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Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, December 3, 2001

The House met at 11 a.m.

Prayers

● (1100)

[*English*]

BUSINESS OF THE HOUSE

The Speaker: It is my duty pursuant to Standing Order 81(14) to inform the House that the motion to be considered tomorrow during consideration of the business of supply is as follows:

> That, in the opinion of this House, the upcoming budget should: (a) reallocate financial resources from low and falling priorities into higher need areas such as national security; (b) reverse the unbudgeted spending increases to a maximum growth rate of inflation plus population; (c) increase national security and defence spending by $3 billion; (d) reduce employment insurance premiums by at least 15 cents for next year and continue reducing EI premiums to the break-even rate as soon as possible; (e) commit to enhancing job creation by eliminating the capital tax over a maximum of three years beginning with a minimum 25% cut this year; and (f) sell non-core government assets and use the proceeds to accelerate debt reduction.

I should state that the motion standing in the name of the Leader of the Opposition is not votable. Copies of the motion are available at the table for those who wish to peruse further.

It being 11.07 a.m. the House will now proceed to the consideration of private members' business as listed on today's *order paper*.

PRIVATE MEMBERS' BUSINESS

● (1105)

[*English*]

COMPETITION ACT

The House resumed from October 24 consideration of the motion that Bill C-248, an act to amend the Competition Act, be read the second time and referred to a committee.

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, I would like to talk about the amendments being proposed to the Competition Act. Section 96 of the act would be amended by adding the following after subsection (3):

> (4) For the purpose of subsection (1), gains in efficiency cannot offset the effects of a lessening or prevention of competition unless the majority of the benefits derived or to be derived from such gains in efficiency are being or are likely to be passed on to customers within a reasonable time in the form of lower prices.

It goes on to talk about mergers and strengthening of dominant marketing positions. I would like to establish that as the basis upon which we will talk about this issue. It is funny that people within government are bringing forward ideas about competition and the Competition Act. I would like to mention some areas in which the government needs a little more competition. It directly pertains to gains in efficiency, prevention of competition, doing the right thing for the customers within a reasonable timeframe, lowering prices, and the whole idea of dominant market position. All these things factor into some of the stories I will tell.

We have the Canadian Wheat Board in western Canada. The government does not like competition with the wheat board and as a result it puts farmers like Andy McMechan in shackles. Rather than allowing farmers to sell their wheat of their own volition to whom they see fit, to operate outside the Canadian Wheat Board and thereby gain greater profits and seek higher prices for the grain they produce by the sweat of their brows, the government puts them in jail. That is ludicrous.

When the Canadian Wheat Board was initially set up it was ostensibly supposed to help farmer. Many farmers in western Canada are now asking to be cut free from this top down, bureaucratic and authoritarian institution. They want to be allowed to sell their grain as they see fit. They feel they can make more money and put more food on the table for their families. There are a lot of farmers in western Canada who might have been able to hang on to their farms despite the fact that wheat prices are not significantly higher today than they were during the great depression.

Many of these people would have been out of business a long time ago if it were not for economies of scale. They are losing their farms despite the fact that they produce wheat with modern farming machinery and wonderful tools at one of the more cost effective rates in the world. It is partly due to the Canadian Wheat Board.

Many farmers would be happy to grow wheat but they do not because they want to operate outside the totalitarian, top down institution that would jail them if they choose to grow wheat and sell it outside the wheat board. We should allow for some competition with regard to the wheat board.

The government across the way does not seem to be paying much attention but that is okay. I will go on to discuss Canada Post and maybe members will perk up.

In my home city of Calgary we used to have a service called T2P Overnight. T2P is the prefix of the postal code for downtown Calgary. T2P Overnight which was sometimes outside the public system for mail delivery used to deliver a standard letter overnight for 19 cents. That is quite a cost savings over what Canada Post charges. If it did not deliver the letter overnight it was free of charge. Can you imagine that, Mr. Speaker? I notice even you are nodding your head. You are quite impressed with that.

● (1110)

Businesses in downtown Calgary thought that was a great idea. They were saving money and they were guaranteed overnight delivery. If T2P Overnight did not get the mail there the next day, it was delivered free. No one could ask for much better than that. Maybe if we had allowed more competition to T2P Overnight we would have had less charges and better service.

However Canada Post and the government saw fit to enforce its monopoly on mail delivery. As a result, T2P Overnight was interfered with by the federal government. This local Calgary, Alberta, business, which was providing something more cheaply and more effectively than the federal government, was basically told that it had to shut its doors, that it was not allowed to do that.

It is not only the fact that the federal government goes ahead and tramples on the competition that is provided by the private sector, it even tramples on the competition that is provided by other levels of government.

Rather than pay Canada Post to deliver all its utility bills, the city of Calgary thought that if it were innovative and entrepreneurial it could save money for the taxpayers by hiring people to walk around eight hours a day as a flyer force of sorts to deliver the bills to the residents of the city of Calgary. It made some pretty good sense for the city to have its own delivery force. It would not have to be regulated or controlled by the federal government or, for that matter, by the Canadian Union of Postal Workers. It probably would not have the same level of strike problems, which happen every two years, as we are all familiar with in this place. It would have saved the taxpayers a lot of money. It made sense on so many levels.

However the city of Calgary was challenged by the federal government, by the people across the way who read their newspapers today and try to ignore these things. As a result the city of Calgary had to pay out probably triple the amount of money to have the bills delivered through Canada Post when the other method would have been more effective.

It is interesting that the city of Calgary found that it actually had less problems with non-delivery of the mail by having it done by people for the city of Calgary. Nonetheless, the government did not see fit to allow for competition in Calgary.

It is not just that the federal government tramples on other levels of government. It is not just that it disallows private sector businesses to start up. The government goes even further than that. It will take something that already exists, for example, Federal Express or United Parcel Service, which provides perfectly fine private sector service to deliver courier packages across the country. The government saw fit, in what I will not even call its wisdom because it was frankly evil, to have Purolator Courier, an arm of Canada Post, compete with these private sector alternatives. Can anyone believe that?

Federal Express and United Parcel Service, and I could list all sorts of private sector couriers, do not have to compete with just the other private sector couriers, they have to compete with the federal government. The federal government uses Purolator Courier to compete against the other, already existing, private sector couriers in this country. It is crazy when we think about what the government does and yet the people across the way talk about competition.

I have even heard that the government uses the profits from Canada Post in terms of regular mail delivery to subsidize Purolator Courier to rob from Peter to pay Paul. It takes money out of taxes that UPS, FedEx, et cetera, pay to subsidize their competitor, Purolator Courier. It is crazy.

Air Canada is another example of where the government tinkered with the foreign ownership rules only after Canadian Airlines was basically allowed to collapse.

The final example is that of Petro-Canada. The government is so embarrassed about its size of market share in Alberta that it actually has Bronco Gas sell its gasoline in outlets that are other than Petro-Canada. It has 20% of taxpayer money propping up its crown corporation.

● (1115)

If the government really believes in competition, let it talk about the wheat board, Canada Post, Air Canada, Petro-Canada, and the list goes on.

Let freedom reign.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, it is my pleasure to rise today and speak to Bill C-248, an act to amend the Competition Act.

Obviously one must always be careful when studying amendments to the Competition Act; however, the proposed amendments in this bill are in line with Bloc Quebecois philosophy on this matter.

The Bloc Quebecois will support these amendments since they refer to gains in efficiency that would lead to an increase in competition, unless clients would benefit from lower prices, the result of such an gain in efficiency.

However, it is important to remember and I give as an example the airline industry, that the Liberal government, through the transport minister, has already announced on several occasions that the problems in the airline industry will be solved by amendments to the Competition Act. This is somewhat worrisome.

Recently Air Canada representatives appeared before a number of House committees, including the Standing Committee on Transport, where, in a brilliant presentation, they told us that Quebecers and Canadians would have to prepare themselves because in the future competition would no longer consist of several airlines operating on the same routes. We would have to get used to the idea that competition would mean competition with one single airline.

Clearly, when we hear the government tell us, through the transport minister, that we have to deal with the issue of competition by amending the Competition Act in order to avoid unfair competition, including in the airline industry, it is hard for users to understand whether or not competition is becoming a monopoly.

This is what we need to be careful about when studying or looking at the Competition Act to try to solve all of the problems with competition in every sector throughout Quebec and Canada. We must always guarantee the best service at the best price. Obviously the only way to guarantee the best service at the best price is to promote healthy competition in Quebec and in Canada.

Changes are therefore needed, and recommendations must be made, such as the one proposed in Bill C-248, in order to clarify this gain in efficiency. Obviously everyone hopes that this gain will not favour monopolies, but it is clear that the proposal contained in Bill C-248 still encourages competition.

Returning to the matter of air transportation, once again the Minister of Transport has said clearly, week after week, that the best way of guaranteeing the best air travel prices at all times everywhere in Quebec and in Canada is to amend the Competition Act. Although I may be repeating myself a bit, there must be two carriers in order to guarantee competition and ensure that the market will endeavour to provide the best services at the best price.

This is where attention must be focused in discussing the Competition Act and in trying to use it to solve all the problems of our society, including, as I have said, those in the airline industry.

A solution to the airline problem understandable by all those listening to us in Quebec and in Canada might have been found. After September 11, the decision was made in certain countries, the U.S. and Switzerland among them, to use public funds to guarantee the survival of the airlines in their country.

● (1120)

The Americans, let us keep in mind, have invested $15 billion directly into support for their airline industry. Switzerland has purchased or has promised to purchase, with public funds, 38% of the shares in the new company that will replace Swissair, which is under the protection of bankruptcy legislation. These countries have chosen to come forward and support the airline industry to guarantee at least to some extent a variety of carriers on routes and services in all regions of the country, something that Canada has yet to do.

No investment or support for air carriers leads to defeat. The government has before it already one unfortunate case of defeat, the bankruptcy of Canada 3000.

The government had announced in the House $75 million in loan guarantees for Canada 3000, knowing full well that the company could not survive with the requirements it had imposed on it. The government knew this full well two weeks in advance when management rejected a program of time sharing with employees, which would have cost the company nothing. This refusal was already an indication that the company would not survive the crisis it was facing.

So the government announced loan guarantees for a company it knew would not survive. When we ask the government in the House to offer these guarantees to any new purchaser of some or all of Canada 3000 shares, the answer is no. When we ask the government in the House whether it will offer loan guarantees to regional carriers struggling in a number of regions of Canada, we are told the government will now help the four major companies still operational in this country.The other smaller companies and regional carriers will survive if the big companies do. They will keep the small companies going.

That is not how things work in the regions. Cities in the regions need services. Some are served at the moment by only one carrier, Air Canada, which has cut its services and even cut its meal service. This is the harsh reality. For regional passengers and cities the service is poor.

All of this makes it clear that regional development in Quebec and Canada is at risk if cities in the regions do not get quality service and appropriate schedules for the business people in these cities. The solution proposed by the government, through the Minister of Transport, is to amend the Competition Act.

The Bloc Quebecois agrees with Bill C-248, which clarifies the gains in efficiency that could be achieved in the case of a merger or other measure. However, we want to caution the government. In order to have competition, there has to be a minimum of two businesses providing the service across Quebec and Canada. This is not currently the case in the airline industry.

The Canadian Liberal government must take its responsibilities, considering that the Americans have invested $15 billion to support their airline industry. There are 300 million Americans. Here, with a population of 30 million, the government is currently only offering $160 million. This is proportionally ten times less than what the Americans invested. It is not true that Canada's economy is ten times smaller or weaker than that of the United States. The government is acting in bad faith when it tries to tell us that things will get back to normal in the air transportation industry when our neighbours are investing to support their industry.

I hope that the government will realize today that amending the Competition Act will not solve the problems of the airline and aviation industries. We just suffered a setback with Canada 3000 going bankrupt. There has to be at least two carriers on each route to guarantee the best possible fare to all Quebecers and Canadians who are listening to us.

● (1125)

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, I am pleased to take this opportunity to speak to Bill C-248, an act to amend the Competition Act.

Before going any further, I would like to point out to the hon. member who just spoke that on November 20, *The New York Times* reported Air Canada president Robert Milton as saying that he did not need any money. The member should perhaps read *The New York Times*, instead of limiting himself to *Le Devoir*.

An hon. member: Oh, oh.

Mr. Marcel Proulx: First of all, I would like to thank the member for Pickering—Ajax—Uxbridge for working so hard on behalf of Canadians in order to ensure that the purpose of the Competition Act is fully achieved.

An hon. member: Sellout.

Mr. Marcel Proulx: Mr. Speaker, I am hearing some unparliamentary language, but I will continue. During his speech on October 24, the Parliamentary Secretary to the Minister of Industry commented—

The Acting Speaker (Mr. Bélair): Order, please. I did indeed hear a word which was unparliamentary. I would ask the member to take his seat and withdraw his words, please.

An hon. member: Which word?

The Acting Speaker (Mr. Bélair): Must I repeat it?

An hon. member: Yes.

The Acting Speaker (Mr. Bélair): Sellout.

Mr. Richard Marceau: I did not say that.

An hon. member: It was not him. It came from the other side.

Mr. Richard Marceau: Mr. Speaker, the word you claim I said I did not use at all. I never said that.

● (1130)

The Acting Speaker (Mr. Bélair): I accept the statement of the member for Charlesbourg. I am still certain, however, that I heard the word sellout.

We do not know who uttered this word, but I call on everyone to be courteous and polite to their colleagues.

Mr. Marcel Proulx: Mr. Speaker, when he spoke on October 24, the Parliamentary Secretary to the Minister of Industry voiced his comments and concerns on Bill C-248 which proposes modifying the exception based on gains in efficiency, i.e. section 96, in connection with mergers The hon. member for Pickering—Uxbridge —Ajax also explained the circumstances leading up to the introduction of this bill. I would not repeat what has already been said in these presentations, except to identify the points I believe to be important.

I understand that Bill C-248 proposes the addition of two subsections to section 96 of the Competition Act in order to clarify situations which would give rise to the use of the gain in efficiency defence. Briefly, the first one addresses the effects of gains in efficiency on the price of products sold to consumers. The second addresses a situation in which a merger would create or reinforce a dominant position in a given market.

On the latter point, my hon. colleague for Pickering—Ajax—Uxbridge spoke of a situation in which a merger creating a monopoly would be authorized on the basis of gained efficiency. I presume he was referring to the Competition Tribunal decision in the Superior Propane case, in which this situation occurred in a large number of local markets.

I will spare you the details on this case and the legal proceedings, because the Parliamentary Secretary to the Minister of Industry spoke very eloquently of this on October 23. A few points are worth raising, however.

The federal appeal court refused to prescribe the method to be considered in order to determine the extent of the anti-competition effects of a merger. Instead, it referred the case to the Competition Tribunal so that it might assess the effects of the merger on competition for the purposes of application of section 96.

The tribunal recently heard the Superior Propane case and a decision will soon be forthcoming. The outcome is being anxiously awaited because its consequences will go far beyond the Canadian propane market.

Having heard the comments by my colleagues on Bill C-248, I believe that everyone agrees on the importance of the Canadian policy on competition and gains in efficiency. I do not believe it would be in the interest of Canadians to proceed with Bill C-248 at this time and amend section 96 of the Competition Act when the Competition Tribunal is on the verge of providing us with clarifications on this both complex and controversial matter.

Accordingly, in my opinion, it is inappropriate to speculate at the moment on a defence of gains in efficiency. All debate will have to be put off until later, if necessary, when the legal process has run its course.

I would like to thank the member for Pickering—Ajax—Uxbridge for bringing this matter before the House. I take this opportunity to point out the excellent results of the government's expanded and improved policy on private members' business.

We will recall that the process has been improved since 1993 and is much more regularly used by members of the opposition, as it is by Liberal backbenchers. The backbenchers can have their say, get laws changed and improve the way our country works.

We will also remember that my colleague from the riding of Pickering—Ajax—Uxbridge has succeeded twice now in getting changes made. The first change concerned the criminal code and the question of escape, that is, people who flee police. Second, thanks to my colleague, the organ donor program was introduced in Canada and was adopted and refined by the provinces.

● (1135)

In conclusion, this process really helps Liberal backbenchers fill in gaps in the opposition parties and make major changes to the lives of Canadians.

I thank the House for the opportunity to speak on this.

[*English*]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I am pleased to rise on this bill and to congratulate the member for Pickering—Ajax—Uxbridge on the initiative in the matter of the Competition Act. I want to take the few moments I have today to talk about what I think is of primary importance in the need for more competition, and that is the wholesale sellout of the country, particularly to our neighbours to the south.

Just before I get into the substance of my remarks, I want to refute the Alliance Party member who led off this debate and point out to him, and anyone else who might be interested, that, yes, mail could probably be delivered in the city of Calgary for 19 cents a letter as opposed to 50 cents a letter. What would that do for the people in Drinkwater, Saskatchewan, or Pense, or Avonlea, or Mossbank or some of the other places where it costs a heck of a lot more money to deliver services. Part of the rationale of Canada is to have companies that provide services which are standard and not to cherry-pick, which is essentially what the member for Calgary was suggesting.

Since the free trade agreement was signed, 13,000 Canadian companies have been sold to foreigners, the majority to people in the United States. The pace is quickening. The dollar volume of sales last year was double that of the year before, which was itself a record. Recently, some of the largest companies in the oil patch have been taken over: Anderson Exploration Ltd., West Coast Transmission; and now Canadian Hunter Exploration Ltd.

We are soon to be a shell of our former selves. We are witnessing a hollowing out of this country. I predict the day will not be far off, as the oil and gas sector is sold to all of the folks in Texas and Colorado, that Calgary will become hollowed out itself as the head offices of companies move south to the United States because that is where the good jobs are. Young Canadians will be forced to leave Canada to take part and to try to compete for those good jobs. That will put additional pressure on programs of which we are proud and for which we continue to fight, such as our health care system, education, the post office and other essential public services.

Today we have seen another example at the border in Windsor. We are talking about greater integration of our immigration, customs and other laws with those of the United States. I submit that this intrusion into Canadian affairs is totally unwarranted. We can co-operate with the U.S., as we should, but as others have pointed out, there is no reason to capitulate, give up our sovereignty and become the 51st state of the union. However that is the way things are going with our devalued dollar. We are selling off our resources at fire sale prices. We have to stop and consider what the future will be.

I want to talk specifically about competition and mergers in the food industry because there has been a dramatic market power imbalance among agrifood, the multinational corporations and the family farms.

Let us consider the input side of agriculture. We have the oil industry, the fertilizer industry, the seed companies, the chemical companies and the major machinery manufacturing companies. On the downstream side, we have the grain companies, the railways, the packing houses, the processors, the retailers and the restaurant chains. Almost every one of those 10 or 12 areas that I have mentioned is dominated by between 2 and 10 multibillion dollar multinationals.

For example, three companies retail and distribute the bulk of gasoline and diesel. Three companies produce most of the nitrogen fertilizers. Nine companies produce all of the pesticides. Three are major farm machinery companies.

● (1140)

To put it more graphically, in 1998 farm revenue in Canada grossed $29 billion while Cargill grossed $75 billion. The return on equity was 0.3% for farmers in 1998 but between 5% and 50% for agribusiness.

While farmers grow cereal grains such as wheat, oats and corn and earn negative returns, Kellogg's, Quaker Oats and General Mills get a return on equity of between 56% and 222%. To put it another way, a bushel of corn sells for about $4 but a bushel of cornflakes sells for $133.

The corporations that make the product, transport it, package it, process it and sell the food are making billions of dollars along with the corporations that make the tractors, fertilizers and pesticides, but it is not coming down to the farm level. Unless and until that happens the country is in a bad way.

We see it with oil and gas, as I mentioned earlier. The Americans will take all that. They will not take the softwood lumber. They will not agree to that. They seem to be dumping steel products in Canada. We have a dispute going in that direction so in Canada we need to sit down and have a major look at where it is headed, because it is headed to the United States. That is where we will end up if we do not take action and take it quickly.

Mr. Scott Brison (Kings—Hants, PC/DR): Mr. Speaker, it is with pleasure today that I rise to speak to Bill C-248. The need to strengthen the Competition Act has never been greater in Canada. I congratulate the member for Pickering—Ajax—Uxbridge for his continued hard work and vigilance in defending the underdog, in many cases smaller companies, and consumers in the long run.

A competitive marketplace is a requirement and a requisite for an effective market in Canada. We in my party are supportive of a free market economy, more consistently perhaps than members on the other side. However, a free market economy can be successful and functional only if we ensure the continuation of a competitive marketplace. Clearly we need to strengthen and amend the Competition Act to provide for that.

The rules need to be strengthened. I will focus on one particular area, the Canadian airline industry. The Competition Bureau needs to be given the teeth to ensure monopolists pursuing predatory policies are stopped in their tracks before they destroy smaller competitors.

We have seen many examples in the last couple of years, particularly with Air Canada. We have seen the Competition Bureau not take immediate actions to order Air Canada to cease and desist the predatory trade policies that have ultimately destroyed competition.

By the time the Competition Bureau has done something we have seen companies like CanJet, a Nova Scotian company, destroyed. In more recent weeks we have seen Canada 3000 destroyed by the predatory trade and pricing practices of Air Canada. Historically we could go back even further.

Instead of using business practices to strengthen its profitability, Air Canada has focused on market domination not just to the detriment of the Canadian air traveller and individual Canadians but ultimately to the detriment of its own company. Air Canada has not focused on strengthening its profit position. It has focused on market domination to the detriment of both the Canadian traveller and ultimately Air Canada's shareholders.

Clearly we need to strengthen and amend the Competition Act to ensure that cease and desist orders can be placed and enforced immediately. We need to impose multi-million dollar fines on companies like Air Canada that choose to pursue predatory pricing practices and destroy competition unfairly.

An interesting poll was done recently of Canadian corporate leaders. Rarely have we seen Canadian corporate leaders supporting greater levels of government intervention.

When polled about the need to have a more functional Competition Bureau and more functional policies under the Competition Act, Canadian corporate leaders pointed to Air Canada and said clearly that government must have a more active role in Canadian airlines if we are to ultimately have competition that will benefit individual Canadian travellers and Canadian business.

I assume part of that comes from the fact that many Canadian corporate leaders are frequent travellers. They can attest to the near toxic levels of arrogance emanating from the CEO of Air Canada, the boardrooms of Air Canada and the policies of Air Canada, as can any of us. Its policies effectively say that if any company anywhere in Canada has the gumption to stand up against Air Canada it has the God given right to run that company into the ground.

The government has failed to create a more competitive environment. It has failed to give Canadians the security in air travel that they deserve.

● (1145)

Clearly we need to radically improve our Competition Act. We need strong amendments. The best place to find the impact of weak competition laws and a virtually unenforceable Competition Act is the airline industry. For years the government has claimed to be trying to deliver a more competitive environment for air travel in Canada. It has failed not because it has not put enough money into the airline industry. It has failed because it did not address issues in the Competition Act and amend it far earlier, as it should have done.

If the government had acted earlier to amend the Competition Act and give the Competition Bureau teeth to make the rules enforceable we would still have companies like CanJet providing a wider range of services at more competitive rates between Atlantic Canadian destinations and other parts of the country.

In Canada we have seen companies like WestJet survive and do fairly well against all odds. It is a miracle for an independent airline in Canada to compete against Air Canada and succeed. WestJet is the exception to the rule. I commend WestJet on the fact that it has remained competitive with Air Canada.

However where WestJet has succeeded against Air Canada many others have failed. They have done so not because they were poorly run airlines. If poorly run airlines failed in Canada, Air Canada would have failed a long time ago. They have failed because Air Canada has continued to abuse the principles of the Competition Act and dodge the bullet every time. They have failed because we have not given the Competition Bureau the teeth to enforce the rules that would have protected competitors and ultimately provided a better, more competitive and value oriented marketplace for Canadian air travellers.

I commend the hon. member for Pickering—Ajax—Uxbridge for his continued attention to some of the deficits in our competition policy. He should realize there is a great deal of support on this side of the House for strengthening competition policy in Canada such that our marketplace continues to be a vibrant one that ultimately delivers the best possible services on an ongoing basis to Canadian consumers whether they are airline travellers, purchasers or consumers of petroleum products.

I have not always supported every initiative the hon. member has promoted in terms of competition policy, but I agree with the general thrust and direction of his initiative in terms of creating a greater level of competition and, ultimately, better goods and services at more competitive prices for all Canadians.

● (1150)

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to have this opportunity to address Bill C-248, an act to amend the Competition Act. It does my heart good to be engaged in one of these quieter debates when members on both sides of the House who disagree on some of the fundamentals of this legislation add different things to the subject matter and add examples of the dangers of concentrating too much power and too many resources in too few hands, as was stated by the member for Kings—Hants just now and, before him, my colleague from Hull—Aylmer.

I would like to repeat, if I may, one phrase of the member for Palliser which I think people should bear in mind. It has to do with the agrifood industry in his case. He stated that it is $4 a bushel for corn and $133 a bushel for cornflakes. I think everyone should think on that in the context of the bill and also, by the way, in the context of our daily lives.

Like the others, I would like to thank the member for Pickering—Ajax—Uxbridge for his tireless efforts to ensure that the Competition Act serves Canadians to the greatest possible extent. I would particularly like to thank him for his work on behalf of all consumers during the very difficult time when gas prices rose to such an extraordinary and unjustified extent.

At that time he truly did work tirelessly for all of us and for all consumers, drawing our attention to the fact that we are overly dependent on oil, one source of fuel, that within that we are overly dependent on a few sources of that oil, and that within that, and I remember him saying it in the House, we in Canada are particularly overly dependent on a few refineries. That is an interesting example of the focusing of power in one area. Some people have the oil, some transport it and some refine it, but in the end we buy it from the people who refine it. If there is a concentration or a monopoly situation at that level, that is when Canadians suffer most directly.

I share the concern of the member for Pickering—Ajax—Uxbridge about these matters. I would like to point out that I am not surprised that he has been so effective, because, after all, he was born and brought up in my riding and educated there. I will tell you, Mr. Speaker, that my riding is full of young, well trained, intelligent people like him and they are all waiting to join him in the Liberal Party of Canada.

I share his concern that the recent merger between Superior Propane and ICG Propane may have revealed a weakness in the act. The Competition Tribunal ruling that the efficiencies resulting from the merger would more than compensate for the creation of a monopoly or near monopoly in many local markets and for national account customers was not the ruling that many people expected. That includes me. I hasten to remind the House that this was the first significant test of this legal defence based on efficiencies, so-called efficiencies, I would say, and it was the subject of considerable debate in the competition community.

My concerns were eased somewhat by the ruling of the Federal Court of Appeal, which overturned the tribunal's ruling. The federal court considered the matter, determined that the tribunal had not interpreted the so-called efficiency defence contained in section 96 of the act correctly and returned the matter to the tribunal for redetermination. I was very relieved at that, Mr. Speaker, and I know that you were. Superior Propane sought leave to appeal the federal court ruling to the Supreme Court of Canada, which refused to hear the matter. The federal court ruling stands.

The federal court, in its reasons for judgment, has provided guidance on the interpretation of the so-called efficiency defence. The tribunal's new ruling will be watched with great interest from many quarters because it will have implications far beyond today's propane industry in Canada.

● (1155)

Bill C-248 would impose two new conditions on the use of the efficiency defence in mergers to ensure consistency. The first condition is that any merger for which efficiencies are claimed must pass a price test, that is to say, the savings to the company realized through efficiencies must also be realized by consumers through lower prices. Those efficiencies must arise purely as a result of the merger and not for any other reason. If that were not the case, the company would not be required to pass on savings from other types of efficiencies. The second condition Bill C-248 would impose would be that the efficiency defence would not apply at all if the merger would result in, or would likely result in, the creation or strengthening of a dominant market position. The extreme case would be a merger to the condition of monopoly.

While these are interesting approaches to providing clarity to the Competition Act and may be worth considering in detail at some time in the future, it is not clear to me at this moment that this is the time to introduce such amendments. The tribunal has just finished rehearing the propane case and we are awaiting its decision. It is not appropriate to speculate on what the tribunal's decision will be, but it is safe to say that its ruling will say much about whether further clarification of this aspect of the Competition Act is needed beyond that provided by the federal court's reasons for judgment.

Consistent interpretation of the efficiency defence would be a welcome thing and we may already have it thanks to the Federal Court of Appeal and the Supreme Court of Canada. It is premature to involve ourselves further in this matter until we can see a clear need to do so. I urge the members of the House to vote against the bill for that reason.

In conclusion, I would like to again thank the member for Pickering—Ajax—Uxbridge for bringing this important issue to the attention of the House. Often in this Chamber we seek simple ways of doing things because each day we are faced with the complexities of society out there, in this case with the competition bill. We often wish that we could wave a wand and the problem would be solved or that we could pass a new law which of its own accord would solve the problem that triggered it.

However the fact of the matter is that society is very complicated. For example, our market economy is an extraordinarily complicated thing. We want it on the one hand to be as free as is humanly possible and, on the other hand, to have controls in it to safeguard individual consumers in particular. That balance is always just that, a balance. At the present time we do have through the federal court an opportunity to see whether the balance is right in this case with regard to this defence before moving toward the legislative stage. On that basis I would encourage members not to vote for this legislation but to wait, see what the future holds and then return to the matter if it is absolutely necessary.

Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Mr. Speaker, I too am pleased to take this opportunity to speak to Bill C-248, which is an act to amend the Competition Act. First I would like to join with the rest of my colleagues in thanking the hon. member for Pickering—Ajax—Uxbridge for his efforts on behalf of Canadians to ensure that the Competition Act achieves its objectives. We must remember that our colleague has been a tireless advocate on behalf of consumers and has served as a watchdog for our caucus, watching for a dominant position to happen or watching for where gouging was likely to happen.

As mentioned by the hon. member for Peterborough, one thing my colleague from Pickering—Ajax—Uxbridge worked very hard on was the issue of gas prices. When gas prices were increasing he took a task force across the province before the province ever got involved. Our caucus truly owes our colleague a great debt of gratitude. My thanks are nothing compared to the thanks the member got from the Minister of Finance in the last budget. At that time, the government looked at how best to assist consumers with rising gas prices when the world price hit record highs. It was felt that something had to be done about the oil companies. In fact, it was through consultations and the work done by our colleague from Pickering—Ajax—Uxbridge that the government looked at giving the rebate to consumers, to ensure that money went back to the consumers and was not hidden somewhere by the government or gouged by the oil companies. I would again like to thank our colleague very much for his efforts.

At issue today is Bill C-248. The bill would specifically amend section 96 of the Competition Act which addresses an issue known as the efficiency defence. This defence comes into play when mergers occur. This defence was not previously applied in practice until Superior Propane proposed to acquire ICG Propane in 1998. Prior to that date, the interpretation of that section of the act was untested. Now, with the bill before us, it turns out that the interpretation is very contentious indeed.

