



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Monday, June 17, 2002**

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**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Monday, June 17, 2002

The House met at 11 a.m.

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*Prayers*

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## PRIVATE MEMBERS' BUSINESS

• (1100)

[*English*]

### CANADA LABOUR CODE

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP)** moved:

That, in the opinion of this House, the government should increase by one week the basic employee vacation entitlement granted by Section 184 of the Canada Labour Code, to at least three weeks with vacation pay and, after six consecutive years of employment with the same employer, at least four weeks with vacation pay.

He said: Mr. Speaker, I rise to say a few words about my motion to amend the Canada Labour Code.

The Canada Labour Code states that every Canadian who works in a company that falls under federal jurisdiction receives at least two weeks holidays and that after six years with the same employer the two weeks is increased to three weeks.

My motion would amend the Canada Labour Code to make sure everyone under federal jurisdiction receives three weeks holidays and after six years with the same employer they receive four weeks holidays.

This is something we should be debating in the House. I cannot recall a debate in the House on this for quite a while. It is something that would be very helpful to the Canadian population and to workers in general.

In a recent poll some 76% of the Canadian workforce agreed that we should have a four week holiday .

The motion today is to provoke a debate that we go from two weeks to three weeks and from three weeks to four weeks after six years with the same employer.

The Canada Labour Code covers some 1.2 million workers. The 1.2 million workers actually fall into a number of different areas. I want to mention some of the major areas that the Canada Labour Code covers in terms of workers: the air transport industry; banks; crown corporations; the federal public service; first nations people; the postal service, with some 62,000 or 63,000 employees; the broadcasting industry; railways; the trucking industry; water transport; shipping and communications; as well as a number of other areas. They fall under the Canada Labour Code in terms of

holidays and would be covered by any kind of change or amendment as suggested by the motion.

When we look at other developed nations around the world, we find that most of them have more paid holidays than we do. In the European Union just recently there was an amendment to the regulations. In every country in the European Union the minimum vacation is now four weeks. If we look at the union itself, we find that the United Kingdom, Germany, Italy, Belgium and the Netherlands have four weeks. Other countries, such as France, Sweden, Spain and Denmark, have a mandatory five week holiday. Austria has five weeks. Japan, which has become an economically developed country over the last 20 years or so, has a five week holiday.

[*Translation*]

This is different from Canada, where people get only two or three weeks. There is also a difference between us and a number of other developed countries in the European community, where there is a minimum of four or even five weeks. The latter is the case for France, Spain and other countries such as Japan.

[*English*]

It is interesting that when we do the research on this particular issue we find that in the United States, for example, there is no mandated minimum holiday period. The American workers have no right whatsoever to any kind of holiday except what they receive from their employers or what they get through a negotiated union contract. This is how we compare with the rest of the world. Moving from two weeks to three and from three weeks to four would put us more in step with much of the developed world in terms of what is happening around us.

I really believe that if workers had more time off it would be better and more productive for the economy. Workers are more productive when there is less fatigue and boredom. I believe it would be more competitive because workers in this country would be on a level playing field with workers in many other countries around the world.

I also believe that economic activity would increase. A good example of that is France. In France where workers have five weeks off we will find that many of them will be holidaying, travelling, touring, sightseeing, spending money in hotels, auberges, restaurants and tourist resorts. It is a stimulus to the economy in a place like France and many other countries around the world.

*Private Members' Business*

I also look at this from a health point of view with regard to stress. I realized when we started doing research on this that millions and millions of dollars were spent every year in this country and around the world because of stress. A longer vacation would take some of the stress off working people and families in this country. A study done recently showed that people who had annual vacations had 30% less heart disease than people who did not take annual vacations. Therefore, the quality of life would increase.

In 1999 there was a study done by Health Canada on work/life conflicts of the Canadian people. It was discovered work/life conflicts cost the health care system some \$425.8 million per year. That is a lot of money each and every year.

How do we compare to the provinces in terms of the Canada Labour Code? The Canada Labour Code covers 1.2 million people. All other people who work in this country are covered by the various provincial labour codes. There are some variances between the provinces.

