they would make changes to the employment insurance program so that it would really meet the needs of workers in the regions of Quebec?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the government does appreciate it and in fact has been responsive to the concerns of seasonal workers. Indeed, we eliminated the intensity rule in Bill C-2 when we made changes to the clawback provision to make it fairer.

I would remind the hon. member that the fundamental change from a weeks based system to an hours based system has directly benefited seasonal workers by increasing the length of their entitlement. He would be interested to know that their average weekly benefits are about 8% higher than those of other claimants.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, a unanimous report by the Standing Committee on Human Resource Development goes further than the few changes proposed in Bill C-2. If the Liberal MPs have passed it, this is because the amendments proposed are really in line with the campaign commitments.

How can the Minister of Human Resource Development ignore the campaign commitments made by her fellow ministers in all regions of Quebec, commitments so firm they convinced even the Liberal MPs?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, indeed we have not ignored the work of the committee. That is why we are making the small weeks provisions permanent. That is why we have made changes to the undeclared earnings provisions of the act.

In addition to providing income support through the employment insurance system, our members of parliament are on the ground in their communities working with community organizations to help increase and diversify the economies in their parts of Canada. I only wish the hon. member would do the same thing.

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**IMMIGRATION**

**Mr. Randy White (Langley—Abbotsford, Canadian Alliance):** Mr. Speaker, let me quote the immigration minister here last Friday:

It is my goal to deport those who pose any security risk to Canada as quickly as possible.

Samir Mohamed is a terrorist. He was a failed refugee applicant in 1997. He has been associated with known terrorists, guns, credit card fraud and robbery over the last four years and he is still here in Canada.

Is this the minister's idea of as quickly as possible? Maybe she does not think he poses a risk. Which would it be?



•(1435)

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I have told the member opposite on a number of occasions that I am happy to share with him all information that I can legally.

He also knows that we have streamlined procedures because we know that it does take too long. However, whenever anyone poses a security risk to Canada, we do not hesitate to detain them. We are going to keep them in detention until we are able to remove them from the country.

**Mr. Randy White (Langley—Abbotsford, Canadian Alliance):** Mr. Speaker, I do not know if Elinor Van Winkle over there has been sleeping but it took four years to detain this person.

I would like to know, since the government is once again giving another hearing to this individual, why it is after four years he is getting another hearing and has not been detained. Why?

**The Speaker:** I am not sure whom the hon. member was referring to. I assume, giving him the benefit of the doubt, that it was not the minister because had he been referring to the minister, I am sure he would have used her proper title.

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the facts in the member's preamble are incorrect.

I cannot discuss the details of this case. What I can tell him is that in this country we have the rule of law. The federal court reviews all decisions that are made in judicial review. We do respect the federal court even though we do not always agree with its decisions. One of the goals of the new immigration and refugee protection act is to make decisions that will be respected by the federal court so that we will be able to get decisions and remove people more quickly.

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[Translation]

#### CANADIAN ECONOMY

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, last Friday, the Parliamentary Secretary to the Minister of Finance admitted that Quebec had brought down a good budget, with a number of dynamic measures to support a faltering economy.

Now that the way has been laid, will the Minister of Finance follow the lead of Ms. Marois in Quebec City and meet the demands of all economic stakeholders, who want targeted interventions to stimulate the Canadian economy, exactly as the Bloc Québécois plan suggests?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, every government, be it the Government of Canada or a provincial government, must make choices as required by circumstances. That is what Ms. Marois did.

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, in his last budget, the Minister kept a \$3 billion contingency fund for emergencies.

I ask him today how much of this \$3 billion has been used to date, and for what purposes?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the member knows that according to the figures released, our surplus in mid-summer stood at approximately \$11 billion.

#### Oral Questions

She is well aware that this surplus will now drop, depending on the impact of September 11.

\* \* \*

[English]

#### RCMP

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, my question is for the solicitor general.

If the RCMP has a full complement of staff, why has a high-ranking United States embassy official revealed that an unprecedented number of FBI agents have been sent to Canada to help the RCMP do its job?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, I have indicated to my hon. colleague a number of times that the RCMP and the FBI work hand in hand. There are some officers from CSIS and the RCMP in Washington and there are some of their officers in this country.

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, I am glad we are working together but it is an unprecedented number.

For once without divulging sensitive security classified information, will the solicitor general tell us why FBI agents are in Canada in record numbers if the RCMP is not lacking the resources to do a thorough investigation?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, I am sure my hon. colleague is not questioning the word of the commissioner of the RCMP. He has indicated quite clearly that he has the funds to fulfill his mandate.

In fact what is going on is what has gone on for a long period of time. We co-operate with our American partners to make sure that we have the safest countries in the world and we will continue to do so.

\* \* \*

•(1440)

#### THE ECONOMY

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, the global competitiveness report was recently released. Could the industry minister tell the House how Canada ranked in growth competitiveness compared to previous years?

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, I am pleased to note that according to the World Economic Forum and Harvard University, Canada has moved from number six last year in competitiveness to number three this year in competitiveness. This is no doubt a direct consequence of the inspired and enlightened investment over the last eight—

**The Speaker:** The hon. member for Winnipeg—Transcona.

\* \* \*

[Translation]

#### ANTI-TERRORISM ACT

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the Right Honourable Prime Minister and concerns Bill C-36.

*Oral Questions*

[English]

The Prime Minister is recorded in the press today as being flexible when it comes to Bill C-36. We were worried last week that the government might be changing its mind with respect to openness, with respect to sunset clauses.

I wonder, in light of the report from the Senate and the flexibility reported on the part of the Prime Minister, can the Prime Minister say today that he is open to the committee coming up with some kind of sunset clause for Bill C-36?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I always said there will be a report by the committee and we will study the committee report. I say that we have introduced in the bill a review clause in three years. Some say that it is not enough. I think it is enough but I want to listen to the members of parliament. The member wants me to give my answer before I listen to members. I will listen to members first and I might say yes or no.

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**DEPLETED URANIUM**

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, after the death of her husband who served this country very proudly, Susan Riordon of Nova Scotia has brought to the attention of our committee in the House many times the death of her husband in regard to the depleted uranium that was found in his bones.

Depleted uranium has a devastating effect not only on the environment it is used in but also on the men and women and military personnel who handle it.

My question is for the Minister of National Defence. Is depleted uranium being used by the U.S. led coalition in Afghanistan in the current conflict?

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I am not aware of whether it is being used by the U.S. in connection with the Afghanistan campaign.

Of course it is not used by Canada any longer, although we are not involved in the bombing in Afghanistan, but we still do not use it. We have also offered to anybody who is deployed in any theatre of operation who thinks they may have been exposed to it an opportunity to be tested. That offer still stands. We have not been able to find any evidence of low level depleted uranium affecting the health of Canadians but we still want to be vigilant because we are concerned about their health care needs.

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**SOFTWOOD LUMBER**

**Mr. Gary Lunn (Saanich—Gulf Islands, PC/DR):** Mr. Speaker, Canfor announced this morning that it will be filing a lawsuit against the U.S. in response to the draconian softwood lumber tariffs.

The government has been completely ineffective and the industry has been left holding the bag. My question is very simple. Job losses are soon going to surpass 50,000. Why does the Prime Minister refuse to become directly involved in this file to save Canadian jobs? Why will he not get involved in this file?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have been involved every week. I have talked to the president, at least six times over the last few months, about this all the time.

I talked to him in Shanghai. I expect to talk to him perhaps today or tomorrow and I intend to raise it again. I believe that if the Americans want to have free trade in natural gas and oil, they should have free trade in wood too because if they were not to have oil and gas from Canada, they would need a lot of wood to heat their homes.

**Mr. Gary Lunn (Saanich—Gulf Islands, PC/DR):** Mr. Speaker, 40 minutes ago the Prime Minister told us it was once every two or three weeks and now it is every week. The reality is that the Prime Minister lacks credibility in dealing with Americans. This is the single most important issue between our two nations and with our largest trading partner. There are 50,000 jobs at stake. We have forestry workers across the country who will be facing bankruptcy any day.

Again, why is the Prime Minister not in Washington? Why is he not there solving this issue while Canadians are going home with empty lunch boxes and no paycheques?

• (1445)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the member would like me to be in Washington all the time and then he would complain because I am not in the House of Commons in Canada.

We have made very strong representations for a long time. Reason will prevail, we have a good case and we won in the past at the WTO. We will win again because in Canada we are exporting to the United States and why? Because our products are first class and our prices are lower.

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**PUBLIC WORKS**

**Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance):** Mr. Speaker, Mr. Creuso, a former Italian senator, has a criminal past. He was investigated for corruption, sentenced to jail and failed to pay his plea bargain settlement. Mr. Creuso was convicted for corruption while managing construction jobs in Italy.

Why would we ever give him CMHC government construction jobs to manage in Canada? Why?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, first let me make it very clear that crown corporations manage their own affairs and ministers do not get involved in giving contracts.

Second, CMHC gave a contract to Mr. Creuso to have relations with the Italian government. We signed an MOU in January 2001 and last month the Italian government budgeted enough to build three Canadian model houses in northern Italy.

**Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance):** Mr. Speaker, perhaps our ministers should be more involved in crown corporations to have some input into them. Canadians need to be assured that Canadian crown corporation hiring and contracting policies are fair for all, not just for making exceptions for some.

*Oral Questions*

Fraud, corruption and jail time are not desirable employee or contractor qualities for any job. Surely these qualities cannot be those the minister looks for in his special advisers.

What went wrong? Why was Mr. Creuso hired?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I explained that he got a mandate to represent the CMHC, which wanted to do business in Italy. The report I had from CMHC was that he did a good job because in the space of a year and a half we are already building model houses so we can sell Canadian housing technology and Canadian businesses can do business outside Canada with team Canada, which the Prime Minister has been promoting since we have been in office.

I think the contract was good. Why they gave it to Mr. Creuso, that is the crown corporation's—

**The Speaker:** The hon. member for Mercier.

\* \* \*

[Translation]

**TERRORISM**

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, on Thursday, General Myers admitted, on behalf of the Pentagon, that cluster bombs pose a danger to civilian populations.

He even apologized for the resemblance of these bombs with the humanitarian packages dropped by the United States in Afghanistan, and he pledged to change their colour. However, it is the actual use of these bombs that is generating anger and criticism everywhere.

Will the Prime Minister do like Human Rights Watch, which is not satisfied with just changing the colour of these bombs, and ask the United States to stop dropping such bombs?

[English]

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, the cluster bombs are aimed at the Taliban and they are aimed at the al-Qaida to downgrade the military capability. They are not aimed at the Afghan people. They are not aimed at innocent men, women and children like those who were in fact aimed at by al-Qaeda in New York. They will continue to use whatever weapons they feel are necessary to bring about that degradation.

In terms of the population, however, they are changing the colour of the packages so that in fact there can be no misunderstanding, because we want to help the Afghan people.

[Translation]

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, the minister should know that it is so unclear that these bombs are only aimed at tanks, that the United States is sending messages warning people to be cautious.

The humanitarian situation in Afghanistan is deteriorating. The civilian deaths, the cluster bombs, the cold and winter about to come, and the movements of populations are all reasons for concern. It is extremely difficult to send food inside Afghanistan.

Will the Prime Minister promote the idea advocated by the chair of the Canadian chapter of Médecins du Monde, Dr. Réjean Thomas —

• (1450)

**The Speaker:** The hon. Minister of National Defence.

[English]

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, again, the aim of any bombing is the military capabilities, to depreciate those military capabilities. Every effort is being made by the United States and the coalition to stay away from the civilian population. That will continue to be the policy.

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**LUMBER INDUSTRY**

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, last week the Parliamentary Secretary to the Minister for International Trade called us in B.C. nervous nellies in regard to our reaction to the huge duty placed on us by the softwood lumber agreement.

I represent a riding that is heavily dependent upon forestry. His statement is an insult to the patience and hard work of thousands of forest workers who are now unemployed because of the government's inaction. These people who are now lining up at food banks cannot wait three years for the WTO to resolve this dispute.

When will the minister take a tough stand and bring this dispute to an end, sooner rather than later?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, the parliamentary secretary was very clear on Friday. There used to be a time in the House when one said "I am sorry and I regret some words I used" and in the House we took those words and we turned the page.

The parliamentary secretary has been doing an outstanding job on the softwood lumber issue while the opposition does not even know what it wants and when it tries to give conflicting advice every time it gets up on the softwood lumber issue.

We have a responsibility and we are doing our best because we care for the communities. We know how hard it is for the communities out there and that is why I spent my weekend talking with chief executive officers.

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, I invite the parliamentary secretary and the minister to come to my riding and hear what the people of my riding want.

For over two years we warned the government about the need to resolve the softwood lumber issue. For two years the government has sung the same tune of "don't worry, be happy, we're in charge".

Everything is not fine. Mills are closing and thousands of employees are out of work.

The minister is meeting with Mr. Racicot tomorrow. Will the minister now take a strong stand, call a national stakeholders meeting and make this issue a priority?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, the government is fully engaged and fully committed on this very, very important issue.

*Oral Questions*

We know how hard it is on a number of communities. We know how very difficult it is and the next few weeks will be very difficult with both the dumping and the countervailing duty.

Tomorrow I intend to give Mr. Racicot an earful about how we feel in this country and about how we are treated as an ally. I will give him an earful about how every decision made in Washington has been punitive and injurious to our industry. That will be loud and clear.

\* \* \*

**AGRICULTURE**

**Hon. Mark Eyking (Sydney—Victoria, Lib.):** Mr. Speaker, Canadian farmers are watching anxiously as ministers from around the world gather in Doha this week in an attempt to launch a new round of negotiations at the WTO.

They have seen export subsidies in other countries drive down the price they are receiving for the crops they grow. Could the Parliamentary Secretary to the Minister of Agriculture and Agri-Food outline for the House Canada's objectives for agriculture during the upcoming WTO meeting in Doha?

**Mr. Larry McCormick (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, Canadian farmers deserve the best. Global agricultural trade reform is a priority for Canada as it is for many of our trading partners.

As a leading trading nation, Canada has a vital interest in further strengthening the international rules that govern agricultural trade. We want to achieve fundamental reforms in the area of market access, domestic support, export compliance and export competition.

That is why, for this fourth WTO ministerial meeting in Doha, Canada is calling on the WTO members to agree to the launch of a broader round of trade negotiations. This would enable the achievement of a more ambitious and far reaching—

**The Speaker:** The hon. member for Wild Rose.

\* \* \*

**G-8 SUMMIT**

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Speaker, we know that the mayor of Quebec City is still waiting to be reimbursed for hosting major international summits. Quebec is owed \$6 million in security and related costs while Windsor was just paid \$4 million for hosting the Organization of American States over a year and a half ago.

Will the finance minister issue a substantial downpayment to Calgary, Canmore and Banff in advance of the G-8 summit in Kananaskis?

• (1455)

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, as I said to my hon. colleague, we are dealing with the city of Calgary, we are dealing with the Calgary police and we will fulfil our commitment to this conference.

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Speaker, we do not know when that will be. We know that in Quebec City the budget for the summit of the Americas was \$65 million. The actual cost was more than \$300 million.

The challenges associated with the G-8 summit in Kananaskis extend far beyond what they were in Quebec City.

Is the finance minister prepared to budget sufficient funds now, or will he leave Calgary and Canmore holding the bag?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, I can assure my hon. colleague that the government has, as always, fulfilled its commitments to all of these conferences.

We will work with all provincial and municipal police forces to make sure we are able to hold these conferences and show terrorists that we can operate in this country.

\* \* \*

[Translation]

**PUBLISHING INDUSTRY**

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, last week, François Picard, the publisher of the newspaper *Atout Micro* condemned the behaviour of a subcontractor of Heritage Canada, who demanded the names of his subscribers and their credit card number as proof of the accuracy of his production run for subsidy purposes.

Could the Minister of Canadian Heritage tell us whether this is a common practice and whether she approves of such a practice?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I find it normal that a check be conducted when someone is getting federal subsidies. This is normal.

\* \* \*

[English]

**INTERNATIONAL TRADE**

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** Mr. Speaker, Canada believes that the WTO growth and development round will address the objectives and concerns of developing countries. Canada, along with other WTO members, has been working hard to demonstrate to developing countries that the new round will assist their development efforts.

I would ask the Minister for International Trade, what specific steps or proposals is the government prepared to make with regard to this round?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, indeed Canada has been very active, along with our Quad partners, in efforts to accommodate the developing countries. We want them to be in a position to benefit fully from their partnership in the WTO. There needs to be some capacity building there.

*Oral Questions*

We need to make sure that they can get the full benefits of their membership. We need to do further work on implementation measures. We need to give them some better market access. We need to make sure that we do agricultural reform trade because that is what the south needs. We want these countries fully engaged in the WTO.

\* \* \*

**LUMBER INDUSTRY**

**Mr. Rick Borotsik (Brandon—Souris, PC/DR):** Mr. Speaker, the Prime Minister today has raised the ante with respect to trade with the United States. Today in response to a question on softwood lumber he said that there would be a linkage between oil and gas exports and softwood lumber. He said that.

When he has his weekly meetings with the president of the United States does he tell the president that there will be no future sales of oil and gas unless the softwood lumber industry is resolved?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, that is really stretching it. I will just say that we want good trade relations with the Americans on every aspect of trade.

We signed a free trade agreement with them some years ago that has been good for Canada, that has been good for the United States and that has been good for Mexico.

We want the same thing, but it has to be reciprocal. That is what I tell them all the time.

\* \* \*

**THE BUDGET**

**Hon. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my question is for the Minister of Finance. It has to do with the polls that show that there is considerable support for spending on infrastructure and other things that are needed in this country.

I wonder whether the Minister of Finance, and it probably would not be the first time he has listened to a poll in his life, would indicate to the House that he is open to stimulating the economy in that way and making sure that a lot of the environmental, social and transportation infrastructure and other things that need to be done in the country get done through his budget.

● (1500)

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the hon. member is one budget behind. As he knows, in the last budget we brought in an extensive program in environmental infrastructure, in road infrastructure and in housing. The fact is that a number of these programs, because of delays in provinces, have not gone ahead as quickly as we would like.

We are certainly prepared. The minister in charge of the treasury board has said that she would accelerate all these programs, as has the minister of energy who is responsible for climate change. I can assure the hon. member that we are prepared to proceed with these as quickly as possible.

[Translation]

**WORLD MARCH OF WOMEN**

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, last week marked the first anniversary of the World March of Women. This march, which took place in 158 countries around the world, set forth demands to improve living conditions for women, including women in Quebec and Canada.

Could the Secretary of State for the Status of Women give us an update today on what steps and action the government has taken to respond to the World March of Women demands?

[English]

**Hon. Hedy Fry (Secretary of State (Multiculturalism) (Status of Women), Lib.):** Mr. Speaker, I am really glad the hon. member asked that question. We have taken a great number of steps to deal with issues such as violence against women and issues such as poverty. I can only point to the child tax benefit as one very important initiative that we have taken to deal with the issue of poor families and their children.

We have dealt with the issue of homelessness. We have helped to set up shelters and transition homes so that women who are facing violence can have somewhere to go in order to feel safe.

My colleague, the Minister of Human Resource Development, has worked with skill—

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** I draw to the attention of hon. members the presence in the gallery of His Excellency John Agyekum Kufuor, President of the Republic of Ghana.

**Some hon. members:** Hear, hear.

**The Speaker:** I also draw to the attention of hon. members the presence in the gallery of the Gerhard Herzberg Canada Gold Medal for Science and Engineering winner, Professor David Schindler.

Also with us, the winners of the Natural Sciences and Engineering Research Council Award of Excellence, Dr. Donald Mackay and Dr. Richard Puddephatt.

These three eminent researchers are accompanied by the 2001 winners of the NSERC Steacie Fellowships, the Howard Alper Postdoctoral Prize and the Doctoral Prizes.