Bill C-248 is an attempt to clarify and impose limitations on the efficiency defence by adding two new subsections to section 96. The new subsection (4) states that:

> —gains in efficiency cannot offset the effects of a lessening or prevention of competition unless the majority of the benefits derived or to be derived from such gains in efficiency are being or are likely to be passed on to customers within a reasonable time in the form of lower prices.

The second amendment which is being proposed by the bill is a new subsection (5), which would make the defence of inefficiency unavailable and inapplicable if it resulted "in the creation or the strengthening of a dominant market position".

When there is a concern about lower prices, benefits being passed on to consumers and when I hear the words dominant position, I again have to thank our colleague for teaching our caucus and members of the House that those are the terms and things we should be looking for.

Before I discuss what I feel we should or should not be doing at this point, I think it is important to return to what happened in the Superior Propane case and what has transpired since Superior Propane proposed to acquire ICG in 1998. It was always the position of Superior Propane that efficiency gains would offset any anti-competitive effects and would justify permitting the transaction to proceed. Unfortunately for Superior Propane, the commissioner of competition disagreed with Superior Propane's view of efficiencies and filed an application with the Competition Tribunal challenging the transaction. What transpired then was that the tribunal agreed with the commissioner that the transaction had significant anti-competitive effects.

● (1200)

However, it accepted the argument of Superior regarding the efficiency defence and ruled that efficiencies would outweigh the anti-competitive effectives of the transaction.

That was not the end of it. The commissioner then appealed the tribunal's ruling on efficiencies to the Federal Court of Appeal which sided with the commissioner and instructed the tribunal to redetermine the propane case. That is still not the end.

Superior Propane then sought leave to appeal to the Supreme Court of Canada. The supreme court refused to hear the matter and, in fact, upheld the ruling of Federal Court of Appeal.

The Competition Tribunal recommenced hearings on the Superior Propane-ICG Propane merger on October 9, 2001. It was required to do this because it had been so ordered. We are anticipating that a decision will be made very shortly. We hope such a decision will appear in January.

I would recommend at this particular time, and I stress the words to my hon. colleague, at this particular time and only at this time, it would be unseemly to amend the law while the matter is being reconsidered by the tribunal with the benefit of these court rulings. Perhaps there will be things in that tribunal ruling which may take my colleague's position or there may be things in that ruling which may assist my colleague enhancing the amendments to the act.

We should also remember the federal court's reasons for judgment gave direction to the tribunal in the form of parameters, but not explicit direction.

At this time I would ask colleagues on both sides of the House to perhaps await a decision. I also encourage my hon. colleague to continue his great work on behalf of all consumers in Canada.

● (1205)

[*Translation*]

The Acting Speaker (Mr. Bélair): It being 12.07, the hour provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

GOVERNMENT ORDERS

[*English*]

CLAIM SETTLEMENTS (ALBERTA AND SASKATCHEWAN) IMPLEMENTATION ACT

The House proceeded to the consideration of Bill C-37, an act to facilitate the implementation of those provisions of first nations' claim settlements in the Provinces of Alberta and Saskatchewan that relate to the creation of reserves or the addition of land to existing reserves, and to make related amendments to the Manitoba Claim Settlements Implementation Act and the Saskatchewan Treaty Land Entitlement Act, as reported (without amendment) from the committee.

Hon. Don Boudria (for the Minister of Indian Affairs and Northern Development) moved that the bill be concurred in.

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

Some hon. members: Agreed.

An hon. member: On division.

The Acting Speaker (Mr. Bélair): I declare the motion carried.

(Motion agreed to)

Hon. Don Boudria (for the Minister of Indian Affairs and Northern Development) moved that the bill be read the third time and passed.

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, I rise to address the House on Bill C-37, the claim settlements (Alberta and Saskatchewan) implementation act. I am pleased to be presenting this legislation for a third and final reading.

I want to begin by thanking hon. members for supporting Bill C-37 at second reading, when members from all parties spoke in favour of the legislation. I also want to thank the standing committee for its thorough examination of Bill C-37.

First nations in Alberta and Saskatchewan, with the full support of the government, want to move forward. It is time to fulfill Canada's treaty land entitlement commitments and implement specific claim settlements agreements in these two provinces.

Bill C-37 would facilitate this process by expediting the acquisition and transfer of lands to reserve status in Alberta and Saskatchewan.

[*Translation*]

As hon. members will recall, we currently have a backlog of about a million hectares, or two million acres, of land that has yet to be added to reserves as a result of claim settlements in these two provinces, and even more commitments are expected in the future.

Members will have realized that this bill deals mainly with administrative matters. Nevertheless, it will bring changes which we expect will yield important improvements in the implementation of claim settlements.

For example, the existing additions to reserves process simply was not designed to accommodate such a volume of work in an expedient or efficient manner.

In addition, today many of the lands first nations are selecting to add to their reserves have third party interests, such as leases or mineral rights, that need to be addressed.

Although a number of mechanisms exist in federal law for accommodating third party interests, these are not currently available for the purposes of adding lands to reserves.

● (1210)

[*English*]

Changes are needed, progressive changes that will allow the government to meet its commitments to first nations people, as we promised to do in "Gathering Strength", our response to the royal commission on aboriginal peoples, and in the recent Speech from the Throne.

Changes are needed that will allow us to get the job done quicker, while respecting the rights of everyone involved and providing new opportunities for first nations to build their economies and create jobs in their communities.

Bill C-37 passes the test on all accounts. It would protect and even enhance the rights of other parties. It would speed up the process for first nations and give them access to a broader range of lands that have existing commercial interests and development potential.

I would like to quickly review the key elements of the bill so that hon. members can appreciate what we are trying to do and why they should support the government and first nations in this process.

First, Bill C-37 would empower the Minister of Indian Affairs and Northern Development to grant reserve status to lands that are selected by Alberta and Saskatchewan first nations under claim settlements. This would replace the current process of obtaining an order in council. We expect this change will shorten the time needed to approve additions to reserves which in turn would allow any economic benefits associated with the lands to be realized more quickly by the first nations. More importantly however, Bill C-37 would streamline the process for dealing with third party interests in lands selected for additions to reserves under claim settlements.

[*Translation*]

This will be achieved by giving first nations in Alberta and Saskatchewan pre-reserve designation and permit granting powers that will allow them to agree to continue an existing third party interest or to negotiate a new one in selected lands before the lands become part of a reserve, and even before the lands are purchased.

Under the existing process, any such interests must either be bought out or otherwise accommodated before the land can be transferred to Canada and granted reserve status.

As I noted a moment ago, this improved pre-reserve designation power will give first nations access to a broader range of lands that have development interests or potential. Because these lands can be selected and acquired more quickly, any third party interests associated with them will contribute sooner to economic and social progress in the community.

First nations will not be the only ones to win from these new mechanisms. All concerned parties, including private sector developers, landowners and people, companies or institutions who hold interests in land in Alberta and Saskatchewan, will benefit from the higher level of certainty that will result from Bill C-37.

● (1215)

[*English*]

For example, the proposed legislation would provide businesses and investors in Alberta and Saskatchewan with certainty of tenure for any third party interest they might hold in lands to be added to a reserve. It would also provide the certainty, stability and predictability first nations and businesses need to negotiate new commercial arrangements and economic development partnerships.

Facilitating the transfer of lands to reserve status is the main object of Bill C-37, but I want to remind hon. members that the legislation also proposes to amend the Manitoba Claim Settlements Implementation Act and the Saskatchewan Treaty Land Entitlement Act of 1993. In the case of the Manitoba bill the amendments would make minor language improvements to ensure its consistency with Bill C-37.

Hon. members will recall that part 2 of the Manitoba Claim Settlements Implementation Act already has put the new regime in place for claim settlements in that province. In fact it served as a model for the legislation currently before the House. The changes to the Saskatchewan legislation are more substantive but their purpose is equally straightforward.

Clause 12 would confirm in law any release of the province of Saskatchewan from its obligations under the natural resources transfer agreement of 1930 to provide unoccupied crown lands when that obligation otherwise has been met as part of a treaty land entitlement settlement negotiated since 1993 or in the future. As well, clause 13 would establish clear rules for determining whether the pre-designation power provided in Bill C-37 or a similar power in the Saskatchewan legislation applies in different circumstances.

I am pleased that Bill C-37 has enjoyed the support of all parties because the legislation demonstrates real progress in fulfilling Canada's historical obligations to first nations people.

[*Translation*]

Let me remind hon. members that some of the treaty land entitlement settlements that will be facilitated by this legislation resolve grievances that go back more than a century.

At long last, more than 30 first nations in Alberta and Saskatchewan will receive land that was promised when their forefathers signed treaties with the crown, but that was never fully delivered, lands that will meet their needs today and in the future.

I am especially pleased for the Alexander First Nation and the Loon River Cree First Nation in Alberta, whose treaty land entitlement settlement agreements included commitments by Canada to recommend legislation to streamline the additions to reserves process.

I am also pleased for those first nations whose specific claim settlement agreements will be facilitated by Bill C-37. Looking to the future, these provisions will be available for all future claim settlements in Alberta and Saskatchewan that involve additions to reserves.

In other words, what we are putting in place here is not a short term fix, but a long term solution to assist a process that could be ongoing for many years, as more claim settlements are negotiated by Canada. As we gain experience with this new process it may serve as a model for the entire country.

● (1220)

[*English*]

I am pleased with the flexibility that is inherent in Bill C-37. While I believe this new approach would be a great improvement over the existing additions to reserve process, it may be that some first nations will not agree. Bill C-37 would therefore give them the option of either electing to adopt these mechanisms or to continue under the current process.

As hon. members were advised during second reading debate, the opt in decision would apply only on a settlement by settlement basis. In other words, any first nation that has both a specific claim settlement and a treaty land entitlement settlement must make a separate election for each settlement agreement and it would be free to make a different election in each case.

Whatever choice they make, I can assure hon. members that the Department of Indian Affairs and Northern Development will continue to work closely with first nations to fulfill any commitments to expand reserves.

Consistent with our government's approach to doing business, Bill C-37 was developed in close consultation with the affected stakeholders. First nations and treaty organizations in both provinces were consulted and have endorsed the approach set out in Bill C-37, including the Alexander First Nation and the Loon River Cree First Nation.

The proposed amendments to the Manitoba Claim Settlements Implementation Act and to the Saskatchewan Treaty Land Entitlement Act have also been endorsed by the affected parties. Bill C-37 also has the full support of the provincial governments of Alberta and Saskatchewan.

Clearly this is good legislation that would improve Canada's relationship with first nations in Alberta and Saskatchewan. Just as important, it would strengthen the capacity of first nations governments to make decisions about their lands and communities and allow them to more effectively pursue economic development opportunities.

Bill C-37 also meets the needs of other parties who have an interest in lands in those two provinces. This is a win-win bill for all who will be affected by it. With that in mind, I invite hon. members on both sides of the House to join me in supporting Bill C-37.

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, it is a pleasure for me today to rise to debate Bill C-37, the Alberta and Saskatchewan claims act. The official opposition, the Canadian Alliance, recognizes the need for the legislation and therefore will be supporting the bill.

Let me take just a moment to discuss and summarize the intention and purpose of the bill. The bill's summary describes the act as a mechanism:

> —to facilitate the implementation of those provisions of first nations' claim settlements in Alberta and Saskatchewan that relate to the creation of reserves or the addition of lands to existing reserves. The new Act empowers the Minister of Indian Affairs and Northern Development to set land apart as a reserve, and allows for the accommodation of third-party rights and interests in that land during the process of setting it apart as a reserve.

In short, the bill rightly addresses aspects of legitimate treaties that have not yet been fulfilled in Alberta and Saskatchewan. Where these errors and omissions have occurred over the years, for whatever reason, all the parties need to move quickly and efficiently in an effort to bring prompt resolution to them.

I want to categorically state that we in the Canadian Alliance believe that all treaty obligations should be met and that it is a moral imperative that we do so. Members in this party believe in honouring treaties.

I would like to note that during both the departmental briefings to the Canadian Alliance and the departmental presentations to the standing committee, the question as to why the bill was necessary was brought up. I found it interesting that the consistent answer to that question was that the current system was both cumbersome and unable to contend with the backlog of approvals.

Currently the governor in council must approve all reserve additions. The process is a cumbersome, four step process and at times it seems the approval process is longer even than the negotiation process itself, which boggles the mind. However, those of us who have been around the bureaucracy long enough know very well that these things can certainly take place.

We therefore know that the bill is intended to speed up the implementation process of additional reserve lands under the treaty land entitlement, or TLE, program in both Alberta and Saskatchewan.

I am pleased that Bill C-37 addresses the previous concerns that have been brought forward by third party interests. In the past, third party interests have been a major stumbling block to proceeding with the settlement of outstanding treaty land entitlements. Under the bill, third party interests may choose to opt into the regulations introduced through Bill C-37 or they may choose to continue with the old method. It is anticipated that the majority, if not all, will choose to opt in.

I would encourage the government to move quickly and decisively in the settlement of the remaining treaty land entitlement claims in Alberta and Saskatchewan. To procrastinate further serves no positive purpose for anyone. To continue the slow, grinding process is financially costly to all the parties and certainly provides no economic certainty to the aboriginal community or to the non-native population either.

We know that only too well in British Columbia and in the region which I serve as member of parliament where uncertainty in the treaty process has led to a great loss of investment in the province and is certainly one of the factors in our near recession like conditions in B.C. these days. These things must change and I believe Bill C-37 would bring us along the road to positive change in this regard.

One of the biggest questions I had going into the committee discussions surrounding the bill was the position that the respective provincial government had. I was pleased to hear that the provincial governments have been actively involved in the consultation and draft development of the bill and therefore feel that their previous concerns have been met.

The government official from the province of Alberta, for instance, mentioned that the bill was long overdue. It is something for which officials in the province of Alberta have been asking for a long time. Now that we have it I know they are very pleased.

They also made the observation that although negotiations are often long and drawn out, the waiting time for the governor in council to rubber stamp and finalize the agreement is often even longer. That has led to a detrimental situation in that province.

● (1225)

While I do not generally relish the thought of adding more powers to any of the ministers of the crown, I am supportive of any move that would reduce the waiting time due to an unacceptable bureaucracy. The Canadian Alliance endorses any move to minimize government interference in the daily lives of Canadians. Therefore, the bill is in keeping with our current policy.

The Canadian Alliance also recognizes the legitimacy of signed treaties as legally binding agreements and therefore we believe all obligations must be met under these treaties. In the cases where obligations have not been met, then our party will support the efforts to resolve them as quickly as possible.

The slow process of government bureaucracy should not stand in the way of settling these land claim submissions and therefore we support the bill.

Although it is not exclusively an economic bill, we again want to say that we believe the bill would assist some bands to realize economic opportunities in a more timely manner. The recognition of third party interests under the bill is key in order to achieve it.

I believe we must proceed quickly and ensure that bands are able to achieve those kinds of results within their own sphere of influence, not at a cost to others but in a fair and open market. Bands and band members must be given equal opportunity to achieve economic prosperity just like all other Canadians across this great land.

In conclusion, the Canadian Alliance will be supporting the bill. We are very glad it has been brought to the House.

● (1230)

[*Translation*]

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, I am very pleased to address Bill C-37 in the spirit of co-operation that the Bloc Quebecois always displays when the bills proposed are good measures and, more importantly, in a spirit of friendship, since Quebec sovereignists are allies of the various aboriginal nations.

It is in a spirit of help, support and friendship that the Bloc Quebecois takes a stand on all aboriginal issues. We often offer our assistance to them, always in a spirit of co-operation between nations.

Bill C-37 before us today is intended to facilitate the implementation of territorial agreements reached between the federal government and the first nations.

As we saw in committee with the speeches that were made, the bill is very technical. In fact, this is in stark contrast with the approach which the Minister of Indian Affairs and Northern Development seemed to have adopted and which generated controversy every time he wanted to introduce a new government measure, as was the case, for instance, with the governance bill.

Incidentally, it is unfortunate for the minister that this attitude impacts negatively on the federal government's relations with first nations. One example is, of course, the rather drastic and unacceptable cuts imposed on the Assembly of First Nations by the federal government.

Such decisions and actions will not help improve relations between the federal government and first nations, and this is very unfortunate for all Quebecers, Canadians and first nations.

In fact, there are even rumours on the other side of the House and in the newspapers that the Minister of Indian Affairs and Northern Development may lose his job during the next cabinet shuffle. It sure must be difficult to work with this dangling over one's head.

But let us not get distracted by the internal problems of the Liberal Party. Let us get back to Bill C-37.

The Bloc Quebecois is proud to contribute to the quick passage of this legislation since it includes constructive measures for first nations.

The Bloc Quebecois' position on the study of this bill is entirely consistent with our party's position on the right of first nations to self-government.

Incidentally, I am sorry that the federal government left aside the political framework suggested in the Erasmus-Dussault Commission report and that it is using different mechanisms, a piecemeal approach, when a clearly defined path has been laid out, a path that we as well as a majority of stakeholders in the aboriginal community and others support.

The Bloc Quebecois has demonstrated that we are open to first nations and we have also demonstrated our sincere concern for them on numerous occasions.

Bill C-37 implements land claims agreements which are the result of long and often difficult negotiations for increased self-government and accountability for first nations.

It is important to remember that this legislative measure applies exclusively to the result of negotiations in Alberta and Saskatchewan. Similar legislation was passed approximately one year ago for Manitoba.

Bill C-37 will considerably reduce the time required to grant the lands negotiated real reserve status. Aboriginal people in these areas will be able to use this legislation to accelerate the land transfer process.

This is a key element of the notion of self-government, as it will allow first nations to benefit sooner from the natural resources on their lands. Their economic space will be strengthened, and everything seems to indicate that the legislation will have a positive effect on these communities.

● (1235)

I could go on for much longer, but in order to be brief, in conclusion, I reiterate that the Bloc Quebecois will support Bill C-37. We invite our colleagues from all political parties to do likewise.

[*English*]

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.

The Deputy Speaker: I declare the motion carried.

(Montion agreed to, bill read the third time and passed)

* * *

YUKON ACT

The House proceeded to the consideration of 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, as reported (without amendment) from the committee.

Hon. Stéphane Dion (for the Minister of Indian Affairs and Northern Development) moved that the bill be concurred in.

(Motion agreed to)

Hon. Stéphane Dion (for the Minister of Indian Affairs and Northern Development) moved that the bill be read the third time and passed.

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, Yukoners stand today on the threshold of a dream that many have had for decades, the possibility that northerners would be able to make their own decisions on their own land in the north. With the freedom to make those decisions comes a responsibility for us to be wise stewards of our magnificent land for future generations.

It is very gratifying to stand before the House today to advance Bill C-39 at third reading surrounded by hon. members from all over the country who clearly recognize its merits. As pleased as I was by the positive response to the legislation received from all parties at second reading, I was even more delighted by the tremendous reception the revised Yukon Act received when it went to committee. It was most rewarding to have earned the unanimous approval of committee members present and to experience the tremendous spirit of co-operation and support for Yukon from all parties in the House.

I want to thank the members of the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources and all my hon. colleagues for their strong support and valuable insight as this bill has worked its way through this place. This legislation is a testament of what we can achieve together when we work in partnership.

I would like to thank the minister for all the time and effort he has given to Yukoners, especially for land claims and for the devolution transfer agreement. I also thank him for allowing me this historic opportunity to present the bill both at second reading and at third reading, speeches the minister would normally give. I reserve my greatest praise for the people of Yukon, whose patience, hard work and persistence for years in pursuit of a fair deal for territorial residents have resulted in this historic legislation.

One of the strengths of this devolution initiative and Yukon Act is that at the beginning of the process several years ago, the time was taken to ask the people of Yukon what they wanted. In fact, one of the most persuasive arguments for supporting this legislation is that the modernized Yukon Act and the devolution transfer agreement that underlies it are the result of several years of extensive negotiations. Yukoners have outlined their expectations, something which has made this initiative even stronger.

The premier of Yukon told members at committee "We appreciated the opportunity to participate in this process and despite the occasional frustrations on either side, the final text is all the better for this collaboration".

We have worked closely with our partners in Yukon to make sure that we would address the needs and interests of various parties and to ensure that the act truly represented local priorities. We recognize that people at the grassroots level are far closer to both the challenges and solutions so we attempted to reflect their ideas in this legislation which affects their lives and their livelihoods.

Before we began drafting the bill, the Yukon government carried out extensive public consultations in Yukon. Based on the input gained from these consultations, it made a number of recommendations. The bill in front of us is based upon this body of knowledge. Successive drafts of this bill were discussed with representatives of the territorial government and the first nations through the years 2000 and 2001.

During the negotiation process on both the transfer agreement and the bill, these representatives in turn provided progress reports to their constituents. The draft bill was also shared with the Gwich'in Tribal Council and the Inuvialuit Regional Council, as both organizations represent first nations which have signed land claims and have interests in Yukon.

Public opinion polling conducted by Ekos in April 2001 confirms that a large majority of both aboriginal and non-aboriginal residents support the transfer of specific authorities from the federal government to northern governments.

This is one of a number of devolutions of provincial-like powers to the Yukon territorial government that have occurred over the years. As in any such transfer, there will always be those who wish it went faster or slower, with more powers or fewer powers. About half a dozen individuals or groups have approached me in Ottawa with such suggestions.

● (1240)

Most of these suggestions, such as the fact that several first nations would have preferred to have their land claims completed before devolution, were noted during second reading and/or in the premier's comments before committee. I will review some of these points.

One individual brought forward the following suggestions: finalizing the offshore boundary in the Beaufort Sea, transferring title to all public lands, ensuring more clarity of the commissioner's role after 10 years and providing more consultation.

One first nation that would have preferred its land claims to be settled first is the Kaska band. It has elaborated on this with several points.

First, it does not believe the package before parliament is consistent with the agreement between it and the territorial government concerning devolution.

Second, it believes the agreements provide that devolution would not apply to traditional Kaska territory in Yukon without the band's consent in the event devolution is completed before its claim is completed.

Third, it believes the Yukon government has not provided safeguards for the protocol of lands and resources in the traditional territory for Yukon first nations and transboundary claimant groups.

Fourth, it believes that because of the Rupert's Land and North-Western Territory order of 1870 the Government of Canada cannot transfer responsibility before a Kaska claim is settled over lands in traditional Kaska territory without upholding its fiduciary responsibility to protect Kaska interests.

Finally, the Kaska band feels that in conjunction with the Yukon government's involvement in transboundary claims as defined in the umbrella final agreement it would be much harder to obtain a fair settlement of its land claim.

The French community would like to ensure it is acknowledged and its rights are protected. One day perhaps the federal government could provide a stronger acknowledgement and recognition of the municipal order of government in Canada.

We are working with first nations and the Yukon government to settle outstanding land claims as a matter of highest priority. Moreover, due to the types of concerns I have outlined, the devolution transfer agreement contains measures to protect Yukon first nations who have not yet completed land claims agreements. There are numerous safeguards and conditions to ensure the rights of first nations would not in any way be compromised.

First nations would directly benefit from the package being considered today. While first nation interests are reflected in numerous provisions in the transfer agreement and the bill, among the most significant accomplishments of the initiative is its commitment to closer co-operation and enhanced communication between the Yukon government and first nations. The initiative would strengthen intergovernmental relationships in Yukon.

Decisions about sustainable development that are made in Whitehorse instead of Ottawa would invariably be more sensitive and responsive to the concerns and priorities of different groups of Yukoners. Minority populations in the territory would have their interests safeguarded under the legislation.

● (1245)

[*Translation*]

For example, Bill C-39 upholds the protection of minority linguistic rights in the Yukon. The Yukon government recognizes its obligation to provide communications in both of Canada's official languages.

According to the devolution transfer agreement, after the transfer, service delivery in both official languages of Canada must satisfy the criteria set out in the Official Languages Act.

The Yukon government has made a commitment to incorporate the standards of service consistent with the Official Languages Act into territorial legislation governing lands and resources management programs.

[*English*]

The legislation would be a fair deal for all affected federal employees. Under the terms of the devolution transfer agreement each of the affected 240 federal employees working for the northern affairs program in Yukon would receive an offer of employment from the Yukon government no later than six months prior to the date of devolution.

The offer would be for a position whose duties and responsibilities match as closely as possible those of the person's federal position. The salary of any federal staff member who accepted a position with the Yukon government would be equal to the employee's base federal salary plus the environmental allowance and cost of living allowance components of the federal isolated post allowance.

The terms and conditions set out in the devolution transfer agreement not only meet but in some cases exceed the requirements of the alternative service delivery type 2 transfer the federal government negotiated with federal employee unions.

While the initiative has carefully balanced the rights and interests of stakeholders, what is most exciting about it are the unprecedented opportunities it would create for Yukoners.

Once approved by parliament, Bill C-39 would transfer significant new lawmaking powers to the Yukon legislature. It would transfer to the Yukon government land and resource management in the territory including forests, mines, minerals and water rights. This would give Yukoners real decision making authority over matters fundamental to the well-being of the territory. This long awaited development is welcomed by a majority of Yukon residents.

After devolution takes effect on April 1, 2003, the Yukon government will have the necessary financial resources to carry out the work. It will receive the funds currently utilized by the Department of Indian Affairs and Northern Development to carry out the responsibilities plus significant one time funding to ensure a smooth transition.

In addition, the agreement would ensure the territorial government received a net fiscal benefit from the new resource revenues it would collect. The Yukon government would be able to keep the first $3 million raised from resource revenues with no impact on the territory's formula financing grant. These revenues would be over and above the proceeds the territorial government already receives from an earlier agreement on oil and gas.

Bill C-39 acknowledges that the Yukon government has taken on increasing levels of responsibility and proven its capacity to administer territorial affairs. The bill recognizes that there is responsible government in Yukon and that it has a system of government similar in principle to that of Canada.

Bill C-39 would place resource management decision making in the hands of northerners, the people most knowledgeable about local conditions and most affected by the consequences of those decisions. These powers would rest where they rightfully belong.

This is in keeping with our government's conviction that the key to building strong, prosperous communities is to foster local solutions to local challenges. It is equally a reflection of our government's commitment to renewed federalism.

We have before us a progressive and necessary piece of legislation that deserves the House's endorsement. It is progressive for Yukoners and all Canadians. There is widespread support for the agreement. The changes before us have been long in the making and are long overdue.

I hope I can count on the support of my hon. colleagues to help us move the legislation through to the Senate for final approval. We can then contribute to our common objective of building a more self-sufficient and prosperous Yukon that can make an even stronger contribution to our great Canadian federation.

● (1250)

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, it is a pleasure today to rise to speak to Bill C-39, an act to replace the Yukon Act. I am pleased to state that, after careful consideration and listening to the debate and the principal stakeholders who would be affected by the bill, the Canadian Alliance will be supporting this piece of legislation.

I applaud my hon. colleague from Yukon who in his first term of office has done the work of an MP to help steer the bill through the House of Commons. He has been a strong advocate for his people. Regardless of party affiliation it is important that all of us as members of the House model what it means to be a good MP. It only increases the respect Canadians have for us as MPs.

If I might digress for a moment, for far too long in Canada we have been in confrontational situations in the House that have not always led to the betterment of Confederation. Some of us are now learning that we need to be far more consultative and listen far more to each other so we can do the work for Canadians that needs to be done. I applaud the member for Yukon for modelling that in this situation.

The principle of devolution of power to the Yukon territory is one the Canadian Alliance has long supported. Early in the debate I stated that we had questions and concerns which required answers from the minister, departmental officials and, most important, representatives from Yukon.

I am pleased the devolution transfer agreement has been agreed to by the Yukon government, the first nations of Yukon and the federal government. This is the key to a successful transfer of power from the federal government to a territorial government. The devolution agreement is consistent with the longstanding objective of past governments to transfer provincial types of programs and responsibilities to territorial governments.

I had another concern. I wanted to be assured that with the transfer of responsibilities to the Yukon government the appropriate authority and accountability would be transferred.

One of the problems we have had in Confederation, whether at the time of the formation of the country or later in our history, is that once authority has been passed on to provincial governments there is often a temptation for the federal government to keep meddling and keep its finger on things.

If our Confederation is to work we must have a clear definition of responsibilities between provincial and federal governments. We ought to allow each other to take responsibility to do the jobs we have been given under the constitution.

Upon listening to officials from both levels of government I am confident this has taken place in the Yukon agreement. It would not be in the best interests of the federal government to withhold authority from the Yukon government because it is the one that is closest to the people of Yukon.

After meeting with and listening to elected and departmental officials I am confident the tripartite agreement signed by the Yukon government, the Council of Yukon First Nations and the Canadian government would adhere to the principles of responsible government. I was pleased to hear Yukon Premier Pat Duncan refer specifically to this in our private meetings with her and at the standing committee hearings.

Simply put, responsible governments must first reflect the people to whom they are responsible. They are and must be responsible to those whom they govern. Under the bill these would be the citizens of Yukon, Yukon first nations and Canada respectively. The citizens of these three jurisdictions are the voters and taxpayers for each of these levels of government. Without the respect of citizens, governments have no jurisdiction or authority.

Accountability must be the primary issue for a responsible government. Accountability may be discerned in many ways, including financially and electorally. For a 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 everyone will like the final decisions. It means that the way we arrive at decisions will be clearly seen and the process clearly understood.

● (1255)

I believe that all hon. members in the House know that many of the decisions we face are difficult ones and not easily understood by the general population. Canadians need to know we have taken sufficient time to study the issues and allowed input so that the results of our deliberations may be lasting and have the desired good effect upon the population.

This is a large bill and I do not mean that in the physical sense. It is a long and complicated bill. I joked with the member for Yukon at the Vancouver airport yesterday that he loves the legislation and carries it under his arm wherever he goes. It is a large and important bill. It would have an effect on every person living in Yukon. It would affect the employees of the northern affairs program and the Yukon government.

I was pleased to hear of the discussions and negotiations between the respective governments and their employee union representatives. I hope the employee transition will be a smooth one.

There are many positive aspects to the bill. I am pleased the powers granted under the bill would 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. It would be wonderful for us to gather again in the Chamber at some future date and pass legislation that would bring Yukon and other northern territories into this great Confederation as full partners, as provinces. That would be a great day.

I am pleased the devolution of power under the bill would cause the cessation of operations of the northern affairs program in Yukon. The Canadian Alliance believes that over time the Department of Indian Affairs and Northern Development should take on a substantial reduction, perhaps even be phased out, as we move toward giving independence in many matters to our native peoples. This move in Yukon is a promising first step toward that.

Furthermore, the bill specifies that the federal Minister of Indian Affairs and Northern Development would consult with the executive council with respect to proposed amendments in the future. This is all good and well because it shows the depth of co-operation for which the levels of government are wishing.