I am proud to say that my province of Saskatchewan is the only province that provides a minimum three week holiday for a worker covered by the Saskatchewan labour code. After 10 years in Saskatchewan people get a four week holiday if they still work for the same employer. There may have been a change in Quebec. Recently Quebec employees received a two week holiday and then three weeks after five years.

• (1110)

[*Translation*]

There may have been a recent change in Quebec, where the situation is now the same as in the province of Saskatchewan. In all provinces other than Saskatchewan and Quebec, workers get a minimum of two weeks holiday.

In British Columbia, Alberta and Manitoba, they get three weeks after five years service. In New Brunswick, all workers get three weeks after eight years. In Newfoundland, it is three weeks after 15 years with the same employer. Fifteen years is a long time, but after that they get three weeks. In Nova Scotia, Ontario and P.E.I. workers get only two weeks. After 5, 6, 10 or 15 years of service, Ontario workers still get only two weeks.

[*English*]

I am surprised in particular by Ontario, an industrialized province that prides itself on being relatively progressive and avant garde and yet allows for only two weeks of holidays. According to the labour code in Ontario an employee could work at a job like Ontario Hydro for 10, 15, 20 or 25 years and get only two weeks of holidays per year. Of course because of collective bargaining and the power and influence of the trade union movement in Ontario, Ontario Hydro's workers have much more than two weeks of holidays. However the government is laggard and way behind in terms of additional holiday pay.

It is about time we looked at amending the Canada Labour Code to raise the minimum vacation pay from two weeks to three weeks. After six years the minimum could be raised from three to four weeks. This would put the Canadian people on a more level playing field with other countries around the world. It would alleviate a great deal of stress. It would be easier on the health care system which is

costing an awful lot of money, partly because of the stress of the modern day workplace.

Vacation pay is defined as 4% of annual wages or 6% after 6 consecutive years of employment with the same employer. We could afford it. It would stimulate the economy and make it more productive. It would make the Canadian people happier. It would create a less stressful and more healthy workplace and nation. All these things are positive.

Through my talks with the trade union movement around the country and with Canadians both inside and outside the trade union movement I know the time has come to launch this progressive movement. It has already happened in many countries around the world.

Let us imagine this. French workers have five weeks of holidays. Many countries around the world have a shorter work week. We should be moving toward a shorter work week with no reduction in pay. We have technology, automation and computers. We have all these things which are supposed to lessen the work burden of the Canadian people and provide them with more quality and leisure time to spend with their families and friends or pursue hobbies and other interests. However it seems a lot of the technology has added to the work time of the Canadian people and made life more stressful and difficult for many.

I hope parliament will take this idea, refer it to the labour committee or whatever relevant committee of the House, and pursue it in legislation so that when we come back in the fall we can amend the Canada Labour Code in a way that is positive for each and every Canadian worker who falls under the jurisdiction of the federal government. If the federal government did this it would provide an example to all the provinces to change their own labour codes so we could give Canadian workers the break they deserve for building the country and making it the great nation it is today.

I look for the support of all members of parliament from all parties for the idea. If we could pursue it in the fall and make changes to the labour code I am sure the Canadian people would be happy parliament had become more productive and was doing something on their behalf.

• (1115)

**Mrs. Judi Longfield (Whitby—Ajax, Lib.):** Mr. Speaker, I am pleased to join in the debate on Motion No. 23 which asks that we amend the Canada Labour Code to increase employee vacation entitlements as set out in section 184 of part 3 of the code.

On the surface it looks like a fairly straightforward matter: Change the law and everyone will get another week off. Unfortunately, as is so often the case in matters that relate to the Canada Labour Code, the issues the motion raises are not that simple. They are quite complex. Because it is a complex matter we should not make changes on the spur of the moment. We must think carefully about the implications of the changes proposed by Motion No. 23.

*Private Members' Business*

For example, in our system of shared constitutional jurisdiction for labour matters what would be the implications of the proposals on the provinces? How do employers feel about the proposed changes? What kinds of changes are employees looking for? Are they looking at other ways to balance their work and family lives? As responsible legislators we must ask about the economic costs. These are just a few of the questions that come to mind when we look at the motion.