**Some hon. members:** Hear, hear.

**The Speaker:** I invite all hon. members to join this group at a reception in room 216 at 3.15 p.m.

*Routine Proceedings***ROUTINE PROCEEDINGS***[English]***GOVERNMENT RESPONSE TO PETITIONS**

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

\* \* \*

● (1505)

**VIMY RIDGE DAY ACT**

**Mr. Brent St. Denis (Algoma—Manitoulin, Lib.)** moved for leave to introduce Bill C-409, an act respecting a national day of remembrance of the Battle of Vimy Ridge.

He said: Mr. Speaker, I am honoured, especially as we commemorate veterans week, to rise today to introduce a private member's bill which, if enacted by parliament, would create a special day each year on April 9 to recognize Vimy Ridge day. This would honour the memory of this great World War I battle of April 9, 1917, which is considered by many to be a turning point for our country and the beginning of Canada's march to nationhood.

For the first time Canadians from coast to coast fought under a Canadian commander. Their heroism and valour in that battle is legendary. In many ways it represents all great Canadian battles.

I wish to thank Bob Manuel of Elliot Lake for his support and the Dominion Command of the legion for its very strong letter of support.

I wish to emphasize that the bill would not create a holiday. It would simply create a day of recognition and asks that the Peace Tower flag be raised to half mast.

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

\* \* \*

**INCOME TAX ACT**

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance)** moved for leave to introduce Bill C-410, an act to amend the Income Tax Act (exemptions for volunteers).

He said: Mr. Speaker, I rise today to introduce my private member's bill which, if enacted, will amend the Income Tax Act to increase the tax exemption available to volunteer ambulance technicians, volunteer firefighters and persons who assist in the search or rescue of individuals.

The bill is a result of a meeting with many of the volunteer firefighters from my riding and municipal councils who have been attempting to change Revenue Canada's tax provisions to increase the tax free rate from \$1,000 to \$2,500. In recognition of the sacrifice of time and potential injury of these necessary emergency volunteers, I urge members on all sides of the House to support this private member's bill.

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

**PETITIONS**

## KIDNEY DISEASE

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I rise to present two quite different petitions on the same subject. These are petitions from citizens in the Peterborough area who are concerned about end stage kidney disease.

The first petition is in support of research to develop the bioartificial kidney. This is an experimental implant that will replace transplantation and dialysis. This is a project that is close to human trials.

The citizens of Peterborough call upon parliament to work to support the bioartificial kidney which eventually will eliminate the need for both dialysis and transplantation for those suffering from kidney disease.

The second petition is also about kidney research. The citizens of the Peterborough area greatly support the work of our national institute which does kidney research but it is called the Institute of Nutrition, Metabolism and Diabetes. The citizens of Peterborough believe that the institute would be even more effective if the word kidney was included in the title. It would then engage the public more in the very fine work it does.

The petitioners call upon parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research as one of the institutes in its system, to be named the institute of kidney and urinary tract diseases.

● (1510)

## SENIORS

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I am very pleased and honoured this afternoon to bring to the House, pursuant to Standing Order 36, a petition from some of my favourite people. They are elderly people who are having a great deal of difficulty financially, much more now than ever before.

The petitioners are asking the government to explore the possibility of lowering the income tax on benefits to senior citizens so they can afford the high cost of modern day living and the expenses they must face.

## MISSILE DEFENCE PROGRAM

**Ms. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, I am pleased to present a petition on behalf of many members of Winnipeg South Centre regarding the Canadian involvement in the U.S. national missile defence program.

The petitioners call upon parliament to declare that Canada objects to the national missile defence program of the United States, and to play a leadership role in banning nuclear weapons in missile flight tests.

### QUESTIONS ON THE ORDER PAPER

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Question No. 65 will be answered today.

[Text]

Question No. 65—**Mr. John Herron:**

With regard to the current round of World Trade Organization agriculture negotiations: (a) does the government have a precise plan to ensure that the fundamental principles necessary for the maintenance of supply management in Canada—namely, border protection through the maintenance of over-quota tariffs at their current levels and a pricing mechanism or the right of producers to act collectively in establishing the price of their milk—are protected during this round; and (b) if so, what are the main elements of that plan?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Since the development of Canada's initial negotiating position on agriculture for the World Trade Organization negotiations announced in 1999 Canada has had a very clear strategy with respect to supply management, in particular, the commitment to preserving the ability of Canadians to operate the orderly marketing systems necessary for stability and profitability. How countries choose to market their products domestically is a domestic policy choice, and Canada remains committed to maintaining the ability of Canadians to choose how to market agricultural products. This strategy is built into all aspects of Canada's initial negotiating position from market access issues such as the treatment of tariffs and tariff quota access to domestic support and export competition issues. The supply management agencies supported Canada's initial negotiating position and continue to support that position. Canada has and will continue to pursue the objectives set out in the position in the negotiation.

[English]

**Mr. Geoff Regan:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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### BUSINESS OF THE HOUSE

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, since the question was put on the bill that was before the House earlier, I believe the Chair would find unanimous consent to commence consideration of the take note debate scheduled for later this day for a period not to exceed four hours.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

**The Speaker:** Pursuant to Standing Order 53.1, to orders made Thursday, November 1 and now this day, the House shall now resolve itself into committee of the whole for a take note debate on the upcoming World Trade Organization meeting in Doha, Qatar.

I do now leave the chair for the House to go into committee of the whole.

### Government Orders

## GOVERNMENT ORDERS

[English]

### WORLD TRADE ORGANIZATION

(House in committee on Government Business No. 19—Mr. Kilger in the chair)

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.)** moved:

That this committee take note of the upcoming World Trade Organization meeting in Doha, Qatar.

[Translation]

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Chairman, I thank the government House leader for giving all parliamentarians the opportunity to take part in this take note debate on the upcoming ministerial conference of the World Trade Organization in Doha.

We are leaving on Wednesday for Qatar. I have the honour of leading a Canadian delegation of over 65 people representing parliament and the Senate, non-government organizations and industry.

All countries and all regions, from east to west and north to south, will be represented and will be able to speak during this negotiation. It will be very useful for us, who hope to truly launch a new round of negotiations, to be able to consult Canadians who have myriad opinions and who will have different viewpoints to express to us.

I tabled our government's objectives before the Standing Committee on Foreign Affairs and International Trade on October 24. Our government's objectives and mandate to negotiate are clear. Obviously, our basic objective is to launch a new round of multilateral negotiations.

Two years ago in Seattle, we were unfortunately unable to launch a new round of negotiations. I think the primary victims of this failure were the developing countries, the poorest countries, the very countries trying to gain better market access to ensure their development because trade and development are intrinsically bound.

Canada therefore is totally committed to launching this new round of negotiations. I hope we will achieve success by the end of this week and next week in Doha.

We are in a difficult environment worldwide. Of course, since September 11, the world has changed significantly. With the economic slowdown, which we were experiencing prior to September 11 and which has deepened since then, regrettably, it is vital we send a positive signal to the world economy, one that expresses our hope and belief that trade will lead to development and will help our economy to recover. I think the timing of this meeting is extremely important.

*Government Orders*

• (1515)

[English]

We have a number of problems in Canada. We have a bilateral disagreement on the softwood lumber issue which we talked about during question period.

People sometimes wonder about the relevance of the WTO. The WTO is a rules based system used to conduct our trade. It helps our bilateral relationship with the United States. People ask what the relevance is because Canada has a free trade agreement with the United States.

The answer is that it helps us in situations like the one we have with softwood lumber and the producer problem with tomato growers in British Columbia and Ontario trying to export to the United States.

Sometimes our major trade partner makes life more difficult for us. It is very important to be able to go to the WTO and its objective body of international panels that can apply the rules we believe in. The WTO is very useful even though we have a bilateral free trade agreement with the United States. Trade is very important because it improves the lives of Canadians.

[Translation]

It is remarkable to see how much public support we have in Canada for our efforts in the area of trade. Over 70% of Canadians are in favour of freer trade.

Trade is absolutely necessary to our economic growth, prosperity and social well-being. Without more trade, we are very much curtailing our potential growth. We are a trading country. We are the most trade dependent country, but dependency is a positive thing. Often, the term "dependency" has a pejorative ring to it.

The fact that 46% of our GDP is made up of exported goods and services means that we export far more than Germany, France or Japan, whose exports are proportionally far less than Canada's. This means that we need to have a round of negotiations.

• (1520)

[English]

We are leaving with a very important objective in agriculture. The minister of agriculture will also be in the delegation. The top priority of the government is to make sure that we can negotiate a major agricultural trade system for the world. That would be good for developing countries.

That is what our farmers need. We need to do away with export subsidies that are a folly. They distort international markets and penalize our farmers from east to west. We intend to make that a very top priority. I am delighted that the minister of agriculture will be joining me in Qatar to pursue the interests of our farmers.

We will be negotiating goods and services which are very important. We need to make progress in this area. More of our exports are in services, engineers, architects, environmental technologies and all sorts of products that are an important part of our economy.

[Translation]

We have held extensive consultations on the World Trade Organization and other agreements such as the free trade area of the Americas. We have, of course, met with business organizations directly affected by the negotiations in which we are involved. We have also met with groups of consumers, who are always interested in freer trade in order to have access to quality products from all over the world. We have met with interest groups and NGOs in order to ensure that we understood their point of view as well. They have some very pertinent questions for us. It is vital to have a dialogue that will keep Canada in the remarkable trade position it enjoys throughout the planet.

I believe that this next round of negotiations will focus on development. I do not think another round is possible unless we do far more for the poorest countries on the planet. I think it is vital for us to give them more access to our markets. There is nothing better for development than trade. Trade leads to development.

We must also enhance, and we are doing so through CIDA, the Canadian International Development Agency, the ability of southern countries so that they fully benefit from their joining the World Trade Organization. This is why Canada has worked so hard to solve several implementation issues that we experienced with previous agreements.

However, in order to settle all implementation issues, we need a new round of negotiations because some of the changes asked by southern countries involve a rebalancing of rights and obligations. This makes it necessary to begin a new round to find solutions to some of their demands.

I will conclude by saying that health and education are top priorities for Canada when we discuss trade and services. Our country will not negotiate public health and education. As far as we are concerned, these are not negotiable. They are areas which we have absolutely no intention of negotiating in Doha. They are not part of the Canadian objectives of our mandate. We want to be at the table to define these rules so Canadian businesses that want to export goods and services in the areas of health and education can benefit from these rules. A number of countries may decide to import. This is why we want to be at the table, but it is out of the question for us to go in that direction.

[English]

I wish to add a few words regarding the cultural industry. Members will hear many of my colleagues on this side of the House speak about our position on agriculture services investment, but I wish to speak about our cultural industry for a moment.

The Canadian government is committed to maintaining the flexibility we need to achieve our cultural goals. The government will not make any commitment that restricts our ability to achieve our cultural policy objectives. This is why we are pursuing the creation of an international instrument that would safeguard the right of countries like Canada to promote and preserve a diversity of cultural expression.



*Government Orders*

• (1525)

[*Translation*]

We are enthusiastic as we leave for the Doha meeting. The Canadian delegation is representative of the whole country. I hope the world will hear this signal that the international economy will get better because we will have better and sounder rules to deal with international trade and to promote liberalization to allow southern countries to further develop.

[*English*]

**Mr. Dick Proctor (Palliser, NDP):** Mr. Chairman, I appreciated the minister's comments about how important the agriculture file is in Qatar. What does the government plan to do in the event the changes he is talking about do not come to fruition?

He will know that Canadian farmers in some sectors in particular have been hurt over several years as a result of high subsidies in Europe and the United States. Obviously the government's intent is to reduce or at least to begin to reduce those subsidies at Qatar. What happens if the Europeans, the Americans and others put their feet down and say no, they will not do that?

**Hon. Pierre Pettigrew:** Mr. Chairman, I can tell the hon. member that this is a top priority for us. We have allies such as the Cairns Group and we have the strong voice of developing countries that want market access in agriculture.

It is not possible to have a new round of negotiations that does not include serious agricultural negotiations. It will really improve the lot of our farmers from all over the country. The subsidies that the European Union is committing to agriculture are a folly. The domestic support in the United States is far too high. It is insensitive to developing countries and unrealistic for our farmers. We will be making progress next week in Doha for the benefit of our farmers.

**Mr. Preston Manning (Calgary Southwest, Canadian Alliance):** Mr. Chairman, would the minister consider the following comments and perhaps respond to a question? As he knows, the public generally accepts the benefits of trade liberalization in terms of its contributions to economic growth, jobs and a higher standard of living.

However the main players in globalization that negotiate these big trade agreements have been the executive levels of government and multinational corporations. There is little opportunity for ordinary people, either themselves or through their democratic representatives in parliaments or legislatures, to have a say on either the terms and conditions of international trade agreements or on how to handle the social and environmental effects.

It is increasingly important to bring democratic governance and accountability to globalization and international organizations like the WTO. There must be some kind of democratic middle ground between high level executive meetings and riots in the streets of Seattle or Quebec City. Does the government have anything to propose on how to bring some sort of democratic governance to the WTO either in the present or in the immediate future?

**Hon. Pierre Pettigrew:** Mr. Chairman, the question by the member for Calgary Southwest is very pertinent. We absolutely need more transparency. Too many people want to know now what is going on in WTO circles, which was not the case a few years ago.

We cannot blame trade ministers of the past for not having opened this up more. The constituency for international trade ministers was very narrow. We were negotiating down tariffs on goods and it did not affect that many citizens in such a direct way.

Now that citizens want in, I believe this is an opportunity to open the books and have more transparency. We should be sharing more information. I am very pleased that the draft ministerial, which has not been officially released, is at least now public and people know the 45 paragraphs that will be negotiated in Doha. It is public and we can receive contributions from Canadian citizens.

My department has a website as well which is open precisely for Canadians to tell us what they think on every angle of that. We pay a lot of attention to what citizens tell us.

I and members of my team have spent a lot of time in the last few months meeting with special interest groups along with business groups to look into the impact on the environment and labour. We have had better dialogue in the last few years than we ever had before.

I believe the progress made at the free trade area of the Americas and at the Buenos Aires meeting where we released the draft text of the negotiations, has been an extraordinary development on that front.

• (1530)

[*Translation*]

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Mr. Chairman, the Minister for International Trade said that he did not want to negotiate on issues related to health and education. I was less impressed when, instead of giving as his reason the fact that health and education are under provincial jurisdiction, he said that we had to remain open to the possibility of importing when it comes to health and education.

I would like him to assure me that, for the right reason, he does not intend on negotiating on behalf of Quebec, particularly on matters of education and health.

**Hon. Pierre Pettigrew:** Mr. Chairman, first, I must say that there have been very thorough consultations with all of the provinces, Quebec in particular, prior to these negotiations. We are apprised of their priorities. We are aware of their interests and their objectives. We are leaving as a true team Canada that is very united.

Indeed, the Canadian delegation includes representatives of the Quebec government. I can assure the member that we are on the same wavelength across the country when it comes to issues such as health and education.

What I meant to say, and I would like to correct the member, because I did not infer any openness to exporting—

**Mr. Antoine Dubé:** No, to importing.

*Government Orders*

**Hon. Pierre Pettigrew:** I meant to say importing. I am open to exporting. The member will remember that team Canada visited China last year. The delegation was led by the Prime Minister of Canada. The former premier of Quebec, Lucien Bouchard, took part in the mission.

There were 400 businesses that took part in the team Canada mission, including a hundred or so representatives from universities and colleges who wanted to see what they could contribute specifically to the development of China, which welcomed this input.

This is why we are staying at the table. We would like to negotiate the rules in the field of education and health to represent the interests of Canadian businesses that wish to export, without having to open up our market. We are working on this very closely with, among others, the government of Quebec.

[*English*]

**The Chairman:** I would like to finish the original round of time left to the minister. I understand the member for Kootenay—Columbia might be making a request to extend the period of time for questions and comments to the minister. We will deal with that in a moment.

**Mr. Rick Borotsik (Brandon—Souris, PC/DR):** Mr. Chairman, I thank the minister for his appearance and would like to congratulate him for his enthusiasm and his optimism going into these rounds of WTO talks.

However I was at the talks in 1999 in Seattle. Since 1999 until 2001, almost 2002, virtually nothing has been achieved with respect to agriculture. We know that agriculture will be on the front burner and I know the minister has a lot of optimism. Even if some agreements are negotiated, how long will it take for those agreements to be implemented?

If we are talking five, seven or ten years, the subsidies that are being paid by the Europeans and the Americans will continue and our farmers will be impacted.

Therefore, what does the minister expect to do if it is a five to seven year term before these are implemented, and that is the very best case scenario? What happens to our farmers in the meantime?

• (1535)

**Hon. Pierre Pettigrew:** Mr. Chairman, my colleague, the minister of agriculture and his parliamentary secretary who are in the House today, have been working very hard and well with the farming communities across the country precisely to address their preoccupations and do the very best job they can in tough circumstances. It is true that we do not have the deep pockets of Europe or the United States. This is why our top strategy is to negotiate down the domestic subsidies and to negotiate out all of the export subsidies.

The member says that nothing has happened in the last two years. That is not true. We have had mandated negotiations from the earlier rounds in agriculture. That has taken a lot of energy by our people. We understand the problems a lot better. We have spent a lot of time calculating the impact of those subsidies so that when we get a crack at the negotiations we will really know what to target and what to try to eliminate to help our farmers in Canada.

**Hon. Wayne Easter (Malpeque, Lib.):** Mr. Chairman, I was pleased to hear the minister say that he would make agriculture negotiations a priority and talked about the distortion taking place in the markets. However I want to point out to him how very serious this is.

Over the past decade, the per capita support for Canadian agriculture under the agreement has declined by close to 40% below the average OECD support levels. In the U.S., our major competitor, per capita support has increased by a level of 14%. Our farmers just cannot survive those kinds of levels.

Therefore, two things can happen. Either, through tough negotiations, we can negotiate an agreement and develop allies to take on the Europeans and the Americans or the government will have to increase its support levels down the road so our farmers can stay in business.

Could the minister tell us what the strategy is in terms of developing allies to get to home base?

**Hon. Pierre Pettigrew:** Mr. Chairman, it is indeed a very pertinent question. We have been extremely active as a member of the Cairns Group, a group of countries including Australia, New Zealand, Brazil and Argentina. We are there with countries that really want to do a lot better with the liberalization of our international trade in agriculture.

The problem is that agricultural goods have always been excluded from GATT and WTO negotiations. The problem is not that GATT has not been good to agriculture. It is that too often we have excluded it.

However we are there and are very determined, along with our allies in the Cairns Group and supported by developing countries that want aid through trade. What developing countries want is market access for what they do, which is often agriculture. That will help us crack the European Union, the Japanese and the Americans.

**Mr. Jim Abbott:** Mr. Chairman, I rise on a point of order. I wonder if you could seek unanimous consent of the House to extend the question and comment period for a further 10 minutes. This is a very productive time, and I thank the minister for his very forthright answers.

**The Chairman:** Does the House give its consent to extend the time for questions and comments by 10 minutes?

**Some hon. member:** Agreed.

**Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance):** Mr. Chairman, I would like to return to the question of cultural issues and if it is a deal breaker. In other words, I am trying to quantify the level of commitment that the government has to its position with respect to working into every trade agreement proper protection for all countries relative to cultural issues that they consider to be important.

We all know that in a process of negotiations there is give and take and that some things will never, under any circumstances, be removed from the table.

*Government Orders*

I am trying to understand the position of the government with respect to cultural industries. Is this a deal breaker? In other words, is it the position of the Liberal government that a deal simply will not be cut if the agreement does not include protection for cultural industries?

**Hon. Pierre Pettigrew:** Mr. Speaker, it is very clear that Canada has always insisted absolutely that we maintain our sovereignty in the field of culture. It is imperative that governments can act in the field of culture and can allow, through regulation or subsidies, the element of cultural diversity for which the whole world is craving.

It is imperative in this era of globalization that we hear different messages from artistic communities around the world that express, through their sensitivity, their thoughts on world in which we live.