I am particularly pleased to see that there is a goal to settle all Yukon land claims before the devolution of power to the Yukon government is implemented. There is a need to move these settlements and their negotiations along quickly as the current plan is to implement the new Yukon bill by April 1, 2003. There would be sufficient time to reach this goal but negotiations should not be delayed by any party.

I encourage all parties involved to actively pursue this goal while 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.

I note that all members of the standing committee had correspondences from the Kaska first nation. We duly noted its concerns in committee. I feel certain that the current process, timeline and the bill itself would allow it sufficient opportunity to successfully negotiate its land claim and be heard when the bill is presented in the Senate.

In our meetings with Premier Duncan of Yukon we expressed our party's support for the bill. In turn I was pleased to hear that the Yukon government was also fully supportive. The concerns and questions the Canadian Alliance had with regard to the bill were addressed to our satisfaction. While there is always room for interpretation, my party will continue to watch over the implementation process.

The bill is a positive step forward. It gives me a great deal of pleasure on behalf of the official opposition to say that we will be supporting the bill. We look forward to Yukon, with the great hope it has for our northern areas, taking its place as a full and equal partner in the Confederation of this great country that we all love.

● (1300)

[*Translation*]

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, it is my pleasure to rise at third reading of Bill C-39 on the revision of the Yukon Act.

I would like to take a moment to highlight the work done by the member for Yukon, who has always co-operated and listened to what we have to say. He truly is an advocate for the people of his riding, his territory. I think he deserves to be commended by the members of the House. He also deserves congratulations from his constituents when he returns to his riding next weekend.

The Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources had the opportunity to hear from a number of witnesses during its hearings on Bill C-39. We had the privilege of hearing from the Hon. Pat Duncan, the premier of Yukon, who made a special trip from Whitehorse to share with us the positive impact this bill would have on the administration of her territory.

The Bloc Quebecois and I believe that this legislation could loosen the grip that this paternalist federal government has on aboriginal communities and the people of Canada's territories: Yukon, Nunavut and the Northwest Territories.

The main focus of Bill C-39 is to modernize the political and democratic institutions of the Yukon Territory. However, the bill does not make Yukon a province, as its constitutional status will in no way be changed with the passage of Bill C-39.

The bill replaces the current Yukon Act, by, among other things, recognizing the existence of a system of responsible government in Yukon. The bill goes on to change the name of certain public institutions in keeping with current usage and also gives the legislature of Yukon additional legislative jurisdiction over public real property and waters.

Thus the bill changes the word council and calls the legislative branch of Yukon the legislative assembly of Yukon. The commissioner in council becomes the legislature of Yukon and the ordinances become the laws of the legislature.

However, as the current Yukon Act provides, the Auditor General of Canada will remain the auditor of the Yukon government, although the Yukon government will be able to appoint its own independent auditor.

The enactment also includes a preamble stating that Yukon has a system of responsible government that is similar to that of Canada. It also establishes and clarifies the relationship between the commissioner and the executive council. As Yukon does not enjoy the same constitutional status as the provinces, a musty holdover in Canada, the commissioner of Yukon, appointed by the federal government, will retain his executive duties as representative, consistent with the current conventions of government.

As I mentioned at the start of my remarks, this bill will permit the modernization of the deplorable regime, which might be called colonial, of the Canadian territories not enjoying provincial status. We consider it a step in the right direction in decentralizing the powers of the federal government in the day to day administration of communities that are so distant from Ottawa and whose legitimate aspirations are at the mercy of the failing political leadership of the federal government.

Finally, as this bill appears to reflect the desire and wishes of the government and people of Yukon, the Bloc Quebecois will not oppose its passage at third reading.

● (1305)

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am pleased to join my colleagues in speaking to third reading of Bill C-39. I have been watching the bill with interest like most of my colleagues in the House of Commons, but perhaps more so because I spent a number of my formative years in Yukon and feel strongly about that wonderful place north of 60.

It is a pleasure to see the bill moving forward with a great degree of co-operation from all sides of the House and with the growing recognition that this is a natural evolution of the relationship between the territorial government and the Government of Canada. I join my colleagues by welcoming Yukon as a full partner for the first time in the great Confederation of Canada. We look forward to the day when it reaches the status of a full province.

I spent a long time in Yukon. I could point out some examples from my own personal experience as to why this move is important and why this devolution is a natural aspect of the relationship with the Government of Canada. I went to work in the asbestos mines in Yukon at age 17. I fell in love with the place and stayed for eight years. I met and married my wife, and our first child was born in Dawson City. I worked for the Yukon forest service for a number of years.

Other than the fact that I know members will be interested in my personal life, the reason I am saying this is to explain some of the contradictions that existed in the former relationship. As an officer of the forest service, even though I worked for the interests of the territorial government and the immediate forest district I represented, I was an employee of the federal government and a member of the Public Service Alliance of Canada, not a Yukon territory government union. The policy about land use was influenced greatly by what the federal government thought was best for the people of Yukon many thousands of miles away.

I can think of one graphic example which involved homestead rights in the Yukon territory at that time. If individuals cleared a certain amount of land, stayed and made proper developments to the land, the property would be deeded to them for their own personal use. This was of interest to many people because one of the shortcomings was that the Yukon government, even though there was a great demand for rural property, could not subdivide land and sell it in lots to the people of Yukon because its hands were tied within the federal government's master plan for the area.

As a land use officer for the Yukon territorial government but ultimately working for the federal government because it was still federal purview, I would look at these homesteads to see if the people met the requirements to earn title to the property by clearing the area.

I refer to the case of a backward hippie living on the land outside Haines Junction with two yaks. Yaks are Tibetan animals with long hair that look something like a highland cow but are not. They are quite wild. I learned that when one of them broke out of a truck in downtown Whitehorse, the local radio station had to alert people not to approach it because it was not a domestic animal. However I digress from what I was saying.

There was a lot of interest in the community in allowing Monty and his yaks to have deed and title to this piece of property. Most of us who lived in the community of Haines Junction at the time felt it would be positive for the local community if the land were cleared and developed so that houses could be built.

When the land was measured after being cleared and made into pasture he was one-half acre short of what he needed to qualify. Were it a local decision the person would have had his property and could have developed that little remote pocket of land close to Haines Junction. In the best interests of the local community, Monty and his yaks would have had a proper home.

● (1310)

That is one example to maybe help the people here understand what the member for Yukon was pointing out, the fact that most people in Yukon do want to see this devolution of authority and decision making take place. We believe those events should be decided by the people most closely affected by the ruling.

When I built my first home in Yukon we could not get land anywhere. What few privately held lots there were, even in a place like Dawson City where I lived, had prices that went through the roof because we were not allowed to subdivide or open up any more property. The only way to do that was to stake a mining claim, which one never actually owned but one was then allowed to use that property.

Those of us who had new families and wanted to build our first house had to stake a mining claim and build the cabin on the land. We then had to dig a hole 5x5x5 each year to prove that we were in fact moving dirt around. Was that dishonest? I do not know. It was something we were driven to do. This was the only way we could build without violating all kinds of bylaws and forestry rules, et cetera. We had to go into the forest and build a cabin on a creek and stake that placer claim.

We believe that with the settlement of aboriginal land claims and the devolution of power to Yukon territory, finally more and more subdivisions will be opening up based on need and on the local planning of towns, communities and the territorial government. The people who would now seek to find property in Yukon will welcome this devolution of power as well.

I want to point out one shortcoming. The NDP caucus was approached by the Kaska first nation in the Watson Lake area. The Kaska have strong reservations about the speedy passage of Bill C-39. They felt they should have had an opportunity to come before the committee because they took part in the tripartite process in the devolution agreement to this point. They were very disappointed that only the premier of Yukon appeared before the standing committee to make representation and that they were not allowed to come forward and put forward their concerns.

I believe the Kaska do have some valid points, in that their relationship in the 30 years they have been negotiating their land claim has been with the federal government. Now, as they reach the final stages of that negotiation, the very land that is being claimed will now be transferred from federal ownership to the territorial government. The ownership of some of the subject properties will change. If they were getting close to some sort of a closure of this long process with the federal government, they have a valid reason to believe that it might be impacted now by the devolution of authority or the control of that land to the territorial government.

I raise that concern on behalf of the Kaska. As much as it is possible, I urge the House to make space available for them or guarantee it to them at the Senate committee hearings on Bill C-39. The Kaska certainly feel shortchanged since they were not allowed to present to the House of Commons standing committee. I certainly hope they will be able to voice their issues at the Senate standing committee.

The NDP caucus, on behalf of the people of Yukon, welcomes the devolution of authority from the federal to the territorial government. We believe it is a welcome first step toward what we ultimately hope to see as the full provincehood status for Yukon territory. Some day it will be welcomed into the family of provinces and the Confederation of Canada. In the interim, it is the wish of Yukon people that they have more control over their resources and land use issues. It will be the NDP's pleasure to vote in favour of Bill C-39 at third reading.

● (1315)

Mr. John Finlay (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I appreciate the remarks of my colleague across the floor. I thought I should perhaps suggest that he was a bit inaccurate when he said that the Kaska were not allowed to come forward. They were invited along with the premier and any others in Yukon. They did not get months of notice but they knew the bill was going forward. They did not reply and request in time to be included by the committee.

The committee, in its wisdom, sent the Kaska a letter suggesting it would like to look at their written submission. They should make application to the other place when the bill is considered there.

I just thought I would set the record completely straight on that matter. The words not allowed are not the appropriate words.

I appreciate my colleague's comments with respect to the whole bill. He has some interesting stories. I have some understanding of what he means about the lot and the claim and then digging holes in order to show one is doing something. It reminds me a little bit of the houses we used to see in northern Ontario that had no front porch steps. The story was that if the house was not completely finished the taxes were not all payable. There was a strong rebate. For years some houses did not have any front steps and one only went in the back door.

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, before I ask my question, I want to comment on a couple of items that came up during the last three speeches.

I want to comment on the length of the bill so people will understand its structure. The transfer agreement, which contains a lot of detail, is about half an inch thick. The main portion of the bill has about 21 pages. There are also 67 pages related to the transitional functions and amendments to other bills.

The bill would not transfer the actual title to land to the Yukon government. It would be the management of the land. Three governments are involved in our land claim negotiations: the first nation governments, the territorial government and the federal government. That will always be the case.

Since I became a member of parliament, the question I have been asked most often has been whether I enjoy it. I always find that question funny because I did not come here for a good time. On a personal note, which I did not want to include in my technical speech, when I attended committee and the members of all parties were so unanimous and so enthusiastic about pushing this forward, including the members who already spoke, it was emotional for me. In a place where the watchwords are controversy and conflict, the sense of co-operation, support and how things should work gave me a sense of pride in knowing how things can be brought forward positively.

At the beginning of my speech I said that along with the freedom to make decisions comes the responsibility to be wise stewards of our magnificent lands. Over the years the NDP members have been excellent stewards in relation to the environment.

Because my colleague has lived in Yukon, could he explain a bit more the magnificent environment and our responsibility to be stewards of it? If I were to explain it, as I have many times in the House, it would appear to be in my own self-interest as I would be talking about my own riding. It would be great to hear someone else describe to the people of Canada such a magnificent place and the reasons we have to preserve it.

● (1320)

Mr. Pat Martin: Mr. Speaker, I am very happy to speak to both of the issues that were raised. In the few minutes I have left I want to thank the parliamentary secretary for the minister of aboriginal affairs for the helpful tip. Perhaps I can make use of his recommendation. If we leave the tarpaper on or leave the steps off maybe we will get a tax break. We seem to learn something every day here.

As for the Kaska nation not being allowed to make a presentation, perhaps that was overstating things. They were told it was not possible for them to make representation to the committee because they came forward too late in the process. We have a copy of the letter the clerk of the committee sent to them saying that it was not possible for them to present because they had waited too long to express that interest. However, they argue that if the bill is not to take effect for another 17 months it should have been possible to extend the committee hearings at least long enough to hear from those affected parties.

I should point out that the Kaska nation is not part of the Council of Yukon First Nations. Therefore, even if representation was made by the Council of Yukon First Nations, the Kaska claim, which is almost one-quarter of the entire Yukon territory, would have been silent on that issue.

Speaking to the other point raised by the hon. member for Yukon, I will spend the minute I have left sharing with him the fascination I have and the true emotion I feel for that great territory. Even today, when I cross the border into Yukon, a great sense of peace falls over my shoulders. It is a majesty I do not think anyone could really feel unless they had actually visited that territory. I went there for a short period of time to take a job in one of the mines and did not leave for eight years. It had a profound effect on me as a young man in years that were important, when I was 18 to 25 years old, very formative years.

As for the pristine nature of Yukon, we should all be aware that the Yukon really depends on its natural resources for its future well-being and economic development. The reason I left Yukon in 1981 was that all five mines closed: Faro, Clinton Creek, United Keno Hill and Whitehorse Copper. The year I left, 8,000 people left Yukon, which had a population of 25,000. There was a mass exodus. When the five mines opened again people travelled north and the population stabilized again.

Even though the environmental concerns must be primary, key and paramount, we must also remember that opening up and developing the north means our natural resources base must be harvested in a way that will respect the majesty of the territory.

Mr. Larry Bagnell: Mr. Speaker, it was great to hear about that sense of peace because I get that sense of peace when I drive from the Tantina trench down into Dawson City, and, as Robert Service said, "It is a stillness that fills me with peace".

The hon. member mentioned placer mining and Yukon is probably the only part of the country where placer mining is such a major industry. Some of the members may not know what placer mining is, but it is part of the magic and mystery of the Yukon. Could the member explain it to the members and people of Canada? It is another great asset of my riding.

Mr. Pat Martin: Mr. Speaker, the mining claim that I staked to build my home on at mile 18 on the Dempster highway was a placer claim. We were allowed to stake a claim on either side of a creek, 500 feet by 500 feet on both sides, so it was 500 feet by 1,000 feet. We were allowed to surface mine the creek bed for placer gold which is the light gold that is moved along by the flowing water down the creek. As long as the flow of the creek was not interrupted and the clarity or purity of the water was not changed for the person immediately downstream, we were allowed to carry on a gold mining operation as the water flowed by.

The whole Klondike gold rush was placer mining of surface gold in the fast moving waters of the Klondike gold fields.

● (1325)

Miss Deborah Grey (Edmonton North, PC/DR): Mr. Speaker, I am pleased to rise on debate. I appreciate that definition of placer mining. I wonder how the member did with his gold staking claim.

Mr. Pat Martin: I would not be here if I had struck it rich.

Miss Deborah Grey: The member said he would not be here if he had struck it rich. I suspect there were many people who had those dreams back in the original gold rush, as well as in the late 1970s when other people went up there.

We can just see the boom and bust, though, in an area like that where, as the member from Winnipeg just said, out of 25,000 people 8,000 left when every single mine closed down. It was a terrifying experience because they were there, it was part of their life, they were raising families there and then, all of a sudden, poof, the jobs were gone. We can see it happening now. There is another cycle going on in the softwood lumber debate, and the price of oil, of course, is dropping, which severely affects my province of Alberta.

We see these cycles and if there is any way that we can bring in legislation in this place that would help smooth out those boom and bust times it would probably be a really good thing for us to do and a really good way to spend our time.

Maybe this piece of legislation does not help the boom and bust cycle, but it would certainly help a lot of things and areas and classifications in Yukon so that it would be able to move toward more autonomy. Of course, as has been mentioned here several times, and the member for Yukon who is packing this bill around with him knows, it would not achieve full provincial status at this point. I am not sure if this is baby steps that the government is thinking about or if it thinks it needs to see if Yukon can behave responsibly as a teenager before it gets adult status. It is certainly beyond me.

I think that it would be wise for the government to think about the wisdom of this, about not just going this far with Bill C-39 and certainly giving a devolution of power, but about giving full provincial status. I suppose the question could be, when might that come? I know that this will take place in April 2003, and again that is going to be a tremendous step for Yukon, but one has to wonder what kind of proof in the pudding the government needs to see before Yukon gets full provincial status. I think all of us would look forward to that.

It was interesting that government member, from Oxford, I believe, said that in fact people had been invited or could have submitted requests to appear before the committee. I was on that committee. I understand that the chairman and others thought it would be a good thing to wrap up before Christmas break so that we would not drag it on.

However, let us look at the pattern in this place of how stuff goes through here at lightning speed. In fact, the government has brought in closure over 70 times, or time allocation if we want to be technical, but it really does not matter. What the government is doing is shoving stuff through just as quickly as it possibly can. Witness the anti-terrorism bill. Witness some of these other things. I think that is probably the point the member for Winnipeg was making, and probably the member for Yukon as well. That is his home riding and so he deals with the Kaska first nations if they do have concerns. It seems to be very wise to make sure that people have their voices and their concerns heard and that the consultations are listened to. We could go on forever consulting, but for the sake of wisdom it seems to me that we should say "Let us hear the concerns, let us hear the consultations, let us get together and talk" so that we know these things ahead of time.

I am sorry that I was out of town when the government leader was here last week and did not get a chance to meet her. I would have liked to and I hope I get a chance to sometime. She was not unduly concerned about the consultative process. She thought that there were good things in it. As for the continued power for the aboriginal affairs minister, there were some concerns but not huge ones. I think that shows good trust back and forth. If there is any way to better that, it seems to me that we should err on the side of "Let us consult" rather than saying "Sorry, you had a chance and you did not get a hold of us in time" because we put the thing through at such breakneck speed. I think that is wise in terms of any legislation.

We are dealing with two bills in the House right now at third reading. One is Bill C-37, which went through very quickly as well, about the Alberta and Saskatchewan land claim settlement. Again, in my province of Alberta it is a wise thing. Neil Reddekopp, who is the executive director of aboriginal lands claims for the government of Alberta raised this need for a method of dealing with surface rights once the reserves have been created. That is in Alberta and Saskatchewan.

● (1330)

There is great sanity in that, in making sure that things are going through at a reasonable speed with reasonable consultation so that there are reasonable expectations from people at the ground level. As we saw in Bill C-37, which has just passed the House by agreement, and now again with Bill C-39 a few moments later, we are able to say this is a good thing and let us keep moving it ahead, but let us all not get so pleased with ourselves that we get all caught up with the excitement of passing legislation just so that people can slide home as quickly as possible for Christmas.

We know that in Bill C-39 these new administrative powers would be given over its own affairs to Yukon, not just for digging 5x5x5 holes and staking land claims but for land management, resources and water rights, of course excluding those under federal jurisdiction such as national parks. Again, the devolution of those provincial types of powers is a good thing and we in the coalition support that. We know the lower the level of government the closer it is to the people, so for the federal government to say to give these powers to Yukon so it has province like powers yet is still not considered to have province like status, I think some of us would question that.

Yukon would now have powers through devolution to make laws regarding the exploration, development, conservation and management of its own non-renewable natural resources. This is a far better thing than someone from Ottawa, 5,000, 6,000 or 8,000 miles away, deciding what is best for Yukoners. Again, that lower level of government would serve the people better because it is closer, at the ground level. It would be a very sane thing to do.

The federal government would retain some administration and control of property in Yukon if it is deemed necessary, for defence and security, for creating a national park, for settlement of an aboriginal land claim, et cetera. Again, because we have just looked at Bill C-37, the Alberta and Saskatchewan land claims settlement, we know how important it is to have the level of trust between two levels of government, or among three levels, whether it is the provincial one in Alberta. The four western provinces have their own provincial departments of aboriginal land claims. To be able to see this also in Yukon, where that level of government could deal with the federal government, I do not think anyone would dispute that. I am sure my colleague from Yukon would agree that there still is a place for federal government legislation in these areas I have just mentioned, which Yukon would not want to usurp in terms of national parks or defence and security.

Of course we all have that remembrance from September 11 of a great, big, jumbo jetliner landing in Whitehorse. It was a surprise to the local folks, I am sure, but to everyone else as well. We realize now that no matter where we are on the planet, let alone in Canada, the world is different now after September 11 in defence and security issues. For Yukoners to have seen a jetliner sitting on the tarmac in Whitehorse, I understand and appreciate that Yukoners realize and recognize that there is a role for the federal government to play there.

The auditor general would conduct yearly audits of the Yukon government and report his or her findings to the legislative assembly. Each one of us needs to be accountable, of course, and to have an auditor general is a very smart thing to do. We know that the auditor general is coming out with her recommendations and report tomorrow and we are looking forward to some of those things because everyone needs to be held accountable. With Yukoners and the books and how the auditor general would go in there and report them to the legislative assembly, it is a really good accountability mechanism, not just a triggering mechanism. Everyone finds it important.

Although the Yukon government, and I mentioned earlier that the leader of Yukon was down here last week, seems content with the amount of federal authority that remains in the legislation, we in the coalition have some concerns which we would like brought forward even though we are supporting the legislation. Specifically, the commissioner of Yukon would be appointed by an order of the governor in council. Recently I received an excellent briefing on this from the departmental people in my office. 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, it is a trust factor. If the minister deals fairly with me, and if it looks as though the minister's department or governor in council makes appointments on merit, I do not think any of us have a problem.

● (1335)

Of course once things start turning political or partisan or because someone is my political buddy and will get such and such a position, then it is no longer filled strictly by merit. Again we need to be careful that power is not usurped. We have that caveat in place, that these orders of the governor in council must be wise and based on merit.

Under the bill the governor in council also could direct the commissioner to withhold his or her assent to any bill that has been introduced in the legislative assembly and the governor in council could disallow any bill from the legislative assembly within a year after it is passed. An example would be if I were a member of the Yukon government, this power of devolution was transferred to us in 2003 and we were thinking, yes, we are on the track and are masters of our own destiny, but then within a full year from that, which is a fairly long time, the minister or the governor in council could direct the commissioner to say "No, sorry, we veto that bill".

When something is up and running and taking shape and within a year officials can say "No, sorry, we have the veto power on that", that is a tremendous amount of power. I would want to make sure and we in the coalition would be concerned about making sure that power is not usurped. I know the member for Yukon would also have horrible concerns and frustrations if his home government in the Yukon passed a piece of legislation and then someone in Ottawa, with the great wisdom bestowed on him or her, said almost a year later "Sorry, we are vetoing that". There would be a great hue and cry. It would be as big, as bright and as sparkly, I am sure, as the northern lights themselves. Let us make sure these concerns are taken into account.

Let me wind down by talking about the employment offer. Those who are currently employed by the federal government will now be offered jobs under Yukon. I asked someone somewhere with whom I was consulting whether all the federal government civil servants would be under Yukon. That may bind their hands. If the government is saying it is guaranteeing jobs, what if there is some sort of changing mechanism, not downsizing but restructuring, when they have jobs through the Yukon government? If these jobs are being virtually guaranteed to those who are now in the federal civil service, with the same pay and cost of living allowance, plus the territorial bonus or northern living allowance, what happens if there is restructuring and someone loses a job? I can see that there could be a tremendous outcry and a tremendous difficulty in being faced by that.

My colleague from Winnipeg, who disagrees with me on most things political, and we are probably at opposite ends of the spectrum, was a member of the Public Service Alliance of Canada and paid by the federal government. So was I. I was a member of the Public Service Alliance of Canada when I taught school under Indian Affairs.

An hon. member: A sister.

Miss Deborah Grey: There I am: a sister. I was employed by the Department of Indian Affairs and I was also a member of PSAC. There you have it. One just never knows what is going to show up in the House of Commons on any given day.

People who are members of PSAC now and are federal employees would become employees of the Yukon government. That could get dicey when it comes to union negotiations or if there is any restructuring. I wish all the bargainers well when it comes time to change all that over. It will look tremendous on paper, but when the first person gets a notice in the mail from the new provincial or territorial government saying "By the way, we have restructured and you are redundant", it is going to open a real kettle of fish. I am sure someone is thinking ahead on that. Having been a member of PSAC over the years and understanding a tiny bit about union negotiation, and I am sure my friend from Winnipeg will agree, when the first person gets the so-called hit it can cause some tremendous problems. I am trusting that someone somewhere has looked after that and that this will be as smooth and as excellent a transition and devolution as possible. We certainly wish them well.

● (1340)

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I would like to make a couple of comments and clarifications.

First, I am glad the last two members mentioned the mines closing in Yukon in 1982. That was our biggest economy. That was similar to closing down the wheat fields in the prairies, the fish on the east coast or lumbering in B.C. If I am seen back in the House asking for economic development money to solve the problem, members will know why. The softwood lumber problem also hurt Yukon badly.

I have a question about provincial status being a baby step. Transferring all the land and resources of an area as big as countries in Europe I do not think is really a baby step. The only thing left that has not been transferred is the crown attorney. Basically, Yukon has 99% provincial powers now.

The vetoes the member talked about had never been exercised even before we took this step of responsible government. I am not so worried about that. Some of the powers of the commissioner under clause 68 expire after 10 years.

Just in the spirit of co-operation I would like to recall that the party of Erik Nielsen in the past also helped lead us on the road to responsible government in Yukon.

I think the member was the last speaker, so I would like to conclude with one comment. It was great to hear the co-operation from all parties in the House. They are sensitive to the needs of northerners in the riding which is the farthest away from this place. They understand the needs of Yukoners and offer them the same type of responsible decision making and opportunities that Canadians have across the country.

This is a great day for Yukoners. It is a great day for the north. I thank all my colleagues for their tremendous co-operation.

Miss Deborah Grey: Mr. Speaker, I appreciate what an exciting day this is for the member for Yukon. That is tremendous.

He mentioned that the powers for the commissioner would expire in 10 years. That is nice, but 10 years is a long way down the road. We will just assume that good things are going to happen in those 10 years.

I noticed the member did not say anything about my little rant about PSAC and the federal civil servants who are going to be transferred to the Yukon government as employees. We wish that everything will go really smoothly in that. They are people who are making their livelihood at it. They are excellent people who work in the federal civil service and now will be transferred. I know there will be some nervousness.

All the buzzwords of restructuring, downsizing and redundancy sound so slick on paper, but what about the first person who gets the axe? It will probably happen. The economy will change. The member just mentioned that softwood lumber is in a mess. Who knows. When we guarantee things like that, things happen. We know that, especially because of September 11; who would have thought that would have happened?

These things happen and they will, sure as guns. It will not be the World Trade Center obviously but something will happen in Yukon. Then someone somewhere at a desk will say, "We just cannot manage with all these people". What is going to happen then with union negotiations? For the sake of those people who are going to be transferred over, if I had worked for the federal government for the last twenty-three and a half years and then all of a sudden I was being moved to a new employer-employee situation, I would want to have some surety that I was going to be protected. No one can guarantee anyone a job for life, that is for sure, but we hope those things will be taken into account.

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.

The Deputy Speaker: I declare the motion carried.

(Motion agreed to, bill read the third time and passed)

* * *

● (1345)

[*Translation*]

EMPLOYMENT EQUITY ACT

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

That the Standing Committee on Human Resources Development and the Status of Persons with Disabilities be designated to review the Employment Equity Act, pursuant to section 44(1) of the said Act.

He said: Mr. Speaker, I would like to begin by taking 30 seconds to speak about something which is no longer before the House right now. I simply wish to congratulate the hon. member for Yukon on what is an important day for him personally and even more so for his constituents. After all, we are the messengers for those who have sent us here, for these constituents of Yukon. We are all anxious to see this bill given royal assent, as it will be shortly, we hope. I congratulate the member and all those parliamentarians who took part in the historic debate which has just concluded in the House of Commons.

It is my pleasure today to put forward a motion in the House with respect to employment equity. As members know, the Employment Equity Act was passed by parliament a few years ago.

In fact, the first such act was passed in 1986 and was amended in 1996. In the 1996 legislation, there was, and still is, a provision requiring the House to review the legislation after five years and to suggest any necessary amendments.

I thank all the House leaders. After consulting with them, we agreed on the motion I have just put forward. Based on the debate which will take place over the next few minutes and the motion which will probably be adopted later today, if the agreement among the House leaders is any indication, the committee will henceforth be designated by the House of Commons to undertake the required five year review of the Employment Equity Act.

[*English*]

As I mentioned, the act was amended in 1996. We are still seeing the improvements and progress that resulted from those amendments. As the workplace continues to evolve, we must ensure that our legislation adequately responds to the realities of the day.

Canada is recognized as a world leader with its fairness and inclusion policies and practices. Our employment equity and indeed our anti-discrimination laws are among the most progressive and advanced in the world.

In fact, it is very interesting particularly at this juncture only a few days after His Excellency Dr. Nelson Mandela came to Canada to be honoured as an honorary citizen of our country, that the South African government which he led in 1998 used Canada's legislation as a model for its own. In other words, a country that had so far to go and had seen such discrimination, where the vast majority of its citizens were not even entitled to have a passport until a few years ago, modelled its legislation in terms of equity on ours.

That is tremendous testimony to the members of parliament of all parties who participated in previous reviews and contributed toward the law that we have on the books now, but that is not good enough. Having been a leader is good, but we want to continue to be that leader, to remain a leader, and to keep our legislation current.

We will now have a review of the act. Section 44 calls for "a comprehensive review of the provisions and operation" of the act every five years by a committee of the House of Commons. The government inserted that particular clause because it is essential to ensuring that the legislation does what it is supposed to do, and more important perhaps, that it continue to reflect the needs of Canadians and Canadian society generally.

In preparation for the review, officials of the Minister of Labour's office consulted stakeholders extensively in sessions held across Canada. When the officials appear before the parliamentary committee, they will already have the strength of the information given to them by various stakeholders throughout the land. We are told and we have no doubt that those officials have listened and have done their work very carefully. They have learned a number of things which they will want to share with the committee as a backdrop for the committee's work on this very important issue.

Officials of the government and of the Department of Labour have learned that the 1996 law under which we operate is a strong one. We did not doubt that for a moment. It still continues to be the case. We know that we have a solid foundation on which to continue building.

A consensus was reached among the stakeholders for increased education, support and leadership from labour programs. We know the issues and challenges that face all of us and the progress that is being made. That being said though, as I indicated previously, our efforts must continue.

From the results of the research and consultations, the government has prepared a report which will be presented to the parliamentary committee that will study this important piece of legislation. Hopefully the committee will be able to commence the review very shortly after we return toward the end of January. Perhaps it could even have an organization meeting before we—

An hon. member: What about today?

Hon. Don Boudria: Perhaps today. That would be a good idea but there are usually clauses in the way committees operate whereby the members must be notified a day ahead of time. Perhaps the committee could at least commence an organization meeting either this week or next week in order to be ready to have witnesses as soon as parliament reconvenes.

● (1350)

The Standing Committee on Human Resources Development and the Status of Persons with Disabilities has been designated for that purpose. It is an obvious choice given the mandate of the committee and, more particulary the estimate process and how it usually works around here. It is the same committee of the House that does the estimates of both the Minister of Labour and the Minister of Human Resources Development.

Officials of the Minister of Labour will be working closely with the committee to assist with their expertise and information so that members can, as much as possible, have the tools necessary for them to discharge the important work they will be doing in this regard.