I want to have access to more than American culture. I want to have access, not only to my own culture to which I am very attached, but I want to know what the Danes and the Catalans feel about it. Maybe the solutions and the understanding of the world in which we are living will come from cultural diversity. In my view it is very clear.

Our government is totally committed to cultural diversity. There too we need to build alliances. It is imperative to have a strong support for it. That is why I commend the work of my colleague, the Minister of Canadian Heritage, in that direction. I too am doing my best on that front.

• (1540)

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ):** Mr. Chairman, I would like to ask the minister who is going off to negotiate on Canada's behalf, but who claims to represent the interests of Quebec, whether in his luggage he will be carrying a firm resolution to never give up supply management, especially where dairy products are concerned.

Our farmers are very concerned at seeing Canada's representatives heading off with no prior confirmation that supply management will continue.

**Hon. Pierre Pettigrew:** Mr. Chairman, allow me to reassure the member for Rimouski—Neigette-et-la Mitis that supply management is an integral part of Canada's objectives.

In the area of agriculture, we have so much work that the elimination of export subsidies will take us a lot of time, as will the elimination of domestic subsidies.

The subsidies that cause distortion on foreign markets have considerable priority as concerns our excellent supply management system, which benefits Canadian consumers by offering them reasonable selection in conditions we totally support.

The member for Rimouski—Neigette-et-la Mitis says I claim to represent the interests of Quebecers. It is more than a claim. The member knows that my family comes from Isle Verte, very close to Rimouski and that some of my uncles are dairy farmers with close ties to this system.

As my ancestors and my own family come from Isle Verte, and largely are dairy producers, I understand the problem she is raising and will take it with me to Doha.

[*English*]

**Mr. Gary Lunn (Saanich—Gulf Islands, PC/DR):** Mr. Speaker, first, I want to give the minister credit. I was with him in Buenos Aires where he fought very hard to make sure the text was released for the FTAA. Again, it is important that we continue on that mandate. I was there when the minister worked the room to ensure that all the countries came on board, and I applaud him for that.

However, there is a bigger, more fundamental concern as we move into these WTO negotiations and as we look into launching a new round. That is the dispute mechanisms. This is where the WTO is failing miserably. I would like to give a few examples.

Right off the bat, we have the softwood lumber dispute and the anti-dumping rules. As the minister is fully aware, we will launch complaints with the WTO. However, with the process in place, it could go on for years and we could have no industry left.

We also are facing unfair trade practices with Bombardier and the aerospace industry. The agriculture sector is also going through this. These are all areas with respect to the dispute resolution mechanisms.

How does the minister plan to aggressively pursue that and bring forth changes so when we have trade disputes, we can get them resolved in a meaningful way and the people in Canada can get some resolution to the matter before they go bankrupt?

**Hon. Pierre Pettigrew:** Mr. Chairman, I thank the member for his kind words about the contribution Canada made at the Buenos Aires talks on the free trade area of the Americas.

The way in which the Americans are using their dumping laws is absolutely abusive. I said it last week on softwood lumber and I said it before on steel. Americans use the dumping elements of their trade laws in a very punitive and reprehensible manner.

We do not have two or three allies at the WTO. I had the honour to chair the working group on implementation in Seattle. That gave me the opportunity to meet with delegations from differing countries and 135 of them mentioned that the United States dumping rules should be on the table to be negotiated. We cannot have another round of trade negotiations without it because since Seattle many countries have also developed bad dumping practices and are applying them against the United States.

It would give us an opportunity to look at what everyone else is doing on that front. We do not wish to single out one country but wish to look at those countries that have now developed these abusive practices. We must put some order into it. I thank the member for giving me the opportunity to say that this too is an important objective for Canada.

*Government Orders*

• (1545)

**Mr. Dick Proctor (Palliser, NDP):** Mr. Chairman, it is clear from the minister's words and actions that he is very optimistic as he heads to Qatar this week. Here is what he is up against.

The agriculture commissioner for the European Union, Franz Fischler, said recently that references to phasing out agricultural export subsidies in the World Trade Organization draft agenda were unacceptable. He went on to say that the union could not accept such a pre-negotiation of an outcome which was unacceptable to the union.

We are working with the Cairns Group and others but between the Americans and Europeans there are difficult problems to resolve. How does the minister intend to do that?

**Hon. Pierre Pettigrew:** Mr. Chairman, what is imperative is that we engage in making structural changes to our agricultural trade. We will find the words. Europeans cannot accept when we say we need to negotiate a total elimination of export subsidies by a certain date. When they see the words total elimination, they say it is pre-negotiating and it should be part of the negotiations.

In Doha we must look at finding the words that commit the WTO to a substantial agricultural trade reform without necessarily pre-negotiating the results. We need words that reflect our objective of substantial changes in the way we trade agricultural products in the world.

**Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance):** Mr. Chairman, the minister recently tied my comments regarding Indonesian plywood to our support for the United States. I hope the minister understands that domestically I have a very different stance than I do globally and that there is no intent to ever tie those two things together. I resent the inference.

However I have made some observations over a short period of time that we are always in a position to be reactive and not proactive whether it be on softwood lumber or agriculture.

Why do we wait for a crisis situation before we move forward? The WTO issue should be easier to resolve than it has been so far. Canada needs to take a stronger stand because this is a domestic situation. We are not talking about the global terrorism situation which I support without any reservation.

However, when it comes to what happens to Canadians in terms of agriculture or softwood lumber issues, we need to take a much stronger stand. Would the minister tell me today if that is exactly what will be done?

**Hon. Pierre Pettigrew:** Yes, Mr. Chairman, and I will have the opportunity to do that tomorrow when I have lunch with Marc Racicot who has been appointed co-ordinator of that file by President Bush of the United States. I will give him an earful on the subject of how we feel about the softwood lumber issue and any other issue.

[*Translation*]

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Chairman, I have two short questions for the minister. First, culture or cultural products be on the list of topics considered? We had heard that they would not.

Second, it was clear during the preparations for Seattle that it would be extremely difficult to reach agreement on anything, including the agenda. How did preparations for Doha go?

• (1550)

**Hon. Pierre Pettigrew:** Mr. Speaker, I can tell the member for Mercier that I have been impressed at how much better things have gone this time than before the Seattle meeting.

This time we have seen serious progress in the parallel negotiations which have been taking place over the past two years. There have been two mini ministerial meetings in the past two months. On September 1, some 20 ministers, representing a good cross-section of opinions throughout the world, met in Mexico and the second meeting took place in Singapore in mid-October.

We will be working from a text prepared for Stuart Harbinson of Hong Kong, who is currently the chairman of the general and council. We will negotiate on the basis of a 45 paragraph text, we have already spent two weekends trying to narrow the gap between the sometimes divergent situations of certain countries.

I am optimistic in that we have worked much better than last time, but there is still a great deal of work to do before we can count on any positive result in this regard.

As for culture, our commitment is very clear: we will maintain the margin of manoeuvre of our government and of other governments, such as that of Quebec, which are doing vital work in the area of culture, to ensure that we hear from other points of view, other sensibilities.

As I said, I naturally want to hear our point of view on our own culture, but also that of other cultures in the world, which have so much to give us.

[*English*]

**Mr. Deepak Obhrai (Calgary East, Canadian Alliance):** Mr. Chairman, it was illuminating to listen to the Minister for International Trade articulate his position on the forthcoming meeting in Doha. The minister worked very hard on the international trade file. We could see that the minister and his team had their chests puffed up this afternoon during question period. It is time to release some of that air and discuss the issues.

I was with the minister at the talks in Seattle in 1999. I was aware of many of the factors that led to the collapse of those talks. My colleague from Vancouver Island North and I will be with the minister in Doha as well. I would like to address the issues and what the Canadian Alliance believes should happen in Doha.

The key issue before the World Trade Organization is whether the fourth WTO ministerial conference in Doha will launch a new broad round of multilateral trade negotiations. The official opposition believes that the launch of a new round of negotiations is in the best economic and development interests of Canada and the world.

*Government Orders*

The launch of a new round at Doha is of even greater importance given the potential negative impact of an already slow global economy. A new round is the best way to encourage broad based economic growth and poverty reduction in developing countries while dealing effectively with the concerns that many developing countries have with the current WTO rules and procedures.

Many developing countries are concerned about the implementation of the Uruguay round and others are calling for the launch of a narrow round. The official opposition is strongly pressing the government for a satisfactory launch of a new broad round at Doha.

If the Doha round of talks fails then there would be more bilateral trade agreements as nations would try to take advantage of globalization. The failure of a multilateral round would create a bilateral round which in the long term would not be in the interests of Canada or any developing country.

Canada and the world would benefit from the launch of a new broad round of world trade negotiations. Employment and living standards depend more than ever on how well countries perform in the global market. Canadian exports now account for close to 46% of the nation's gross domestic product making trade liberalization essential for our quality of life.

However Canada and the world need a strong, rules based multilateral trading system provided by the WTO that guarantees access to foreign markets and provides a predictable and transparent international trading environment if we are to gain the most from international trade.

The launch of a new broad round must include agriculture, services and industrial goods, as well as intellectual property, investment and a competition policy. Canadian agriculture can benefit greatly from access to global markets. An end to the discrimination against agricultural trade should be a key priority of the government in the new round.

The trade minister spoke about this and many of my colleagues on the other side of the House expressed concern about the agricultural round in Doha. The government must commit to liberalize agricultural market access, domestic support and export competition including, most important, the elimination of all forms of export subsidies.

The Canadian services sector can benefit greatly from access to global markets. The government must push for improved market access for our exports in areas such as telecommunications, finance and professional services. Negotiations must include industrial products where there are still substantial barriers in key markets for Canadian products.

The government must ensure that intellectual property negotiations carefully balance various interests. It must recognize that some issues such as access to medicines to respond to complex humanitarian crises such as the AIDS situation in Africa obligate us to address these moral questions at Doha.

The government must press for negotiations on the issues of investment and competition policy to ensure preservation of Canada's existing foreign investment screening processes and domestic policies.

Expanding trade liberalization and ensuring market access to developed Canadian and world markets is crucial for our development efforts. Open economies accompanied by domestic reforms are conducive to growth. Overall economic growth is a necessary condition for raising the living standards of the poor in developing countries.

The portion of the world population living in poverty is on a decline despite a strong population growth in the developing world. The poorest countries now account for less than 8% of the world's population compared with 45% in 1970. The developing countries that embraced globalization in the 1990s saw annual per capita growth rates of 5% annually compared with 2% for rich countries.

Various studies have pointed out that globalization, international trade and access to world trade markets by countries that have embraced liberal policies has raised the living standards of those countries.

● (1555)

There is no question that despite what our NDP colleagues and many of the NGOs have been saying, the fact remains that it has now been proven that globalization has raised the standard of living of many of the poor in this world. What is interesting is that over two-thirds of the countries in the WTO are developing nations. They voluntarily joined the WTO. Nobody pushed them into joining the WTO. They did so because they recognized that liberal trade policies were necessary to raise the living standards of their citizens. This is one of the important facts.

I was at the Shanghai APEC conference and I listened to members from various countries one after the other say that this was the route they wanted to follow. These countries are choosing this route, yet NGOs from developed countries with their partners in the NDP are nitpicking on small issues trying to create a broader context of the situation and saying that globalization is anti development.

Globalization is not anti development. A rules based trade system is required so that smaller economies, the same economies that the NGOs want to protect, have a rules based system in which they can put their case forward against larger economies so they do not use their muscle to take over markets. This afternoon we heard what happened with the softwood lumber issue. The U.S.A. is trying to use its muscle to push around a smaller country like ours. What is our recourse? We heard that we push the U.S. This is a rules based trading system and the U.S. and Canada both have obligations.

It is crucial that we have a rules based system. It is absolutely crucial that the WTO round in Doha be a success. If it is not a success, as I said in my speech, countries will not stand still because they are under pressure from their citizens to improve their living standards. Very soon we will have bilateral trade agreements floating all over the place and this will not help anybody.

*Government Orders*

In conclusion, it is absolutely imperative that this round in Doha be successful. We understand the labour and environmental standards and the concerns that many have raised on these issues, but we feel there are bodies that can address these issues. We support the government's position in having the ILO and the UNEP be included in the WTO talks so that there is a broader picture and they can effectively address their concerns.

• (1600)

[Translation]

**Mrs. Marlene Jennings (Parliamentary Secretary to the Minister of International Cooperation, Lib.):** Mr. Chairman, I greatly appreciated the comments and the speech by our colleague from the Canadian Alliance, particularly his point that globalization is not an obstacle to the development of developing countries, particularly when one looks at relative factors such as people's living conditions and the reduction of poverty.

In this connection, it is the developing countries themselves that have asked to be admitted to the WTO. Because the negotiations in fact address issues of sustainable development in this category of countries, I would like to know whether the hon. member sees the role of Canada as follows: first, a defender of international trade and, second, as a defender of the role to be played by the developing countries, so that they may participate fully and completely as members, ensuring that this is supported by regulations and legislation, and helping these countries to integrate within a framework that is termed "rules based".

[English]

**Mr. Deepak Ohrai:** Mr. Chairman, the member raised some very good points.

As I said in my speech, I was at the WTO talks in Seattle. We could see the resistance coming from the developing countries because at that time they had not fully integrated into the global market. They form the majority in the WTO and as such they are very important players. It is absolutely crucial that all these countries are able to join the WTO and have equal access.

I was in Brussels for the least developed countries conference. I listened to most of them and they wanted access. On giving aid, my colleague across the way is the parliamentary secretary to the minister responsible for CIDA. One of the things I have been advocating about CIDA, is that giving them money is not going to be the issue. Give them access to the market so they can move ahead. Having market access will enable them to spread wealth more evenly among their populace which will bring up the living standard of the population.

I agree it is critically important that we do not ignore that aspect. Ignoring it is what cost us at WTO in Seattle. We cannot afford to do that in Doha. So yes, that is one of the key elements.

It is important for us to protect Canadian interests as well. We are going to open up and we need a rules based system where Canadian companies and others have equal market access to other economies of the world. It is on both sides.

• (1605)

**Mrs. Marlene Jennings:** Mr. Chairman, the member from the Alliance mentioned CIDA and that it is not just a question of giving

money. I am sure he understands that part of CIDA's vocation is not just about giving money; it is about assisting developing countries to actually develop and build their infrastructure so that they can take part in the global economy or have better access to the global economy so that they can take part in a rules based system.

I will use the example of a country which is a member of the WTO and feels that the rules and regulations are being violated by a developed country. It may not have the resources, and when I say resources I am not just talking about financial resources, I am also talking about specialized knowledge, that kind of capacity, to take the developed country, the industrialized country, before the tribunal. Part of what CIDA does is it helps countries build their own infrastructure.

I believe that Canada does have a role. Part of that role is to assist developing countries that wish to take part in the global economy, that which are members of WTO, to have the infrastructure and the capacity to exercise their full rights, not just in the liberalization of markets but also when they feel that their rights have been violated, to have the capacity to work within the rules and make those challenges if necessary.

Does the member see that as being important?

**Mr. Deepak Ohrai:** Mr. Chairman, while I share the member's concern, I would slightly differ from that point of view.

I grew up in Africa before I came to Canada. I have seen CIDA pour assistance money in there with good intentions at times, but I have seen that it has taken them nowhere. Right now we need this capacity building we are talking about, which CIDA is giving and what the member is alluding to, so that these people can be part of the global economy and can actively take part in dispute resolution. My problem is this is just a stop-gap measure right now.

Where we really need to spend our time is with the WTO. The dispute settlement mechanism must be made easier and simpler so that we do not need so much money in infrastructure to go over there. If we make it simpler and easier and these countries can sustain it for a longer period of time, they will be able to take it.

The focus should change to put pressure on WTO so that dispute resolution is a simpler system. The aim is the same, that they can access the same thing, but our giving and trying to build that thing in the longer term will be less effective than reforming the WTO dispute settlement mechanism.

**Mrs. Marlene Jennings:** Mr. Chairman, there is no contradiction in what I have said and what my dear colleague on the other side has said.

I believe that Canadians are also in agreement that Canada does have a role in assisting developing countries through CIDA in order to help them build their capacities. This does not preclude the WTO developing a rules based system which is more easily accessible to these countries.

*Government Orders*

The hon. member knows as well as I do that the overwhelming majority of the poorest countries simply do not have the capacity to take part in the global economy. The hon. member himself made note of the fact that poverty has been reduced. I do not believe that one needs to bash CIDA in order to support free trade and the globalization of the marketplace through the WTO.

• (1610)

**Mr. Deepak Obhrai:** Mr. Chairman, this is not bashing CIDA. This is trying to look for lasting solutions and not the stop-gap measures that CIDA usually applies.

In answer to the hon. member's question, we still have the same goal that they will be able to access us but I feel that the WTO needs to be reformed so that these people do not have to rely on CIDA money to create their infrastructure but can rely upon their own resources. Until such time that they have their own resources I do not see why we would agree with capacity building.

[*Translation*]

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Chairman, I am pleased to have my chance to speak in this take note debate. The Bloc Quebecois also has great hopes for this new start, at last we hope, on a new round of WTO negotiations.

From November 9 to 13, as hon. members are no doubt aware, 142 countries are planning to meet at Doha, Qatar, in an attempt to resume the negotiations that, hon. members will recall, were unsuccessful in Seattle. The representatives of these countries, including China for the first time, which will be an event in itself, will be trying to reach agreement on an agenda.

The Bloc Quebecois is pleased at this starting step, because it too believes that globalization may help development in the developing countries and in others as well. We know the WTO has helped create what is now known as globalization.

I said may help because on its own, with no other development assistance, it is very unlikely that globalization alone is going to make it possible to restore a degree of equity between haves and have nots. This is true in our own country and even more so in the developing countries of the world.

Since its inception in 1948 under another name, the World Trade Organization has had to face numerous challenges. It must be pointed out, however, that its accomplishments as far as the developing countries are concerned have been far from sufficient.

My colleague from the Canadian Alliance repeatedly insisted earlier on the fact that opening up borders would provide developing countries with access to wealth. I answered that this was something that would have to be measured because open borders are essential, but they do not guarantee a distribution of wealth. It is nonetheless important that globalization continue.

Recently the secretary general of the WTO stated that he was concerned that negotiations had not resumed since Seattle, because he feared that regional negotiations would play against the interests of developing countries. This is a fear that we in the Bloc Quebecois share with respect to the free trade area of the Americas, for example.

When countries from the southern hemisphere desperately want access to the U.S. first, then to Canada, they are prepared to bargain away their interests, particularly with respect to investments. As a result, the only forum where multilateral negotiations can result in improved negotiations between countries from the southern hemisphere, the east, and the wealthy northern countries, is at the World Trade Organization.

For this reason, we are pleased that this meeting is taking place so that it will lead to renewed negotiations.

However everyone agrees that these negotiations cannot be held in any old manner. People realize, depending on which region they come from in the country, that borders need opening up, and in Quebec we are particularly interested in access to other markets, which implies that we also open ours.

• (1615)

We know, however, that these negotiations cannot take place in just any way, under just any conditions, without running the risk of heavily penalizing workers in Quebec, Canada or other countries. This is the source of the need for transparency during negotiations and before them as well.

The minister is congratulating himself on consulting the provinces and being in contact with social agencies and various NGOs. However, if borders are to be further opened up, the public and governments must first be prepared to ensure that those who might lose out would have compensation and other job and development opportunities elsewhere so that efforts to treat some fairly would not mean unfair treatment for others.

Transparency is necessary in a number of regards. We kept saying that parliamentarians had to take part. We want an organization of parliamentarians that can question the WTO like other organizations. This is important, but this transparency must extend as well to peoples, if the efforts undertaken are truly serious.

There must be formal consultations with the provinces. It is one thing to call each of them up or say "Okay, someone will come from the province to Qatar and be in another room", but it is another thing to really have a voice in the matter.

When the Minister of International Trade said "We want to be at the table", I say, "We in Quebec want to be at the table". This may not happen immediately, but we want to be there, just as he wants to be there to defend his interests. Therefore, there has to be a formal consultation process with the provinces.

We should remember that Belgium, in areas of jurisdiction of its Walloon and Flemish communities, allows them to negotiate abroad and leaves the field open for them in international relations. Canada could follow its example.

*Government Orders*

Since time is flying, one question in particular must be raised at the Doha meeting, and subsequently, and that of course is intellectual property with respect to access to drugs for developing countries. On the one hand, intellectual property must be protected because we know that developing new drugs is a very expensive proposition. Naturally, pharmaceutical research companies want patents to protect their research and the products they discover. However, in the case of AIDS for instance, it is completely unacceptable that developing countries are denied access, with a price that is acceptable to them, that they can pay so that their populations have access to drugs. We know that the World Health Organization, to name names, has already made a proposal in this regard.

• (1620)

Other proposals are possible to ensure that a balance is struck between the two principles: the need to maintain sufficient funding for research and the need for developing countries to have access to new drugs.

[English]

**Mr. Dick Proctor (Palliser, NDP):** Mr. Chairman, it is a pleasure to take part in the debate leading up to the negotiations of the WTO.

I listened carefully to all the speeches, particularly to that of the Minister for International Trade. He made the point, fairly emphatically, I thought, that the WTO has been useful in resolving bilateral disputes, disputes such as softwood lumber, one presumes, and changes to the Canadian Wheat Board, disputes that we have with our American neighbours. They have been ongoing disputes for many years.

I would say at the outset that I think there is a fundamental difference in the reaction of our country versus the United States vis-à-vis rulings on trade. For example, if there is a ruling that seems to go against Canada, we tend to comply fairly quickly and change our rules. Whereas it seems to me, and more important, I think, to a lot of Canadians, that when rulings go in the other direction the Americans, the big guys, tend to simply ignore those decisions and continue without making any significant changes.

Parenthetically, I would also observe that I do not think we as a country are very aggressive in challenging those rulings. As I say that I recognize that in the trade agreements between our countries, especially in agricultural products, a lot more of our produce is going to the American market than there is American produce coming this way. There may be a downside to that, but I often think we are far too cautious when it comes to not challenging decisions made by our neighbour to the south and indeed by other countries with which we are involved when there are inconsistencies and when there is material action being taken that is demonstrably unfair and against the rules, so to speak.

I wish to touch on the two areas of the softwood lumber dispute and then turn to agriculture in the few minutes I have available in this take note debate. I think it is fair to say that the dispute over softwood lumber exports to the U.S. threatens to undermine and disrupt Canada's largest single source of export earnings and our largest source of employment. In fact, the lumber trade between Canada and the U.S. constitutes the largest single item of trade between any two countries in the world.

Ten thousand woodworkers, and today in question period we heard 12,000 and maybe 15,000, now have been laid off at least temporarily as a result of the 19.3% duty imposed by the United States in August. There is now an additional 12.3% in dumping that has been added to that.

The ability of the American lumber coalition to harass Canadian exporters and hold to ransom our company workers, governments and communities indicates one of the major weaknesses in the North American Free Trade Agreement.

Again, I have listened about how the WTO has helped resolve bilateral disputes. We have a dandy one going on here. The U.S. has retained the right to unilaterally protect companies that lose market share to Canadian producers, as long as those American producers cry subsidy loudly enough in the hearing range of a large enough group of congressional representatives.

We are concerned about the exports of Canadian raw logs. We want to see more value added in this country and that is not what we are getting. We continue to be the hewers of wood and drawers of water in not doing that value added which would mean so much to our economy and would probably help stabilize our declining dollar.

Let me now turn to the agricultural issue. As Canadians know and as the Chair knows, we have been bedevilled over the last several years by what has happened to our farm economy. After the GATT Uruguay round there was a bit of an agreement on farm issues for the first time ever in GATT, which was not formalized as such.

• (1625)

When Canadian officials returned from the GATT they said they would eliminate, not phase out, the Crow benefit immediately, and a number of other areas similarly. As a result of the changes, over the past five years our farmers in certain sectors, especially the grains and oilseeds sector, have been tremendously hurt.

The government has taken the position that our pockets are not as deep as the Americans or the Europeans so we have reduced our support payments to Canadian farmers dramatically in contrast to the European Union and the United States in particular.

In the wake of the terrorist attacks in Washington, D.C. and in New York City on September 11, we are hearing stories that the Americans are concerned about food security being included in that. Last month the house of representatives overwhelmingly approved a major expansion of federal farm supports of some \$170 billion over the next 10 years.

The parliamentary secretary to the minister of agriculture has just said that it has not gone through yet. We are aware of that and know this is just a proposal on the floor but we also know it was many times larger than what was originally proposed on the books in the house of representatives. Yes, it is not law but it is of concern. This is an additional \$170 billion over what the farmers in that country are already receiving.



*Government Orders*

The headline in the October issue of the *Economist* read “Just plant dollars”. It was referring to what it called the loonie solution that the Americans are into. The subtitle read “They grow without the farmer having to do anything”. To put it another way, they farm the mailbox just waiting for the cheque to come in.

These are the concerns that our farmers and our workers in the wood industry and in many other sectors are concerned about.

Yes, we realize we are a very small partner in the North American Free Trade Agreement but it seems to us that there is this notion, as Bruce Johnstone put it in the Regina *Leader-Post* on Saturday:

—“Blame Canada for everything from low grain prices to the bankruptcy of U.S. forestry companies.

Johnstone went on to say that the reality is that recurring trade actions like the softwood lumber dispute or the recent challenge of the wheat board are just a smokescreen for domestic political wrangling and lobbying by powerful industry groups.

I will conclude by pointing out that there are some significant differences on lumber in that 94% of our timberlands are publicly owned as compared to 42% in the United States.

The Canadian Wheat Board has gone before a tribunal now and Canada has won nine consecutive times. I guess we are now going for the tenth. All I point out is that one of these times we are going to lose on a technicality or something else and then we need to be terribly concerned about the wheat board and its future as well as the other support payments that we need to have for our farmers, especially in western Canada.

• (1630)

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Chairman, I have a couple of questions for the member for Palliser. In his remarks he alluded to the fact that the results of previous negotiations have not shown through in terms of the U.S. and the Europeans levelling the playing field as they were supposed to under negotiations.

He said that a member of the government said earlier that our pockets were not as deep as the Europeans. If that comment was made, could the member tell us who made it? This is not a poor country from my point of view.

If members in this Chamber are saying that our government does not have pockets as deep as the Europeans and the Americans then they are sending a message to our opponents that they can just wait us out.

Does the member know what the consequences would be of taking the position that our pockets are not deep enough? What becomes of our farmers in the meantime if that is the case?

**Mr. Dick Proctor:** Mr. Chairman, it was said in the House earlier today by the minister responsible for international trade, and it is a phrase I have heard repeatedly from our own minister of agriculture, that our pockets are not as deep as the Americans or the Europeans.

It is unfortunate and I am glad the member raised it because there is a certain mindset if we accept the logic of that. I could not agree with the member more. We are a rich country. We are not lacking in resources. What we often seem to be lacking is the political will to make sure we are representing our farmers, workers and companies to the very best of our abilities.

I would go one step further. It links back to an earlier question and answer exchange with the member for Brandon—Souris and the minister responsible for international trade. Even if we have an agreement next week at Qatar, it would be five or seven years before it would be implemented.

The member also wanted to know whether our farmers could withstand another five or seven years of low payments while the other countries that were heavily subsidizing their farmers were phasing them out.

I would suggest to the member for Malpeque and the other members in the House that at that point Canada will have to step back into the picture and increase support payments to our farmers to the level that farmers in other countries are receiving. Everyone could then come down together on their subsidies and support levels.

I do not think our farmers can stand another five to seven years of low payments as a result of the high subsidies being offered in other jurisdictions.

• (1635)

**Mr. Larry McCormick (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.):** Mr. Chairman, my colleague is an excellent, hardworking member who makes a great contribution to our Standing Committee on Agriculture and Agri-Food.

I am sure we would all agree that we should look for all resources possible to provide any help we can to our producers. Food is a commodity that many of us are interested in.

Does my colleague believe that these funds should just continue to go out with ad hoc payments or would he have some points to share with us as to how we might direct these funds to the great farmers and producers across the country?

**Mr. Dick Proctor:** Mr. Chairman, I thank the parliamentary secretary for his question and his kind words. What he is asking is how we should pay our farmers. There have been a couple of programs, for example the AIDA program which did not seem to work very well. The Canadian farm income program, which is now underway, may be slightly better received than the AIDA program.

A farmer from my community was in my Regina office last Friday. He was beside himself because of his inability to extract anything out of the system that could help him and keep him and his elderly father on the farm that his dad started many years ago.

I do not know what the answer is. I know that in the United States it appears as if the big corporations receive the vast amount of the money that goes out. In Canada farmers are frustrated. They feel the system is heavily administrative because cheques are not being sent out to every farmer. It is on the basis of need. The government devised that system because, as it says, it comports to Canada's international trading obligations and arrangements.

*Government Orders*

I do not have the answer to the member's question per se. However I do know that the safety net agreements are up for review this year and it is extremely important that we try to get this right. It seems to me that crop insurance is not working as well as it should be. There are certain farm groups and younger farmers who are not benefiting from the NISA account. The CFIP and AIDA programs do not seem to be entirely satisfactory. We do need to have a complete review of safety nets. We need to have good input from the farm community itself on how best to develop these programs for the future.

**Mr. Gary Lunn (Saanich—Gulf Islands, PC/DR):** Mr. Chairman, the WTO meetings in Doha illustrate two completely different world views. One believes in protectionism, isolationism and eliminating opportunity in the name of equality. In short, it is the politics of envy.

We witnessed these forces at the WTO talks in Seattle in 2000 and again at the summit of the Americas in Quebec City in April of this year.

During the Seattle negotiations, I remember a news broadcast of one Belgian diplomat bravely trying to get through the protesters to the meetings inside the convention. He made a passionate plea stating that he supported the right of protesters to make their voices heard but that he too deserved the right to speak. They would not let him pass. Rioters in both cities destroyed property and intimidated conference attendees. These are not voices of democracy and freedom.

Opponents of the WTO talks principally fall into two philosophical camps: Marxism and protectionism.

There was a time when protectionism was a popular economic model. Some have argued that protectionism was at its peak in 1828 when the United States signed the so-called tariff of abominations. Marxism has its roots in the writings of Karl Marx and Friedrich Engels. Marx and Engels wrote the communist manifesto in 1848.

It is worth noting that during those times children worked in coal mines. Those too poor were locked up in so-called work houses and forced to live in horrific conditions. Women routinely sold their bodies on the street to make ends meet.

It is time to leave these outdated concepts where they belong, in the 19th century.

Fortunately there is another world view which recognizes that world peace and stability are furthered by trade between nations and that all peoples from all nations benefit from well constructed, mutually beneficial agreements on trade. Free trade has always assisted Canada.

In the decade since the Canada-U.S. Free Trade Agreement went into force, trade has increased by more than 150%, from \$235 billion in 1989 to \$626 billion today.

A successful free trade agreement of the Americas will show similar successes 10 years from now with the participation of 34 countries.

The potential for free trade with the WTO dwarfs both these agreements. One hundred and forty-two nations are involved in negotiations in Doha. The risks are greater but so are the rewards.

Let us consider the following. In 2000 the value of exports of goods and services equalled 46% of Canada's GDP. One in three jobs in Canada depends directly on trade. Currently Canada ranks sixth in the world in terms of world merchandise exports, exporting \$276 billion every year. We are also sixth in merchandise imports, importing \$244 billion. The free flow of goods is vital to our economy.

Nations that trade with one another historically avoid conflict. War is a costly affair and, for purely self-interested reasons, nations will avoid it in favour of strong trade relations.

The history of Europe is a bloody one. In the first half of the 20th century alone, Europe fought two world wars and tens of millions of people were killed. In contrast, since the formation of the European common market, later to become the European Union, no member nations have warred with one another in over 50 years and a lasting peace seems more likely than ever.

It is time to build a better world for the 21st century and in this task free trade will be key. The WTO process is a necessary part of trade liberalization. We spurn it at our peril.

Nothing permanent is likely to be decided in Doha on November 9 to 13. However we cannot overstate the importance of this meeting. It is in Doha that the framework for a more intense round of trade negotiations will be laid down. It is therefore important that Canadians have a strong voice representing their interests at the meeting. Canada must express a strong support for free trade. As I mentioned earlier, free trade is both a stabilizing influence for world peace and a long term boon to our economy.

Canada must press hard for standard competition and investment rules. These were issues which were brought forward at the failed multilateral agreement on investment which still need resolution.

Canadian support for the removal of tariffs and anti-dumping protectionism measures is vital. The United States has historically opposed these measures. As America's closest ally, we can play a key role in convincing America that these remnants of 19th century protectionism are sentiments. However we must recognize that this works both ways and we must be willing to accept that poorer nations will also gain access to our markets.

*Government Orders*

•(1640)

We must fight hard for fair environmental and employment standards clauses. We must also remember not to be greedy. Free trade must benefit all or it ceases to be free trade. We must raise concerns about environmental and labour standards being on the agenda when negotiations start in earnest. Just as the world's nations profit from global trade, we also benefit from a healthier environment at home and abroad. We also win when all workers around the world are treated with dignity and respect and can reasonably expect to earn an honest wage that will enable them to provide for themselves and their families in the new world economy.

Environmental, labour and health standards are all a working part of NAFTA. Exemptions modelled after NAFTA at the WTO level would serve us all well. It will be argued by some on the political left that free trade is nothing more than a way for the west to exploit the third world's resources. This is false. According to the Tinbergen Institute, the potential benefits of a new round of trade negotiations to the third world are three times what is received each year in overseas aid. Trade helps developing nations develop. It is, after all, how the west itself developed.

We must stress openness and transparency throughout this meeting and all future meetings like it. We cannot allow the secrecy that surrounded the MAI to engulf the WTO meetings. Shared information is our best weapon against the forces of fear.

The more information that is available on free trade the less sense that is made by the arguments from angry free trade activists. The withholding of information serves only to fuel the fire of the radical anti-free trade groups such as Maude Barlow's Council of Canadians. For example, the Council of Canadians claimed that NAFTA had failed us when the government was forced to pay Ethyl Corp. damages for trying to prohibit the importation of the MMT additive to gasoline. It claimed that NAFTA did not protect environmental standards in Canada.

In truth, the only reason MMT was allowed to be imported to Canada is that it had never been banned for domestic use. If the Canadian government had tested MMT and found it to be harmful either to the environment or to Canadians it never would have been permitted. Because of the Liberal government's failure to share the workings of NAFTA with the Canadian people, Canadians felt that their treaty had failed them. In fact, it was our government that failed us.

We cannot allow this lack of transparency to occur in Doha, nor at conferences to follow. Canadians must be kept apprised and parliament consulted throughout the long journey towards an open debate.

Some people might claim that the risks will outweigh the gains in Doha. Some would argue that we are better off as we are. To prove otherwise we need look no further than the softwood lumber crisis which tomorrow night will be the subject of a second emergency debate in a month.

One of the items up for discussion in Doha will be the anti-dumping and domestic subsidy rules. There is an earnest movement afoot in global trade to eliminate anti-dumping tariffs. Anti-dumping is used by some countries to prop up and protect weak industries.

Ironically these so-called protections serve to drive up the price of the very domestic goods they are trying to insulate. This hurts consumers at home and unfairly penalizes producers abroad.

The United States has charged four times since 1982 that Canada has been subsidizing its softwood lumber industry. The most recent charge is still ongoing. The previous three times the claim was made Canada was proved innocent. This time we are likely to be vindicated again. However, every time this happens the duties charged while the situation is resolved do irreparable harm to the Canadian forest industry. As a result of the current countervail and anti-dumping duties, it is estimated that 50,000 Canadians will lose their jobs by the end of the year.

What is urgently needed is a global agreement to prevent this type of strong arm tactic. Doha is an opportunity to bring these concerns to the table.

In summary, let me mention my final point. People claim that the WTO only benefits the wealthy, that only big corporations win. My hon. colleagues in the NDP will be sending out this message of doom and gloom, hoping to scare Canadians back to the 19th century. I suggest that they tell that to the thousands of unemployed forest workers in Canada, workers who are out of work chiefly because of protectionist trade policies and who are victims of corporate interests that continue to use outdated domestic legislation to prevent the free flow of goods across our borders. These people do not want handouts; they want their jobs back.

Let us offer a positive change. Let us not be swayed by the politics of fear and envy. We must proceed on trade liberalization. We must do so in an open and transparent manner so that our message cannot be wrongfully subverted. Our efforts must be based on the principles that have made the west great: inclusion, equal opportunity, compassion for the less fortunate and free flow of goods between peoples.

Doha will set the standard for future negotiations. Canada has the opportunity to be a leading light in furthering the cause of international trade. Let us take on the new century.

•(1645)

**Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP):** Mr. Chairman, I am pleased to rise in this very important debate to pose a question to the member from the Alliance—Conservative coalition, and I am not sure of its proper name these days, who presented a very interesting position.

We have just heard the member suggest that nothing should get in the way of trade liberalization. He chastised the New Democratic Party for standing up in the House time and time again trying to seek from the government and all members of the House a much more balanced approach that would put the needs of Canadians first and respect their interests in being a sovereign state. For the members to my right, it would seem in many ways that trade liberalization is a euphemism for support for the multinational corporate sector.

*Government Orders*

I would like to ask the member specifically about concerns raised with regard to health care and access to pharmaceuticals.

The member knows that a lively debate was held in the House recently over patent law and the issue of ensuring that cheaper generic versions of Cipro were available to Canadians in times of crisis and in view of the terrorist threat these days. I would like to know from the member how his coalition feels about drugs being denied to people in third world countries, in developing nations, in the face of such serious threats as HIV and AIDS when the government and presumably his party are supportive of multinational control over this whole area and of denial of access to cheaper generic drugs. How does he square the needs of people in those countries in very serious situations with this blinkered, adamant trade liberalization approach that does not put the needs of people first?

• (1650)

**Mr. Gary Lunn:** Mr. Chairman, quite clearly we are on opposite sides of the spectrum. The NDP is anti-free trade and has expressed that view all along. On every single free trade agreement and on the FTAA they are protesting this.

How do we get health care? How do we get access to drugs? We do it through a strong economy. Without jobs and a strong economy, we would not have a public health care system and we would not have access to drugs.

The reality is that since we have had free trade agreements, our economies with our trading partners, as in NAFTA, have more than doubled since their inception. NAFTA has created more wealth in this country and abroad. It has created more opportunities and has created an opportunity for us to have our social programs.

We should not deny this to developing nations. We should give them every opportunity by entering into trade agreements so that they too can have access to these kinds of programs, so that they too can have stronger economies and access to public health care. That is how we will achieve these goals.

**Mr. Loyola Hearn (St. John's West, PC/DR):** Mr. Chairman, as a follow up to the previous question, I wonder if my colleague would comment on the fact that many of the world's nations that are not as well off as we are do need access to drugs. I am thinking of Africa with HIV et cetera. However, how would it be possible to deliver cheap generic drugs to any country or any individual if somebody did not invest in order to develop that drug in the first place? We cannot have our cake and eat it too.

If we take our time, make the effort and use our money to invest in drugs, surely there has to be some protection. If not, no cheap drugs will be available to give to people in need. Hopefully proper controls will make sure these drugs will be reasonably priced and well off countries will help those in need, but surely there has to be protection for the development of the process. If not, we will not have any drugs for anybody. I would like the member's comments on that.

**Mr. Gary Lunn:** Mr. Chairman, obviously I concur. Without these strong economies and without trade agreements there would not have been the investment in the drugs that are available today. Money would not have been available for the research and

development of these drugs, nor would we have all of these programs to create these drugs.

Wealthier nations have many aid programs that help developing nations as their economies become stronger. If we look back to the draconian measures of the 19th century, the standards were much lower than they are today. In every single case where we have had global free trade agreements, the standards have risen. Implementation of social programs has taken place and there has been access to drugs and health care systems. Without free trade we would not have had the opportunity to do that.