As issues arise during the committee process it is the intention of the government to work closely with stakeholders to identify solutions. When the committee tables its report the Minister of Labour will prepare a response to the recommendations because it is important for the House to know what will happen next. Following the responses, any legislative changes required would be put forward by the hon. Minister of Labour in due time.

I will conclude by reiterating that the government is committed to fairness and equality in the workplace. Today I am asking all colleagues to support the motion to refer the review of the Employment Equity Act to the House of Commons Standing Committee on Human Resources Development and the Status of Persons with Disabilities.

● (1355)

[*Translation*]

In the few moments remaining to me, I simply wish to thank the House leaders of all parties once again for their valuable contribution, and especially for their co-operation. The political parties have agreed that for the motion before the House today there will be one speaker per party before the motion is referred to the Standing Committee on Human Resources Development and the Status of Persons with Disabilities.

[*English*]

I thank hon. members for their participation in the debate that has just started and will likely continue a little later today. I ask for their support for the motion for referral to the parliamentary committee.

I thank in advance the members of the House of Commons Standing Committee on Human Resources Development and the Status of Persons with Disabilities for the fine work I know they will be doing and the recommendations they will be providing to the government. We will do our best to respond as quickly as possible to those recommendations and, as I said previously, to provide the legislative measures required to make improvements should any such measures be necessary.

[*Translation*]

On that, I will conclude and thank my colleagues for supporting the motion. It is support that I am seeking. I also look forward to seeing what this parliamentary committee will produce.

STATEMENTS BY MEMBERS

[*English*]

DISABLED PERSONS DAY

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, the United Nations has designated the third day in December as International Day of Disabled Persons, a day to celebrate and acknowledge the experience and capabilities of people with disabilities in all aspects of political, social, economic and cultural life.

Canada has made considerable progress in all areas of disability. Initiatives in research, prevention, rehabilitation and community action have brought new meaning to the concepts of integration and life with dignity for people with disabilities.

Canada Mortgage and Housing Corporation, Canada's national housing agency, makes a valuable contribution to these efforts, helping to meet the housing needs of people with disabilities. CMHC pioneered initiatives such as the residential rehabilitation assistance program for persons with disabilities. CMHC researchers are also carrying out projects designed to improve housing for Canadians with disabilities.

I encourage all Canadians to join the United Nations in observing the International Day of Disabled Persons.

* * *

TERRORISM

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, in a speech in Canada Bill Clinton recently said that we were in a struggle to define the shape and soul of this new century. He said we had to win the argument between ourselves and the terrorists about the nature of truth and the value of life.

Some 100,000 Canadians suffered through blind atheism at the September 11 service on Parliament Hill. In Canada's rush to be tolerant and accepting we are becoming insensitive to the vast majority of Canadian citizens who hold high spiritual values, especially Christianity.

Last month Billy Graham's daughter Anne gave an insightful response to the question how could God let something like September 11 happen. She said she believed that God was deeply saddened by this just as we are but that for years we had been telling God to get out of our schools, get out of our government and get out of our lives, and like a perfect gentleman he backed off. How can we expect God to give us his blessing and protection if we demand he leave us alone?

The Bible says "Where the spirit of the Lord is, there is liberty". Liberty, freedom and tolerance are based on the laws and cultural foundations built on Christian bedrock.

* * *

● (1400)

[*Translation*]

FAY BLAND

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Mr. Speaker, I would like to draw attention to the vision, the dynamism and the exceptional devotion of a remarkable volunteer with the developmentally disabled: Fay Bland.

For the past four decades, Fay Bland has been the inspiration and driving force behind an independent living skills network which has made it possible for a large number of developmentally delayed young adults to develop their full potentials and to play an active role within the community, thus enhancing their self-esteem.

[*English*]

Fay Bland has been a trailblazer and an inspiration to hundreds like me who have volunteered over the years in the field of intellectual disabilities. Her contribution has been in every way an exceptional one. The creation and flourishing of AVA-TIL has enabled scores of young adults with intellectual disabilities to lead challenging and autonomous lives within the community.

I pay tribute to this remarkable woman and role model who has inspired many of us by her life giving example and action.

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ST. JOHN'S ANGLICAN CHURCH

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, in 1826 Samuel Armour, an Anglican deacon, established a mission in Scott's Plains, now Peterborough, Ontario. He held services in a log school. Soon after the English Church, later St. John the Evangelist, was built on a hill near the head of navigation of the Otonabee River.

That church has been a community treasure ever since. Its grounds have been a public park. From its tower flew the fire flag and sounded the fire bell of the town that grew up around it. For 90 years its bells have been the people's chimes, ringing out on special occasions.

St. John's was the mother church of Anglicanism in its region. Today it is a heritage church with a congregation that, like its predecessors, ministers to the community.

I wish St. John's a happy 175th anniversary. May it keep up its fine tradition of worship and service.

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DISABLED PERSONS DAY

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, today is the International Day of Disabled Persons, a day on which we pay tribute to the many contributions Canadians with disabilities and their families have made to our communities.

The Government of Canada is committed to ensuring that all Canadians, including persons with disabilities, can achieve their full potential and participate in Canada's economic and social activities.

This year is the 20th anniversary of the 1981 United Nations sponsored International Year of Disabled Persons. In that year the House of Commons special parliamentary committee on the disabled and the handicapped released the now landmark report, *Obstacles*.

I take this opportunity to thank those parliamentarians who continue to play an important role in advancing disability issues through their work on the subcommittee on the status of persons with disabilities.

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GOVERNMENT SPENDING

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, as December 10 represents the first opportunity for the finance minister to honour his party's election promises, the official opposition supports the people of Renfrew—Nipissing—Pembroke who look forward to seeing the Canadian Neutron Facility, which we were promised by his party's defeated candidate, finally become a reality.

We look forward to seeing some of the hundreds of millions of federal dollars that are being spent on highway construction in other provinces to be spent in Eastern Ontario and four-lane that section of the Trans-Canada Highway which runs from Arnprior to North Bay.

I continue to ask how many needless deaths must occur before the government takes notice and does something to end Highway 17's killer reputation. If the finance minister truly wants to be known as a man of his word who is above petty partisan politics, actions will speak louder than words.

[*Translation*]

NATIONAL SAFE DRIVING WEEK

Mr. André Harvey (Chicoutimi—Le Fjord, Lib.): Mr. Speaker, December 1 through 7 is National Safe Driving Week, sponsored by the Canada Safety Council. This year's theme is "Driven to Distraction".

I would like to take advantage of this occasion to remind all Canadians to drive carefully.

We can be distracted in many ways, by cellphones and a multitude of other things. Between 20% and 30% of accidents are the result of distraction, yet these situations are easily avoided by drivers who are aware of the risks. When we drive, we must be attuned to the hazards that surround us.

Let us drive safely, for our own sake as well as others'.

* * *

● (1405)

[*English*]

LANDMINES

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, last Friday night was the Night of a Thousand Dinners when thousands of people around the world held events to fundraise for the removal of landmines.

Landmines kill and mutilate over 8,000 children every year. The worst thing about them is that they continue to kill innocent people long after the war is over.

Landmines rob people not only of their lives but also their freedom. In countries like Bosnia and Herzegovina, where recreational activities flourished in the pristine mountain landscape, people can no longer hike, ski and picnic in many parts of the country. Children cannot play in the forest or run in the grass. Lives are limited to cement and pavement. People risk their lives just to walk through a graveyard to mourn their relatives who were killed in the war. In many countries simply going out to fetch water can be a deadly activity. Landmines kill not only people but their spirit as well.

Landmines affect the economy by preventing agricultural activity and reconstruction after a conflict has ended and hindering tourism and peacekeeping efforts. It only costs $3 to plant a landmine and $1,000 to remove one. I take this moment to thank all those who participated in the numerous events across the country.

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[*Translation*]

GALA DÉFI 2001

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, the International Day of Disabled Persons, which we are celebrating today, is a most appropriate time to mark the 50th anniversary of the Quebec Association for Community Living, which works relentlessly to help those with an intellectual disability live independently.

S. O. 31

On Friday, five Quebec families were honoured as part of the Gala Défi 2001.

As the member for Laval Centre, I want to salute in particular two families from Laval who were among the five that were honoured on that evening.

I am referring to the family of Lise and Robert Pilon and to the Medeiros-Martin family for the extraordinary leadership that they displayed in the daily struggle for the right to be live happily.

Through them we want to thank the thousands of Quebec families who believe that love, support, encouragement and good humour are the ingredients of an unbeatable recipe to give everyone his or her chance.

I wish to say congratulations to them for believing in life. They deserve all our admiration.

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[*English*]

AGRICULTURE

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian alliance): Mr. Speaker, in an attempt to reduce grain handling and transportation costs a number of farmers in western Canada have joined together to ship their grain to export positions by collectively using producer cars. An increasing number of these producers are making use of trackside loading facilities such as the ones operated by West Central Road and Rail. These facilities do not fit the regulatory regime of the Canadian Grain Commission.

The issue of these producer car loading facilities was first presented to the commission last July. We now know that the commission does not plan to make any decision at least until March. This is unacceptable. Once again the Liberal minister of agriculture is playing catch-up to the industry instead of providing leadership. The uncertainty caused by the government's waffling is costing farmers money.

Three separate independent studies, Justice Estey's, Arthur Kroeger's and the Canadian Transportation Act review, have told the government how to fix the grain handling and transportation system. How long will farmers have to wait for the Liberals to act?

* * *

LANDMINES

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, today is the fourth anniversary of an historic day in international humanitarian law, the signing of the Ottawa convention banning anti-personnel mines. The Government of Canada is celebrating the convention's anniversary by highlighting Canada's commitment to landmine survivors.

Today the Minister of Foreign Affairs' special adviser on landmines, Senator Sheila Finestone, announced Canada's continued support for the Landmine Survivors Network's Raising the Voices initiative. This project will empower landmine survivors to represent, organize and advocate on their own behalf.

Joining Senator Finestone are Mr. Jerry White, a landmine survivor from the U.S.A. and co-founder of the Landmine Survivors Network, and Mr. Porfirio Gomez Zamora, a landmine survivor from Nicaragua and a Raising the Voices participant.

I am pleased that Mr. White and Mr. Gomez have joined us in the House today to witness our proceedings and to help us celebrate this important anniversary.

* * *

DISABLED PERSONS DAY

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, today we mark International Day for Disabled Persons with a theme of "Full Participation and Equality".

The Canadian Labour Congress and the International Labour Organization have done pioneering work to help people with disabilities.

Today the CLC launched a national education campaign to stop discrimination at work. The ILO has developed an international code of practice to accommodate current and potential employees with disabilities in the workplace.

Our federal government, however, has failing grades in the duty to accommodate our citizens with disabilities. We have seen cuts to eligibility to CPP, cuts to the Canada assistance plan, cuts to acceptable housing, cuts to training programs and recently 90,000 people have been forced to reapply for the disability tax credit.

Today I call on the government to finally bring in adequate income support, remove physical and policy barriers and create real employment opportunities for the millions of Canadians who live with disabilities. Equal citizenship now.

* * *

● (1410)

[*Translation*]

ENGLISH LANGUAGE MEDIA

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, in the wake of the revelations made by Normand Lester, new stakeholders are now surfacing and their contribution is very enlightening.

For example, Maryse Potvin, a researcher in social sciences and an expert on racism, is studying what she calls the dérapages racistes or racist excesses toward Quebec in Canada's English language media since the 1995 referendum.

Ms. Potvin talks about a national psychosis in English Canada and says that she can see the elements of the speech and the mechanisms leading to racism.

The comments made by Robson, Francis, Johnson and others columnists whose intellectual probity is matched only by the rigour of their methodology, were closely examined.

I invite all those who care about the truth to put an end to the shocking excesses that tarnish Quebec's reputation by consulting the research done by Ms. Potvin in the scientific magazines *Canadian Ethnic Studies* and *Politique et sociétés*, to end such slandering.

[*English*]

EDUCATION

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, today I would like to acknowledge a program operating in a family of schools in the Jane-Finch community of my riding of York West. Conflict Mediation Services of Downsview's project, "Partners for Conflict Resolution", is a program that promotes positive peer culture and non-violent approaches to conflict resolution.

This partnership program will bring peer mediation services into our school to give our youth alternatives to violence. It is critical that we nurture citizens who are able to solve personal conflicts without violence.

Partners for Conflict Resolution will play an important role in many students' interpersonal development. Its early intervention and prevention aspects intend to stop violent behaviour. Further, the project will counteract the emergence of a culture of violence in the city.

It is through these partnerships and this community based approach that we can work against violence with those who will build the future of our communities: our youth.

* * *

TRADE

Mr. John Herron (Fundy—Royal, PC/DR): Mr. Speaker, today the Coalition for a Secure and Trade Efficient Border, including the Canadian manufacturers and exporters, the chamber of commerce and the CFIB, call on the government to take a commonsense approach to customs and border management.

The coalition has been out ahead of the government in proposing ways to ease congestion and secure borders through the use of technology, pre-clearance and better co-operation between the Canadian and U.S. governments.

It is time the Solicitor General of Canada, the Minister for International Trade and, above all, the Prime Minister establish a high level and ongoing dialogue with Canadian industry.

America listens to proactive governments. The Canadian way is to take initiatives and to make proposals. The Progressive Conservative Party of Canada did this with free trade. We now trade $1.7 billion a day with the Americans. Last month the PC/DR coalition unveiled our plan for public protection and border management.

Today, the Coalition for a Security and Trade Efficient Border gave the government 77 ways to act better. When will the government act on this set of proactive recommendations that follow similar recommendations that the PC/DR coalition proposed last month?

[*Translation*]

3RD BATTALION OF THE ROYAL 22ND REGIMENT

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, from November 20-28, I had the opportunity to travel to Bosnia-Herzegovina with three colleagues from the House as part of the second stage of the Canadian Forces Parliamentary Program to visit Canadian troops currently serving with the NATO joint task force, the SFOR.

During my visit, I was able to observe the daily routine of the members of the 3rd battalion of the Royal 22nd Regiment in their role as peacekeepers among communities that have been hard hit by the conflicts that are now raging.

I would like to thank the members of the battalion for their hospitality and kindness throughout my visit to Bosnia-Herzegovina.

Canadians are proud of our peacekeepers, who work tirelessly to meet the tremendous needs of the people of Bosnia.

* * *

● (1415)

[*English*]

ED WHALEN

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, I want to express on behalf of this caucus and all members of the House our best wishes to Ed Whalen.

Yesterday in Florida, Ed suffered a massive coronary and is on life support in a hospital. His beloved wife Nomi is by his side and I know that Ed will derive great strength from her presence.

Ed Whalen has been a fixture on the sports and charity scene in Calgary for nearly a half century. It can be said that Ed gave more back to the community than he could have ever got in return. All community causes have gained something from his support. No matter how busy or how rushed he was, if somebody stopped to talk, he always found a bit of extra time to say hello.

Our thoughts, prayers and best wishes go out from this place at this time to Ed Whalen, to Nomi and his family and all their friends. To use one of Ed's favourite expressions, we hope Ed overcomes this "malfunction at the junction" and comes back home from Florida soon to continue his good deeds and good life as an outstanding Calgarian.

ORAL QUESTION PERIOD

[*English*]

TERRORISM

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, Canadians understand that for obvious diplomatic reasons the United States will continue to talk positively about our association in the war on terrorism, but actions speak louder than words.

Canadians now watch with dismay as the longest undefended border in modern history, a source of pride for over a century to

Canadians, is now being defended by hundreds of U.S. troops on the ground and overhead by armed U.S. helicopters.

Will the Prime Minister admit that maybe the Americans are a little nervous about legislation that still allows fugitives into the country without documents, that still allows these people to be members of terrorist organizations and that fugitives from the U.S. will probably never be extradited, if they make it—

The Speaker: The hon. Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, as usual the Leader of the Opposition has the matter totally wrong. I have just come from meetings with Attorney General Ashcroft in Detroit. He confirms that the Americans are not militarizing their border. They are continuing to do as they have done since September 11. They have national guard people working with their existing immigration and customs inspectors to help make up for the fact that they do not have enough in those services. They will be hiring and training more.

In the meantime, they are using the national guard people to facilitate trade across the border. This is a matter of confidence in Canada and its relationship with the United States, not the opposite. The hon. member is wrong, wrong, wrong.

[*Translation*]

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, if the government stopped letting people without identification into the country, maybe the U.S. would not now be putting soldiers at our border.

Will the government immediately take the necessary measures to stop letting people into our country and to show that we are masters in our own house? It is feasible.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is wrong in his allegations.

The United States stationed the national guard to help their own customs and immigration inspectors in order to ensure efficiency at the border.

The action taken by the United States is in no way due to a lack of confidence in our Canadian system. It is just the opposite.

[*English*]

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, if my neighbour said "Look I trust you but I`m going to have soldiers watch you all the time with armed helicopters overhead", I think I would wonder what was going on.

Not just standing with our U.S. allies, but it is very important at this time to stand with Israel. People in Israel have lived for too long in fear of their children being blown up on buses and in fear of their young people being literally blown up while they go to restaurants and bars.

Will the government, though it has properly condemned these acts as it should have and we agree with that, say unequivocally that Yasser Arafat must take all measures to stop this devastation and that we stand shoulder to shoulder with Israel in whatever measures it takes to defend itself? Will he say that right here?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I appreciate the hon. member's support of government policy because on December 2 the Prime Minister responded with anger to the terrorist attacks perpetrated in Jerusalem and Haifa with these words:

> All Canadians are outraged at this monstrous taking of innocent life. We reject absolutely any suggestion that such abhorrent action can ever be justified in any way. Violence and fear are never the tools of justice, they are the weapons of blinkered extremists—who tolerate only their point of view and accept no civilized restraint in seeking its imposition.

I am glad to hear that, at least in principle, the Leader of the Opposition is agreeing with these strong words.

● (1420)

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, Yasser Arafat has failed to clamp down on groups like Hamas, which inflicted brutal terrorist attacks on the civilian population of Israel on the weekend.

Canadian people are not content to be bystanders to terrorist acts. The government supported the multinational ultimatum to the Taliban regime in Afghanistan: "Stop sheltering terrorists or be treated as terrorists yourselves".

Will the government deliver that same ultimatum to Yasser Arafat or will it continue to sit on the fence?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is wrong. Canada is not on the fence. It is condemning unequivocally the terrorist acts against Israeli civilians. I do not see why the hon. member is not supporting us on this, instead of trying to suggest that we are doing something otherwise.

The message of the Prime Minister's words certainly can be taken as directed against the perpetrators of these terrorist acts and anyone connected with them.

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): The government is not just sitting on the fence, Mr. Speaker, it is impaled by the fence.

Today the United Nations considered a series of one-sided resolutions that would undermine Israel's right to undertake security measures and to defend against terrorism. It would single out Israel for condemnation and unequivocally side with the Palestinians in the conflict over disputed territories.

The United States and Israel boycotted the meeting. We attended, but to what end? When given the opportunity to stand up for Canadian values and to speak for the voice of Canadians, the government failed.

I want the Deputy Prime Minister to explain why the government, in its effort to fight terrorism, abstained from the vote today in Geneva.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, Canada abstained because it objected to the imbalance in the text of the resolution. There was no reference in the text to Israeli civilian casualties. This is a serious omission, particularly in light of the recent suicide bombings.

Canada joined the United Kingdom, Germany, the Netherlands, Denmark, Australia and Norway among others, in abstaining on this resolution. This is an important change of position and it sends a strong signal to those who are perpetrating terrorist acts.

* * *

[*Translation*]

BORDER AGREEMENT

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the government continues to deny the need for a real North American security perimeter, which would target the continent's entry points and ensure a flow of trade within it.

Instead of that, Canada has signed an agreement with the United States only, and the U.S. government at that very moment unilaterally deployed the national guard along a border that must remain open.

Will the Deputy Prime Minister acknowledge that the presence of the U.S. national guard risks impeding trade with the United States?

Hon. Herb Gray (Windsor West, Lib.): Mr. Speaker, people like me and my constituents, who know the border well, see the national guard not as an impediment to trade but rather as an aid to it, because there is a shortage of U.S. customs and immigration inspectors.

Until this shortage is remedied, the national guard is helping its American colleagues by allowing international trade to cross our border easily.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the new border agreement poses a problem with respect to the right to asylum.

According to the notion of safe third country in the agreement, a person whose application for refugee status is rejected in the U.S., where policies are much stricter, will not then be allowed into Canada whose criteria are much more generous toward those seeking asylum.

Does the Deputy Prime Minister realize that, had the notion of safe third country been in effect at the time of apartheid, Canada's honorary citizen, Nelson Mandela, would not have been admitted into Canada had his request for asylum been refused elsewhere?

[*English*]

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, both Canada and the United States have signed the Geneva convention. The co-operation agreement, which will be signed this afternoon, commits both countries to negotiate a safe third agreement which would end asylum shopping.

● (1425)

[*Translation*]

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, because of the government's unwillingness to defend its point of view and its lethargic defence of its own legislation, the Americans are getting their way in the new border agreement between the two countries.

Will the government admit that, in the circumstances, the toughest provisions in both countries will be the ones that apply?

Hon. Martin Cauchon (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I would merely point out that co-operation between the United States and Canada right now is exceptional.

The agreement signed this morning involving certain agencies mirrors what has been done with respect to customs. Obviously, all this comes under the broader authority of the Minister of Foreign Affairs and Governor Ridge of the United States.

I would also simply like to say that what we are striving for is to keep the border open through a greater reliance on technology in order to ensure that we better meet our dual mandate. That is essentially what we are attempting to do.

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, the Prime Minister keeps talking about Canadian values and says that the legislation which will apply to Canada will be passed by parliament.

Will this government's laissez-faire attitude not ultimately lead to the Parliament of Canada passing legislation that is nothing but a carbon copy of American legislation?

[*English*]

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the co-operation agreement which will be signed this afternoon is a partnership agreement whereby both countries will consult with each other.

For example, earlier this morning I informed Attorney General Ashcroft that very soon Canada will be imposing additional visa requirements on certain countries. This agreement commits us to work together to discuss the visa policies of both countries. One important new provision is that we will share information about individuals whom we have denied visas to, especially where we believe those individuals pose a security risk. That is an important addition.

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AGRICULTURE

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the acting prime minister.

The Canadian economy shrunk in the third quarter of this year. For the first time since 1992 we have seen a shrinkage in the economy. What we need is a stimulus budget to get the economy back on its feet. One area that needs investment is agriculture. Since the Liberals took office in 1993 they have cut spending on agriculture by almost $2 billion, a cutback that is approaching some 50%, and further cutbacks are being planned.

Will the government make a commitment now to invest in agriculture, or do we have to endure another round of empty promises and hard times for the farmers? Can we have a commitment now?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I will again remind the hon. member that in the last four years the government has more than doubled the support for agriculture in Canada. This year alone program payments between the federal and provincial governments as a result of the safety net programs, which we will continue to review, are close to $4 billion.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Despite that, Mr. Speaker, there has been a cutback of almost $2 billion since the Liberals took office in 1993.

We have now seen the Americans approve another farm bill of $173 billion U.S. for the next 10 years. This is on top of some $70 billion over the last four years.

Under the Canadian farm income program, only about half of Saskatchewan farmers will actually use the money because most farmers do not qualify as the standards are too strict. There is a need for investment in agriculture and farmers are waiting. I ask again, when can we expect some assistance and what kind of money can we expect in the budget? The farmers are waiting for an answer.

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member should do his research. There has been no approval of a new farm bill in the United States. There have been discussions but no approval at this date.

I also want to remind the hon. member that we struggled last year to get his own province to pay even its 40% share. Just recently the minister of agriculture in his province made the statement that farmers in Saskatchewan did not need any more money. The realized net farm income is $400 million higher than it was last year.

* * *

[*Translation*]

PUBLIC SECURITY ACT

Right Hon. Joe Clark (Calgary Centre, PC/DR): Mr. Speaker, the Minister of Health has already tried to purchase untested drugs illegally from his friends at Apotex. That time, parliament was able to stop him.

Now, Bill C-42 enables that same minister to take interim measures unilaterally, secretly and without any explanation. He could even do the same thing again with Apotex without referring to parliament or having to provide any public justification.

How can the government justify this abuse of power, which enables a minister to do what parliament prevented him from doing two months before?

● (1430)

[*English*]

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the position expressed by the member is completely absurd. He knows that in the case of the drugs, all the laws were respected and the health of Canadians was protected, which is the most important thing.

In connection with Bill C-42, the legislation merely contains provisions that are intended to ensure that in cases of emergency, the government and its ministers can react quickly.

Right Hon. Joe Clark (Calgary Centre, PC/DR): Exactly, Mr. Speaker.

On Thursday the Minister of National Defence said that his new military security zones could include an area where meetings are held, somewhere such as Kananaskis. Does the government consider Indian reserves to be, in the language of Bill C-42, "property under the control of Her Majesty in right of Canada" in which the Minister of National Defence can unilaterally impose a military security zone? Specifically, since the road to Kananaskis goes through the Stoney Indian Reserve, is the government considering designating the Stoney reserve as a military security zone under this new power grab legislation?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the hon. member seems to be on a fishing expedition. He is greatly exaggerating what this whole thing is about. He is creating fear unnecessarily.

We are talking about codifying and clarifying responsibilities which exist under the crown prerogative. They are the same kinds of authorities that the military was using and that the police already have. The police already have these kinds of authorities. The purpose is to control access to people, equipment or property that could be at risk in the case of an emergency.

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NATIONAL SECURITY

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, despite this latest agreement with the U.S. government, our security forces need new resources. We have found out that in this belated budget there is only going to be $600 million of new spending for those resources.

Will there be at least $1 billion in new spending in the belated budget for the RCMP and CSIS?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I think my hon. colleague is well aware that I am not in a position to indicate what is going to be or not going to be in the budget.

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NATIONAL DEFENCE

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, that is truer than I think we will ever know.

After many years of neglect there is another problem in our country, which is that our defence establishment has been neglected. Our NATO partners in fact are so far ahead of us in this area that they can hardly see us in their rearview mirror.

On the issue of the Canadian forces, are we going to see at least $2 billion in the upcoming budget for the Canadian forces?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the government has in the last two budgets put additional money into defence resources for the Canadian forces, some $3 billion over the last couple of budgets.

If we want to talk about NATO, let me offer the words of George Robertson, the secretary general of NATO who said "Whenever I lift the phone and ask Art Eggleton, the Canadian defence minister, or the Prime Minister of Canada, to send a reconnaissance company, they do so quickly; they get the job done". When Robertson asks, when NATO asks, the Canadian forces deliver.

The Speaker: Order. I do not know whether it is in order for hon. members to refer to themselves by name. Of course it is out of order to refer to others by name.

[*Translation*]

The hon. member for Roberval.

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BORDER AGREEMENTS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, NAFTA concerns trade among Canada, the United States and Mexico. In light of this, it would seem normal that the border agreement to be signed between Canada and the United States would include the third member of the trade agreement, namely Mexico.

Could the Canadian government tell us about the impact for Mexico of the new Canada-United States border agreement? Would it not have been normal to include Mexico in that agreement?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, the agreement that will be officially signed this afternoon is an agreement among various agencies. It essentially seeks to address the issue of our shared border.

In the past, we have signed similar agreements, including the accord on our shared border signed by the President and the Prime Minister in 1996. Let us not forget that over 80% of our exports go to the United States, and that less than 25% of U.S. exports come to Canada. We will continue to work with the United States to ensure that, indeed, our special relationship can continue. We must ensure that the skies—

● (1435)

The Speaker: The hon. member for Roberval.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, does the minister not agree that Mexico should be included in any negotiations on security issues in North America? This would ensure a much better balance than in the Canada-United States discussions.

It seems to me that Canada, the United States and Mexico form a meaningful entity that should be recognized, including in the type of agreement that will be signed today.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the current discussions are between the United States and Canada, and they deal with our shared border.

I wonder why the hon. member wants Mexico to be involved in these talks. These discussions do not deal with the border between Mexico and the United States, but with the border between Canada and the United States. It is up to these two countries to sign the necessary agreements.

[*English*]

IMMIGRATION

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, a dozen men suspected of having ties to al-Qaeda terrorists are loose in Canada due to immigration officials' inability to detain them. The 12 now being sought by police were among some 500 undocumented refugee claimants released in November because of a lack of detention space.

Our failure to hold these dangerous individuals is no comfort to the citizens of Canada and soft comfort to our American neighbours to the south. When will additional facilities be opened and more officials hired to ensure timely and thorough screening of all refugees without documents?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the story that was in the Ottawa *Sun* is false. It is wrong for the member opposite to be repeating those kinds of inaccuracies. They are extremely harmful because our frontline officials know the truth, which is that whenever we have people whom we believe are suspected terrorists or pose any security risk, we are able to detain them.

If all of our detention facilities are full, we have agreements with the provinces and other departments so that we can have additional detention space as required.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, the minister is the only one who believes everyone is wrong but her department, that the media and everyone else are wrong.

What is not wrong is that immigration officers and CSIS agents are being swamped by a record number of refugee claimants landing in Canada with no documents. Police checks are taking weeks to complete due to huge backlogs.

The best way to stem the tide of illegals arriving here in Canada is to have more CSIS agents, more RCMP officers and more immigration officers abroad.

Will the solicitor general immediately commit to increase CSIS and RCMP resources—

The Speaker: Order. The hon. solicitor general.

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, just this morning I met with the attorney general of the United States. He was very appreciative of the role of CSIS and the RCMP. They play an important role in making sure that the people who are responsible for terrorism are brought to justice.

As I have said many times in the House, including and since the last budget, the government has put just under $2 billion into the public safety envelope. And just watch. There is another budget coming.

* * *

[*Translation*]

INTERNATIONAL CO-OPERATION

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, Special UNICEF representative Sally Armstrong has been visiting Afghan refugee camps over the past 10 days. Her finding is "Nearly all the children are sick".

Although the world has been well aware for a long time that a major problem was developing, the Minister for International Cooperation continues to boast of the government's generosity, yet it has made no real effort. Its contribution to Afghanistan is limited to some $16 million, which is far from adequate.

Does the minister not think it is high time she put an end to her empty words and launched an extraordinary offensive to deal with an extraordinary situation?

● (1440)

[*English*]

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, it is very easy to jump to conclusions. The reality is that getting food into Afghanistan is still not safe.

In addition to money, CIDA is also providing logistical assistance to the world food program. We provided vitamins and immunization to 4.5 million children in Afghanistan even while the bombing was going on, and to 27 million children in Pakistan which will also assist with the nutritional problems. We are working on many different fronts.

The reality is that we need to get into Afghanistan much more quickly and much more aggressively.

[*Translation*]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, the need is both immense and immediate. Aid must be directed urgently and rapidly and the government must assume a lead role in this.

Could the minister tell us what her specific plan for Afghanistan is and what she plans to do to ensure that help gets there?

[*English*]

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, as I just said, under the current situation we are working very closely with the UNHCR, UNICEF, OXFAM, the world food program and the Red Cross to try to get food in as quickly as possibly to the most remote areas. It is not easy. As we know, the security situation is still difficult.

We are providing a logistical scheme to the world food program, as I said, from Canada, the Canadian light infantry team to remove snow from mountain passes which lead to some areas. At the same time, we need to bring calm and stability to the area in order for us to really go in, with all the expatriates from Afghanistan, to really go in and to really work with the people to ensure that health programs as well as food are provided.

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IMMIGRATION

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, the immigration minister has let the country down. She has repeatedly stood in her place promising the House and Canadians that she would detain people of concern at our borders.

Immigration officers say that they had to release about 500 undocumented refugee claimants of the 1,000 who showed up in November at Pearson airport.

On the very day we are signing a border agreement and the Americans are fortifying their sovereignty, why is the minister failing to protect Canada?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, not only did Sun Media not check the facts but the member opposite needs a new researcher because his facts are wrong.

CIC did not release any suspected terrorists. We have sufficient capacity. If all the beds that CIC has are full, we have additional capacity from other departments and the province. Whenever we have evidence that anyone poses a security risk, we detain them. He should stop spreading those lies.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, that is pretty unparliamentary.

The disconnect between what the minister says in the House and the reality at the border is shameful.

Canada says "we love New York" and today we sign an agreement with our American friends, yet at the Toronto airport we dishonour our word by releasing identified al-Qaeda suspects.

The minister day after day shows contempt for parliament and today dishonours our American guests.

Will the minister institute reverse onus detention for all undocumented refugee claimants? Yes or no.

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, there is not one shred of evidence that the allegations the member is making are true. In fact, they are false and if he has any evidence he should present it.

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[*Translation*]

INTERNATIONAL TRADE

Mr. Serge Marcil (Beauharnois—Salaberry, Lib.): Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food.

Dairy producers and processors throughout the country have been impatiently waiting for the WTO appeal body's decision on Canada's approach to price setting on dairy exports.

What was the appeal decision and what will its consequences be for the country?

[*English*]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, today I am pleased to inform dairy producers, processors and exporters that New Zealand and the United States failed to prove that our programs for commercial export of milk were inconsistent. We won the appeal. The dairy industry will continue with business as usual. It is another example of a partnership between industry and government for a strong proposal and a strong case, and we won.

● (1445)

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, if it was not clear before today it sure is now: Alberta is moving fast toward private hospitals. The health minister actually did dispatch his staff out west to fight a campaign. Where did he send them? To Alberta to fight privatization? No. He sent them to Manitoba to fight for his leadership aspirations.

I would like to know if the health minister could tell us what special project his special assistant, Satpreet Thiara, has been working on in Manitoba.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, Health Canada is out there fighting across the country for the Canada Health Act and its principles, for public medicare.

If the member knows something about the report in Alberta, which has not yet been released, perhaps she will let us know.

Until then, we are going to wait until the government of Alberta releases its proposals and of course until it tells us what it intends to do about them.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the minister should know we do not need his special staff in Manitoba to fight private hospitals. We are the only government in the country with strong legislation against private, for profit hospitals.

What we want to know is what he was sending his special staff there for with respect to the leadership campaign. The Prime Minister has read the riot act telling his ministers to get out there and do their jobs, yet here we have the minister doing the opposite.

It is important to ask, and the Minister of Veterans Affairs has suggested this, will the Prime Minister, or the Deputy Prime Minister today, announce an investigation into the events in Winnipeg this past weekend and the conduct of the health minister?

The Speaker: I have doubts that this question has much to do with the administrative responsibility of the government, but I will resolve the doubt at the moment in favour of the Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, in the same vein I think the first thing to do is to have the hon. member have an investigation into what happened at her own recent convention in that area. It would be very interesting for Canadians to find out why the party continues to decline in spite of the convention.

* * *

TERRORISM

Ms. Val Meredith (South Surrey—White Rock—Langley, PC/DR): Mr. Speaker, on September 11 many of the senior officers protecting U.S. airspace at NORAD were Canadians. Americans have never been concerned about sharing their protection with Canada.

Over one month ago the PC/DR coalition proposed joint border management to protect North America, a proposal echoed by the Coalition for Secure and Trade Efficient Borders.

Why did the government not follow up on this initiative to assure Americans that their northern border was secure?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is really out to lunch on this one. If I may quote the attorney general of the United States, he said, speaking of the border between Canada and the United States "It's the longest peaceful wonderfully co-operative border".

That is a real endorsement of the status of our relationship and the hon. member ought to catch up with things before she embarrasses herself further.

Ms. Val Meredith (South Surrey—White Rock—Langley, PC/DR): Mr. Speaker, the United States is sending troops and helicopters to protect its northern border. No matter how the Liberals might try to sugar coat it, this is not a good thing.

The Americans obviously perceive that their security is threatened because of this government's inability to enter into a comprehensive border security agreement. Is the government's solution to border management U.S. helicopter gunships and the national guard?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, Attorney General Ashcroft said publicly in Detroit this morning that he is not interested in militarizing the border. He wants to have the national guard continue what it has been doing since September 11 and that is help their overstressed immigration and customs inspectors move people and goods quickly across the border. The national guard is there while they recruit additional inspectors and train them. It is not because of a lack of confidence in Canada, but her question indicates why Canadians have a lack of confidence in her and her colleagues.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, last Friday Abdellah Ouzghar, convicted by a French court of using falsified passports, of falsifying passports and of associating with terrorist organizations, was released on bail by an Ontario judge. Mr. Ouzghar was being held in custody on an extradition warrant from France.

Does the minister of immigration agree with the judge's comments on the shortcomings of the French legal system in ordering Mr. Ouzghar's release?

● (1450)

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member should know that my lawyers were in court fighting the bail application on the part of Mr. Ouzghar.

We have to respect the decision of the court in this case, but I do want to reassure Canadians that the court imposed very stiff conditions on bail in relation to Mr. Ouzghar.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, it is not the decision we are talking about. It is whether she agrees with the comments made in respect of the policies relating to the French legal system.

The war against terrorism requires the co-operation of all civilized nations. The comments of this judge in respect of the French legal system are very disturbing, and what we want to know, simply put, is, does she agree with the suggestion that unless they mirror Canadian standards we will not honour our international extradition requirements?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, let me reassure everyone in the House that while the French criminal justice system is different from ours, we have nothing but the greatest respect for the way the French run their criminal justice system.

In fact we have received a formal extradition request from the French government and we will be proceeding in relation to their extradition request in a timely fashion.

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[*Translation*]

AIR TRANSPORTATION

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, the papers on the weekend reported the remarks by the president of WestJet, who said that if the government wanted to promote competition it had to help new air carriers.

Will the Minister of Transport finally acknowledge the facts, change his position and arrange to have the government support existing small regional carriers and the founding of new companies to compete with Air Canada?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, we are not prepared to give financial assistance to carriers, to new carriers. I think the market will develop competition and that there are many throughout Canada prepared to invest in the air transportation system.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, the minister acknowledged on Friday, in response to one of my questions, that small communities were being poorly serviced and did not have the same advantages as larger ones.

Should the minister not carry his logic to its conclusion and allow the unused financial offer made to Canada 3000 to be made to small regional carriers, which keep competition alive and serve the interests of the regions?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, in Bill C-26, the role of Air Canada is to serve small communities for three years. This is very important for all communities.

As to the matter of loans and guarantees for Canada 3000, as I have mentioned a number of times here in the House, it was simply for Canada 3000 and the major carriers, in order to give them temporary help in the crisis.

[*English*]

TAXATION

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, since 1993 the government has increased payroll taxes by 26% and next year it is to increase payroll taxes by 6%, even after accounting for its measly five cent reduction in EI premiums announced last week.

Given that there is a $40 billion surplus in the EI account, more than twice what is needed in a downturn, why is the finance minister hoarding this surplus rather than giving back a bigger share of it to employees and employers to whom it belongs?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, ever since we have taken office we have continually cut the EI premiums and this year has been no exception.

Having said that, we have also increased the benefits that have gone to workers. We have as well made sure in terms of payroll taxes that what we are doing is ensuring that we have sustainable pensions for the future. I am sure the member would not want to argue with that.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, this is unbelievable. We are being led into a recession by the Liberal government and the government's response is to increase the cost of hiring people by increasing payroll taxes. Canadians are losing their jobs. Employers are having to lay off people.

Why is the government increasing payroll taxes when workers and employers need, now more than ever, payroll tax relief so they can hire more Canadians?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the cuts we have made to EI amount to $6.8 billion a year. That is very substantial.

The reason we made changes to the Canada pension plan, with the Government of Canada working with every one of the provinces, was to ensure that the pension plan was sustainable in the years to come.

Is the member telling us that he does not want to make it sustainable? Is he telling us that he wants to cut the contributions to make sure that future generations pay for those who are retiring today?

* * *

● (1455)

[*Translation*]

HOUSING

Mr. Claude Duplain (Portneuf, Lib.): Mr. Speaker, on Friday, the federal, provincial and territorial ministers responsible for housing met to discuss an affordable housing program.

Will the minister responsible for the Canada Mortgage and Housing Corporation tell us if the meeting was successful?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, on Friday I met with my provincial and territorial counterparts in Quebec City and we came up with a framework agreement that will allow us to build and create more affordable housing for all Canadians, as early as next spring.

Therefore the meeting was a success. In the coming weeks, we will sign bilateral agreements with all of the provinces and territories.

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[*English*]

ABORIGINAL AFFAIRS

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, the minister of Indian affairs has recently stated he has consulted with about 2% of aboriginal people living on reserves in preparing for the drafting and introduction of the first nations governance act.

For years and years aboriginal people have lived under the oppressive regulations of the Indian Act, but after such a short consultation does the minister believe that he now has the moral authority to impose a new Indian Act on native people living across Canada?

Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I think it is fair to say that my colleague is aware that consultations on governance is a three year process. The first phase was completed at the end of October. We are now starting the second phase.

I think people would agree with me that a three year process of consultation and putting forward legislation to improve an act that is outdated is a long time in anyone's parliamentary schedule. I think that would be agreeable to all members of the House.

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, tomorrow the Assembly of First Nations begins meetings in Ottawa to discuss the first nations governance act. To date political Indian groups across Canada, including the AFN, the Chiefs of Ontario, Union of British Columbia Indian Chiefs, Interior Alliance, Federation of the Saskatchewan Indian Nations and the Assembly of Manitoba Chiefs, have all stated their opposition to the minister's initiative.

However my consultations with grassroots aboriginal people have confirmed that both fiscal and democratic accountability are of huge concern to them at the band level. Would the minister confirm today that fiscal and governmental accountability will indeed be written into the bill?

Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, consultations have not concluded. We are now in the process of assessing the consultations and looking at what the draft legislation will look like. It is a little early for me to make a suggestion to him and to others as to exactly what the bill will look like.

I can give him the assurance that the objective of the exercise is to give first nation governments the kinds of tools that any modern government would need to be successful in building a first nation economy.

[*Translation*]

MIDDLE EAST

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, the situation in the Middle East grows more and more alarming. This weekend, 25 Israeli citizens died following Palestinian Hamas attacks. Today, Israel launched missiles near the Palestinian authority offices.

The international community cannot remain indifferent to this latest escalation of violence in the Middle East.

Will the government inform the House of the position that Canada plans on taking in response to the latest intensification of the conflict in the region?

[*English*]

Ms. Aileen Carroll (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada has been firm in its support for the Middle East peace process. The only way we will see progress is for a condemnation on both sides of civilian casualties.

Both Israel and Palestine have the power to bring things to a successful conclusion by taking the necessary steps and ending the violence.

* * *

[*Translation*]

ECONOMIC DEVELOPMENT

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, my question is for the Minister of National Revenue and excellent Secretary of State responsible for the Economic Development Agency of Canada for the Regions of Quebec.

Following this year's emergency debate on the state of Canada's resource industries, could the minister tell us about the changes made to support Quebec businesses in resource regions?

● (1500)

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I thank the hon. member for his question. This is an excellent question on a very important issue, namely the economic development of all the regions of Quebec.

On November 22, I had the opportunity to add a new component to our main program called "Idées PME".

Today, I would like to announce a $30 million sub-component called "Essai-expérimentation", which is designed specifically for all resource regions and based on natural resources.

Once again, our objective is to have flexible programs to meet the public's needs and those identified here. We want to create jobs and we will continue to do so.

* * *

[*English*]

NATIONAL DEFENCE

Mrs. Elsie Wayne (Saint John, PC/DR): Mr. Speaker, we have been informed that the Sea King helicopter replacement will yield a finished product that is inferior to the equipment our forces have today.

The Minister of National Defence has indicated that in a post-cold war world the reduced specs were all that were needed. In light of the tragic events of September 11 and the subsequent increased pressures on our military, is the minister still prepared to say that our military needs can be met by lesser equipment and helicopters that are inferior to EH-101s?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I am prepared to provide members of the Canadian forces with the kind of equipment, including a helicopter, that they need to do their job. They have written the statement of requirements. They have written the specifications in detail as to what is required.

This is not the cold war era to which the hon. member keeps referring. This is a different era with different requirements and the helicopter that Canadian forces members will get to replace the Sea King will be what they need to do the job.

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PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of Mr. John Ashcroft, Attorney General of the United States of America.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, in accordance with the order of reference of Tuesday, March 20, I am reporting today that your committee on the environment and sustainable development has considered Bill C-5, an act respecting the protection of wildlife species at risk, and agreed on Tuesday, November 27, to report it with 121 amendments.

You will be pleased to learn that the committee has worked hard and long hours to produce this first report to the House and I submit it for your consideration.

● (1505)

TRANSPORT AND GOVERNMENT OPERATIONS

Mr. Ovid Jackson (Bruce—Grey—Owen Sound, Lib.): Mr. Speaker, as chair of the Standing Committee on Transport and Government Operations and in accordance with the order of reference of Tuesday, November 20, I have the honour to present the sixth report of the Standing Committee on Transport and Government Operations on Bill S-33, an act to amend the Carriage by Air Act.

Your committee has studied the bill and is reporting it without amendment.

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have the honour to present the 41st report of the Standing Committee on Procedure and House Affairs regarding the review of the radio and television broadcasting of proceedings of House committees.

* * *

PETITIONS

GENETICALLY MODIFIED FOODS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to rise to present a petition today from citizens of the Peterborough area who are concerned about genetically modified organisms, particularly food.

These citizens were supporters of Bill C-287. They support mandatory labelling that would allow for research and post-release monitoring of potential health effects of genetically modified foods. They would have this apply to all stages of sale. It would require the genetic history of a food or ingredient to be recorded and traced through all stages of distribution, manufacturing, processing, packaging and sale.

These petitioners call upon the Parliament of Canada to support the principles embodied in Bill C-287 and allow residents of Canada the right to decide whether to purchase products containing modified material.

FIREARM REGISTRY

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the undersigned petitioners call upon parliament to retain the federal gun registry. The Minister of Justice should remain fully accountable and responsible to parliament for this program.

The Canadian Firearms Centre must remain in Miramichi and in the public sector. The petition is from people across the country.

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I have another petition to present. The petitioners call upon parliament to enact legislation to modernize the employment insurance program according to the plan proposed by the Canadian Labour Congress. It is from my riding of Acadie—Bathurst.

FALUN GONG

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, my third petition is from the Toronto area. The petitioners appeal to the House of Commons to take immediate action to urge China to free Lin ShenLi, the husband of Canadian citizen Li Jinyu immediately; to free all Falun Gong practitioners immediately; to stop the mass killing of Falun Gong practitioners; to stop the persecution immediately; and to take immediate action to establish and protect Canada's SOS rescue team to travel to China for an international investigation to help stop the persecution.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Joe Jordan (Parliamentary Secretary to the Prime Minister, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

The House resumed consideration of the motion.

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, I will start my speech today by saying that employment equity ought to be reviewed and it ought to be scrapped. Basically the Employment Equity Act was passed by the Mulroney government in 1986 and then strengthened by the Liberals in 1995.

It now has a process of its own. It has monetary penalties or taxes for non-compliance. It basically mandates preferential hiring in the federal public service and in federally regulated industries of people from four target groups: women, other aboriginals, visible minorities and the disabled.

For my party this happens to violate something we believe in which is equality of opportunity, not the idea of equality of result. Basically the government should hire on the basis of merit. Anything else actually hurts workplace morale. Making merit a secondary requirement reduces the overall excellence of the public service.

A Canadian Alliance government would repeal the Employment Equity Act, preserve programs ensuring equality of opportunity and competition on a level playing field but not the idea of equality of result.

The Employment Equity Act assumes that Canadians are unfair. It makes that assumption right off the bat. From there it goes on to say that people should discriminate in favour of someone which therefore requires that someone else has to be discriminated against. We cannot have discrimination in favour without also having discrimination against.

It is a travesty that this law was brought into effect in 1986. Then to create enforcement goons to police the law, levy taxes and penalize businesses that are regulated by the federal government because they are not meeting some sort of quota or target is draconian. It is one of the more top down things the government does.

The Public Service Employment Act governs all federal hiring. Section 44 of the act's regulations exempt employment equity programs from the merit requirement. Section 44 is kind of like a Catch-22 except it is twice as bad as it exempts the act from any type of merit requirement.

It would be one thing to say that this law is unfair, does not make much sense, is draconian, top down, bureaucratic and elitist, and I could go on, but it is absolutely unnecessary. According to the government's reports, in 1998 and 1999 both women and aboriginals were actually overrepresented in the public service. I will repeat that again because I want it to resonate for people. The act was implemented in 1986 and 12 years later government reports indicate that its target groups, women and aboriginals, were actually overrepresented in the public service.

The idea that we are to continue with an act, with the enforcement people and with taxing businesses that are regulated by the federal government in this regard is ludicrous. It makes no sense whatsoever. It is creating a government department for the purpose of creating jobs and getting revenue out of private sector regulated businesses. It is ridiculous.

Affirmative action is being challenged in many U.S. states. California abandoned it in 1996. I tip my hat to the Mike Harris government in Ontario which scrapped employment equity in December 1995.

● (1510)

The Liberal government across the way has a large chunk of its seats from Ontario. Yet the people of Ontario in 1995 voted overwhelmingly not for Lyn McLeod and her Liberal Party that supported this provision but for Mike Harris who boldly flew a banner of gold colours and said he would repeal the quota system that was set up by Bob Rae. The people of Ontario rejected the quota system.

The 1995 campaign was a referendum on this very issue. The people of Ontario, whom many of the Liberals across the way claim to represent, turfed this law. They got rid of it at the provincial level. The idea that the government would continue to promote a law that, according to surveys and election results its own electorate does not support when it is raised as a fundamental election issue, demonstrates how out of touch the government is on the whole aspect of employment equity.

I will go into specific examples of why the act is crazy and wrong-headed. I have a friend who wanted to become a member of the Royal Canadian Mounted Police. This young fellow approached the RCMP and was told frankly there was no point of even applying because he did not fit the quota. He was not one of the target groups and might as well not even bother filling out the form.

Another example is of someone I knew personally who was determined and persistent. He went ahead, filled out the forms and went through the process. He was told that if he got 120 points or better on the examination he would make it to the next step in the process and would continue on the path toward becoming an RCMP officer.

Lo and behold, he wrote the test and got better than 120. He was told that if he got better than 120 that was good enough and he would move on in the process. Disturbingly he found out that was not the case. He was informed that his score was not high enough. He asked why that was since he was told that if he got more than 120 he would pass with flying colours. It was explained that it was a little more difficult than that. The officials did not want to shoot straight with him because they were embarrassed to admit the failure of their testing system and program.

He was persistent however and he followed up. He talked to four or five different individuals in the RCMP who transferred him back and forth on the phone. Finally he got to someone who was a straight shooter. This person told him that because of his demographics he required more than 130 to move on in the process of becoming an RCMP officer.

My friend asked if he had to get more than 130 to continue on in the process, what would someone else have to get to continue to move on in the process? Some of these target groups I mentioned only had to get 80. They could get less than two-thirds of what he got on the test. They were 65% less qualified than he was according to an objective test and they could continue to move on and be part of the process and eventually become RCMP officers.

However he was told that he had no chance of becoming an RCMP officer because of who he was, the way he looked, where he was born and who his parents were. This gentleman would have made a fine RCMP officer. He had good bearing, good judgment and the ability to go into tough situations and be able to perform the functions of an RCMP officer. I have known people who have served in the police force and I believe he would have been a fine choice.

It does not end with the police. The situation with employment equity, affirmative action or whatever the government chooses to call this form of discrimination goes on.

● (1515)

I happen to be involved with the military through the Standing Committee on National Defence and Veterans Affairs. I expect to see a fighting force when I look at what Canadians want and expect of the military. I expect it to be up to measure and up to snuff. Sometimes I expect it to be an elite fighting force as the airborne used to be before it was disbanded.

The Liberals got rid of the airborne citing politically incorrect reasons. Actually it was a funding issue over some of the things it did to the airborne. There was a health and cost issue in terms of the government paying for some of the things it put these soldiers through. Canadians want our armed forces to be the fittest, the strongest, the best they can be. There is nothing wrong with saying that people want the best, that they want the best person qualified for the job.

If I were wounded and hoping someone would come and take me to a position of safety away from enemy fire, I would want that person to be the fittest, the strongest, the best qualified, and the one who measured up on the merit tests to get to do that job. That is whom I would want saving my life.

Unfortunately that is not what happens with this act. It is all about what is politically expedient and what buys votes for the party in power. It is all about elitist notions of what it thinks is best. It is about a top down view of the world rather than a common sense guy on the front line with a bottom-up approach. Employment equity is about applying a bureaucratic, silly, wrong-headed measuring system to the real world.

I looked into the subject after I was elected in 1997. An enforcer, one of these goons or thugs who enforce the law, came around to my office. My office was known as one of the more politically correct ones in this place. The enforcer came to my office and said that she was on the hunt, that she was looking for more cases. Why is that? I cited how in 1998 and 1999 according to the government's own reports the job was done because it had overrepresentation in the public service of its target groups. These enforcers have not had a lot to do for the last few years.

This enforcer came to my office, sat down with me and my staff and asked whether we had any cases where people might have phoned in over the last little while, told us about anything that might be construed or considered in some way that she could open a case file. Can members believe that? She came to my office because the well was empty and she came up dry. Her to-do jar was done. She came to my office expecting that we would help her in finding either federally regulated industries or public service complaints where employment equity, despite the fact that the government had surpassed its own goals, had not gone far enough.

It was ludicrous that I had this individual, whom we were paying with our tax dollars, come to my office and say that she did not have enough work to do. She asked whether I happened to have referrals that I could give her. She requested to know if there was anybody who seemed to have their nose bent out of joint with regard to an employment equity case that had not gone far enough.

● (1520)

While she was there I thought there was no point in arguing with bureaucrats. They were only enforcing the law that the government passed, however wrong-headed it may have been. Nonetheless these people were only doing their job and I understood that. They were getting a salary and trying to figure out how they were going to make their retirement, pay their bills and put food on the table.

The nasty ones were the government members across the way. These members were the ones who issued these evil orders. They were the ones who sent these people out into workplaces saying that they had to find a monster out there. That was what they were being paid to do. We expect bureaucrats to top-down thumbscrew and implement this law. That is what these people across the way do.

This bureaucrat was in my office and I asked her to pretend I was in a federally regulated industry. I pretended to be in the transportation industry and running a private company that received a complaint from somewhere. The government thought I was not living up to the Employment Equity Act and had a misrepresentation by a few percentage points here or there of what it thought my workforce should look like.

It did not care about the qualifications or the merit based arguments. The bureaucrats looked at my workforce, analyzed it and determined that they did not like its make-up. There was 1% or 2% more here or there than what the government thought there should be.

I understand that government is allowed to mess up government as much as it wants, and that is a shame. Nonetheless I asked her what the government would do to me in that case, if I were that private business person. She flat out told me that it would be demanded. I said that it was my company and that I would not live up to the government's demand. I was the one who cut the cheques and paid the bills. She said that a tribunal would be held. I asked what would happen if I did not attend. She replied that it would be held in any event.

Then I asked what would happen with the tribunal. She said that it would go ahead and assess a fine. I asked what would happen if I did not pay that fine. She said appropriate forces would be used to seize my books and accounts to do what was necessary to extract the government's funds.

There are many other things the government could do. I would love to see the government recruiting more soldiers because we desperately need them, getting more magnetic resonance imagers or CAT scanners in Canadian hospitals because we are so far behind the Americans, and doing all sorts of useful and productive things.

Relatively speaking, all this would make intuitive sense even if the government were to expand our highway system and make sure that the $4 billion to $5 billion it took in per year in fuel taxes was going toward making sure we had good highway infrastructure, wider and safer roads, and a more lit Trans-Canada Highway. That is what I expect of government and is what works. That is what I want the government to deliver. If average Canadians were asked they would say so too.

Instead we have this perverse system that was set up in 1986 because a certain prime minister thought he would inoculate himself from attacks and look more like a caring, sharing, politically correct and sensitive kind of guy. Then the Liberals got in and made it even worse. They took it from the absurd to the truly absurd and far out ridiculous. There are bureaucrats marching around with orders to tamper with federally regulated businesses, the military or the RCMP. Their job is done. They have achieved and surpassed their targets.

● (1525)

For the last three years I have had bureaucrats come into my office asking if I could give them referrals for work out there. It is absolutely ridiculous that it has gone to this. The civil service hiring policy, whether it be for the RCMP, the military, Industry Canada or any number of the bureaucracies represented by too many ministers across the way, should be based on some common sense principles, on fiscal responsibility, on merit and on who is best qualified for the job. That is what we stand for.

The Liberals across the way love to come up with and push elitist notions. They hire bureaucrats who go into private sector businesses with their top down solutions. We are not just talking about the civil service. We are also talking about federally regulated businesses. These bureaucrats sit down with someone in a company, probably the human resources person, and they come up with some silly, absolutely whacked out federal government formula of an idea where they may tell the company that it has too many females as secretaries or that it has too many males as window washers. This is an example off the top of my head because I talked about it with the bureaucrat who came to my office.

They then go ahead with their political interference and meddle around in a private corporation, or even in the effectiveness of the bureaucracy of a given crown corporation or some other civil service job, and implement totally undemocratic ideas that the public itself would not support nor vote for in a referendum. It goes to show how out of touch the Liberals actually are. It makes no sense.

I will cap off my debate by reiterating some things for perhaps the people in the gallery or the people listening at home. The Employment Equity Act should be reviewed and, for my Liberal friend across the way, employment equity should be scrapped. In his own riding, I am sure a Tory was elected who thought that was a good idea.

It does not make any sense to ruin workplace morale by hiring people under these types of formulas when, according to the government's own figures, they were overrepresented according to the quotas and targets in the workplace. Why would the government persist with something that pits one person against another in earning a living and putting bread on the table? It does not make any sense whatsoever.

I would ask the Liberal heckler across the way to please review employment equity and see fit to scrap it. I am sure many people in his own riding may at some time like a job or at least the opportunity to apply for a job with the RCMP, the civil service or a federally regulated industry. I do not think they would want to be told that because of who their parents are they cannot have the job. It is not right and deep down the member knows that. I served with him on the citizenship and immigration committee and I think he knows this issue all too well.

I hope the Liberals will review employment equity and scrap it.

● (1530)

[*Translation*]

The Acting Speaker (Mr. Bélair): From now on, the hon. members who take the floor will have 20 minutes to deliver their speeches, which will be followed by a 10 minute question and comment period, unless these members indicate to the Chair that they want to split their time.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am pleased to rise today to take part in this debate on the motion, which reads as follows:

> That the Standing Committee on Human Resources Development and the Status of Persons with Disabilities be designated to review the Employment Equity Act, pursuant to section 44(1) of the said Act.

I would like to begin by stating that I would have liked a subcommittee to have been struck to review this act. The Standing Committee on Human Resources Development already has a lot of issues to address, in particular the entire matter of employment insurance, the committee's unanimous recommendations on this, the matter of social insurance numbers, and all the effects of the economic downturn and the recession, which unfortunately is going to be confirmed within days. There are, therefore, a great many issues with a significant social impact, but the decision was made that the act will be examined in committee. I do believe it is important that this statute be revised.

What we are told, essentially, is that the Employment Equity Act needs reviewing every five years by parliament in order to ensure that it meets the real needs of the population.

The House will recall that this was legislation introduced to help particular groups obtain employment more easily, not to be at the mercy of a system that encourages some to the detriment of others.

Over the years, especially in the 1970s, it became apparent that groups such as women, aboriginals, members of visible minorities and the disabled had much more trouble landing jobs with the federal government, federally regulated employers or federal crown corporations. Parliament therefore passed this legislation, which has been reviewed once. Clearly, some progress has been made.

I think that it is important to recognize that this is the result of a systemic approach. Nobody is suggesting that people are deliberately trying to eliminate these groups. I think that society has evolved in this regard. In fact, the majority of people conducting selection interviews or deciding on selection methods have become very aware of the need for equity for the groups in our society, but there are unfortunate unintended effects which can only be corrected through a systemic approach. That is the purpose of this legislation.

Earlier, I was listening to the Canadian Alliance member's speech. I think that it shows a profound ignorance of the situation facing federally regulated employers. In fact, I think that, but for this kind of legislation in recent years, the gaps would be even wider today.

The challenge is much worse for one group. I am referring to the disabled. We are often told that this is because it costs more to integrate them into society. I take issue with this. The government of Quebec has programs to help the disabled get jobs. These people regularly become productive workers. Their disability often even helps them to become more productive than their non-disabled colleagues.

For example, I knew of a deaf employee of the government of Quebec who worked as a typist. I can guarantee that her skills were second to none.

I do not think it is more costly to integrate these people, but we must have a global approach. If someone with a disability can be integrated into a workplace, it goes without saying that this person will feel better about himself. He will earn an income, be a full fledged member of society and buy goods. In the end, society will benefit. By contrast, if, as in past decades, that person stays home and is not given an opportunity to get a job, he will be more unhappy. That person will often take a lot of medication. This will create all sorts of complicated situations that are not pleasant for that person and for society.

Therefore, the government has a responsibility to ensure that it controls the market in terms of jobs, and that people who belong to the above mentioned classes will get another opportunity.

● (1535)

There are also areas that have greater difficulty integrating people with disabilities. This was and still is the case with the Canadian forces.

All sorts of situations were identified in recent years and would justify, when the act is reviewed, taking the time to see if indeed some measures should be taken to deal with this specific issue and to ensure that five years from now, when the act is reviewed again, a number of flaws will have been corrected.

There is another area where equal opportunities are not yet a reality. I am referring to management positions, where it is much more difficult to get results. In support positions, including in the public service, women are often well represented. However, additional efforts should be made when it comes to management level positions, and I hope that this issue will be taken into consideration when the act is reviewed.