**Ms. Judy Wasylycia-Leis:** Mr. Chairman, I would appreciate the member's comments on the whole issue of health care. I would ask him how he can rationalize that argument about giving such lucrative, generous patent protection to multinational companies when their profits are among the highest of any sector in our economy today while denying access to very basic drugs to deal with the serious threat of HIV and AIDS? That is one question.

While the member is on his feet, perhaps he could explain to all members of the House and to the public how on the one hand he can rant and rail about softwood lumber, the issue of which is clearly a result of free trade as we know it today, and in the same breath stand up with self-righteous indignation about free trade and trade liberalization? How can he have it both ways? How does he square that one?

• (1655)

**Mr. Gary Lunn:** Mr. Chairman, 86% of our trade in Canada is with the United States. One in three jobs is a direct result of trade. Free trade is exactly what we are trying to achieve in softwood lumber. We are trying to iron out some of the problems. The new round of talks at the WTO will give us an opportunity to even improve on some of our previous trade agreements, to make them stronger and to deal with some of the anti-dumping situations.

With respect to the drugs issue which the hon. member keeps raising, maybe the NDP would like to plant orchards with money trees and that is how it would fund some of these things. However, the reality is that without a strong economy, without jobs and without a strong tax base, we will not have any of that. On our balance sheet we cannot provide everything, be everything and give everything away without input from the other side. We will do that through stronger free trade agreements and greater free trade. As we have seen in the past, in every single case our economies have flourished under free trade.

*Government Orders*

**Mr. Larry McCormick (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.):** Thank you, Mr. Chairman, for this take note debate and for the opportunity to talk about Canada's participation at the upcoming fourth World Trade Organization ministerial conference in Doha, Qatar and, in particular, the agricultural trade objectives Canada will be setting out to achieve.

Trade has been and continues to be vitally important to the Canadian agriculture and agri-food industry. In fact trade accounts for one half of all farm sales. The Canadian agriculture and agri-food sector operates in a global context and depends heavily on exports for its growth and development. Last year alone Canada exported close to \$23.5 billion in agriculture and agri-food products.

Since the implementation of the Canada-U.S. Free Trade Agreement, the North American Free Trade Agreement, the WTO Uruguay round and bilateral free trade agreements with Chile, Costa Rica and Israel, Canadian agriculture and agri-food exports have been expanding considerably over the past 10 years.

As the global economy becomes even more integrated, the importance of a multilaterally agreed and enforceable framework governing Canada's international trade of agricultural products becomes increasingly more apparent. As a mid-sized country with significant agricultural export interests, Canada has much to gain from further trade reform being undertaken through the WTO within a rules based system with binding dispute resolution.

In recognition of this fact the government, in consultation with Canadian agriculture and agri-food stakeholders, has been working diligently over the past two years to pursue its objectives. Since March 2000, when the current WTO round of agriculture negotiations began in Geneva, Canada has been pursuing the interests of the Canadian agriculture and agri-food industry as expressed in its initial negotiating position announced by the government back in August 1999.

That position sets out Canada's objectives to eliminate export subsidies, to reduce as much as possible or eliminate trade distorting domestic support and improve market access for all agriculture and food products. Essentially, our goal is to level the playing field to allow Canadian farmers and processors to compete successfully on an equal footing with their competitors as they have consistently proven they are more than capable of doing.

Furthermore the federal government will also ensure that decisions about the production and marketing of Canadian products will continue to be made in Canada. Excessive support levels distort production, they drive down world prices that are already low and as a result hurt farmers, farmers in Canada and in a majority of the other agricultural producing countries, in particular developing countries, that export agricultural products.

To advance the goal of levelling the international playing field, Canada has and will continue to reach out to developing country members in the WTO who share this view.

Canada has had great successes in advancing the common goal through participation in the Cairns group which is made up largely of agriculture exporting developing countries. We will continue to build

upon our common interests with other members to achieve a fair and market oriented agricultural trading system.

Although global agricultural trade has been more market oriented over the past 10 years, especially since the conclusion of the WTO Uruguay round negotiations, there continues to be an urgent need for further trade liberalization. We need to continue to make markets work better by dismantling barriers to trade and significantly reducing trade distorting subsidies.

While Canadian farmers can compete head to head with anyone in the world as long as it is on an equal footing, they cannot compete with the treasuries of some of the foreign countries. There is clearly work that remains to be done.

While we are pleased with the progress being made in the current agriculture negotiations, we feel strongly that this progress cannot be lost. We view the increased focus and momentum that the launch of a broader set of multilateral trade negotiations would bring to the agriculture negotiators as being extremely beneficial to the interests of Canada.

Canada believes that the launch of expanded negotiations in Doha would significantly increase the odds of achieving a substantial and far reaching outcome in the agriculture negotiations, an outcome that would take us a long way toward further opening agriculture markets and eliminating distortions in the world trade of agricultural exports. A successful launch of a broader round of negotiations at the fourth WTO ministerial conference would indicate that other WTO members are also serious about agricultural trade reform.

• (1700)

In this context, the launch of a broader set of WTO negotiations in Doha is a clear objective from agricultural and wider perspectives. Agricultural trade reform is a key priority for all Canadians. We consider it extremely important that WTO members make real and meaningful progress toward achieving a fair and market oriented agricultural trading sector. We clearly want to see substantive results in the areas of market access, domestic support and export competition.

As a result, Canada does not view the launch of a broader round as entirely sufficient for meeting our agriculture policy objectives. That is why Canada is also seeking a strong and clear statement at Doha on the need to make real and far-reaching progress in liberalizing agricultural trade.

Further, Canada will also be pursuing the establishment, on the part of the WTO ministers, of clear and realistic timelines and a framework for conducting the agriculture negotiations and bringing them to a conclusion as quickly and as efficiently as possible.

Canada is committed to seeking a successful conclusion to the WTO agriculture negotiations to continue the liberalization of global agricultural trade, which in turn would provide Canadian producers and processors with a more level international playing field and would extend a rules based, predictable and secure trading environment.

*Government Orders*

Seeking a successful conclusion will mean that Canada's participation in negotiations will continue to benefit from the valuable input of all Canadians. The federal government remains fully committed to keeping agriculture and agrifood stakeholders fully informed. We will continue to consult closely with Canadians as the WTO agriculture negotiations progress.

**Mr. Sarkis Assadourian (Brampton Centre, Lib.):** Mr. Chairman, I would like to thank my colleague, the Parliamentary Secretary to the Minister of Agriculture and Agri-Food for his comments.

It came to my attention he mentioned free trade between Canada and Israel. He forgot to mention free trade between Canada and the Palestinian authority. Could he clarify that because I think we signed that treaty with the authority, keeping in mind to help that economy survive and revive?

**Mr. Larry McCormick:** Mr. Chairman, we certainly do have free trade agreements with many countries. I realize that Palestine is very important. I know my colleague has worked a lot with governments in the Middle East, bringing together these trading partners.

As I mentioned, 80% of everything we produce is sent off the shores of this great country, and we do appreciate all of our partners.

• (1705)

[Translation]

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Mr. Chairman, I listened to the remarks made earlier by the parliamentary secretary and the Minister for International Trade. I am concerned about what the parliamentary secretary said because, when the member for Rimouski—Neigette-et-la Mitis asked a question about maintaining the supply management system in the dairy industry, the minister said clearly that the system would be maintained.

Now the member is talking about agricultural trade reform that would be based on liberalization, and it worries me. That is why I want to give him the opportunity to set things straight, if possible, given the position that the Minister for International Trade seemed to favour earlier.

I would remind him that this issue is extremely important to Quebecers. Our province has about 2,200 dairy farms that produce 3 billion litres of milk a year. The supply management system has worked well. If we compare it to the free market system in place in the United States, we can see that the latter causes prices to increase. Some producers are smothered by certain situations. That is when integrators come into play and, ultimately, it is the consumer who pays the price.

I would like to give the member the opportunity to indicate whether he agrees with what the Minister for International Trade said earlier about maintaining the supply management system for dairy producers in Quebec and Canada.

[English]

**Mr. Larry McCormick:** Mr. Chairman, I have not had the opportunity to work with my hon. colleague as much in the last couple of years. We certainly toured Canada a few years ago on the HRDC committee where we had hearings in 26 cities in 35 days in the 10 provinces, 2 territories and the eastern Arctic as it was known at the time.

I appreciate the question because any time I get the opportunity to talk about our government's commitment to supply management, I welcome it. I noted that the Prime Minister spoke in favour of our commitment to supply management. The Minister for International Trade spoke today to the fact that agriculture is number one on the list of where we have to work on the negotiations.

However, to my colleague, supply management is a domestic marketing situation. I live within an hour's drive of the United States. Once or twice a year I travel across the border. Whether I buy or just look at the prices, each time for the last eight I have come back knowing that butter, as an example, costs the consumer less in Canada than it does in the States.

Supply management is working for our producers. I can say that the Minister of Agriculture and Agri-Food has spoken out 100% in favour of protecting our supply management sector. I know we can count on my colleagues in this party, but I am not sure about some of my other colleagues. I would like to hear some of the other parties' commitments.

It is very important that we continue to work for the great agriculture producers of Quebec and across Canada, especially in the supply management sector.

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Chairman, the parliamentary secretary remarked that we expanded to \$23 billion worth of trade and that is true. The government set the target and farmers met it. However, in a brief to the Prime Minister's task force on September 11, the National Farmers Union said:

Over the past 25 years, Canadian agri-food exports have increased six-fold—from \$4 billion in 1975 to approximately \$25 billion today. As Figure 1 demonstrates, however, farmers' net incomes have fallen over the same period. The current farm income crisis comes in spite of Canada's tremendous success in winning market access and finding foreign customers.

The farmers have done their part. They have produced the products and the trade for which the government asked. We know that the U.S. and European Community are basically saying that they will continue to increase their subsidies.

I hope our negotiators are successful, but sometimes I feel they would make better diplomats than negotiators. I hope they prove me wrong this time. However if they are not successful, does the member believe that as a government we now have to send the message to other countries that this government will stand by the farm community and ensure that our levels—

• (1710)

**The Chairman:** The hon. Parliamentary Secretary to the Minister of Agriculture and Agri-Food.

**Mr. Larry McCormick:** Mr. Chairman, I certainly want to applaud every part of the question because it is so very important for our farmers. Perhaps my colleague for Malpeque could have opened it up with the title of challenges and opportunities.

Our farmers have had an unfair amount of challenges, yet I believe there are great opportunities in the future any time we work to eliminate distorted foreign subsidies that exist across the border and the waters.

*Government Orders*

My colleague was president of the National Farmers Union for about 14 years. He has given his life for farmers of this country. He agrees with me that our farmers would like to concentrate on farming and being producers of fine food. Our farmers do not want to farm the mailbox like some of our neighbours.

We have an opportunity. We built up a list of countries, especially developing countries, and I hope the good work of the government will make a difference.

We came along in 1993. I know the previous government meant well, but when it came down to the final moment of decision there were no other countries with us. Canada stood alone and we cannot stand alone. We have to build allies and we are doing that.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ):** Mr. Chairman, I would like more reassurances from the parliamentary secretary, because I clearly remember that, during the election campaign, the party currently in office was opposed to signing the free trade agreement. However, one of the first things it did upon taking office was to sign that agreement.

I fully agree with the hon. member, with whom I have the pleasure of working at the Standing Committee on Fisheries and Oceans. I am very concerned about these negotiations. I am very concerned because we are always losing. Canada took advantage of the fact that it had to make cuts to do away with all farm subsidies.

Meanwhile, the Americans and the European Community are continuing to give subsidies to their farmers, but this government has withdrawn from everything. Our farmers are making demands, and I can understand why.

It is very worrisome to let our negotiators go if they do not intend to hold their ground once and for all.

[*English*]

**Mr. Larry McCormick:** Mr. Chairman, I would ask my very passionate and hardworking colleague to recall that a very short time ago in the House we all heard the Minister for International Trade say that agriculture would be number one in the negotiations at the WTO. I am sure that we will all join together in the House to ensure that will happen.

Of course subsidies are unfair around the world but I would not want my colleague to mislead Canadians by saying that on this side of the House the government has done nothing for our farmers. There is always a need for more but this year Canadian farmers will be at the receiving end of almost \$4 billion. In fact \$3.8 billion will be given to our Canadian farmers. I know there is a need for more and we should work together to provide more for the great people who till the soil and provide food for us all.

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Chairman, it is my pleasure to rise in the debate on the World Trade Organization.

I want to comment on the last presentation that was made. The member should have taken the opportunity to plug his own government in the passage of Bill C-32, the Costa Rican free trade bill. I know that it will bring great benefit to the member from P.E.I. in the expansion of potato trading down to Central America. In that

approach I think the entire House can take credit because I believe that all the pro free trade parties, pro growth parties supported that and it is something for which we should all be proud.

Let me begin by saying few activities are as worthwhile as Canada's participation in the World Trade Organization. Just as most members of the House see the United Nations as having a role in maintaining and promoting world peace, it is certain that the agreements concluded under the framework of the World Trade Organization have helped to promote a stable trading regime and the prosperity which that brings.

Just as it would be unthinkable for Canada not to attend a session of the United Nations General Assembly, it should be inconceivable for us not to attend a WTO ministerial conference. Quite simply, our attendance at the upcoming WTO talks in Doha is vital. It is vital to Canada to defend and promote our interests at the table. It is vital that Canada be present so as to be able to participate and partake in all discussions which may occur.

The NDP and its supporters remain adamantly opposed to the World Trade Organization. The NDP's parliamentary website has a page called "NDP on Trade" and it features the following quote which is attributed to the party leader:

The WTO has been called "the mother of all backroom deals"—the greatest transfer of economic and political power in history...from communities and nation states into the hands of a small number of global corporations.

The same page alleges as fact that:

The WTO and related trade agreements are intended to be an economic constitution for the planet, yet they are written by, and almost entirely for, the world's largest corporations.

At the very same time as the NDP staunchly denounces the World Trade Organization, it calls on the United Nations to solve the world's problems including dealing with the aftermath of the September 11 attacks on the United States.

On September 17 in the first question period after those horrific attacks in New York and Washington, D.C. and the skies over Pennsylvania, the NDP leader rose in question period to say:

The Statute of Rome must be amended to ensure that terrorism is defined as a specific crime against humanity and that terrorists are tried before the International Criminal Court.

She then called upon the Prime Minister to:

—assure the House that Canada will lead the way in fighting terrorism through multilateral democratic institutions such as the International Criminal Court.

Later that same day in her first speech she made in the House after the attacks, the NDP leader said:

This response must be carried out in accordance with the principle of the rule of law...This is a crime against humanity and an international court should mete out the punishment. No country should be called upon to be the judge, the jury and the executioner, least of all the country that has suffered the greatest loss.

The International Court of Justice is composed of 15 judges elected to nine-year terms of office by the United Nations General Assembly and Security Council sitting independently of each other. There are 189 members of the general assembly. Canada currently is not a member of the security council.

*Government Orders*

Our permanent representative at the United Nations is Mr. Paul Heinbecker. I have never met Mr. Heinbecker but I am sure that he is an honourable man. I presume that he represents Canada well and that he follows the instructions given to him by the government.

I must say that Mr. Heinbecker's name is perhaps less well known to most Canadians than that of the Minister of Foreign Affairs, than that of the Minister for International Trade, than that of the Prime Minister, and that of the Minister of Finance. There is a very simple reason for this. Cabinet ministers are directly accountable to parliament. They are elected members of the House. They attend our debates and question period. They testify before standing committees. Even more important, they are responsible for implementing reports of standing committees.

Before Canada sent a ministerial delegation to the last WTO round in Seattle in 1999, the House of Commons Standing Committee on Foreign Affairs and International Trade travelled across Canada hearing from hundreds of witnesses. Various parties made submissions. Then in June 1999 the standing committee tabled both majority and minority reports. Truly every point of view was heard. Those views were reported to the minister and the government. I have every reason to believe that those views influenced the government's position.

Let me put it another way. The government listened to Canadians when devising its position before the Seattle WTO round in 1999. However the government went further. It also invited a whole bunch of non-elected civil society types to go along.

Not only did the Council of Canadians get to address the House of Commons Standing Committee on Foreign Affairs and International Trade at various sessions across Canada and similar sessions held by the Senate committee advising the government, it also sent delegates as part of our government's delegation to Seattle.

• (1715)

The delegates had their say. Their point of view was heard and considered countless times. However, when a majority of Canadians did not agree with their position, they called the WTO anti-democratic and the mother of all backroom deals. I must admit that the NDP's opposition to the WTO baffles me and the official opposition.

At all WTO ministerial rounds, including the 1999 session in Seattle and the current session in Doha, Canada is represented by the minister of trade who, as I said earlier, is an elected member of the House and a member of the cabinet. The minister goes to these ministerial sessions armed with government positions that have been devised through broad, inclusive, nationwide consultations. This process is then described by the NDP and its supporters as "backroom" and "written entirely for the benefit of the world's largest corporations".

Yet the NDP supports the International Court of Justice and the United Nations. I do not know who Canada supported as a nominee in the International Court of Justice or even when that nomination battle was. I do not recall any broad national consultation or report prepared by a standing committee of either the House or the Senate with a view to guiding the government's position.

In fact, even if this had occurred, Canada would have been just one of 189 member countries voting in the process. Yet when one considers that a justice of the court sits for nine years and might influence all kinds of cases, it is conceivable that the election of such individuals might rightly draw some scrutiny.

I have never heard members of the NDP decry the lack of scrutiny of the appointment of judges to the international court. Instead, they will applaud the United Nations and the International Court of Justice as allies in promoting the "principle of the rule of law".

All Canadians believe in the rule of law. All Canadians also want fair, rules based trade. That is precisely what the WTO is all about. It is a forum in which elected Canadian cabinet ministers, after consulting Canadians, get to influence the rules which affect world trade. If every other nation had a similar process, it would be the most democratic setting of rules that is possible to imagine.

Because we are talking about ground rules rather than UN General Assembly resolutions, our participation in setting those rules gets a much higher level of scrutiny than might otherwise be possible. In spite of this, the NDP says:

The WTO operates behind closed doors, and has the power to strike down national laws, and enforce its decisions or impose sanctions.

Presumably then the NDP is opposed to collective bargaining. After all, it usually occurs behind closed doors and once a collective agreement has been agreed to, it does limit the rights of both parties. The employer cannot pay less than the agreed to wage and the employee cannot refuse to work without a valid reason.

Yet most Canadians, including myself, are in favour of collective bargaining, even though it happens behind closed doors. That is because the union and management generally go into these meetings after having consulted with various stakeholders. Collective bargaining may be behind closed doors, but very few people would describe it as anti-democratic in the way that the NDP describes the WTO.

It is shrill that members of the NDP continue to cite the now famous Ethyl Corporation case and yet they fail to point out that Canada's supreme court probably would have reached the same decision. Consider point 13 from the Ethyl Corporation's statement of claim:

The MMT Act does not prohibit the manufacture or use of MMT in Canada, it only requires that all MMT sold in Canadian unleaded gasoline be 100% Canadian. A domestic manufacturer of MMT can manufacture and distribute MMT for use in unleaded gasoline entirely within a province and not violate the MMT Act. If Ethyl wanted to maintain its presence in the Canadian octane enhancement market, it would be required to build a MMT manufacturing, blending and storage facility in each Canadian province.

The left would have us believe that the Ethyl case proves that chapter 11 prevents us from protecting the environment. Not true. If the federal government had outright banned the use of MMT in Canada regardless of where it was made, Ethyl would not have been able to prove the discrimination which was the centre point of winning its case.



*Government Orders*

If anyone is in doubt of this, just read the Ontario Court of Appeal decision in *T1T2 Limited Partnership v Canada*. That case was where the government, acting on an election promise, cancelled a questionable deal in which the Mulroney government had sold Pearson Airport terminals 1 and 2 to a consortium. When the government cancelled the deal, the investor sued for breach of contract and lost profits. The investor won and that is the Canadian way.

For Canadians, the WTO is not an imposition of foreign rules; it is a chance for us to influence the rules by which the world will trade. It will trade. It is a chance for us to export our standards of democracy, political accountability and integrity. It is an opportunity for us to use our considerable legal and technical expertise and not inconsiderable political sway to help deal with complex matters like the definition of subsidy in agriculture.

● (1720)

We owe it to the world to be there and to participate fully and with vigour. Much more important, given the power of trade to boost our standard of living, we owe it to all Canadians to participate and to be there with bells on.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Chairman, I thank the member of the Alliance Party for the speech. I feel we are getting somewhere and making a difference. The Alliance Party devoted the entire 10 minutes allotted to it for this portion of the debate to attacking the NDP.

I take that as a compliment. It means we are making a difference. It means the Alliance Party is feeling threatened by our position and our policies which have always advanced the ideas of justice, equality and human dignity for all.

I suggest to the member that when he critiques the NDP he should understand that we apply those principles to our decisions and policies whether we are talking about the WTO or an appropriate Canadian response to the U.S. led military strikes in Afghanistan.

The member should focus for a minute on the key issues the House is trying to deal with today. First, we are dealing with the notion that government should hand over decisions that affect the quality of life and community in the country to corporations, to the multinational trade community, to unelected and unaccountable bodies.

That is the first question. It is not necessarily about which trade deal is better or which pact has negative or positive ramifications for the citizenry. The first question is whether we should allow for that kind of unaccountable and undemocratic decision making.

Second, should we condone a system that allows the strong to get stronger and the weak to get weaker? Whatever happened, I might ask members of the Alliance Party, to the notion that the meek shall inherit the earth?

I will ask the Alliance member a couple of questions pertaining to the WTO. As we go into these discussions there are some pretty important decisions on the table. Canada is making some harsh decisions when it comes to Canadians and people around the world.

I will come back to the issue of drug patent protection since it symbolizes what we are dealing with. The Canadian government is

going to the WTO discussions hand in hand with the United States with a proposal to deny third world countries and developing nations the right to access cheaper generic drugs to deal with the spread of HIV-AIDS. That is one example.

If I had time I might go on to talk about food safety and the fact that the government is siding with the United States at the WTO level in refusing to prohibit terminator technology. I might refer to the government's disregard about issues of food safety and genetic modification. I might refer to the whole question of the health system in general.

Are the member and his party prepared to stand up for the interests of the Canadian people and citizens around the world in terms of decency, quality of life and sustainability of our planet, or is he prepared to be a cheerleader for the government and hand over decision making to an unelected body and the multinational corporate sector?

● (1725)

**Mr. James Moore:** Mr. Chairman, I am almost tempted to say yes and sit down. I do not know if there is enough thread in the world to sew up all the cuts in that bleeding heart, but I will do my best.

The hon. member talks about the principles of equality and fairness. We believe in the principles of equality and fairness too, but they also extend to businesses. The idea that the World Trade Organization is somehow undemocratic because the specific delegates of every country in it are not elected by Canadians is nonsensical.

The Minister for International Trade is democratic and he is elected. The Minister of Foreign Affairs is democratic and he is elected. The standing committee is composed of people elected by Canadians and their views are put into the process. It is entirely democratic.

I never hear the member condoning or advocating the sort of civil society stuff we saw in Quebec City whereby people were breaking the law to make a political point. I found those demonstrations offensive when they got violent.

People can agree to disagree. At the same time people do not stand up and down and beat on doors and demand that negotiations between unions and management stop because they are happening behind closed doors. They do not say these things must stop because they are driving up the cost of labour, the cost of products and the cost of business. That is a valid argument but nobody does that.

We respect the principle that two institutions or groups of people have the right to get together and decide whether or not they want to have business relations. The same principle is true between countries and corporations.

The NDP and the left like to throw out the words multinational corporation. The words are focus group tested to elicit seedy responses. Canadians think multilateral corporations are a bunch of Gordon Gekko types who do not care about anyone except themselves.

*Government Orders*

That is not true. They are businesses. They are people. Talking about unplugging free trade because somehow Gordon Gekko and the Wall Street and Bay Street set will benefit from it is a total misrepresentation. It is not fair.

One in three Canadian jobs is dependent on trade. It is irresponsible for any member to start talking about taking trade apart since companies are involved that he or she may not like because they happen to be big or because they can be stigmatized with the cliché of multilateral corporation. It is doing a disservice to the thousands if not millions of Canadians who happen to work for them and thereby boost our standard of living and quality of life.

The hon. member raised the concept of Afghanistan. She said the NDP likes to promote fairness, equality and all those good principles in the arena of the war on terrorism. That is fair enough. So do we. However we want terrorism to stop.

We do not stop terrorism by handing it over to the courts. We stop terrorism by stopping the terrorists. We stop it by stopping those who want to kill innocent people. We cannot plug people into a legal process they do not respect or acknowledge or that, as the Minister of Foreign Affairs said repeatedly, in this instance frankly does not exist.

Pollyanna oasis type solutions to real world problems and real world evils is not a practical common sense or responsible thing for a member of this place to be advocating.

• (1730)

**Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance):** Mr. Chairman, the member raised the issue of the MMT case. The whole controversy that the NDP, the Council of Canadians, Maude Barlow and so on keep raising is perhaps one of the biggest frauds which has been perpetrated on the Canadian public and which keeps being repeated in the media.

At the time the Canadian government did not have the legal authority to regulate fuels so it had to ban the trade. It was not toxic. Health Canada said twice that it was not a harm to health.

The NDP and all those who are against trade deals use the case falsely and completely misrepresent it in books and material. We must find out the truth of these cases, read what the issues are and not allow them to be misappropriated for an argument that is hurtful to Canadian life.

We are a trading nation. We can make good deals with one another. That is the way to go about it, not through the restrictions advocated by the socialist left. We must get to the bottom of the MMT story and tell it how it really was.

**Mr. James Moore:** Mr. Chairman, the hon. member is quite right. Not only has the left misrepresented the issue. It has done so in literature and books to the extent of raising money. It has been saying things that are absolutely untrue.

The government of the day said it was illegal to possess MMT that had been imported by another country. If the government of the day were wise it would have banned possession of MMT across the board regardless of where one got it.

Ethyl Corporation took the government to court and won, rightly. If the government had written the laws appropriately and made it

illegal to possess MMT for the sake of all the environmental concerns on the table it would have been entirely under the auspices of a fair, appropriate and level playing field. It would have been consistent with rules based trade. Unfortunately the NDP, as with a lot of other things, saw conspiracy and black helicopters where effective rules based trade was in place.

The MMT decision proves that government decisions affect trade deals, not transnational corporations or supernational corporations. Decisions by government affect the way businesses make deals. That debunks the whole argument the NDP has been pirating.

**Ms. Beth Phinney (Hamilton Mountain, Lib.):** Mr. Chairman, I am pleased to speak in the take note debate on the World Trade Organization meeting to be held in Qatar this week. The World Trade Organization is based in Geneva and came into being in 1995. It is the successor to the general agreement on tariffs and trade, GATT.

This year's meeting will provide an opportunity for members to take stock of evolving global trade trends and issues as well as to review and advance the work of the World Trade Organization.

The Minister for International Trade in his speech to the House of Commons Standing Committee on Foreign Affairs and International Trade stated that Canada's current and future growth and prosperity were clearly linked to trade and depended on a healthy, open, transparent, multinational, multilateral framework of rules which provided access to growing world markets and kept pace with changes in technology, business practices and public interest.

He also said that many of our exporters were small and medium size enterprises that depended on trade to grow and recognized the importance of a framework of rules to enhance transparency and predictability for opportunities abroad.

The cornerstone of the multilateral trading system, the WTO system of agreements, is the foundation of Canadian trade policy and effectively constitutes Canada's trade agreements with a host of emerging markets worldwide. It also underpins much of our trade with the United States.

Canada's overall objectives for this meeting are to improve the lives of Canadians by increasing economic growth and productivity; to create opportunities for Canadian agrifood, industrial and service exporters and investors by achieving greater access to foreign markets and ensuring fair conditions for their activities; to provide Canadian consumers with better choices and better prices in goods and services; to reflect changes in the global economy by updating WTO rules; to encourage the WTO to be more transparent and open; to address public concerns about the social and environmental implications; and to contribute to economic growth and poverty reduction in developing countries.

The Minister for International Cooperation, commenting on poverty reduction, mentioned recently that the best way to reduce poverty was through the economic growth provided by trade. She said:

*Government Orders*

I believe that helping them negotiate and exercise the rights and obligations of membership in the World Trade Organization will go a long way in helping these countries achieve that objective.

Canada believes it is important to better co-ordinate the activities of the WTO with a larger cast of international organizations such as the United Nations, the World Bank and the International Monetary Fund to ensure they are not giving developing countries conflicting signals.

Many developing countries believe that they did not achieve enough access to other foreign markets during the Uruguay round of negotiations, especially for agricultural goods, textiles and clothing products. Canada believes that richer countries can help poorer nations through the WTO.

International trade is important for Canada because it drives our economy. Canada is by far the most trade oriented of the G-8 countries. Trade is vital to our continued prosperity. Our exports of goods and services now represents 45.6% of our gross domestic product, up from 25% in 1991. We traded an average of \$2.5 billion in business daily with the world last year, of which \$1.7 billion per day was with the United States.

The payback for Canada was immediate in that one job in three depends on exports. The 427,000 new net jobs created in 1999 marked the highest total since 1979 and part of this expansion related directly to our success in global markets.

One of Canada's main objectives at the WTO meetings will be to address important trade tariff barriers and other trade restrictions such as in Canada's steel trade industry. The steel industry's financial health is particularly important for my constituents in Hamilton Mountain.

Approximately 6.6 million tonnes of steel making capacity, or nearly 40% of Canada's total, is located in greater Hamilton. Approximately 16,000 people in greater Hamilton are directly employed in steel making and processing. In total, more than 500 firms are directly or indirectly involved in the industry.

● (1735)

On November 2 the United States international trade commission ruled that certain steel imports from 10 countries were hurting United States steel companies. The U.S. ruling may force steel imports intended for the United States to be diverted to Canada and subsequently flood Canadian markets.

The WTO ministerial conference in Qatar would be an opportune time to voice our collective concern over the possible effects of diverted steel from the United States into Canada. The WTO's overriding objective, after all, is to help trade flow smoothly, freely, fairly and predictably. The issue of Canada's jeopardized steel industry should be a high priority item which Canada should bring to the table at the WTO meeting in Qatar.

Another objective that Canada must bring to the WTO meeting in Qatar is to seek broader support for Canada's approach to cultural industries. In October 1999 the Canadian government decided to pursue a new international instrument on cultural diversity. The instrument would set out clear ground rules to enable countries to maintain policies that promote their culture while respecting trade rules and ensuring markets for exports.

Canada has stated that it will not make any commitment that restricts its ability to achieve its cultural policy objectives until the instruments can be established.

This year's WTO ministerial meeting is an important opportunity for the Canadian government to promote and reinforce the international trade agenda on a global stage. The Liberal government wants WTO negotiations that would open up markets for Canadian trade, update the multilateral system to reflect today's economic realities and help the developing world reap the benefits of liberalized trade.

A new round of international trade negotiations also holds the promise that all participating nations, developed and developing, have the opportunity to reduce poverty, enhance security and improve the quality of life for people around the world.

The Minister for International Trade said this would only occur in an environment of good governance and coherent domestic economic and social policies through new negotiations to preserve growth and development at home and around the world.

● (1740)

**Mr. Dick Proctor (Palliser, NDP):** Mr. Chairman, I congratulate the member on her speech. The difficulty I had with it was the notion that world trade would benefit all countries. I know that was the essence of her speech.

J. S. Woodsworth said "What we desire for ourselves, we wish for all". Our party has a different view on this. We are more skeptical that world trade will bring the same sort of benefit for everyone.

I recently read an article by Jeffrey Sachs, director of the center for international development at Harvard. He was talking about landlocked countries and the difficulty for them to further their cause and get ahead. He pointed out that Japan, coastal China and countries in North America and parts of South America really account for about 52% of the world's gross national product.

He could only identify two landlocked countries that were actual success stories. His rationale was that both those countries, Liechtenstein and Switzerland, were surrounded by well off countries of western Europe.

It is difficult to envisage how through trade we would have an economic policy for Eritrea, Afghanistan and Pakistan. It is very difficult to have an economic policy if one is not close to navigable waterways or an ocean because it is so expensive to ship one's goods to other countries. Would the member have any comment about those special challenges for certain countries of the world?

*Government Orders*

**Ms. Beth Phinney:** Mr. Chairman, I do not know if he read the article or heard the statement made by the secretary general of the United Nations. He said that the best thing that we can do for developing countries is to liberalize trade. This could inject approximately \$150 billion a year into their economies, more than all foreign aid combined.

Developing countries are making it very clear to all other countries that they want liberalized trade and that they need to participate fully in the international trade and investment system to meet their own development goals.

There are three particular things in which they are interested. They want to have market access for their exports so their economies can grow. They want rules to recognize their development status but not rules that impose burdens they cannot yet support. This stems from the difficulties in implementing the results from the last round of negotiations in the Uruguay round. They need technical assistance for their governments and infrastructure so they can benefit from the rights and obligations of the WTO.

Canada has joined a widespread consensus in the need to support developing countries in their attempts to integrate further into the world trading system in these three ways. The growth and development round will further this objective. We have been working hard to demonstrate to developing countries that a new round would assist their developing efforts.

A new round of negotiations is also the best way to address the concerns of developing countries over the balance of obligations and concessions in the world trading system. Developing countries want a round that covers a limited number of areas. Many hold that they took on more than they were able to deliver and at the same time received less benefit than they were promised in the Uruguay round. They are more prudent now.

We are flexible in the scope of negotiations as we recognize that this is a major issue for developing countries. We have given careful consideration to their concerns in the three areas I mentioned, namely market access, implementation of rules, and technical assistance and capacity building.

• (1745)

**Mrs. Marlene Jennings (Parliamentary Secretary to the Minister for International Cooperation, Lib.):** Mr. Chairman, I appreciated my hon. colleague's comments on the whole issue of the latest round of negotiations that will be taking place in Doha, Qatar, and particularly that it will be a growth and development round.

Members are aware that Canada is pursuing a policy of better integrating its own trade and development policies. The president of the Canadian International Development Agency will be one of the most senior people who will be attending as part of the Canadian delegation.

Comments were made regarding this round and Canada's efforts to better integrate its trade and development policies. A member of the Alliance spoke earlier about how Canada had sponsored and engaged civil society as part of the preconsultation for the Seattle round of the WTO.

Could the member indicate what efforts the government has made to consult Canadians about the position it is taking regarding its policy to better integrate trade and development on the world scene in preparation for the ministerial conference in Doha?

**Ms. Beth Phinney:** Mr. Chairman, there were some complaints before and after the Seattle meeting that there was not enough consultation. I think this has greatly changed.

We can start with the consultations that have been going on in the House of Commons. The House of Commons Standing Committee on Foreign Affairs and International Trade has had a long series of meetings about WTO. The Standing Committee on Agriculture and Agri-Food has had long meetings. The chair was here; he just moved over there.

The government has been working closely with the provincial and territorial governments over the last few years. The minister has been working with sectoral stakeholders and interest groups across Canada. Through the section entitled "Trade Negotiations and Agreements" on the Department of Foreign Affairs and International Trade website, all Canadians have been able to participate and give their comments.

Multi-stakeholder round tables have been held across the country and the minister has been part of this process. As a matter of fact I have a list of the meetings the minister has been to in the last couple of months.

He had a teleconference with his provincial and territorial counterparts on September 25. He had another meeting with them in person just a couple of days ago, on October 26. On Thursday, September 27 the minister met with the Business Council on National Issues, the Canadian Council for International Business and the Canadian Chamber of Commerce. On Monday, October 1 there was a round table for stakeholders, businesses and NGOs. On Wednesday, October 3 there was a joint trade and development round table. On Tuesday, October 16 a trade and global poverty workshop was organized by the Canadian Council for International Cooperation.

I could go on with this list of day after day meetings that the minister has had.

• (1750)

[*Translation*]

**Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ):** Mr. Chairman, today's take note debate seeks, among other objectives, to convey the views of parliamentarians to the leaders of the Canadian negotiating team that is headed for Doha, in Qatar.

First, I can only deplore the minister's absence this evening. He will leave for Doha on Wednesday and it would have been important for him to be here during this whole take note debate to get to know the sensitivities and views of all the members of parliament, who took the time to prepare texts and present their views in the House.

*Government Orders*

The world is changing and getting smaller at an incredible speed. The world in 2001 is completely different from the world in 1995, if we only take one significant date in Quebec's history. Today, and this tendency will become increasingly more prevalent, the rules affecting what we eat, watch, read and consume, in other words the rules affecting all of us, are increasingly defined at international tables, whether it is at meetings such as the Quebec City summit, the Seattle ministerial conference, which I attended, or the upcoming one, which will take place in Qatar.

Contrary to what some theorists believe, and I would count Canada's Minister for International Trade among them, the nation state is becoming increasingly important in the new world order.

The nation state is the main actor in this new world order. The minister would never let another country negotiate for Canada, and with good reason. Which begs the question: Why would a country, a people, such as Quebec, let another people negotiate on its behalf?

The rules of globalization, which affect people in their everyday lives, are decided around international tables where only sovereign countries sit.

Obviously, the European Union is an exception, because the European commission negotiates on behalf of the members of the European Union, but the commission's mandate is conferred by the 15 members of the European Union. The commission is then required to report to member countries to ratify several clauses and international trade treaties.

Without this sovereignty, without independence, a people can never hope to influence in any way these rules of globalization that affect people in their everyday lives. This is one of the main reasons why I hope that Quebec will become a country as soon as possible, in order to benefit from the globalization movement, to share with the world its values of solidarity, sharing and cultural diversity.

The ministerial meeting I will be attending in Qatar is especially important. Last spring the Bloc Québécois expressed its position on international trade on many occasions, as evidenced by the number of questions that the Bloc Québécois raised in the House. The position that we put forward, that we explained, and I even toured all of Quebec to dialogue with Quebecers, is the same position that we held at the Quebec summit.

● (1755)

First, transparency must be assured. People will not agree to negotiations on subjects that will affect their everyday life being carried on behind closed doors, and rightly so.

It is true that most of the governments negotiating are elected, but no people has ever given these governments the option of deciding the rules affecting us in our everyday lives in secret. Here in parliament we vote on laws that affect Canadians and Quebecers. We do so openly. It is telecast. The public can see the various bills, appear before a committee, and discuss and meet with the various MPS and caucuses to express their viewpoint.

Unfortunately, internationally, within the framework of the WTO, individuals and various groups, rightly concerned by the various discussions, cannot express their viewpoint as clearly as they can within their country.

It is also important to establish much closer ties between parliament and the various parliaments involved in these discussions. I mentioned this at the very start of my speech. It is unfortunate that Canada's principal negotiator at the conference in Doha is not with us to discuss with the various speakers the issues that will concern us and that will be raised at the ministerial conference in Doha. It gives an idea of how little the government and the minister care about what the parliamentarians in this House think.

[*English*]

**Mr. Pat O'Brien:** Mr. Chairman, I rise on a point of order. Unless I am mistaken or unless there is a different set of rules under committee of the whole, this is the second time my colleague has made reference to the attendance or non-attendance of hon. members.

It is inappropriate, particularly given that the Minister for International Trade led off the debate and agreed to an extra 10 minutes of questions and answers. That is how interested he was, that with a very busy schedule preparing to go to Doha, he agreed not only to the first 10 minutes of questions and answers but to a second 10 minutes of questions and answers.

It is a cheap shot and the member ought to refrain from taking it.

[*Translation*]

**The Chairman:** I am sorry if the member made a comment regarding someone's absence. We know that it is against our parliamentary rules.