This weak representation by minorities, particularly at the management level, has a negative impact on opportunities for hiring and advancement of members of minority groups. I referred earlier to a systemic effect; if the people responsible for hiring are members of the groups covered by the legislation, it is certain that there will be a positive impact as a result. It will be easier to ensure that the four groups concerned have a say and are selected.

I myself worked for several years in a position where I selected staff. I remember competitions for hiring where the committee composition made a difference. If the majority of the selection committee were women, its approach was different from a mostly male committee. I think that there needs to be an update on this kind of situation. This also holds true for the categories for aboriginal people, visible minorities and the disabled.

The selection committee can set an example, ensuring that all negative comments made by people unaware of the reality of these categories of individuals are eliminated. If someone from a category has attained the status of being responsible for selecting staff, this leads to more opportunities for others to be selected.

This provides an opportunity to ensure that the legislation can be even more effective in future, perhaps more refined in its effectiveness. Obviously the bill was put in place initially to correct major shortfalls, significant ones, very sizable ones, that existed at the time. The statistics made it very clear that there was discrimination even at entry level.

Now, at another level, action must be taken in order to ensure that, where results are significant but still insufficient, additional effort must be focused on attaining the targeted objective. The whole matter of quantifying the results attained, but also that of qualifying them, must be addressed in committee.

It must also not be lost sight of that the budget cuts and resulting hiring slowdown particularly affected minorities. The economic downturn is having the same effect again now. When there is an economic downturn, it is a matter of last hired, first fired, and this often means young people.

As well, there are older workers who cannot necessarily retrain easily for other types of employment. As for the situation that the public sector experienced, obviously the five-year period from 1994 to 1999, when there were severe job cuts, had an impact. Recruitment was cut altogether. This did not allow for increases in the proportions of targeted groups in order to meet the results anticipated by the legislation. This will need to be taken into consideration during the study.

Earlier I mentioned quantitative representation. Obviously this needs to be looked at, but we also need to look deeper, because statistics and figures will not provide us with solutions or allow us to make further progress.

The legislation applies to 400 federally regulated private sector and crown corporation employers. It defines, in fairly clear terms, employers' responsibilities with respect to the implementation of employment equity principles, without imposing major obligations. The same obligations are set out for private and public sector employers in terms of developing employment equity plans and programs.

● (1540)

The legislation also specifies that the implementation of employment equity principles does not require employers to establish quotas or measures that may cause undue hardship or create new positions.

So there is some leeway. During the study, it will be important to see if we need to be more or less stringent on this. It also affects the whole issue of bargaining agents and employee representatives.

The act provides the Canadian Human Rights Commission with the mandate of visiting workplaces to verify if the employer is complying with the requirements set out in the legislation and to force them to do so.

In my opinion, the committee will need to hear from many witnesses on each category of requirements set out in the act, including employee association and union representatives, employer representatives, experts from the sector, human resources consultants and human rights groups involved, to see how they approach the issue and where we are heading.

They say as well, and in my opinion this should be given greater importance, that the act confirms that the administration of the federal contract program as concerns employment equity is the responsibility of the Minister of Labour. The requirements of the contracts program must also comply with the law.

On this side, when we say the more private employers are used, the more flexibility, we should perhaps find a way of getting better results.

In short, there is a statutory requirement for the review of the act. As the government House leader said, the government has had consent from all sides to refer the bill to the standing committee on human resources.

I think that it is appropriate to have the bill referred to a committee, because after five years' of existence since the last review the government can expect a whole range of suggestions for improvements.

I think we will then have a chance of getting expertise from the various groups concerned. When the committee has completed its work, it could report to the House with specific suggestions that, in certain sectors might give the law some teeth to ensure better results in the future.

In other sectors, sections or parts of sections that are not relevant or that have failed to produce the desired effects and are not likely to help improve the situation could be repealed.

The entire labour market has changed considerably in the past five years. There is the whole question of telework, self-employed workers, the advent of the Internet and e-mail. The new work technology will have an impact on the Employment Equity Act, because increasingly work is done at home. People could be integrated where five years ago people did not think of their being integrated. Perhaps ways have to be found to permit this integration. I am thinking here of people with disabilities.

It is obvious that if people no longer have to travel, they can become more interested in working and can do their job more easily, with fewer physical constraints than if they had to travel to the workplace. Is this not something worth looking into? I think so.

Technological advances have an impact on employment equity. Aboriginals face a similar situation. In their case, society has evolved considerably. Efforts have been made to help them attain a higher level of education.

In Quebec, Mr. Chevrette's approach has become widespread and makes very significant recognition of first nations possible. It will be possible to achieve better results in future without necessarily having to uproot people from their communities. We can provide them with additional opportunities to get jobs and become a part of society.

● (1545)

I think that the fundamental purpose of legislation such as this is to enable people to join the workforce, but also to allow the public service, all employers in the federally regulated public and private sectors, to better reflect the society in which we live.

When whole segments of society are wrongly denied access to jobs, frustration is created and we deprive ourselves of a society which is as balanced as possible, which gives everyone an equal opportunity insofar as possible.

Let us hope that when it is studying the various proposals the committee will have all the necessary initiative to propose constructive changes and that somewhere in the years 2005-08 we will have an opportunity to evaluate its work, that we will see some interesting results, and that we will be satisfied with the review of the legislation.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, on behalf of the NDP caucus, I am glad to have this opportunity to speak to Motion No. 20, the purpose of which is to refer the results of the Employment Equity Act to the HRDC standing committee, as per the requirements of the act.

An aspect of the current Employment Equity Act is that every five years of progress will be subject to review, and the House of Commons gets the opportunity to review the progress made in the private and public sectors as per the goals stated in the act.

It was a generous move on behalf of the government House leader to give us the opportunity to speak to this motion today. I understand that normally this legislation would simply have been referred to the standing committee but the House leader of the NDP asked for some time today in debate to add our comments to this important piece of legislation.

The employment equity legislation has its origins in the very worthwhile belief that all Canadians should have equal opportunity for jobs in the federally regulated public and private sectors and in the workforce in general, and that especially the public service workforce should generally reflect the community that it serves in all ways, shapes and forms. This shortcoming of under-representation from what is called the four equity groups in the public sector workforce and the federally regulated private sector has been identified over the years.

It was to its credit that the government in 1986 brought in the first Employment Equity Act designed to achieve equality in the workforce. This legislation ensured that no person would be denied employment opportunities for reasons unrelated to ability. In other words, there should not be any kind of barrier to gain access to the workforce and the 1986 legislation recognized that. As well, the legislation at that time was concerned with correcting historic disadvantages to employment experienced by the four designated groups: women, aboriginal Canadians, members of visible minorities and persons with a disability.

The bill was rather complex. A number of factors had to be taken into consideration to design a methodology by which one could determine if any kinds of remedial measures needed to be taken in certain sectors. The government wrestled with this for a number of years until 1996 when the act was strengthened dramatically for the better. Changes were implemented that added substance to the act and provided a mechanism and a yardstick by which progress could be measured. The act charged the Canadian Human Rights Commission with the responsibility to review, document and monitor progress made in the sectors affected by the Employment Equity Act.

The whole concept of employment equity has been controversial. Let us not shy away from the fact that not everyone is wholly in favour of these measures. Not everyone, even in 1986, accepted that such measures were necessary or would be to anyone's benefit or advantage. Some of those viewpoints were put forward by the member for Calgary West. We also heard these arguments from a number of sectors but a diminishing number. Most people have come to grips with what we view as the realization that equity issues benefit all, if not now, then in the long run.

● (1550)

A series of myths has been generated by the move to achieve equity in our employment workplaces.

First, I suppose the most common myth we have had foisted on us, and we have heard it again today, is that employment equity is somehow a form of reverse discrimination. I define discrimination as treating one group unfairly. For example, if men and women were equally distributed in all jobs and salary levels of an organization, then it would be wrong to selectively advertise, for instance, for only women candidates, or for only aboriginal candidates or for only persons with disabilities. That is if we had already achieved true representative equity in the workplace. Then I could accept the argument.

We must remember that the measures found in the Employment Equity Act are there to remedy historic imbalances in the level of representation. The Employment Equity Act seeks to right old wrongs. There will be a period of transition until we achieve true equity in the workplace and, until such time, we believe special measures can be defended.

Employment equity levels the playing field for all workers. I would think that a grassroots party would be able to see the sense in leveling the playing field so that all workers would have an advantage. Some people are worried that their own children will perhaps have a difficult time trying to compete with a greater pool of people seeking employment. This is a difficult issue and I am sensitive to it, especially in times of job shortages when there are not a great deal of good unionized jobs available to go around.

I ask those people, who say that their 18 year old son applied for a certain job and believe that he did not get that job because there were employment equity measures undertaken, to think of our daughters as well as our sons. I would ask those people, who would criticize that particular situation, to think if their child had a disability and were applying for that job. For the last many years, it would have been the child with the disability who would have been passed over and not the inverse for what I say is an interim period of transition until we do achieve equity in the workplace.

Let us think of the aboriginal families, who for years and generations have had their children passed over for employment opportunities. In 1986 the House of Commons said that it was time to remedy these historic imbalances and injustices in our hiring practices, in our own public service, in any federally regulated service and, hopefully by way of example, in the Canadian workforce generally.

I should recognize that there are voluntary measures in some workplaces that are being undertaken today where there is no employment equity act lording anything over them. They have taken these steps because they believe it is the right thing to do.

Of the myths that I have noticed throughout the community of those who would criticize employment equity measures, the second myth I have made note of is that employment equity means hiring unqualified workers. That simply cannot be borne out by any empirical evidence that this is any kind of a serious issue. As an agency doing hiring, we all want to ensure that we are hiring the best person for the job. I would put this to the critics of this point of view. How would we know if we have the best person for the job, if we used to pass over women, or aboriginal people, or visible minorities or persons with disabilities because we did not want them in the workplace? It is easy to say that if we are passing over all of those groups of people, we may in fact be passing over the best applicant for the job. These measures would simply ensure that the entire pool is tested when looking for the qualified applicant for these positions.

Another myth is that employment equity measures cause overnight change in the makeup of the workforce and therefore a disruption in the way that we view things. Employment equity has been a long negotiated process of gradual change. It is the only way it can really be outlined. At least in the Canadian experience, it has not been intrusive or radical. The transition has been a long and gradual process of change in the workforce.

● (1555)

The fourth myth I have identified is the idea to somehow make Sudbury's workforce look like Toronto's workforce. In other words, there would be an attempt to harmonize the workforce all across the country in a federally regulated workplace. That is simply untrue. These things are viewed regionally. To use the example of Sudbury versus Toronto, Sudbury has a much higher aboriginal workforce and the methodology adopted in 1996 does take into consideration the availability levels in each category of the equity groups.

If the availability pool of aboriginal people in Sudbury were 15% and in Toronto only 2%, it would be ridiculous to harmonize those under any standardized national program. I want to put people's minds at ease that this is not some kind of a social engineering scheme that employment equity seeks to achieve. I do not believe those complaints have any merit.

Another myth we hear is that employment equity is somehow only for racial minorities, that it is an effort to change the colour of the workplace with the inclusion of visible minorities. Employment equity, as every speaker has reiterated, is for women, aboriginal people, racial minorities and persons with disabilities. The people who would most directly benefit from the employment equity measures in place today would probably be women, since half the workforce is women.

However, even as we make progress in some sectors, we must remember that we have not even met our targets of availability versus people who are actually hired in the category of women as an equity group. There is a huge shortfall and an underrepresentation of women in senior management positions. The glass ceiling is still a very real issue. Women are still being passed over for advancement and promotion to senior management. The myth that employment equity is all about racial minorities is simply not borne out in fact.

The last commonly held myth, and one I am actually happy to report on, is that employment equity was killed by Mike Harris in 1995 when he took power and repealed the employment equity laws in Ontario. I am happy to report that the federal government's current employment equity legislation, which has jurisdiction over all federally employed and federally regulated employees of the federal civil service, et cetera, and even in the private sector, many of whom live in Ontario, also affects those who seek federal government contracts of over $200,000 worth of business annually.

A lot of Ontario firms find themselves subject to the Employment Equity Act provisions if they seek to do business with the federal government. I am pleased to say that employment equity is not dead in the province of Ontario, in spite of the best efforts of the current premier, Mike Harris.

I am glad I was able to point out some of the myths versus facts regarding employment equity.

I now want to deal with some of the findings of the Canadian Human Rights Commission which, as I say, has been charged with the responsibility of monitoring employment equity provisions and using a yardstick to measure the progress.

I only learned today that Madam Michelle Falardeau-Ramsay, the head of the Canadian Human Rights Commission for the last five years, has announced that she will not be seeking another term. I am very sorry to hear this. She was the steward of this organization through some very challenging times. She did a marvellous job in fulfilling her mandate with fewer and fewer resources and more and more challenges coming before her. We all regret the idea that she will not be with us for the next five year term.

● (1600)

When the government enacted Canada's first Employment Equity Act in 1986, it required federally regulated private sector employers and crown corporations to develop plans to achieve fair representation of designated groups in their workplaces. Women, aboriginal people, people with disabilities and members of visible minority groups were to be represented according to their availability in the labour market. However the problem with this is that the law had no enforcement mechanism.

Stronger legislation in the form of the new Employment Equity Act came into force in October 1996. The bill we are now dealing with today is the first fifth anniversary review, which is an aspect of the 1996 legislation. The act set forth the same core obligations for developing employment equity programs but it bolstered these obligations with a compliance monitoring process.

Employers were required by 12 statutory provisions to analyze their workforces, to review their employment systems, to identify barriers and to implement corrective action plans to ensure they made reasonable progress in dealing with underrepresentation.

Furthermore, the new act established the Canadian Human Rights Commission as the monitoring agency that would carry out compliance audits for the federally regulated public and private sector employers. Employers were given a year to prepare for the upcoming audits and the commission's compliance work began in October 1997.

I think it would be helpful to review some of the progress in those early first few years if we are to understand the scope and magnitude of the challenge faced by the people who were charged with the responsibility to enforce the act. It is useful for us as members of the House of Commons to be aware of this.

The Canadian Human Rights Commission carries out employment equity audits of federal departments, agencies and federally regulated employers and the Employment Equity Act mandates the commission to perform these audits and to report to parliament on the results every year. Working co-operatively with employers is the key, it points out, and enforcement is a last resort.

When the commission made its first report on its work during 1998, the first full year of employment equity audits, two employers in the country were found to be in full compliance, two out of all the audits undertaken. They were the Status of Women Canada, which is possibly fitting to be one of those, and A.J. Bus Lines. I will mention the names of those companies that do come into full compliance because I think they should be acknowledged for the special measures they have taken to come into full compliance.

After two years of experience, from a total of 111 initial audits completed, four employers were found to be in full compliance. If there were ever any proof needed as to why this employment equity bill was necessary, these figures would certainly make the argument for us. Out of 111 employers, 103 signed undertakings to submit to follow up audits. In other words, they were willing to work with the commission to put in place an action plan and then be reviewed again later. The remaining four audits were postponed or cancelled. Four would not take part in the second step. As a result of the follow up audits in 1999, eight more employers were found to be in compliance.

Let me revisit those numbers. Out of 111 agencies and companies visited, four were found to be in compliance. When remedial work was done and a second audit was conducted on the remaining agencies and companies, eight more were brought into compliance for a total of 12 out of 111. That is not really anything to be proud of.

I point out that these compliance audits are not all that onerous. We are not talking about changing 50% of the work force. We are doing it in a very systematic, logical and scientific way. An analysis of the availability of people in the four equity groups is done and then compared to the number of people actually represented in the workforce as per recent hiring. Employers were not being asked to eliminate some people and replace them with others. They were not being asked to hire only from certain equity groups. Employers were simply being asked to increase representation, which they failed to do.

I am looking forward to the results at the committee, the fresh numbers coming forward. I am optimistic that we will not find numbers like this, that out of 111 agencies, only 12 were brought into compliance through the Employment Equity Act provisions.

● (1605)

Mr. Greg Thompson (New Brunswick Southwest, PC/DR): Mr. Speaker, it is a pleasure to speak to the public service commission's hiring practices and particularly the Employment Equity Act which comes before the House for debate from time to time, hopefully with improvement.

By the tone of the speeches by the members, it is quite obvious that we do have some problems with the act but I do not think they are insurmountable. I think a number of things can be improved and it is important for all members, or at least all parties, to have an opportunity to put their presentations forward. That is refreshing. We have not had that opportunity on this legislation for a long time. I think the review is very much warranted

As a point of interest, I have a letter from the Public Service Commission of Canada dated November 29, 2001, It went to most members and most senators basically outlining what the commission does and informing us that there would be a briefing session for members of parliament on December 7 at the Centre Block. I am hoping most members will attend because I think most of us do have some serious concerns.

The letter states:

> The PSC [Public Service Commission] is an independent agency reporting to Parliament which ensures that staffing and recruitment for the federal Public Service are made in accordance with the provisions and principles of the Public Service Employment Act.

It goes on in the next paragraph to state:

The Act supports the current use of geographic criteria—

That is one area I want to specifically address tonight, the geographic criteria.

It goes on to state:

> —to determine the eligibility for Public Service jobs, also known as area of selection. The practice has been used for almost 40 years as a method of managing the volume of applications, reducing recruitment time lines, and upholding the public trust in the wise use of taxpayers' money.

Most of us have problems with that specific part of the act, the geographic criteria. We simply feel it is unfair. It is unfair for a number of reasons. When we were first elected in November 1988, and we are still here, we heard about western alienation and eastern alienation. We heard it then and we are still hearing it today. Obviously this is the position being put forward by some of our colleagues from Quebec with regard to recruitment and hiring practices.

Last year the member of parliament for Cumberland—Colchester, who is normally my seatmate and has been for a number of years in the House, put forward some questions to the government regarding geographically based criteria for hiring. I think he made a pretty good point in the House on a number of occasions. The one I think he gained the most attention on was the case with the Governor General herself. The member's press release headline, in two inch print, stated “Do not apply. Most Canadians shut out of competition in Governor General's office”. I have the documentation to back this up. It is not just a member ranting for the sake of getting publicity. I do have the specific job description here that was sent out by the public service through the Governor General's office.

The member's press release stated, “The Governor General has a job opening for a program and policy officer, salary range $48,800 to $50,600, but most Canadians who may be qualified for this job will never be given an opportunity to apply for it because the competition is restricted to those who live in certain postal codes in eastern Ontario and western Canada”.

● (1610)

I can remember when the member brought this forward and I could not believe what I was hearing. However he was absolutely correct. It meant the citizens of the areas that most members of parliament represent could not apply for the job in the Governor General's office. Under that set of criteria, the Governor General herself should not be residing at Rideau House because she would not qualify.

When the member wrote to the Governor General asking her to respond, there basically was no response except that this was how it was done and it would continue to be done that way.

It does not end there. I have a list which I have indexed. That was just one example. Here is another one.

This is for 50 permanent positions of senior financial managers-officers at the FI-3 or FI-4 levels. They would be positioned in the Ottawa-Hull area. These positions cover four financial profiles: systems, policy planning and reporting and accounting operations. These are well paid jobs that pay anywhere between $61,000 up to $70,000.

Who can apply? This was on the government's web page. It is not something that we just pulled out of thin air. This was advertised by the Government of Canada. Only people residing within 500 kilometres of Ottawa can apply. Why? It does not make any sense.

Here is another example. Industry Canada also has an opening for a correspondence officer but only those people living in Ottawa or Quebec can apply. So people from my province cannot apply. People from B.C., Manitoba and Alberta cannot apply. Why? It is not right.

Here is another one. The Department of Justice is looking for a senior business analyst. Who can apply? This time they have gone outside of Ottawa and included eastern Ontario and western Quebec, so there is a little change. One has to live in an area with a postal code starting with K1 to K7, K8A to K8H, K0A to K0J, J8L to J8Z, J9A to J9J or J0X. That is pretty specific.

Could we reasonably assume that we would get the best people for those jobs by restricting them to a small geographical area? My guess would be that we would not. It just so happens that these ridings are dominated by the Liberal Party. I would not want to say that this is politics at play, but what else could it be?

I will go on. The Department of Justice advertised for the same types of senior positions, restricted to eastern Ontario or western Quebec. In all fairness this one was dated March 13, but nothing has changed. We brought this to the floor of the House of Commons before but nothing has changed. It is still being advertised in the same way.

Here is one that really incenses the people of eastern Canada. The department of fisheries is advertising in this case for service delivery assistance, working in Ottawa. Obviously that is one of the problems we have in the department of fisheries today. It is a huge bureaucracy located about three blocks from parliament. Probably none of them have set foot in salt water either on the east coast or the west coast. In this case the applicants have to live in eastern Ontario or western Quebec, the Ottawa region and the list goes on and on.

● (1615)

The member for Cumberland—Colchester wrote to the various premiers of the provinces. I have with me responses from every one of those premiers. Every single premier, whether it was Manitoba's, B.C.'s or Quebec's all responded. They all wrote the minister. Some of them wrote the Prime Minister and expressed concern about the issue of geographical criteria and why in their opinion it was wrong.

I will quote a letter written by the premier of Nova Scotia, John Hamm., to the Prime Minister. In his letter, dated April 23, the premier stated:

> I fail to see any justification for the restriction of applications for positions in the National Capital Region which have a national impact. If Ottawa is truly to be the nation's capital, Federal public servants must truly reflect the nation.

No one would disagree with that. Premier Hamm went on to say:

> They should not just represent the concerns and views of that part of the nation within a perimeter of 500 kilometres radius around Ottawa-Hull.

I think every member of the House would agree with that, but why is it being done?

The premier goes on to quote chapter 7 of the labour mobility agreement. He said:

> This was clearly the intent of Chapter 7, Labour Mobility, of the Agreement on Internal Trade. Article 701 of the Agreement states:
>
> "The purpose of this chapter is to enable any worker qualified for an occupation in the territory of a Party to be granted access to employment opportunities in that occupation in the territory of any other Party".
>
> The Government of Canada is a Party to the Agreement. Chapter 7 sets out legitimate objectives which may restrict its application: none apply in the case of the vast majority of applications for Federal employment.

Therefore, we brought this case to the minister responsible, the President of the Treasury Board. We brought this to the floor before. This is what the premier of Nova Scotia said:

> The Honourable Lucienne Robillard, President of the Treasury Board, in her replies—

● (1620)

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the hon. member. Please use the minister's title and not her name.

Mr. Greg Thompson: Mr. Speaker, I was quoting from a letter but what you are telling me is fair. I apologize for that.

The premier goes on to say in his letter to the Prime Minister:

> The...President of the Treasury Board, in her replies to questions in the House of Commons by (the member for Cumberland—Colchester) on 15 February and 22 March of this year, indicated that discrimination on the basis of residence is permitted by the Public Service Employment Act.

May I point out again that article 706 of the agreement on internal trade specifically forbids any party to require a worker of any other party to be resident in its territory as a condition of access to employment opportunities.

Furthermore, on February 4, 1999 the first ministers of the provinces and territories, with the exception of the premier of Quebec, agreed that:

> Governments are...committed to ensure, by July 1, 2001, full compliance with the mobility provisions of the Agreement on Internal Trade by all entities subject to those provisions, including the requirements for mutual recognition of occupational qualifications and for eliminating residency requirements for access to employment opportunities.

It could not be clearer than that. The premier went on to say:

> All governments believe that the freedom of movement of Canadians to pursue opportunities anywhere in Canada is an essential element of Canadian citizenship.

He goes on in detail to quote from the Constitution Act of 1982.

Why do these practices continue? One member suggested it was political opportunity on the part of the government. There is some merit to that argument. Maybe we should debate the politics of hiring in the federal public service.

It would be surprising what we would find out if we were a mouse in the corner, an expression sometimes used in Atlantic Canada and perhaps also used in western Canada. Could members see federal public servants attempting to support policies in a public forum? They could not support them because they are wrong.

Why do we not hear about discontent and unease within the public service about these hiring practices? Because they are scared of the government. They do not want to rat on their own government because some are there at the pleasure of the government. Some are appointed by what is called an order in council. That simply means that the Prime Minister suggests a name to cabinet, which agrees with the name, and the name is given to the Governor General. Suddenly some man or woman has a job. Sometimes there are these very highly paid civil servants, like the deputy minister status, but purely at the whim of the government.

There is a lot of unease in the public service with regard to hiring practices. Why people do not rat on the government is simply because they have no protection. That is why I introduced my private member's bill, Bill C-351, about six months ago in the House. Bill C-351 is an act to assist in the prevention of wrongdoing in the public service by establishing a framework for education on ethical practices in the workplace, for dealing with allegations of wrongdoing and for protecting whistleblowers.

● (1625)

The NDP member for Winnipeg Centre and I, in a non-partisan way, held a press conference along with Senator Kinsella of New Brunswick, a great senator and a great advocate for the underprivileged in the country.

We had a joint press conference to outline the merits of the bill. The reason I brought the senator into the equation was simply that he introduced a bill simultaneously in the Senate when I did in the House of Commons. The story gets complicated, does it not? We brought in the NDP member for Winnipeg Centre, and I always want to say south centre but I think that is the other side.

An hon. member: Winnipeg Left.

Mr. Greg Thompson: As one of the members jokingly said, Winnipeg Left. I do not think there is anything wrong with the member from Winnipeg Left. Particularly on the issue of whistleblowing he was dead on.

This is where parliamentarians of all stripes can actually achieve something in this place. He graciously said that if I got my bill read first he would drop his bill because it basically did the same as mine, so we held the press conference.

The truth is that public servants have to be given the opportunity to speak out on some of these discriminatory practices within the public service. Bills like Bill C-351 could help them do that.

I am looking forward to questions and comments from my colleagues to zero in on some of the areas which we obviously have not had an opportunity to talk about in the last 20 minutes.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I too am sorry that the 20 minutes flew by so rapidly when the hon. member was just building up a good head of steam.

I did note with interest that he dedicated part of his speech to the very compelling issue of the regional hiring practices of the public civil service. I would like to add one to his list of which he might not be aware. Perhaps he would like to comment on it. In 1998 a woman wrote to the leader of the NDP, the member for Halifax, with a complaint about her daughter's application for a job at the NRC, the National Research Council. She was a trained scientist, an aeronautical engineer with a second degree in astrophysics. She was an immensely qualified woman but she lived in the province of New Brunswick. This job posting did not say that applicants must reside within a 500 kilometre radius of Ottawa. It said candidates must reside within a 50 kilometre radius of Ottawa, which is very tiny little net cast for such a qualified job. I think she was probably overqualified for the job. I would like the hon. member to add that to his list, the general grievance of this hiring practice.

Seeing that the subject today is employment equity and the Employment Equity Act, I appreciate the hon. member broadening the debate to include something that is clearly not being conducted with deference to any kind of effort at equitable access to employment opportunities for kids from Winnipeg, Halifax, Vancouver or anywhere else. Could the hon. member share his views on that particular incident?

● (1630)

Mr. Greg Thompson: Mr. Speaker, the point that the member makes is an interesting one, because we have gone from 500 kilometres around the city of Ottawa for hiring purposes and are now down to 50 kilometres. Next week it will be within 50 feet of Sussex Drive. Member should think about it. How do they come up with this equation? It is purely discriminatory. It upsets a lot of Canadians, to be very serious about it, because it just says that the government knows where it will hire these people from so others need not apply.

The excuse of the burden of working through the applications is not valid. The public service sort of refers to some of the reasons why it cannot extend this beyond the 50 kilometres or 500 kilometres, which is total nonsense. I think all Canadians should be able to apply for those positions for which they are qualified. The member makes a very good point.

Mr. Grant McNally (Dewdney—Alouette, PC/DR): Mr. Speaker, I would like to congratulate my coalition colleague for his speech because he gave a reasoned debate. Throughout his speech he gave several examples of problems with the current system and he offered suggestions for improvement.

One part of those suggestions, which he did not get much chance to talk about and on which I ask him to enlighten us further, was the private member's bill he is bringing forward. Could he tell us how Bill C-351 could remedy some of the situations he outlined in his speech?

Mr. Greg Thompson: Mr. Speaker, it is always nice to have a friend in the House to ask a good question, is it not? That is obviously why the Prime Minister enjoys question period.

Bill C-351 is the private member's bill that I introduced about six months ago in this place. Its short title is the public service whistleblowing act. Its purpose is basically to protect people who have questions or concerns about practices going on within the doors of the public service that they are not happy with or that they are concerned about.

It includes three points. These are somewhat technical, but I will read them into the record. The purpose of the act is:

> (a) to educate persons working in the Public Service workplace on ethical practices in the workplace and to promote the observance of these practices;
>
> (b) to protect the public interest by providing a means for employees of the Public Service to make allegations of wrongful acts or omissions in the workplace...;
>
> (c) to protect employees of the Public Service from retaliation for having made or for proposing to make, in good faith and on the basis of reasonable belief, allegations of wrongdoing in the workplace.

This in and of itself would certainly not solve all the problems with the hiring practices within the public service, but I think it would go a long way. I think some intellectual honesty would come out on some of these practices the public service is presently engaged in which we feel are very discriminatory.

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, on this issue I think it is perhaps important that certain things that have been said be pointed out and not just left to stand. There is a certain propensity by members to not really say what they mean.

I was interested in the speech by the member for Calgary West. I wonder, actually, if his colleague from Edmonton—Strathcona would agree. He might be just a little bit uncomfortable, twitching a little bit, sitting and listening to that member, the same member, by the way, who called Nelson Mandela a terrorist and wore a "Free Tibet" T-shirt to a reception hosted by the Chinese embassy, a questionable judgment.

On this issue what I heard was bashing of bureaucrats. It is easy to do. Someone can stand up and say that we should not be interfering in the workplace, that there is no place for government to set regulations, that we should not be telling people how they do their hiring and then all these bureaucrats come in. That is the description I heard from that member.

That is really code language for members saying that they do not believe this or any government should try to level the playing field for people who are perhaps disadvantaged traditionally in the workplace, people who are from visible minorities, handicapped, aboriginals or, frankly, women. That is the code that is used by saying that it is the bureaucrats' fault. People sit out there saying "Yes, those darned bureaucrats. They should just leave us alone".

I think it is important to point out that there is this kind of doublespeak from time to time from certain members opposite. Given my history in this place of being somewhat harsh on certain members opposite, I admit that there are members who are equally uncomfortable with the kind of viewpoint or thought process that says "let the strong survive". That is what it is: let the strong survive. In reality there is real justification and a legitimate role for a thoughtful and compassionate government to play in trying to establish certain standards, in trying to encourage people to do certain things that perhaps heretofore they had not done. I think that is totally realistic.

Members should think about some of the successful programs in recent days or years that if it were not for leadership shown by some level of government we would not have. When seatbelts became mandatory people used to say "Oh, it's terrible. You're forcing us to do something. Leave us alone and let us make our own choices".