**Mr. Richard Marceau:** Mr. Chairman, to respond to this point of order, I do not want that time to be taken away from my allotted time. In a take note debate—

**The Chairman:** To set things straight, the member's allotted time was not winding down while the parliamentary secretary was raising his point of order, but it is now.

**Mr. Richard Marceau:** Mr. Chairman, I rise on a point of order to indicate that I have the right to discuss the point of order raised by the parliamentary secretary.

**The Chairman:** Order, please. If the member wants to discuss the point of order in question, I just want to inform him that it will be done on his time. He has the choice as to how he wants to use the three minutes he has remaining.

● (1800)

**Mr. Richard Marceau:** Mr. Speaker, I disagree with your decision, because when a point of order is raised by a government member, like the government House leader for example, representatives from the other parties who want to speak to it must be given an opportunity to do so. If a point of order was raised by a Liberal member, I think an opposition member should have the right to respond.

*Government Orders*

I would like to hear your opinion on this.

**The Chairman:** I am sorry, I am not here to debate. As Chairman, I have agreed that a member may rise on a point of order. That point of order is addressed to the Chair and not to another member. I would ask the hon. member to continue debating on the matter being addressed.

**Mr. Richard Marceau:** Mr. Chairman, as a member of the parliamentary delegation that will be going to Doha, I find it deplorable that the chief negotiator of the Canadian delegation will not listen to the arguments raised by a number of hon. members of this House, no doubt because of a supposedly overloaded agenda, whereas what we are debating is of fundamental importance for the future of Canadians.

A number of us have raised the point here in the House that there must be a human face to globalization, that is the international treaties must include social, environmental and worker protection clauses. These must have equal legal weight with the purely international trade related clauses.

Particularly since the events of September 11 in the United States, the trade objectives of Canada and of the entire need to be reviewed within a far broader perspective, taking into consideration a number of the concerns of the developing countries.

We are convinced that freer trade can lead to democratization, if the right means of attaining our objectives are selected.

In conclusion, the Bloc Québécois is in favour of greater openness for international trade. We have said this over and over. We are, however, of the opinion that this openness must not be achieved at just any price and just any old way.

The principles that I have just outlined are the same principles that the Bloc Québécois put forward before the Seattle conference and the summit of the Americas in Quebec City. They need to be put forward in a much clearer, stronger and more dynamic manner by the federal government, which unfortunately views these international trade negotiations as an opportunity to liberalize trade, obviously, while leaving behind the poorest of the poor, who are unfortunately forgotten on the road toward increased world wealth.

For a population that exports 44% of its gross domestic product, Canada and Quebec cannot oppose greater international trade. However, it must not be done any old way and it must take into consideration the different social aspects of globalization.

[*English*]

**Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.):** Mr. Chairman, my hon. colleague kept saying the chief negotiator should be here. Of course one has to be a member of parliament to sit in this Chamber, and the Minister for International Trade was here earlier today to lead off this debate. The Minister for International Trade took 10 minutes of questions, the normal allotted time for questions. At the request of the House, the minister agreed to a further 10 minutes for questions and answers because he was so interested in hearing the views of members on both sides of the House.

I have to confess that when I listened to the hon. member from the Bloc Québécois, it sounded like a 19th century explanation of why

the nation state is the wave of the future. Indeed it is not the wave of the future. We are now into a supra national world of larger groupings such as the EU. Canada is trying to become more involved in a number of fora. With his philosophy, I understand why he said that.

However my recollection is that Quebec is a very important province of this country. It willingly joined Confederation in 1867. The people of the province of Quebec understand very clearly that it benefits them greatly to remain a part of this great country.

It saddens me to hear the member's comments given that the Minister for International Trade is a proud francophone Quebecer. The Prime Minister is a proud francophone Quebecer. They are talented and dedicated enough to defend the interests both of their home province of Quebec and the greater interest of this entire country, which they are so proud to serve. I find it a bit sad to hear the member espousing 19th century philosophies but that is his prerogative.

The member says the Bloc is for free trade and the Bloc is for the poorer nations of the world. Could the member explain to the House why the Bloc Québécois very recently voted against the latest bilateral free trade agreement on Canada-Costa Rica? This is a poor nation that needs this trade and will benefit greatly from it. It will certainly benefit Canada.

There were some concerns expressed about the potential impact on our sugar industry and those concerns were noted. However they hardly justified turning down what was a very good trade deal. Could the member enlighten the House on that because he certainly did not have much to teach us on the history of Canada?

● (1805)

[*Translation*]

**Mr. Richard Marceau:** Mr. Chairman, the hon. member opposite spent half of his time describing how great the minister was for having set out Canada's position before the House. My goodness, is this not his job, as minister, to be here and to explain the government's position?

I do not understand, unless he is on the defensive and needs to justify the presence of a minister in the House. I do not understand his point of view and why he talked about it for so long.

As regards the nation state, first I would like the hon. member to tell me whether he would let another nation negotiate on behalf of Canada. If the concept of sovereignty is so "19th century", would he let another country negotiate on behalf of Canada? Perhaps he should answer this question.

There is another issue. The Canadian federation, which is itself a product of the 19th century, is obsolete. The plan advocated by Quebec sovereignists, whether from the Bloc Québécois or the Parti Québécois, would transform this aging 19th century federation into a new partnership between sovereign countries, based on the European Union model to which the hon. member himself referred.

*Government Orders*

We said many times, and the Premier of Quebec also said “Let us put together a Canada-Quebec agreement patterned on the European Union model, and we will sign it immediately”. This is a model agreement, a model partnership. This is a 21st century agreement compared to the Canadian federation, which dates back to the 19th century.

As for the third point concerning the free trade agreement, the Bloc Québécois voted against, we realized that NAFTA's chapter 11 had some very unfortunate effects on international trade and on various federal or provincial statutes.

Not to realize this is to stick one's head in the sand. Despite the lobbying of numerous right and left wing groups, of employer and union groups, which said that chapter 11 must not be lifted as is and inserted into free trade agreements with other countries, the fact that the federal government has not realized the dangers inherent in chapter 11 shows its lack of vision.

This is the main reason that the Bloc Québécois voted against the free trade agreement last week.

• (1810)

[*English*]

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Chairman, while the member for the Bloc and I have some disagreement over the nature of these trade deals and the way of resolving the problems that they have caused, could the member comment on this position?

If we were to stop any new negotiations and go back and put enforceable terms in the existing trade agreement so that the environment, labour standards and culture would be protected, would he agree with me that it would be a strategy that we could deploy to stop the negotiations in Qatar? Also, we would not look at the MAI again. We would simply go back and correct all the mistakes and problems that have been created by the legislation. I would like to hear his comments on that.

[*Translation*]

**Mr. Richard Marceau:** Mr. Chairman, I am happy to answer an intelligent and thoughtful question. To be honest, it makes a bit of a change from the previous one.

The objective mentioned by the member for Windsor—St. Clair is most laudable. The New Democratic Party and the Bloc Québécois agree on a number of points, but perhaps not on the route to take.

I think that an international trade agreement can be negotiated concurrently, with environmental and social protection clauses and clauses protecting workers, which he mentioned.

Instead of being scrapped, I think that these big international trade negotiations should include discussions about the clauses mentioned, which would also have force of law and be justifiable before international dispute settlement panels.

[*English*]

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Chairman, the World Trade Organization ministerial meeting scheduled for Qatar on November 9 to 13 is an event of great significance. In light of the current economic and security uncertainties it is vital a strong signal comes out of Qatar that the world is resuming business. The multilateral trading system

embodied in the WTO has contributed significantly to economic growth, development and employment throughout the past 50 years.

We are determined, particularly in light of the global slowdown, to maintain the process of reform of trade policies to ensure that the system plays its full part in promoting recovery, growth and development. The 142 countries involved must send a signal that the failure of Seattle is behind us and we are now moving forward. It will not be easy. It will not be without its tough negotiations. It will not be without compromises.

Having said that, I note that Canada must enter these discussions with absolute resolve. Canada must insist that other countries match what we committed to and lived up to in regard to Geneva in 1993. Canada must ensure that it levels the playing field for its businesses and farmers before offering anything more on the table.

I am particularly concerned about agriculture. It is important that Canada reinstate its position in regard to global trade and demonstrate that Canada has lived up to its obligations and insist others do the same. As a major agricultural exporter-importer, Canada has a fundamental interest in further strengthening the international rules governing agricultural trade, eliminating trade subsidies and significantly improving market access opportunities. Further, agricultural trade reform will provide Canadian producers and processors with a more level international playing field and encourage a more rules based, stable, predictable and secure environment within which they can compete.

Canada needs to continue to fight for the elimination of all export subsidies as quickly as possible, for maximum possible reduction or elimination in domestic support that distorts trade or production, for real and substantial improvements in market access for all agriculture and food products and for securing new disciplines on export taxes and export restrictions. Trade distorting subsidies create difficulties for the agriculture and agrifood sector.

We need to level the playing field. However, international subsidies are preventing this from happening. There are major differences between countries and between commodities in the provision of market access opportunities, the level and type of domestic support and the use and magnitude of export assistance.

Global trade distortions have had and continue to have a major impact on Canadian farm incomes and the profitability of the food processing sector. Whereas Canada in 1993 converted its article XI protections to declining tariff rate quotas, other countries with simple quotas saw them remain the same. This must be addressed in this round. Those with simple tariffs should be required to provide the same 5% minimum access as Canadian agriculture and that access should be a zero tariff, as is ours.

*Government Orders*

Export subsidies must go. It is not good enough to agree to a formula reduction. They must disappear entirely if we are to make it a fair trading environment. For too long the EU and U.S. have bought market share with their export subsidies at the cost of Canadian producers. We can no longer afford to put our producers at risk to the benefit of their competitors.

I urge the ministers of international trade and agriculture to remain firm, to enter these negotiations with resolve and to seek and receive an advantage for Canadians from these negotiations.

Globalization has reduced the size of this planet we co-inhabit. Goods and people move more freely than ever before. Recent events such as the outbreak of foot and mouth disease in Europe provide clear evidence that we cannot and must not let globalization be a free-for-all. We must as a nation retain the right to protect our people and our industry. We must enshrine our right to err on the side of caution in matters related to health and safety.

Certainly it will be difficult in the circumstances to even get a launch to this round. If, however, the price to pay to get a launch is too costly then it is better for our government to acknowledge this fact. From Canada's perspective relative to agriculture this round must be viewed as a catch up round for others. Canada must put first things first and ensure its market access measures up to what it has already provided before going any further.

• (1815)

Canada has not gained a reputation as a tough negotiator. Qatar gives us the opportunity to demonstrate that we are. It gives the government an opportunity to display its resolve, to hold firm until others match us and to demonstrate to our producers here at home that government holds their welfare paramount. Therefore it is very important to develop and implement clear enforceable trade rules applying equally to all countries, which will work toward levelling the playing field.

The current state of agriculture in Canada is dismal. Therefore Canada should maintain a strong position and not commit to any trade-offs with other countries at the WTO meeting. We need to protect our farmers and in order to do that we must ensure that rules apply to all countries equally. The beauty of rules is that all countries must follow them while guidelines, on the other hand, permit individual interpretation. This is what has happened. The creative interpretation of the guidelines by the U.S. and EU introduced a new concept now known as dirty tariffication and dirty access offers. What countries actually agreed to was what they respectively submitted in their schedules, whether or not it reflected the application of the guidelines.

The issue, therefore, is not that the countries do not meet their commitments. They do. The real issue is that the commitments of the various countries are unequal, inequitable and unfair. Therefore we must insist that rules are in place that require all countries to meet the same commitments in order to eliminate the possibility of further misinterpretation.

I will use the example of the establishment of minimum access for dairy products under the tariff rate quota system. Minimum access commitments were to be established according to the guidelines at a level representing 3% of domestic consumption based on the period

from 1986 to 1988 and to grow to 5% of domestic consumption by the end of the implementation year 2000.

The United States interpreted the guidelines in a manner which resulted in a market access significantly lower than the 3% to 5% levels. The U.S. did not consider offering minimum access on a tariff line basis or product by product. Rather, it invented a mechanism to measure the butterfat and solids/not-fat components of each dairy product in order to estimate the total amount of imports necessary to fill a 3% access for component.

This methodology, which could in itself lead to years of debate on the adequacy of each conversion factor used, indicated a deficiency in butterfat which the U.S. compensated by providing increased access, mostly to frozen cream. This was only one aspect of the U.S. approach which was unique to the U.S. offer. The end result of this approach was an access commitment which was significantly lower than the 3% to 5% guideline.

The European Union took a different approach. It considered the 3% to 5% access as a commitment to allow a certain level of imports into its markets independent of tariff conditions applicable to such imports. It therefore assumed that to meet its 3% commitment it only had to offer additional access necessary to reach that level. In the case of dairy products it measured this access commitment only for butter, skim milk powder and cheese, as if all other dairy products were more or less irrelevant. What this approach did was prevent any changes in the conditions that prevailed on historical imports.

All variable levies were converted to high tariff equivalents. Therefore if a product was historically imported into the EU under a specific quota allocation and subject to a most favoured nation tariff, these conditions remained under the Uruguay round. However, if these historical imports were made subject to the variable levy system they became subject to a high tariff equivalent even though they were part of the EU minimum access offer. In the end, the EU may be the only trading partner subjecting imports within its access commitments to over quota tariffs, giving a whole new meaning to tariff rate quotas.

Roughly estimated, using the different countries' interpretations, the imports of total dairy products at the end of the implementation period represented on a butterfat basis about 2.75% for the U.S., 3% for the EU and 4% for Canada. This is not a level playing field and negatively impacts on Canadian farmers and producers.

This is a good example of why the level of commitment achieved during the Uruguay round cannot be the basis for further increases. A uniform methodology, one set of rules to be followed by all countries, is necessary for future considerations. This should be Canada's goal at this year's WTO meeting and we should not downgrade this position.



*Government Orders*

● (1820)

**Mr. Mac Harb (Ottawa Centre , Lib.):** Mr. Chairman, I have a comment and a question. First I want to say how delighted I am to see the government playing the leadership role it has played over the years in the WTO, in particular when it comes to two issues, the first one being transparency and a clear rule of law when it comes to implementing a decision made by the World Trade Organization.

One would only have to look at what is happening across the border as well as at what is happening with some of our trading partners in some of the disputes we have with them to quickly come to the conclusion that we need a system in regard to trade disputes that is sane, a system, frankly, that responds to the needs of the business community, the needs of the community in general and the needs of nations respectively. We have only to look at the problem of softwood lumber as well as the dispute with Brazil involving the aerospace industry.

For example, it makes no sense at all to see a corporation, whether it is in British Columbia, Quebec or Newfoundland, wait up to five years not only for its case to be heard but to be decided. At the end of the day when a decision is rendered, it may then have to go through perhaps two, three, four or five years of different mechanisms of appeal. Before the end of it, some of those corporations may not exist at all.

Simply put, it is absolutely imperative for us as a government to be at the WTO table in order to ensure that not only do we have transparent rules but we have effective rules. It is important to have rules that bring some sanity to the system so that when a decision is made by the WTO against a particular country, that country would have to obey and implement the WTO decision. We must have a mechanism available whereby that particular country would be penalized if it failed to do so, not only in regard to the ability of the complaining party but also by the WTO itself.

Mr. Chairman, you know from your past experience about penalty boxes. A complaining country could have the option to put a specific country in the penalty box for two or three years, during which time that particular country could not launch any complaints under WTO rules or, at the option of that complainant, that country would have to cough up in terms of resources, financial or otherwise, to compensate the complainant.

Otherwise, as in the past, we would have a dispute with a specific country, take that dispute to the WTO and win at the WTO level. When it came time for retaliation, we would find ourselves not importing a heck of a lot from that country, certainly not enough to make a lot of difference, so what would we do? In that case my opinion is that we should have the option of putting that offending country in a penalty box. Once the time comes they would be out of the penalty box, but if they were to do the same thing two or three times the penalty should be increased.

There is another issue. I know that the government and the Prime Minister are exceptionally interested in the issue of access. We must have pretty clear rules when it comes to access. Canada wants to have access to other markets and vice versa. Access is a two way street. We cannot make the rules as we go along. When it comes to one of our largest trading partners aside from the U.S., and that is the European Union, some countries decide at a whim to enact what they

call a precautionary clause just because they think there might be a problem, so they penalize others and impose duty on imported goods.

● (1825)

We need to have clear rules of law which means that science prevails, which means when we agree that this particular person is the arbitrator and a decision is rendered we need to listen, obey and comply. We cannot continue turning in circles and penalizing legitimate products coming into our country just because we think there might be a problem but we are really not sure.

Would my colleague agree with me that it is absolutely imperative for Canada and this minister, who is a great minister by the way, to be at the table in order to continue to defend not only the interests of Canadians but the interests of the free world when it comes to transparency, clear rules of law and fairness when it comes to trading?

**Mrs. Rose-Marie Ur:** Mr. Chairman, I thank my hon. colleague for his eloquent statement and his question. Not to agree with him would be wrong. What he has indicated in his remarks was exactly what I had stated in my speech.

When we have 142 countries at the table and 142 guidelines, it is pretty hard to get 2 or 3 countries to have a consensus, let alone 142.

As the hon. member has said, it is very important to have a set of rules in place that all 142 countries live by, not 142 guidelines. I think that is where our weaknesses have been in the past when we have gone to negotiations and such, that each country has its own principles and its own guidelines but when push comes to shove at the end there has to be a basic set of rules that each country has to adhere to so that we can come to a consensus using a set of rules.

My hon. colleague insisted on transparency. I guess that was very well illustrated after the Seattle conference where the Maude Barlows of the world were saying that there was not a transparency and enough input. I know for sure that the agriculture committee met with several groups that were well received. I was also privileged to some information about it being vital that transparency be a part of these negotiations.

What came out of those discussions was the de-restricting and public release of working papers and agendas, the public release of submissions in dispute settlement cases, an increase in WTO consultation with NGOs, regular meetings of WTO member parliamentarians and the creation of ad hoc expert advisory boards.

With all those things being incorporated, I think it perhaps will dispel any myths that this is all done in seclusion. Everyone does have a way of participating. I think it will be a benefit in the end.

● (1830)

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Chairman, I am pleased to take part in the take note debate on the World Trade Organization. I will give a little background for neophytes and as a reminder.

*Government Orders*

The WTO is a new organization started in 1995. It grew out of the general agreement on tariffs and trade, commonly known as GATT. We all remember reading about GATT which was established after World War II. The WTO, the World Trade Organization, is the only global international organization that deals with the rules of trade between nations. The goal is to help producers of goods and services, exporters and importers conduct their businesses. It is a rules based, member driven organization. I believe there are 142 member countries right now. All decisions are made by the member governments and the rules are the outcome of negotiations among members.

Canada supports rules based trade. It is very much in our interest and in the interest of the international community that we live by rules based trade. We obviously are not considered a least developed nation but we certainly are a small nation, particularly compared to the United States. Given that the U.S. is our largest trading partner, and given that the internal trade laws of the U.S. allow it to be very protectionist when it comes to trade, we support the concept very strongly of a neutral forum where Canada can appeal for free and fair trade rulings.

The highest decision making body of the WTO is the ministerial conference. This week we are talking about the WTO conference in Qatar which is the fourth ministerial conference. It has to meet at least every two years. It brings together all members of the WTO. The ministerial conference can make decisions on all matters under any of the multilateral trade agreements.

It is obviously important for Canada to attend these ministerial conferences. It is equally important in my view that we have opposition members along with the other organizations. Non-government organizations are present so that Canada's breadth of various voices can be heard.

The WTO's rules are made by the members after much negotiation and discussion. If the only Canadian voice other WTO members hear is that of the Liberal government then surely they will have a skewed vision of what Canada stands for in its entirety.

I am personally committed to going to Qatar to advance Canadian views. Most often they will be reflective of the general direction of government policy but they certainly will not always be those views necessarily held by the government. We need to show the international community the whole breadth of thought in Canada in order to advance rules based trade.