An hon. member: They're still saying that.

Mr. Steve Mahoney: Some do. Some neanderthals might still think along those lines, but the fact is, that law has saved lives. There is absolutely indisputable evidence that in fact it has saved lives.

We should think about the work on drinking and driving that is done within communities by local police forces and governments. My three sons are in their late twenties; tomorrow the oldest turns 31 and I would like to wish him a happy birthday. They would no more drink and drive than fly to the moon. It is just not acceptable. It was government that led the program to educate and convince our young people and indeed all community minded people that they should not drink and drive, that they should act responsibly. Even the LCBO and Brewers Retail in Ontario have bought into that philosophy, buying ads and taking time to convince people of that.

Think about government anti-smoking initiatives. It impacts on our health budget and it is the government that is doing good. Think about Participaction, a wonderful success story in the country, getting people up off the couch. Again it impacts on the quality and availability of our health care programs and it saves money.

● (1635)

Traditionally if one were a laissez-faire type of politician or had that kind of attitude, one would say "I am not going to bother with that. If people want to get up off the couch and exercise, that is their choice; we have no responsibility to encourage it". Yet those kinds of programs have actual results. They could be financial results or health care related, safety related or community related results. It makes perfect sense. It is the responsibility of a forward thinking, modern government to show leadership in these areas. The same thing is true with employment equity.

Pay equity is another example. Some members opposite would say that there is no way a government should be involved in ensuring that women receive equal pay for work of equal value to men, to let the marketplace determine that, that we have no business in that. I recognize that a constituency out there actually supports that view but when the member opposite says that we are not in touch, exactly the opposite is the case. That member has no clue that the vast majority of people believe in and support these kinds of programs and government initiatives.

Employment equity is the same thing. Let me share some examples. First, this legislation exempts small businesses of under 100 employees. We are talking about federal government regulated industries of 100 employees or more. From all of our research, the facts show that many companies in other areas, provincially regulated or strictly in the private sector, of under 100 employees actually voluntarily employ an employment equity program. As with the other examples that I have shared of Participaction, seatbelts, or drinking and driving, the employment equity concept has created an awareness within the business sector that this is a good thing. There would be people who, without this kind of leadership from the government, would never have had an opportunity to work at a paid job. I want to share some of those examples.

There is a wonderful organization in most of our communities, certainly in mine, called Community Living. Community Living Mississauga deals with young people with severe handicaps, who are perhaps developmentally challenged or whatever their particular problem may be. It is a very successful community organization.

We just launched with it a new fundraising effort called Mississauga On Board which is a board game. We are not allowed to say it is like Monopoly because Monopoly has a monopoly on the Monopoly game but that is what it is. The cost is $40. Every community could have these. There could be Calgary On Board, Vancouver On Board. It is used to raise money. Local businesses buy spots on the game board as a way of promoting their businesses or interests. That is one of the ideas that Community Living is working with.

How does all of this relate to employment equity? Let me share some of the companies that work with Community Living on an employment program which ensures that the young people who otherwise would never dream or have a hope of getting a paid job become very productive members of the community and work for those companies. A partial list of these companies includes: Loblaws, Tim Hortons, HMV, and the city of Mississauga.

Municipalities have led the way right across the country in areas of employment equity. They recognize that there are people in their communities who should not be excluded and should be given every opportunity to show their capabilities regardless of their colour, origin or gender.

My city has done tremendous yeoman leadership in this area as have many municipalities in Ontario and across the country. Allseating, Swiss Chalet and Harvey's are other companies. I will share a story of one of the young people that has been hired. Another company is Blockbuster Video.

● (1640)

These local community based companies deal directly with the public. They hire young people from Community Living and give them an opportunity to develop pride, a sense of their own worth and make a contribution. There are wonderful testimonials. I maintain that much of this would not occur were it not for governments of all stripes in every area of the country being champions of issues like employment equity. That is why it is so disconcerting to hear people trash the concept, whether it is through the back door, as I said, by beating up on bureaucrats, or whether it is through being blunt, up front and at least being honest about their feelings.

Longos, a very successful grocery chain in our community, Aramark, Atlas Air Conditioning, Courtesy Clerk, and the list goes on, are just some of the companies that have entered into this kind of a program.

I will share an article with the House. I would suggest that this is a direct result of employment equity mentality:

> Blockbuster Video has created a very supportive environment for people who have an intellectual disability. The Employment Resource Centre has been working with them for many years through paid employment and volunteer opportunities through the Summer Work Experience Program. Blockbuster Video has proven, over the years, to be an equal opportunity employer.

That is what we are talking about here, creating equal opportunities, a level playing field. It is giving people who otherwise would not have that assistance a chance to have a job and a meaningful opportunity to work. The article also states:

> Jenny Morris has been working at Blockbuster Video since March 2001. At Blockbuster she has a variety of jobs that she is responsible for, including customer service, returning videos to the shelves, changing any video box inserts, and helping set up when the new releases come in.

In September this young lady, hired by Blockbuster through the program with Community Living, was named employee of the month by the company, a very honourable award. Everyone at the employment resource centre, her friends and her family are very proud of her.

Did this happen solely because someone dictated it? No, it did not at all. In fact, in the case we are talking about, Blockbuster is exempt. It would not be required to file the requisite reports on employment equity and to follow through. Blockbuster is not impacted by this, but it sees the leadership. It sees the opportunity. We can see it every day.

There are some interesting examples of people who have been successful in their careers. It was not too many years ago when I would suggest that it was quite astounding for a woman to become a CEO of a major corporation. People were quite surprised. Yet think about some of the success stories: Maureen Kempston Darkes at General Motors; Bobbie Gaunt at Ford; and the one I am particularly keen about as members of my family work for this corporation is Annette Verschuren, the CEO of Home Depot. They are great examples of women who have succeeded in climbing the corporate ladder.

Do we think it was easy for them to become CEOs in charge of such massive corporations? Do we not think that there were certain prejudices and difficulties along the way? Maybe they had to be subjected to a test or a bar that was a little higher than their counterparts who happened to be males and perhaps white males. Although they are not the types to do this, they could probably tell us stories to prove the point that this situation, this attitudinal shift which has taken place in the business community is as a result of debates and discussions like this one, where people talked about whether or not we need to actually legislate this kind of thing.

My House leader wants to move on in the debate so I am going to wrap this up. It is vitally important that we recognize this. It is a given that some members being in opposition have an obligation to oppose the government. That is fine; I have no difficulty with that. I have been in opposition myself in the past.

● (1645)

Those members should pause and take a deep breath. They should recognize that the purpose of employment equity legislation is to ensure that certain categories of people within our communities are given every opportunity to participate, to grow, to build careers, to have job opportunities, to have some dignity and a chance for a great life experience. It is important and I wish members opposite would agree.

● (1650)

Mr. Grant McNally (Dewdney—Alouette, PC/DR): Mr. Speaker, the member for Mississauga West said that his House leader wants to wrap things up and move on to something else, but I was enjoying his comments. He talked about the different individuals within his own riding who had benefited from some companies that had initiated employment equity programs on their own. As he indicated, they were not imposed; they were a result of the Community Living organization and other groups in his riding.

I wonder if the member could expand upon these good notions and things happening within his own riding.

Mr. Steve Mahoney: Mr. Speaker, I thank the member for the question because I do have another example from the same organization.

A young woman named Kim came to the employment resource centre requesting assistance to find a job. Community Living worked with her and Swiss Chalet and Harvey's, and found a job. This is a young person with a handicap who did not have an opportunity for a job before. Kim's manager said that she is the best, that they would be lost without her, that she is definitely an integral part of the kitchen's functioning. This is a wonderful success story.

The link I am trying to make is that it is the philosophical direction given not just by this government but by other governments and corporations to recognize the need to give people like Kim and many others an opportunity to work and to level the playing field. That is exactly what it is all about.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I am very interested in the comments by the member across the way with regard to employment equity from some private corporations such as Blockbuster. I actually have an example with Blockbuster which did not work out quite as well in my own community.

A young woman in her early twenties with a mental disability was volunteering with Blockbuster. The volunteer activity had to stop because the corporation was concerned with liability.

I am very interested in the program the member talked about with Blockbuster. It is the same company but there seems to be a great deal of leeway in terms of individual management as to whether or not the company is going to work with persons with disabilities, give them salaries, allow them to work on a volunteer basis, or simply say the company is not going to take any responsibility whatsoever for people in the community who have intellectual disabilities.

Perhaps the member could comment on that real difficulty which my constituents are experiencing in their community.

Mr. Steve Mahoney: Mr. Speaker, I would not try to pretend that this is a panacea that is going to solve every problem.

In fact there was a young lady named Jessica who was the master of ceremonies at the recent new office opening of Community Living in Mississauga. She has had some difficulties in obtaining employment.

The point is there are many other examples and I could share many more. It is unfortunate if one or two of them did not work out but that does not mean we should throw out the baby with the bathwater. I certainly would not single out one company such as Blockbuster over another.

The program I am talking about is an employment resource centre which operates through the auspices and offices of Community Living in my community of Mississauga. I am assuming once again that most members would have a branch of Community Living within their communities or nearby. I would encourage them to meet with their Community Living volunteers and staff to see if they can find ways to help increase employment of these young people in their communities.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

An hon. member: Nay.

An hon. member: On division.

The Acting Speaker (Mr. Bélair): I declare the motion carried.

(Motion agreed to)

* * *

● (1655)

[*Translation*]

INCOME TAX CONVENTIONS IMPLEMENTATION ACT, 2001

The House proceeded to the consideration of Bill S-31, an act to implement agreements, conventions and protocols concluded between Canada and Slovenia, Ecuador, Venezuela, Peru, Senegal, the Czech Republic, the Slovak Republic and Germany for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, as reported (without amendment) from the committee.

Hon. David Collenette (for the Minister of Finance) moved that the bill be concurred in.

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

Some hon. members: Agreed.

An hon. member: On division.

The Acting Speaker (Mr. Bélair): I declare the motion agreed to.

(Motion agreed to)

Hon. David Collenette (for the Minister of Finance) moved that the bill be read the third time and passed.

Mr. John McCallum (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I am pleased to rise today to speak to Bill S-31, the Income Tax Conventions Implementation Act, 2001, at third reading stage. This bill enacts recently negotiated tax conventions between Canada and eight countries.

Exports account for more than 40% of our annual gross domestic product. In addition, foreign direct investment and inflows of information, capital and technology also impact on Canada's economic wealth.

The existence and nature of a tax convention can have an impact on decisions made with regard to investment and international trade. Therefore, the importance of such conventions cannot be underestimated.

[*English*]

Tax treaties do not impose tax. Nor do they generally restrict countries from taxing their own residents as they see fit. Among other things, however, tax treaties set out rules whereby one country can tax the income of the resident of another country. This is important for traders, investors and others with international dealings who are interested in doing business in Canada. It is only natural that they want certainty as to the tax implications associated with their activities here.

The importance of eliminating tax impediments to international trade and investment has grown even more important now that the world economy has become so intertwined. It should not therefore come as any surprise that it can be advantageous to have tax treaties in place with other countries.

If anything, tax treaties have become a more important issue since the events of September 11 because the whole purpose of tax treaties is to grease the wheels of trade, commerce and investment flows. The events of September 11 have raised potential barriers to international transactions so it has become that much more important that we implement measures such as tax treaties to reduce the barriers.

One of the things we have had to fight against in terms of the risk of barriers being erected has been the highly irresponsible language of the official opposition in the Chamber when it says with no justification whatsoever that Canada is a safe haven. That message goes through the Canadian media into the U.S. media and becomes part of our problem in convincing the Americans of the safety and security of our system.

The fact that Mr. Ashcroft is here today and the U.S. administration has seen fit to sign agreements with us designed to keep the border open is welcome news. However it is not because of the opposition. It is in spite of its behaviour.

Before September 11 tax treaties were highly advantageous. Since September 11 this contention has become even more valid. Today we have over 70 tax treaties in force with other countries. Passage of the bill would increase that number to over 75. The bill would legislate eight tax treaties including new treaties with Slovenia, Ecuador, Venezuela, Peru and Senegal plus revised treaties with Germany, the Czech Republic and Slovakia.

There is considerable agreement in the House on the bill. It is a bill of great importance but of little if any controversy.

The elimination of double taxation is the principal benefit we would have from these new treaties. This would increase the certainty with which transactors and investors could live, work and invest in these countries. It is therefore in the interest of Canada.

● (1700)

[*Translation*]

In conclusion, I would like to summarize some of the benefits that passage of this bill will bring to taxpayers and businesses.

Canada will know exactly how the taxation regime of the eight countries involved will apply to Canadians, just as these countries will also know how our taxation regime will apply to their residents.

Moreover, the bill contains measures that will facilitate trade and investment, that will bring certainty and stability and that will create a climate more conducive to business between Canada and these eight countries.

Above all, Bill S-31 ensures the elimination of double taxation between Canada and these countries.

I urge all members to vote in favour of passing this bill immediately.

[*English*]

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, it is a pleasure to speak to Bill S-31 today, especially in light of the fact that there is agreement among all parties to see the bill move through the House as quickly as possible.

As the Parliamentary Secretary to the Minister of Finance has stated, the bill would help streamline tax rules in Canada and elsewhere so we can increase and promote trade and commerce with our trading partners.

I was to keep my comments brief and I still plan to do that. However the parliamentary secretary said a couple of things in his statement that I must address, so I will stretch my speech slightly. I am sure many members are excited and ecstatic to hear that.

I will specifically address the point he made that opposition parties in the House continuously cite problems with the government's policy when it comes to immigration and customs. He says we are irresponsible for doing so, or something to that effect. It is completely outrageous to make a comment like that.

Bill S-31 is an act to ratify tax conventions agreed to by Canada and Slovenia, Ecuador, Venezuela, Peru, Senegal, the Czech Republic, the Slovak Republic and Germany. These agreements were set out to avoid double taxation between the respective nations and establish a co-operative framework to prevent fiscal evasion with respect to taxes on income.

Canada is a trading nation. I do not need to tell members that. As such it is important to establish formal tax and trade relationships with partner nations. For all intents and purposes Bill S-31 is a housecleaning bill that would facilitate such relationships.

The Canadian Alliance has traditionally encouraged all measures to further equalize and liberalize foreign trade and investment. In this regard Bill S-31 is a positive measure. However we usually have concerns when bills are introduced in the Senate, a body that is unelected and unaccountable. We have concerns about bills originating from that place and coming into this place. That is our only major concern with Bill S-31.

The tax treaties the bill would implement reflect efforts to update and expand Canada's network of tax treaties to obtain results in conformity with current tax policy. These treaties are generally patterned on the model double taxation convention prepared by the Organization for Economic Co-operation and Development.

It is important to look at the countries with which Bill S-31 would establish relationships, namely those in South America and continental Europe.

Canada's economy has flourished as a result of NAFTA whereby 80% of our exports are destined for U.S. markets. As a result of the tragic events of September 11 it is more than evident that we need to diversify our trade overview and seek additional markets.

Over the past century Canada's traditional trade links with Europe have declined. Bill S-31 is an excellent opportunity for Canadian exporters to develop and promote those trade relationships in the future. Germany, the Czech Republic and the Slovak Republic are target markets for Canadian products and ingenuity. South America, as was witnessed at the summit in Quebec, is an emerging market ripe for Canadian exporters.

To qualify our support for the bill I will read into the record the Canadian Alliance's policy pertaining to the matter:

> We support securing access to international markets through the negotiation of trade agreements. Our trade agenda will focus on diversifying both the products we sell abroad and the markets into which we sell those products. We will vigorously pursue reduction of international trade barriers, tariffs and subsidies. We will work with international organizations that have relevant expertise to ensure Canadians' concerns about labour practices, environmental protection and human rights are reflected.

In light of the positive attributes of the bill, the Liberal government has not done enough to promote and protect the trade relationship we have with the United States under NAFTA.

As members may have seen, today the Coalition for a Secure and Trade Efficient Border released a report containing recommendations which echoed the demands the Canadian Alliance has been speaking about, actions that must be taken by the government to protect our citizens and provide continued unfettered access to U.S. markets.

● (1705)

The Parliamentary Secretary to the Minister of Finance talked about how the opposition parties continue to bring up shortfalls with the government and that it is not the proper thing to do. I must remind the hon. member that, as the opposition, we have a responsibility in Canada to try to keep this arrogant government to account. That is one of our jobs. If the parliamentary secretary does not agree with that, then he should review his belief in democracy. This is specifically what we are supposed to do.

I would remind the hon. member that because of time allocation, we did not have enough time to debate Bill C-36. Many members would have liked to have spoken on this most profound bill that will affect all our civil liberties.

I will cite a November 17 edition of *The Economist* which I basically cited during my speech at that point in time, especially with regard to what the parliamentary secretary said.

In light of people who criticize certain policies of the government, *The Economist* said:

> Those who criticize such measures should be given careful hearing, even if their views must be sometimes overridden.

It went on to say that one of the chief aims of democracy in liberal societies and those in office is to preserve democracy and promote liberty.

We in the opposition cite certain things that we see as profound problems with the way the government operates, and that we have done. The parliamentary secretary referred to our concerns with immigration. We have also expressed concerns on the way our border security is handled. We have expressed a number of concerns in these areas not because we want to put down the excellent work that is being done by immigration officials or customs agents. We have to take a moment to congratulate them for their work, with the limited resources available, and for the type of work they have done around the clock ever since the tragic events of September 11, which has been phenomenal.

I have taken the time to go down to some of those border crossings and talk to those agents. They have some serious concerns that the government has neglected to address and which the report on border security, which came out today, highlights. I hope the government will take this into account.

In light of Bill S-31, which promotes the trade relationships in Europe and other places in South America, it is so important that our security of the nation and our security at our borders is viewed as being taken seriously. If that means we have to review from time to time the way our immigration system works, especially as it pertains to refugees, the screening process and a number of other issues pertaining to our refugee settlement program, then it is responsible for the opposition to cite some of those concerns. The same thing goes for customs.

I have said time and time again, and I think many members know, that my family was displaced when I was a baby. We came to Canada as refugees in the early 1970s. We were very grateful for the process that we went through to come here. Canada opened up its arms and allowed my family to make a new life here. We do not want to jeopardize this. We want to have a system that can settle genuine refugees as effectively as possible.

We have cited some of the problems with our current plan. We let people into Canada who often do not come with documentation and we let them roam free until an opportunity comes up for them to have a refugee hearing. That is unacceptable, especially if they potentially pose a security threat. I do not think anyone would disagree that we want to help people coming here. In some cases it is true that people come to Canada without the proper documentation. They may have fled their countries under very turbulent circumstances. We have to be sensitive to that.

Our immigration critic, our solicitor general critic and a number of other critics have talked about the importance of being able to screen effectively those refugees who are making these claims from coming to the country, even if it means detaining them temporarily so we can do the proper security checks to make sure that Canadians are protected.

It is the job of the government to protect Canadians. We have seen a number of failed cases where potential refugee claimants have come to the country without the proper documentation and then have been allowed to roam free. This is a big concern for Canadians. Unfortunately, because of the lack of responsibility on this refugee settlement issue, the minds of Canadians have been changing on the whole view of immigration.

I recently saw a few reports and a few polls which were taken. Canadians are starting to become skeptical of allowing more immigrants into the country in light of what has happened since September 11.

● (1710)

This is a road that I hope Canadians never go down. If anything we should be increasing and looking at ways of improving our immigration system, its efficiency, the way it screens refugees and the way it lets people into the country. Hopefully we can improve and we can increase the number of refugees that come to Canada.

The parliamentary secretary surprised me when he spoke about the irresponsibility of the opposition citing weaknesses in government policy, but this is our role. We want to do it constructively so that we build a stronger and better country to protect Canadians and to make our systems, which many Canadians cherish, work more effectively.

In light of Bill S-31 as it pertains specifically to the borders, there still are some huge concerns when it comes to customs. We have raised them on a number of occasions. Also, as cited in the report released today, there are many concerns among the coalition of business groups and others, especially those involved in transportation, and a number of other industry related groups which can be affected very negatively if border security issues are not taken seriously.

We learned also in question period today, and in some of the other documented media reports, that even though the Americans are looking to working with us on border security issues, they are concerned and they have taken the precaution of setting up more military related personnel at the border.

This should raise some red flags for the government. In light of the great job that our customs agents and immigration officials are doing at the border, it is imperative that if we are to continue to modify tax agreements as this bill is proposing, we do what is required on the security front to allow for trade, especially with the United States, to be expedited effectively. To do that we need to ensure that we put the right resources at the border.

We are anticipating the budget which will come out next week. It is a budget that is long overdue. It has been almost two years since the finance minister produced one. This is unprecedented in the history of any democratic regime. Almost every type of organization that is accountable to a certain group of people, whether it is industry or other levels of government, has to take the time to report its financial condition to the people to whom it is accountable. The government has failed to do that for two years.

Therefore we are looking forward to the introduction of the budget by the government next week. We hope that the areas of customs and security at the border will be taken seriously. We have heard different reports leaked as to how much money will be put into those areas. Alongside any investment to increase the customs agent personnel at the border, it is also important to have the infrastructure to allow for the proper flow of goods and services across the border, as the report mentioned. That is another concern that has been cited.

As much as we may do at the border to allow for the proper security measures, we still have some outdated areas of transportation, especially when it comes to infrastructure, that do not allow for the increased amount of trade we share with the United States. This is of great concern to a number of industry groups that want to see efficiency at the border and that want to work with the government and stakeholders on the security issues. However infrastructure has to be a big part of that.

In conclusion, as important as the bill is in trying to facilitate agreements with other countries with which we are currently trading and to facilitate the growth of trade and commerce with those countries, we have to take a step back.

As I said, I was very disturbed to hear the parliamentary secretary say that it was irresponsible for the opposition to talk about potential problems in our system. It is so important that these things be dealt with hand in hand. If we are not taking seriously the security concerns and the efficiency concerns of our current policy as it applies to immigration, customs and in a number of other areas hand in hand with refining tax agreements, no one will be better off, especially in light of the tragic events of September 11.

● (1715)

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, I am really very pleased to be able to take part in the debate on third reading of this bill from the Senate, Bill S-31, an act to implement agreements, conventions and protocols concluded between Canada and Slovenia, Ecuador, Venezuela, Peru, Senegal, the Czech Republic, the Slovak Republic and Germany. Its purpose is the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

I would also like to point out that I am a last minute replacement for my colleague, the hon. member for Drummond, who is currently attending the Standing Committee on Health, where they are examining the report on assisted human reproduction within the framework of an analysis of the government's draft bill.

The bill we are debating at this time deals with the implementation of tax treaties, conventions and agreements with countries where there is a taxation system in place that is similar to that of Quebec and of Canada.

The Bloc will be in favour of this bill. I will, however, if I may, share our concerns about taxation conventions with tax havens, Barbados in particular. We are not only concerned about the Canada-Barbados agreement, we strongly object to it.

Last October, the seven most industrialized countries, Germany, Canada, the U.S., France, Italy, Japan and the United Kingdom, decided to wage battle against the networks that were financing terrorist organizations. As a result, the campaign against money laundering has become the leading edge of the efforts by member states of the Organization for Economic Co-operation and Development, the OECD.

In the wake of the tragic events of September 11, U.S. President George W. Bush changed his tune. Initially hostile to international co-operation against tax havens, he now is singing the praises of co-operation on all fronts.

Canada must have the courage of its convictions. It must speak out against its own tax convention with Barbados. It must strengthen the international component of Revenue Canada in order to discourage tax evasion through the use of tax shelters. It must carry out a blanket reform of Canada's tax system in order to eliminate all tax loopholes that enable companies to get out of paying their fair share of taxes while the average taxpayer bears the brunt. Finally, it must deal forcefully with both tax havens and money laundering.

Canada must fight against illicit money, money earned under the table, dirty money. To this end, it must know the clients of the banks in order to know who is dubious and who is depositing potentially questionable sums. Here, unfortunately, it runs into the problem of invading bank secrecy, the main obstacle in the fight against the darkened pathways of illicit money. The European Union is preparing to establish greater flexibility around bank secrecy, an impenetrable secret that ensures the survival of tax havens. Would Canada be prepared to take the same route?

The globalization of trade and, consequently, competition among countries have led governments to make their tax systems more attractive to investors. The lowering of global tax rates aside, a competitive environment can promote more effective public spending programs. However, some practices in the area of taxes and related fields impede competition and can deplete any gains generated by tax competition. This is the case of tax havens.

● (1720)

Last February, the auditor general declared that the international activities of Canadian taxpayers, in particular the use of tax havens, constituted one of the most serious threats to Canada's tax base.

This statement contrasts with the fact that Canada is a signatory to a tax convention with Barbados, quite the paradise to begin with, and a tax haven too.

It is strange that this convention encourages Canadians to use tax havens. In 1999, Canadian investors understood the government's message, putting Barbados on their list to such an extent that it became the third most popular site of Canadian investment abroad after the United States and Great Britain.

In the same year, direct Canadian investments abroad amounted to $257 billion, with 27.9% of it invested, if we can use the term, in Barbados, the Bahamas and Bermuda. This figure represents over 10% of all of Canada's investments abroad in 1999.

The OECD is critical of tax havens. It recommends that its members terminate all conventions with tax havens. What is Canada's reaction? It seems reluctant to follow the OECD's recommendations.

The financial action task force on money laundering started publishing a black list, last year, of countries deemed uncooperative in the fight against illicit money, while calling upon them to conform to international legislation or else face sanctions.

This list contains 19 countries or territories, including the Bahamas and Bermuda, two of Canadian investors' favourite countries.

In June 2000, the OECD published a list of 35 jurisdictions that meet the criteria set out for tax havens. Barbados is included in this list. Is Barbados a financial branch of Canada? After signing the 1980 tax treaty, Canada suggested that there would be amendments made to the existing treaty, but nothing happened.

Members can imagine how astonished my colleague, the member for Drummond, was when she saw on the website for the Department of Foreign Affairs and International Trade that it was possible to get a brochure entitled "Barbados: A Guide for Canadian Exporters". According to the brochure, the offshore sector continues to expand and play an increasing role in the economy as a source of currency and employment.

This same Department of Foreign Affairs and International Trade did not hesitate to promote tax havens in 1999. In fact, in CanadExport it published its calendar of events, which included a "Tax Havens Conference". This conference discussed tax havens and Canadian tax laws and information on how to use them properly.

The OECD is asking member countries to denounce tax treaties signed with tax havens. This request mirrors the one formulated by my colleague, the member for Saint-Hyacinthe—Bagot, in 1994. Neither the Bloc Quebecois nor the OECD have been able to influence the Minister of Finance of Canada yet.

The use of tax havens has been criticized by the Auditor General of Canada on numerous occasions. In 1998, he criticized the fact that Canada was not allocating enough resources to fight tax avoidance.

● (1725)

He alluded, among other things, to the increasing use of tax havens and to the growing number of bilateral income tax conventions. The auditor general went even further by giving this serious warning to the government, and I quote:

> In our view, failure to take urgent action on these matters will severely limit Revenue Canada's ability to manage the risks to Canada's tax base that international transactions represent.

Canada, and particularly the Liberal government in office, are speaking from both sides of the mouth. In this issue, as in many others, the Canadian government does not hesitate to be heard on the international scene by supporting, for example, the OECD report asking that the treaties signed with tax havens be denounced. In reality the Canadian government continues to promote and encourage the use of tax havens such as Barbados.

How can we trust the Canadian Minister of Finance, particularly since he owns many companies that have their head office in Barbados? His companies benefit from tax havens that provide benefits such as: no tax on capital gains, no deductions at the source and no monitoring or control over exchanges.

Such a tax system is regressive and totally contrary to Quebec and Canadian values.

The whole picture makes one wonder, to say the least. As an individual and investor, the Minister of Finance benefits from tax havens. However, as Minister of Finance he knows that such practices are harmful to the tax base in Canada and Quebec. While this may not be a conflict of interest, it can at least be said that the minister has conflicting interests when he must take action and discuss abuse of the financial system.

Finally, journalist Stéphanie Grammond from *La Presse* reported in September that thousands of Quebecers had recently been approached by seemingly fraudulent organizations to invest in tax havens.

These organizations ask people to invest in companies or corporations whose names are strangely similar to those of well known and well established businesses, and they urge them to invest their money in far away countries.

Shares are exchanged through a bogus stock market set up on the Internet. As new investors join in, the market fluctuates until it crashes.

What seems certain for now is that some networks are based in Quebec, while others are apparently based in foreign countries. The North American Securities Administrators Association, the oldest investor protection organization, issued a warning to investors to be especially wary of anyone encouraging them to shelter their money in tax havens.

I will conclude by reiterating the demands of the Bloc Quebecois, which have not changed since the member for Saint-Hyacinthe—Bagot began making them in 1994.

We are demanding that Canada do as the OECD requests and denounce its tax convention with Barbados immediately.

We are demanding that Revenue Canada beef up its international unit in order to discourage tax avoidance through tax havens.

Since 1996, we have been calling for a comprehensive reform of Canadian taxation and we are returning to the charge today. This reform should eliminate all the tax loopholes which allow certain companies to avoid paying their fair share of taxes, to the detriment of the average taxpayer.

Finally, in the free trade area of the Americas negotiations, we are seeking the addition of a clause prohibiting harmful tax practices, as defined by the OECD.

● (1730)

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I would like to say a few words on this bill. We are now at the third reading stage.

[*English*]

It is an important bill in terms of tax treaties that are being signed and agreed to, and protocols between our country and a number of other countries around the world. It is important in terms of people travelling between these countries, residents of other countries, Canadians who travel abroad and reciprocal arrangements with other countries.

I want to make two other points. I object to the bill originating in the Senate. That may surprise a couple of people in the House, but the Senate is not elected and is not accountable. It costs Canadian taxpayers $60 million a year. Members are elected by the people of the country and in principle bills should originate in the House of Commons. It is indicative of the fact that we need serious parliamentary reform in the House of Commons. The Senate should be abolished. The House of Commons should be changed and the checks and balances that are supposed to be done by the Senate should be brought to the House of Commons through stronger parliamentary committees, fewer confidence votes, less power to the Prime Minister's Office and the executive and more power to committees and backbench members of parliament.

I have been in the House under several prime ministers, including prime ministers Trudeau, Turner, Mulroney and the present member for Calgary Centre. As the years progress, more and more power is concentrated in the executive and the Prime Minister's Office. Members of parliament have less and less power. We see it across the way with Liberal members who often disagree with a government bill but cannot speak out because they want to be a cabinet minister, a parliamentary secretary, the chair of a committee, go on a trip or get some other parliamentary perk.

The time has come to have serious parliamentary reform and to make this place meaningful by abolishing the unelected Senate. It is accountable to no one in the country. Senators are appointed and are there until the age of 75. There is no place for that kind of legislative institution in modern day Canada. We will not regain the confidence of the Canadian people until we do some of those things.

In the last election campaign I was astounded when only 61% of the people voted. In 1997, 67% of the people voted. I recall the 1960s, 1970s and 1980s when 75% to 80% of the people participated in every campaign. There is a real democratic deficit in the country and when a tax bill originates in the Senate it is just another symbol of that democratic deficit. I lodge that as a complaint and I wish that more members across the way would do the same thing.

We have had prime minister after prime minister talk about the abolition of the unelected house. Some did not want to have a unicameral system. Some wanted to have a bicameral system, an elected Senate with reduced powers. Some even wanted to abolish the Senate altogether as was the case with Brian Mulroney when he came to this place. That is in the biography of John Crosbie. People can read about the conversation he had with Brian Mulroney regarding the abolition of the Senate.

Something has to be done. Some polls show that only 5% and in other polls 11% of Canadians support the Senate with its existing powers, yet we sit here week after week and year after year as politicians and do nothing about it. I think the time has come to do something about it.

I will say a couple of words about taxes. Once again the country has started to talk about a fair taxation system based on the ability to pay. In the 1960s the Carter commission recommended that a buck was a buck and regardless of where individuals earned the money they would only be taxed on that dollar. Today we have too many loopholes and benefits for the wealthy and large corporations.

The ordinary person who works for a living at minimum wage or at $10, $20 or $30 an hour ends up paying far too much of the taxation burden. In the last budget Canadians had a $100 billion tax cut over five years. Of course some of the ordinary people benefit from that but the people who benefit the most are the wealthy and large corporations.

When we talk about a tax bill, we should talk about tax fairness and tax justice. I do not object to the tax treaties and protocols that are being debated in the House of Commons, but I do object to the fact that we do not have a fair tax system in Canada.

● (1735)

[*Translation*]

I object very strenuously to our examining a bill here that was introduced in the Senate of Canada. From the point of view of the democratic process, it is very important for all bills to be introduced here in the House of Commons, the members of which were elected by the people of Canada.

[*English*]

Ms. Val Meredith (South Surrey—White Rock—Langley, PC/DR): Mr. Speaker, I am pleased to speak to Bill S-31, an act to implement agreements, conventions and protocols concluded between Canada and Slovenia, Ecuador, Venezuela, Peru, Senegal, the Czech Republic, the Slovak Republic and Germany for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, at third reading.

Unlike my colleague I am not just concerned about the fact that a bill on taxation was introduced to the House through the Senate and all the implications that puts in place. The question is, why would a bill of this nature take precedence over other important issues regarding Canada's economy and the government's lack of policy concerning the same? Why does the government refuse to address issues like the Canadian dollar and the fact that it has lost 20% of its value against the U.S. dollar since the Liberal government was elected in 1993?

Since 35% of everything that Canadians consume originates from the United States, a 20% reduction in the Canadian dollar's relative value represents a massive drop in the standard of living of all Canadians. The dollar is not just doing badly compared to the American dollar. It has lost 11% against the Mexican peso, 4% against the British pound, 3% against the Russian ruble and 6% against the Argentine peso.

The Governor of the Bank of Canada said he was very concerned about the Canadian dollar. The chief economist of the Toronto-Dominion Bank said:

> At certain levels of the dollar you can argue that a depreciation is a value to the economy, but I think that went out the window a long time ago and any further slide is not helping.

Why is the government not doing something about the value of the Canadian dollar? Canada's productivity growth over the past two decades has been slower than that of every other G-7 country. We have one of the worst growth rates in the OECD. Over the last four years productivity in Canada has grown at a cumulative rate of 4.2% per year whereas in the United States it was 11%.

Why is the government not realizing that high taxes are not a good thing? Canadians had the second highest corporate tax rate in the OECD before the October 2000 mini budget. It is expected that following the budget, which is coming before the House hopefully on Monday, Canada will continue to have the second highest tax rate in the OECD.

Why has the government not dealt with the fiscal policy issues? The coalition supports the finance committee's recommendations to eliminate capital taxes. The coalition supports the committee's recommendations to eliminate the remaining capital gains tax for gifts of listed securities. The coalition recommends that lowering the corporate tax rate to the OECD average would be a positive thing.

It would be remiss of me not to talk about border issues. One-third of our GDP is a direct result of exports to the United States. Some 70% of exports move by truck, the mode of transportation that has been adversely affected by the congestion at the borders. Much of that trade is just in time delivery which is very important to Canadian commerce.

The coalition recommended to the government that it work with the United States to promote public policy that would move commerce across the border in a timely manner and at the same time deal with the security issues that are of such concern to the United States.

The coalition recommends that the Canadian government create a new ministry of public protection and border management to take responsibility for Canada's customs, immigration, law enforcement and intelligence agencies. It recommends the creation of a binational border management agency that would jointly monitor the entry and exit of goods and persons into and out of the United States and that would continue monitoring goods and persons throughout the North American continent.

● (1740)

The border management agency could expedite pre cleared individuals and commodities across the border and not tie up the border. It would allow agencies to concentrate on the 5% or 10% that might be high risk to both Canada and the United States, and potentially Mexico in the future.

An entity that is missing in this and most government legislation is parliamentary oversight. There must be a parliamentary oversight committee formed to oversee not only the border management committee and public protection ministry but also the anti-terrorism legislation the government has put before the House: Bill C-36, Bill C-42, Bill C-44; and who knows what other legislation the government may try to put through the House without a parliamentary oversight.

We would like to know why the regulatory reforms with which the government should be dealing are not being dealt with. There should be a red tape budget that would afford parliament the opportunity to debate the regulatory burden on both Canadian businesses and individuals.

A regulatory budget would hold the government accountable for the full cost of the regulations that it puts into place and would prevent the current patchwork of redundant regulations with which Canadians are faced that stifle Canadian enterprise. The use of sunset clauses can ensure that the raison d'être of a regulation is reviewed periodically to make sure that it is appropriate and relevant.

We would like to know why the government does not deal in a more structured way when it places its estimates before parliament. There should be a system wherebys a certain number of departments are selected by the opposition that would have their estimates scrutinized by parliament without a time limit. We should be forcing our ministers to defend their parliamentary estimates in the House of Commons. That would improve parliamentary scrutiny on government spending and strengthen the role of members of parliament.

We would like to know why the government has made Bill S-31 a priority. There are many other issues of importance to Canadians and the Canadian economy that the government has ignored and refuses to address. The coalition wishes the government would get on with the priorities that Canadians feel are important instead of the things it would like to shove through the House and have Canadians think that it is doing the government's business.

● (1745)

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.

An hon. member: On division.

The Deputy Speaker: I declare the motion carried.

(Motion agreed to, bill read the third time and passed)

* * *

[*Translation*]

PUBLIC SAFETY ACT

Hon. David Collenette (Minister of Transport, Lib.) moved that Bill C-42, an act to amend certain acts of Canada, and to enact measures for implementing the Biological and Toxin Weapons Convention, in order to enhance public safety, be read the second time and referred to a committee.

He said: Mr. Speaker, I rise today to speak to Bill C-42, the public safety act.

This bill proposes to amend 19 acts of parliament and to enact one new one. The changes and measures proposed will promote and protect public safety and strengthen the government's ability to improve the safety of Canadians.

[*English*]

The bill is another important step in the government's fight against terrorism. It has been shaped by bringing forward amendments identified during normal reviews of several of the 19 existing acts, as is the case with the Aeronautics Act which is under my purview, and by reviewing all these acts in light of their prevention and response provisions at a time of increased security concerns.

The basic objective of the bill is to ensure that the Government of Canada has the proper authority to establish and maintain an appropriate security program for the protection of all Canadians.

[*Translation*]

One of the important characteristics of any terrorist attack is that its true scope is not immediately perceptible.

It will be recalled that right after the first plane struck the World Trade Center people were wondering how such an accident could have happened. Only after the second strike did it become obvious that this was a terrorist attack.

After reports about a third and a fourth plane, people did not know whether the attack was over or whether others would follow. We did not know at that time whether there were plans to hijack Canadian planes or whether a plane arriving from Europe might have been hijacked.

As a result, we made the immediate decision using our powers under the Aeronautics Act to ground all Canadian aircraft and to direct all aircraft that were in the air to certain designated airports.

● (1750)

[*English*]

Although this was a terrorist attack on a country other than Canada, our government needed the ability to respond immediately and fortunately that authority was present. We have to consider that a major attack on Canada could have occurred at that time and could still occur. We also have to consider that such an attack could involve trucks, ships or aircraft. It could also employ diverse substances, including biological agents such as anthrax or chemical weapons.

We live in a generally peaceful country built on trust and our acts and regulations dealing with safety are more than adequate to deal with regular and ongoing activity or prevent and deal with accidents. However the attacks on September 11 have made it clear that we must also be prepared to respond to fully formed problems such as attacks on our water supply, food supply or our infrastructure.

Of the acts to be amended under Bill C-42, 10 provide the ability to bring into play the authority of the federal government in the event that it is required in order to protect public safety or security. I would like to emphasize that these authorities already exist. The objective of the amendments proposed is to provide the ability for the immediate use of these authorities when required.

I would like to take a few minutes to speak about the amendments to the Aeronautics Act for which I am responsible as Minister of Transport. The amendments to the act are designed to clarify and update existing aviation security authorities. They are also designed to strengthen some of the authorities to maximize the effectiveness of the aviation security system and enhance the ability of the Government of Canada to provide a safe and secure environment for aviation.

In addition, the amendments set out some of the specific matters that could be dealt with in regulations, including those concerning restricted areas at airports, screening of people entering restricted areas and the security requirements for the design or construction of aircraft, airports and other aviation facilities.

The amendments would also update or expand certain authorities to make regulations, including establishing restricted areas within aircraft and airports, as well as other aviation facilities, requiring more security clearances, for example, for crop duster pilots, and screening of people entering restricted areas, even those with security clearance and a restricted area access pass.

The amendments discourage unruly passengers by making it an offence to engage in any behaviour that endangers the safety or security of flights or persons on board by interfering with crew members or persons following crew members' instructions. Such an offence would be punishable, on summary conviction, with a maximum of 18 months in prison and a $25,000 fine or, on indictment, with a maximum of five years in prison and a $100,000 fine. These should be an effective deterrent for activity which is more commonly known as air rage.

The amendments also address the issue of passenger data that may be required both at home and abroad in the interest of transportation security.

Prior to September 11, it had been assumed that persons intending to hijack a plane would take on board with them traditional weapons. September 11 made it apparent that this was not necessarily the case. Airport screening to protect aircraft can no longer be restricted to searching for or attempting to detect traditional weapons such as guns or knives. The passengers themselves must be considered more closely to determine if any of them are likely to pose a threat, which is to say, passengers who are known or suspected terrorists need to be identified.

This raises the potential conflict between the security demands for information on people being screened on the one hand and the protection of an individual's right to privacy on the other. We must find the proper balance in this regard and I believe we have done so with the amendments.

The amendment necessary to allow Canadian air carriers to provide very specific and limited information to American authorities, as the House is aware, was split last week into a new bill, Bill C-44, which went through second reading on Friday.

Within Canada, the amendments would provide the authority to request information from airlines or a passenger reservation system on a specific person. As well, under exceptional circumstances, such as when a credible threat has been identified, Bill C-42 sets out provisions whereby we would require Canadian carriers to provide us with additional information.

To be clear, the proposed amendments would allow the Government of Canada to acquire basic information on specific individuals, known or suspected terrorists, and only in the interest of transportation security. This information would include name, date of birth, nationality, gender and, if it exists, passport number.

● (1755)

The amendments would also allow the government to respond to a credible threat. For example, let us suppose a woman reports to the police that her husband belongs to a terrorist cell that intends to hijack a Toronto-Winnipeg flight later that day. In this instance the balance between information requirements and the right to privacy shifts dramatically. The Government of Canada would want to be able to obtain all possible information available on all people on that flight, including how they paid for their tickets and where they are seated.

Thus, the specific proposal in the amendments would require an airline or an airline reservation system operator to: immediately provide to Transport Canada basic information on a specific individual; retain on a watch list the name of that individual for no more than 30 days; immediately provide to Transport Canada basic information on that individual should that person's name be added to the data held by the airline or added to a passenger reservation system; and, immediately provide to Transport Canada all information on all passengers and crew of a flight subject to an immediate credible threat.

[*Translation*]

The amendment would also make it possible for the government to enact regulations designating to which other federal ministers, agencies or individuals the information obtained by the minister may be disclosed, along with procedures for its use, communication and destruction.

[*English*]

It is essential that screening apply to people as well as their luggage and carry-on baggage. The proposed amendments would allow for the capture of just enough of the data held by airlines and passenger reservation systems to provide for increased passenger safety.

My colleagues in question period, certainly those from the Alliance, talked of their disappointment about what is in the bill. The amendments to the Aeronautics Act as we brought them forward were primarily, as I have said before, the result of ongoing review and stakeholder consultation. However some of the provisions were specific to the events of September 11, and that is why we brought them forward in this package.

I have acknowledged that since September 11 our priority as a government has been to make sure that security screening, security checks, on board safety and airport safety have not only been rigorously enforced according to the normal standards but that new standards have been introduced which are also rigorously enforced. Anyone in the country who has flown by plane in the last few weeks knows full well what the government has done and how the added security has helped Canadians and assured them they should travel.

That is being borne out by opinion surveys. Canadians feel much more confident about travelling by air in Canada than in the United States. It is not just that the attacks happened in the United States. Notwithstanding what the opposition says, the public understands that the Government of Canada has strict rules, that we have amended our rules and that we will be bringing in more rules to effect airline and airport safety.

I have been much more preoccupied with getting the rules in place and getting them enforced than with the discharging of security measures. A lot has been made of the fact that the way people are currently screened at airports, which is the status quo with the airlines, is unsatisfactory. I have said it is unsatisfactory. I think there is a general consensus. We have been looking at various options but the options will be costly. They come at a price, and the price must be paid by either the Canadian taxpayer or the users of air services.

That is a subject of considerable debate. The financial implications of all the security measures that will be coming forward on the airline and airport side alone, notwithstanding the things we are looking at with respect to our land borders, the sea and all other measures, are expensive. They have obvious budgetary implications and are the subject of discussions among my colleagues, the Minister of Finance and me.

It is not just a question of agreeing on what must be done. We must cost it out. We must be prudent. We must know we are responsible for taxpayer money. We want to know what burden the fiscal framework is expected to take. That is why the matters have been under deliberation. Shortly we will be able to conclude the deliberations and let people know how we propose to pay for all the measures and how they are to be implemented.

I have focused only on the measures that affect my portfolio directly. There have been a lot of questions in question period to the Minister of Citizenship and Immigration, the Minister of National Defence, the Minister of Health, the Deputy Prime Minister and others about the various bills that would be amended and the new bill that is to be included in Bill C-42.

Much has been made of the fact that somehow the measures are draconian and not needed. However I would remind members in the House that they were the ones who after September 11 demanded that the government deal with the security threat and ensure that all legislation be looked at, amendments be brought in, procedures be tightened up and new regulations be brought into force.

That work has been ongoing. Bill C-36 has been under debate. Amendments have been made to Bill C-36 to reflect the deliberations of hon. members in committee. That is what parliament is all about. In the same way, worthy consideration will be given to amendments that come forward in the course of both Bill C-44 and Bill C-42.

● (1800)

Although I am speaking about Bill C-42, members can forgive me if I say a word about Bill C-44 since it was introduced at the same time. The House has agreed that we split it off for obvious reasons.

We need to get Bill C-44 through the House quickly. We have had co-operation from hon. members because under the laws that have been changed in the United States there will be no flexibility past a point in mid-January with respect to the providing of information from airline manifests.

This will not impose an infringement on our sovereignty. Any country has the right to determine who goes into it. The Americans want to know who is coming in and under what auspices. They have every right to know that. Canada was one of the few countries in the world that had lately been prohibited from providing that information. That is why we need to get that bill forward quickly.

The privacy commissioner has made some statements. On Friday he called me out of courtesy before releasing his letter and told me what he would say. I understand his concerns. We are willing to see if his concerns can be met by way of amendment or by way of undertakings we receive from the American government.

That is why it is important to get the bills into committee so that true deliberation and fine analysis of the various clauses can take place. It is important that we deal with the broad brushes of strategy and principle, but in committee we can look at the various clauses and decide if amendments are required.

In the deliberations on Bill C-36 the Minister of Justice showed she was flexible. The Prime Minister and others have said that. We respect the parliamentary tradition, the role of parliament as a deliberative Chamber and the role of the committees in analyzing legislation. That is why I welcome the sending of these bills to committee.

Concerns have been raised by some about the alleged inordinate power temporary regulatory orders would give to ministers. I did not hear members of the opposition on September 12, September 13 or when parliament opened on September 17 talk about ministers not having power. The opposition wanted ministers to have the power to act.

We did act. The government acted under the Aeronautics Act to close the skies. It was not done by order in council. It was not done by wide consultation. It is a power that was there under the Aeronautics Act, and it was invoked. Within the hour North American airspace was closed.

The very flexibility that I as Minister of Transport had in the hours following the attacks on the World Trade Center is what is needed by ministers to deal with a threat.

Let us take as an example the Minister of Health and the scare we have had with anthrax. If a regulation needs to be promulgated members want the Minister of Health to deal with the anthrax threat immediately. He can worry about the technicalities of the order in council, the gazetting and all the processes to be followed, but not immediately. Members want the authority exercised and exercised immediately. That is why the temporary powers requested in the bill are absolutely necessary to deal with situations of crisis.

Some members have said we have the Emergencies Act and can use its emergency powers. Despite its title the Emergencies Act is somewhat more rigorous and the processes under it are much more lengthy. Under the statute there must be an order in council process and wide consultation. We may be arguing hours versus days or a week or two under one act versus the other.

The example I gave about the powers the Minister of Transport already has under the Aeronautics Act demonstrated that in certain circumstances we need keen powers and regulations to protect the public interest and public safety. Bill C-42 is called the public safety act.

● (1805)

Hon. members are right to say these powers must not be abused and there must be additional safeguards. I will be interested to hear at committee what hon. members have by way of safeguards. We have the gazetting procedure. We have the ultimate judicial review process. Hon. members will say that we need to bring these regulations to parliament for approval, but what happens if parliament is not sitting? Parliament was not sitting on September 11. Under the Emergencies Act, how could I have consulted with parliament when it had not even been called?

Are we going to allow planes, perhaps with terrorists on board, to fly into Canada or into the U.S. without taking immediate action because parliament, in its wisdom, needs to sit down and debate the matter, even if it is for two hours, three hours or two days?

Sometimes governments have to act. Sometimes they have to take their responsibility and be accountable to the public. I believe this government has acted, has taken its responsibility and it is accountable to the public and to parliament, which is why we are debating these measures here. We will go to committee with an open mind to work in the best interests, not of the government or the government party or one party or another, but in the interest of public safety for all Canadians.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I would like to add a few comments at this time in respect of this very important legislation, this very important step the government has taken. I will be rather general in the brief time I have, but I think a few words have to be put on the record at this time.

It is true that the opposition has been urging the government to act. The opposition, especially the Canadian Alliance and the predecessor Reform Party, has been urging the government for years to act in respect of security. The only answer we received then was that the party, the Reform Party, the Canadian Alliance, was anti-immigrant and anti-refugee. Instead of debating seriously the concerns that Canadians needed addressed, the government engaged in political rhetoric. That was unfortunate because we lost very valuable time over a number of years.

Whether or not the response that the minister has provided to us today in respect of the bill that he has tabled is correct should be the product and the examination of parliament. That is the concern: Parliament has not been given the appropriate opportunity to examine legislation.

Parliament indeed can act quickly if called upon to do so when government tables those very important bills. However, what we have seen happen here in parliament is that there has been a reluctance by government to table the necessary legislation. When legislation is finally tabled after weeks and weeks, compared to the Americans who move very quickly, the bill is sent to committee and what happens at committee in respect to Bill C-36? We clearly see a failure by government members, the majority on the committee, to seriously consider the amendments that many members brought forward.

I did not agree with all the amendments brought forward by my colleagues in the Bloc, the New Democratic Party or even the Conservative Party, yet one could sense there was a disrespect for the committee process. I understand that in other committees disrespect does not necessarily happen, but it was evident there. It was clear that once the government brought that legislation to committee its agenda was set. It was set, not by parliament, not by debate here, but by the minister in consultation with bureaucrats who developed the legislation, developed the policy and then forwarded it to committee. That is unfortunate for the parliamentary process.

So I was very pleased today to hear the minister state that committee should be open to amendments because I think it is very important that the committee is open and listens to members on both sides of this very important issue.

I do not disagree with the minister when he says that ministers need the power to act immediately, but that power needs to be placed in an appropriate context. I think that many members, especially in the opposition, and I noted it among the government members as well, simply do not have the confidence that the government is putting these emergency powers that ministers will hold in the appropriate context.

● (1810)

Yes, it is true that they need the power to act unilaterally in certain circumstances, but what is the appropriate context in which those powers should be placed? That is what needs to be debated in committee, honestly, openly and without the presence of the government whip, or indeed, worse yet, the parliamentary secretary to the minister, who maintains order and ensures that the preordained amendments are put through, not amendments arising out of the discussion of the committee. What happens when the amended bill comes to the House after committee is that we are not getting the product of honest debate. We are getting the product of the instructions provided to the parliamentary secretary, who essentially acts as a party whip in committee.

I am not confident, and I think many members here are not confident, in the parliamentary process. I want to be able to say to that minister that if the minister opens up that parliamentary process and ensures that there is legitimate debate in committee, we will work with the minister.

I can only point out how my party acted in respect of Bill C-36. I think we co-operated with the government. Yes, at times we felt that government was simply not listening, not because there was not merit and not because many of the members would not vote that way if they had the choice, but simply because the order had been given.

I challenge the minister to ensure that the openness remains, because I think that if there where an open debate there would not be the same concern members opposite are expressing here today about the unilateral power exercised by the minister. Government by ministerial fiat, that is the concern.

We need to ensure that the amendments made to the bill are the product of legitimate discussion as opposed to a preordained plan by a minister or a deputy minister or indeed some policy bureaucrat squirrelled away in some department.

There are clearly amendments that are needed in this bill. I think that our party will commit to working with the minister and the committee, but we want to see some genuine reciprocity in terms of working, because this is not just about a particular bill and the security of Canadians. This bill, I believe, will be a test of the parliamentary system.

I was back in my riding this week. Over and over again what I heard was a concern that parliament is becoming irrelevant, that parliament no longer matters. The policy initiatives of parliament are simply cast aside. We rely on unelected judiciary to set our policy in this country. Over and over again we hear ministers say that we have a charter of rights. What they are saying is that we have judges who make determinations under that charter of rights, so the goal is not to satisfy the legitimate policy aspirations of Canadians but rather to satisfy the judiciary who are appointed essentially for life, unelected.

The focus in our country is wrong. We need a government that says it will address the concerns of Canadians in accordance with the values of Canadians and that is prepared to take that legislation, then, to the courts and justify for the courts why Canadians need it.

● (1815)

If the government spent more time considering the legitimate needs of Canadians and their traditional concerns for input into policy, they would have more respect for the House. I am taking the minister at his word when he says that the committee process will be open and will deal with some of these very difficult issues.

I do not agree with everything in the bill. I have some concerns, but I want to be there to ensure that the people of Canada get the legislation they deserve and that it reflects the policy aspirations of Canadians.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, first of all, let me say that I will be using up all the time left for this sitting of the House.

I would like to continue the debate on the all important Bill C-42. It is very important because it received such broad media coverage last week. All that happened because, basically, the Minister of Transport introduced a bill that was a hidden attack against our democracy and our freedoms. Those were very important points that were raised, in particular by Bloc Quebecois members.

This is all the more serious because Bill C-42, which is now before the House, was not even on the order of business for today. We were supposed to be discussing Bill C-37, Bill C-39 and Motion No. 20 under government orders, as well as Bill S-31.

Why then is Bill C-42 before the House today, a situation which probably forced the minister to quickly react and address the House, as I had to do because I am the Bloc Quebecois critic? It happened very simply because the House did not have enough work for today.

It is a cause for concern. It comes after the difficulties encountered by the Liberal government last week. The week started very badly with the introduction of Bill C-42, which was almost a knee-jerk reaction, if I may use the expression, to the airline safety bill introduced two weeks earlier by the U.S. congress.

The Canadian government, because it was not ready to introduce a bill on airline safety, decided to introduce a bill on public safety.

Again, I have trouble understanding the minister when he says that these powers already exist. He is not the only one who said that in the House. The Prime Minister said so too, as so did the Minister of National Defence.

If they already exist, why insult us by introducing a bill that is a serious threat to democracy and the rights and freedoms of Quebecers and Canadians? The reason is very simple: these powers simply did not exist.

The government is fine tuning these powers and introducing new ones. It is coming here with emergency directives, with military zones, with a lot of provisions which the Minister of Transport has taken great care today not to elaborate on.

He has elaborated today, of course, on the changes to the Aeronautics Act, for which he is responsible as a minister. He has admitted once again, quite candidly, that there was a lot of opposition to the changes that were put in Bill C-42, because the opposition thought there was not very much in this bill.

Of course he has told us that there still is no money. Funds will be announced during the budget speech that the Minister of Finance will give on December 10.

Thus, we will have fine tuning of the whole air safety policy and we will have the funds. The minister said that he was still negotiating with the Minister of Finance to determine the amounts that would be allocated to air safety.

Concerning this bill, the Bloc Quebecois asked the Prime Minister the following question "What could you not do on September 11 that such a bill would allow you to do?" The Prime Minister responded by letting the Minister of Transport answer and, once again, he could not say today what he could not do.

He elaborated earlier on what he did exactly on September 11, with the existing laws, and for which new laws to intervene were never asked for.

The attacks coming from the opposition were, among other things, about representations, statements and actions of the Minister of Health, who decided to award a contract to a company, namely Apotex, which did not have the rights. It was Bayer that had the rights on the anthrax vaccine.

Of course, these are government mistakes. Today, in response to a question from the leader of the Progressive Conservative/Democratic Representative Coalition, the Minister of Health seemed once again to laugh at the fact that this bill would give him new powers.

● (1820)

I can perhaps try to explain, to help Quebecers listening to us to better understand the new powers that would be given to the health minister. It is quite simple:

> 11.1 (1) The Minister may make an interim order that contains any provision that may be contained in a regulation made under section 11 if the Minister believes that immediate action is required to deal with a significant risk, direct or indirect, to health or safety.

Hence, by way of an interim order, a new power has been given to the health minister. In the case of the anthrax vaccine or the protective inoculation, this power would have entailed the minister to give his officials the power to buy the necessary vaccine and to compel every Canadian to receive it.

These new dispositions all give more powers and this is what makes it so serious. It is not done simply by giving the minister more powers, because we do not simply give him more powers, we tell him that now "An interim order is exempt from the application of sections 3, 5 and 11 of the Statutory Instruments Act".

This means that the minister could adopt interim orders for all sorts of emergency purposes and be exempt from the application of sections of the Statutory Instruments Act, and I am not talking about any old section, either. I will read a part of section 3, which would no longer apply to the Minister of Health in the case of interim orders. This section states:

> 3. (1) Subject to any regulations made pursuant to paragraph 20(*a*), where a regulation-making authority proposes to make a regulation, it shall cause to be forwarded to the Clerk of the Privy Council three copies of the proposed regulation in both official languages.

Now, it would no longer be necessary to send them in both official languages. I read on:

> (2) On receipt by the Clerk of the Privy Council of copies of a proposed regulation pursuant to subsection (1), the Clerk of the Privy Council, in consultation with the Deputy Minister of Justice, shall examine the proposed regulation to ensure that
>
> *(a)* it is authorized by the statute pursuant to which it is to be made;
>
> (*b*) it does not constitute an unusual or unexpected use of the authority pursuant to which it is to be made;
>
> (*c*) it does not trespass unduly on existing rights and freedoms and is not, in any case, inconsistent with the purposes and provisions of the Canadian Charter of Rights and Freedoms—

If the Minister of Health is empowered to make interim orders, to purchase vaccines, of whatever kind, exempt from the application of the provisions of enabling legislation, he could very well acquire unacceptable vaccines, vaccines whose patents are held elsewhere. This is no problem. He could then require a group to be vaccinated without complying with the charter of rights and freedoms. All this is effective for 23 days. After 23 days, the regulation must be published.

If this does not infringe on individual rights and freedoms, I do not know what they can be thinking. If the minister had all these powers, why write in black and white in a bill that now he will be able to make interim orders without the House or the usual regulatory procedure requiring him to meet the test of the charter of rights and freedoms?

This is the type of regulation now proposed by the Minister of Transport. These regulations were of course tabled like any major bill. The minister said it earlier: This is the second phase in the fight against terrorism. He said it solemnly, in camera.

The transport officials who tabled the draft regulations in camera, and I was there, were not able to explain the content of the regulations. They were accompanied by officials from DND, who were there to explain what was happening with national defence, and from each of the other departments. There were 10 officials representing the various departments to explain to us the part of the bill involving their department.

So if the official representing the Department of Transport is unable to answer questions on a bill sponsored by his minister, I can understand why the minister himself could not answer questions in the House on this bill. This is the harsh reality.

While we are confronted with emergency situations, situations as serious as the events of September 11, officials from several departments are trying to fulfill their dreams. It is unbelievable that a minister would agree to defend a measure as important as this one. This is a measure that amends 19 acts, of which officials do not understand the operation.

Therefore, it was really easy for the Bloc Quebecois to attack this bill relentlessly in the House. I am proud and I am confident that my leader has made important gains for Quebec society by finding in the legislation all these irritants for democracy and for the respect of Quebecers' rights and freedoms. Today we thought the battle was practically over.

● (1825)

We managed to make the government realize that the only really urgent issue was what was made into a distinct bill, Bill C-44, amending the Aeronautics Act. This was the only really urgent matter in the 98 pages of Bill C-42. We needed just one page, because we have to meet the American requirements concerning the information airlines have to provide on passengers. These are American requirements.

Concerning Bill C-44, we have been told regulations would be provided, and we were supposed to get further explanations. The House leader of the Liberal Party told us, when he answered a question by the Bloc Quebecois, that he would table the regulation amendments or the draft of these amendments so we could study them in committee. We were supposed to get them last Friday, but we are still waiting. Tomorrow, the committee will examine Bill C-44, but with this Liberal government I am sure we will still not have these amendments.

This concludes this part of my remarks. I hope I get another chance to take the floor, because I intend to use all the time I am allotted to explain the defects in Bill C-42.

● (1830)

The Deputy Speaker: The hon. member for Argenteuil—Papineau—Mirabel will have 29 minutes left when the House resumes consideration of this bill.

It being 6.30 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.30 p.m.)

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