We have had some recent examples where the actions of government have not been the best in terms of supporting rules based trade. The first thing that comes to mind is the 1996 to 2001 softwood lumber agreement. It has now expired and is a subject of much dispute again, but that diabolical agreement, under which we lived for five years, was a compromise on Canada's part that cost thousands of jobs and much investment in our forest industry.

• (1835)

In my view, that was somewhere we did not need to go at the time and it is what has festered and led to the depth of the current dispute on softwood with the U.S. If we had pushed harder on the free trade direction rather than cutting a deal, which ended up in a managed trade or quota system arrangement that terribly distorted the

Canadian industry over the last five years, we would be in a better circumstance now.

What happened is that the government of the day caved in on the last bitter round of fighting about lumber by entering into the softwood lumber agreement, which has now expired, in order to buy some peace, but it was not proper, rules based free trade such as that envisioned by WTO or, for that matter, NAFTA.

The government will try to say that a choice has to be made, that it is either free trade or some other choice, and that I am blinded by the fact that we should pursue free trade at all costs. Of course not. That would be like suggesting pedestrians should cross the road if they have the right to walk according to the signage. That does not do a pedestrian a lot of good if they end up with tire tracks across their chest, does it?

However, with a neutral dispute resolution forum like the WTO and trade rules that we ourselves have negotiated and agreed upon, we must demonstrate more consistency than the government has done that we will support the WTO and the NAFTA rules. We cannot abandon international rules available to us on any number of disputes, including the softwood lumber dispute.

Everyone is well aware of the major issue we have right now on softwood lumber but we need to remember not to characterize that in the sense of it being a Canada versus U.S. issue. It is basically Canada against a special interest with favourable legislation favouring that special interest. The U.S. laws have favoured the producer lobby for the last 20 years but the climate has changed and we need to encourage that change.

Canada's primary focus at the WTO should be on rules based trade.

The second thing we need to focus on is agriculture. The agricultural talks and the agricultural things that need to be forwarded at this ministerial conference are crucial for Canada because we cannot meet the level of subsidy emanating from the U.S. and the European Union and they are crucial for the developing countries that need fair access to agricultural markets. We can make common cause with that.

Finally, the meeting will do a lot of favourable things for the war against terrorism because a growing, healthy economy in more countries of the world is beneficial for all.

**Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.):** Mr. Chairman, I will try to be brief. I listened to my colleague with interest. I thought he knew but having heard his speech I want to assure him again that the government is very strongly committed to the WTO, to the launch of a new round at Doha.

When I met with Director General Mike Moore he indicated that Canada is considered one of the strongest supporters of the WTO. I think our track record there is quite a good one.

*Government Orders*

My colleague brought in softwood lumber and the unfortunate dispute we are in right now. He mentioned the five year agreement on softwood lumber that expired some months ago. He indicated that we ought to be proceeding at the WTO. That is exactly what we are doing. We are proceeding at the WTO. We launched a request for a panel on October 25. We have six specific fronts on which we are proceeding.

My colleague seemed to suggest that we should not make any kind of short term agreement such as the last softwood lumber agreement. At this point the government is determined to continue to move on the two fronts: the WTO and a series of high level discussions with officials.

I want to ask my colleague directly, is he advocating something less than going the distance at the WTO on softwood lumber? Is he advocating a more short term solution, such as the last agreement? There are some, who are in the minority, who are starting to propose a short term agreement on softwood lumber. Could my colleague clarify if he feels that is the way to go or should we see this through to the conclusion at WTO?

● (1840)

**Mr. John Duncan:** Mr. Chairman, there was certainly more than one question.

In terms of the commitment to on the part of the government to WTO, I said the government should not abandon WTO. There are times when the government has done exactly that.

The specific example I can point out was on the four year battle with Brazil in terms of the aircraft subsidy dispute between Bombardier and Embraer. We actually won. After four years we had the ability to apply tariffs. Rather than do that, we ended up getting back into the subsidy game.

When WTO ruled very recently in a judgment that was not very favourable, or at least the press reports it was not favourable because I do not have access to all that, the Minister of Industry was quoted as saying that he really did not care what WTO had to say, he would continue in the subsidy business. That is a very bad signal to send. It basically says that we will support WTO when it is comfortable and convenient for us to do so and not at other times.

The other question the member asked was what I am recommending on the softwood lumber dispute in terms of a role for WTO and whether I am saying we should have a short term or a long term solution.

We have had discussions and debates on this before. I said clearly last week that in order for us to make the right decision right now on whether we will litigate or whether we will be able to negotiate or come to some other accommodation, we have to know what the costs and benefits are of going those two ways. I do not see any movement on the part of the government heading in that direction where we are developing scenarios and costs and benefits in either way. There are private citizens who are doing that so I would like to see that kind of leadership.

I do not think we can make a decision in a vacuum. We need that kind of data.

● (1845)

**Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance):** Mr. Chairman, my colleague the member for Vancouver Island North has covered a number of the things I wanted to talk about today, whether it should be a short term fix or litigation. I will not need to go any further there.

I have been listening very carefully to my colleagues from the Liberal side of the House. They are talking very tough today. I hope that tough talk continues when we end up at the WTO. If it does not, we will be right back where we are today.

Today I have heard them say that there has been a leadership role taken by government. I disagree with that. There has not been a leadership role. We have been very weak in our negotiating skills. We have used an apologetic attitude every time we have approached anything. The penalty for that has been that we have suffered as Canadians.

In particular, my riding is going to be losing a number of jobs because of the expiry of the softwood lumber agreement. It is going to impact us dramatically. I want to see a solution to that and I want to see it soon.

The member for Vancouver Island North mentioned earlier that there had been a number of jobs lost. Does he have a specific number from the last set of negotiations from 1995 until now?

**Mr. John Duncan:** Mr. Chairman, being from British Columbia it is easier for me to talk about that context.

In terms of jobs lost as a consequence of the softwood lumber agreement from 1995 to 2001, they are certainly measured in the thousands. The difficulty is that there are other things going on that are also impacting on labour and the forest industry, such as market boycott campaigns and all kinds of other pressures.

It is virtually impossible to quantify it, but everyone in the business recognizes that the great distortion the softwood lumber agreement created cost British Columbia investment in jobs and jobs certainly measured in the thousands.

**M. Wayne Easter (Malpeque, Lib.):** Mr. Chairman, the Minister for International Trade, in my view, outlined earlier today the importance of the WTO negotiations and especially the importance of agriculture. I was pleased to see he suggested that agriculture would be a priority. He also outlined very clearly the need to achieve an agreement. As well, I was very pleased that he outlined his dissatisfaction with the performance of our major trading competitors, the United States and the EEC.

In my remarks I first want to outline how very serious the matter is that the United States and the European Economic Community have not decreased their subsidies as they were supposed to under the GATT round. On the other hand, I want to point out as well, using some statistics, that Canada may have in fact reduced its area of support too much.

A review was done by the foreign affairs and international trade committee in June 1999. I want to outline a couple of points it made which I think are very pertinent to the discussion we are involved in today. It stated:

### *Government Orders*

Given that Canada has more than met its reduction obligations and done so faster than most of its trading partners and that it has respected both the letter and the spirit of the Agreement on Agriculture while many other countries have been fairly lax in their interpretation of the rules set out in the agreement—

It went on further to state that the Canadian negotiators in the next round of meetings “will have to drive home the message that it is essential that the farm income safety net be preserved to a sufficient degree to allow governments to deal with the market's ups and downs that have always been a part of farming”.

The essential question is, has Canada gone too far while the United States and the European Union have not?

According to information compiled by the OECD, the Organization for Economic Co-operation and Development, in the period 1986 to 1988 which was prior to the GATT round of WTO discussions, the support to farmers on average was 25% for the United States, 33% for Canada and 44% for the European Union.

All that changed dramatically in the years after the GATT and WTO discussions were concluded, to the point that in the period 1998 to 2000 the average support to primary producers for all commodities was down to 23% for the United States. Canada was at 18% and the European Union was at 40%. Let me point that out in a way that may be more understandable. In other words, the United States support reduced from 25% to 23%, Canada reduced from 33% to 18% and the European Union reduced from 44% to 40%.

I would think that spells out part of our problem, which is that Canada, being the good guys we so often are, reduced our support levels probably too fast and there were areas which we maybe should not have reduced them in.

I want to also draw on another point that was made by one of the former negotiators for international trade, Mike Gifford. I point out that in this round we have to clearly send a message that Canada is not going to stand by idly while other countries continue to subsidize their farmers and not abide by the rules of the agreement. We cannot allow that to happen. If necessary I believe the government must support our farmers at similar levels.

When Mr. Gifford was speaking before the agriculture committee he had this to say:

● (1850)

Our obligation over the six-year transition period was to bring it down from \$5 billion to \$4 billion. However, that only included so-called trade-distorting support. There is no obligation to reduce the green programs.

He further said:

If Canada chose to increase its trade-distorting support, it could go up from \$2 billion to \$4 billion (in support).

That makes my point. The fact of the matter is the government and the country should be supporting our farmers in these times of difficulty. According to Mr. Gifford, we can do that without violating the trade agreement rules because we have reduced our support programs in a gentlemanly fashion and we cannot continue to do that.

The member who spoke before me, and I want to take issue with him on this point, suggested that the industry minister said we would support the WTO when it was comfortable and convenient for us, but would not when it did not suit us.

What the industry minister was clearly saying was that if other countries were supporting certain industries, then we would not back away and leave our producers or industries in a lurch and that we would stand by our industries and support them as well. That is the kind of position I believe the country should take.

In preparing for this upcoming round, there are a couple of recommendations that the foreign affairs and international trade committee reported in June 1999, and I want to reconfirm and support them.

In recommendation 12, the committee said:

Canada should open the discussion in the upcoming multilateral trade negotiations on agriculture by demanding that all signatory countries begin by respecting their current obligations.

That is the point that my colleague who sits behind me made earlier in her remark. We should not start negotiating from the levels we are at now, rather we should go back to the levels that the countries were supposed to be down to at this point in time.

I also want to quote recommendation, 13 which said:

Canada should also make sure that the new rules on agricultural trade are transparent and apply equally to all countries according to their respective commitments.

I want to try to wrap up with the point that Canada is a trading country and our exports and agricultural products have been increasing since the nineties. Have our primary producers benefited?

The NFU told the task force on September 11 this year:

Over the past 25 years, Canadian agri-food exports have increased six-fold—from \$4 billion in 1975 to approximately \$25 billion today...however, farmers' net incomes have fallen over the same period. The current farm income crisis comes in spite of Canada's tremendous success in winning market access and finding foreign customers.

The farm community cannot be asked to continually shoulder this burden of increasing exports and not being paid for the products they sell.

On the domestic side, we need to maintain our good marketing programs and supply management and we need to very seriously encourage other countries to use those kind of programs as rural development programs in their countries. We need to expand the green programs allowed under the WTO.

On the international side, we must gain an agreement to reduce subsidies. Although our strategy is to be lined up with the Cairns Group, I would also suggest that we build alliances with many other countries, countries that can adopt some of the programs that we have in Canada.

The last time the United States and the EEC cut a deal, the rest of the countries fell into line.

● (1855)

This time very clearly we must send a message that we will accept that kind of an arrangement any further. We need to negotiate to ensure that the subsidies are indeed brought down. If they are not, then we will back up our farmers with the our treasury.

*Government Orders*

**Mr. Loyola Hearn (St. John's West, PC/DR):** Mr. Chairman, the hon. member comes from a small island province much the same as I do. In fact, I guess I can say I come from a bigger island than he does. The concerns he raises about the agricultural products from his island certainly are very legitimate.

As chair of the fisheries committee, he is also very much aware of the fact that we suffer the same way with the export of our fish products, especially to the European market. Unfortunately for both of us, the exports of agriculture and fisheries amount to only about 6.6% of our total exports, which means that even collectively they do not draw a lot of attention. The primary producers in the country, fishermen and farmers are left outside the vision of many of the people who worry about exports generally.

However our exports to the European Union only totals about 5%. Therefore, when we combine the small amounts of fish or agricultural products plus the small amount we send to the EU, no wonder the government perhaps does not worry too much about duties on Newfoundland shrimp going to the European market.

One problem we face with trade is Newfoundland shrimp which goes to the European market is charged a 20% tariff, when really it is not the EU that is concerned. Most of the countries in the EU would want no tariff to get a cheaper product. Denmark and, more specifically, one or two fishing companies within that country are concerned.

Does the member not think that the minister and the department should address many of these smaller trade issues outside of the World Trade Organization and not worry about having to wait for two, three or four years to get agreements? We cannot afford to wait that long. Some of these issues could be addressed by the minister at a political level, and I am sure a lot of our problems could be solved.

● (1900)

**Mr. Wayne Easter:** Mr. Chairman, this was an issue that was talked about at the fisheries committee meeting last week. The member's point is valid in terms of how the Europeans are operating with their tariff, basically making it impossible for our fishermen mainly in Newfoundland to compete against that tariff wall. The fact is the Danish and others are fishing not far off the coast of Newfoundland, just on the Flemish cap. They are able to take their product home and process it. As a result, they have a 20% cost advantage.

I believe the member is correct in that there are ways and means of trying to resolve that issue by bilateral discussions, but I do not believe for a minute that the minister or the government is just locked into the WTO negotiations at those rounds. We are consistently trying to deal with countries on a bilateral basis to try to resolve some of these issues and we are trying to resolve that one as well.

There is another point I want to bring up because the member raised it. There was an implication there that perhaps because food exports were considered small in the overall general picture of things they did not seem as important. I do not believe that to be true.

I do believe there is a problem in terms of the public's attitude toward food security. Whether it is fish or agriculture, people believe they can go into the grocery store and pick the product off the shelf.

Since September 11, we should take our food security issues more seriously. We will have to ensure that the producers can survive economically. They cannot continue to produce below the cost of production as they have done for so many years.

We need an attitudinal shift in our society that puts primary producers as the generators of wealth that they are and recognize the important place they have in our society in producing the food that goes on the grocery shelves which sustains our life.

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Chairman, I was interested in the figures my colleague from Malpeque gave out today with regard to the subsidies and the comparison with some of our trading partners. I want to take some issue with those.

I recall about six months or so prior to the last federal election, which was the spring of 2000, a number of farmers' associations in my area in the province of Ontario got together and hired an economist to do an analysis of what had specifically happened to the farming communities around the world after the last round of GATT negotiations in Paraguay. The analysis was significantly more shocking if one looks at the impact of what the government did after Paraguay and its impact on the farming community in Canada.

The economist analyzed the situations in Canada, the United States, Japan, Australia, Europe and New Zealand. As my friend has suggested, the subsidies and assistance Canada provided to farmers were dramatically wiped out, and I do not use that term mildly, in comparison to what those other countries did, with perhaps the exception of New Zealand which did very close to what Canada did. It was illustrated on a chart or by a graph and it really was shocking.

What I am worried about, and I would suggest this to my friend, is if in fact they are using his figures when they go to the WTO this time around or in any further negotiations would they not be better to use the other figures? If we do not get the other governments to drop their subsidies, is he prepared to encourage his government to spend that \$2 billion or perhaps more per year to bring our farmers on par with the rest of the world?

● (1905)

**Mr. Wayne Easter:** Mr. Chairman, to answer my colleague's last question first, he can bet I am. I have been saying that for a long time. I have said it today and I will continue to say that if other countries are not going to abide by the rules of the WTO and continue to subsidize their farmers, then the Canadian public, the taxpayers and the government need to support our producers to the same level. There is no question about that in my mind. If we send any other message to our competitors, all they have to do is wait us out. Our farmers cannot continue to compete on this uneven playing field as efficient as they may be.

*Government Orders*

I will come back to the member's question on the figures. There is another set of figures. The figures I quoted earlier were from the OECD as they relate to the percentage of subsidy support and how they compared prior to the last round of negotiations to where they are now. Although all countries have come down, Canada has come down to a much greater degree.

I would put on the record that OECD figures indicate that the per capita support for Canadian agriculture has declined by close to 40% over the past decade. During the same period, per capita support to American farmers increased by 22% and now exceeds the OECD average. In two countries, New Zealand and Australia, their total support for agriculture as a percentage of gross domestic product is certainly lower than that in Canada. They are the only countries that are lower.

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Chairman, I realize the time is short. I will cover a number of issues pertaining to the WTO discussions and health care.

This debate has been an important one as we head into a week when our Minister for International Trade heads to Qatar for important discussions on world trade.

The best thing I can do in concluding the debate is relay the concerns of many Canadians and express the hope that the government is listening carefully to the concerns of organizations that come from far and wide representing many different interests.

We have pursued the issue vigorously these last several hours. If there is one concern I am left with it is the notion I have heard time and again from Alliance members and others that when we in the NDP raise legitimate concerns we are being bleeding hearts and keeping our heads in the sand.

Let us be clear that we are dealing with serious situations in terms of Canada's ability to govern as a sovereign state and in terms of our role on the world stage. If members in the House want to suggest we are bleeding hearts when we talk about 14 million people dying annually around the world from communicable diseases we will wear the title with pride. It is unfortunate when we cast aspersions on members for raising legitimate points of view.

It is important in this debate to remember the facts some members would like to keep hidden: the fact that about a third of the world's population lacks access to essential medicines; the fact that every year two million people die of tuberculosis and eight million people develop active TB; the fact that there are 300 million to 500 million new cases of malaria every year; and the fact that there is a serious pandemic in the world of HIV-AIDS.

These are serious issues we have an obligation to address both in the House and as we participate in world trade discussions.

In the few minutes I have left I will put before the House the importance of weighing the issue of upholding public health over private wealth. It is an issue that comes up time and time again in these discussions. It is important to recognize that Canada has a role to play and can offer the world important leadership on matters of public health.

The first area we must look at is patent protection versus patients' rights or property rights versus public health. One of the major

discussions coming forward at the WTO pertains to changing the rules or ensuring nothing can be done to prevent countries from taking measures to protect public health or the human right to health.

We have asked questions in the House about Canada's position with respect to a strong ministerial declaration in terms of allowing countries to take strong measures to protect public health. We have asked about ensuring Canada plays a role in allowing cheaper and more accessible generic drugs to be made available in third world developing countries.

To date unfortunately the government has not taken that kind of strong position. I refer particularly to the Médecins sans frontières organization which says Canada has joined a handful of wealthy countries in putting forward a vague counterproposal that does little more than restate what is already in the Trips agreement. The counterproposal fails to address most of the key needs identified by developing countries.

• (1910)

It certainly is a serious omission on the part of the Canadian government, which has to be addressed, and I hope this debate will move the Minister for International Trade to actually go to these ministerial discussions in Qatar with the absolute, unequivocal position that we will join with the 60 or more other countries that want to ensure public health comes first.

In that regard let me suggest to the government that it also look at its strong but incomprehensible position, because of its whole focus and fixation on patent protection, around preventing generic companies in Canada from producing drugs needed in third world and developing countries. Surely it would be in the interests of Canada's role on the world stage to ensure that third world countries and developing countries have access to drugs that can be produced here.

Let me also point out that as the government goes forward with WTO discussions it should also look at carving out very clearly Canada's public health system from trade-offs on the world stage. That is a concern that has been identified by many organizations, in particular the Canadian Medical Association, an organization that certainly has presented a balanced position and has called upon the government to at least have consultations with Canadians.

Finally, there is a role for Canada to play on the world stage in terms of tobacco control. Canada has been offering some leadership with respect to the framework convention on tobacco control, or FCTC, but has not mandated its officials to go forward in a firm way to ensure that we play a leadership role on that front.

Those are three areas that I think the government can begin to address immediately and ensure that it is standing up for public health versus private wealth.

• (1915)

[*Translation*]

**The Chairman:** It being 7.15 p.m., the hour provided for the take note debate has now expired. Pursuant to Standing Order 53, the House will adjourn and I will leave the Chair.

*Government Orders*

**The Deputy Speaker:** Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 7.15 p.m.)

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