The hon. member opposite must realize that we need to consult widely before making major changes to labour legislation. Consultations must include those who would be most affected by the proposed changes. Before we make changes to Canada's labour legislation one of our first steps is to make sure the proposals make sense to those on whom they would impact.

This is the attitude we bring to the motion. We need to think carefully about the implications. We need to know what other stakeholders think before we know whether it is the correct way to go. This is not to say the hon. member's proposal is a bad one. From a political perspective I can well understand why he would bring forward a motion like this.

However we in the Government of Canada must think in terms of the broadest public interest. We must make certain any proposal we agree to has been discussed with other stakeholders in the labour community. We call this consultation. It is an approach the government has used successfully in the past when making changes to the Canada Labour Code. We followed the consultative approach when we brought in amendments to part 1 of the code, the section on labour relations. We followed the consultative approach when we followed up with amendments to part 2 of the code, the section on workplace health and safety. It is the approach we will again follow when considering changes to part 3 of the code, the part governing workplace standards such as vacation entitlements.

It does not make sense to amend part 3 of the code in piecemeal fashion. We do not want to change section 184 today, another section later, and other sections of part 3 at another time. It would make more sense to bring all the proposals for changes into an overall consultation process. This has worked well in the past. This way the pros and cons of individual proposals could be considered in the overall context of the stakeholders which include workers and their unions, employers and the business community, provincial and territorial governments, and the federal minister of labour and the Government of Canada.

If the government ignored the need to consult stakeholders and moved unilaterally to increase paid vacation time for those under federal jurisdiction it would be creating other unwelcome problems. Unilaterally raising minimum standards for paid vacations for workers under federal jurisdiction, who comprise some 10% of the national workforce, could put unwelcome pressure on provincial governments to make changes in their standards before they were ready to do so.

Let us remember that under the constitution each province and territory sets the standards it considers most appropriate for its circumstances and for the workplaces under its jurisdiction. Many provinces do not provide for three weeks paid vacation after six years of continuous employment.

Let us also remember that the provisions of the code are minimum standards. Through the collective bargaining process employers and employees are free to negotiate whatever amount of vacation they choose. Many employers under federal jurisdiction have already agreed to vacation entitlements that are the same or more than the motion calls for. These vacation periods have been negotiated, not imposed by law.

Let us also remember that there is currently a situation of harmony in federal-provincial legislation governing vacation entitlements. Not every province has the same standards but there is a sense of equilibrium in the system which a unilateral move at the federal level would disrupt. As representatives of the federal level of government we must think about the federal-provincial dimension of the issue. We must be careful not to do anything that would jeopardize this relationship.

• (1120)

While I understand the member's interest in increasing the amount of paid vacation for workers under federal jurisdiction, the motion is premature and I cannot support it at this time.

**Mr. Rob Anders (Calgary West, Canadian Alliance):** Mr. Speaker, I could get up, speak to the motion of my hon. colleague from the NDP and tell him where I disagree with him. However since it is not votable I do not see the point. I will instead speak about the government's response to his idea.

The hon. member has put forward a private member's motion which is fairly simple. The government across the way tells us it is complex. Why does it say that? It does not want to deal with the issue. The issue is not complex. It is rather simple. It could not be any simpler than the amendment my hon. colleague has talked about today. The government is hiding. It does not want to come out and flagrantly say it is opposed to the idea because it knows my hon. colleague will go to his constituents and constituents in Ontario and say the Liberal government did not want to go for an increase with regard to paid benefits.

Rather than coming out and saying it is opposed to the motion, the Liberal government is trying to hide. It says it is a provincial matter, it is complex and all these things. That is a red herring. I do not think the government believes that at all. It is only opposing the motion because the former finance minister would be worried about the cost. Admittedly, I too have concerns in that regard.

At the end of day the government is worried about looking like the bad guy. It does not want to lose votes to the NDP over the issue. As a result it is taking the stand that the issue is complex and involves provincial jurisdiction. Frankly, the government is hiding. It is running from the issue.

*Private Members' Business*

I have legitimate concerns with regard to the motion, but for the government it is purely politics. There is no principled stand behind the government's opposition to the motion. I have my reasons for opposing it which I could go into. However the government is not even allowing the hon. member on this side of the House to have a votable private member's motion. I hope we will see changes in that. The government does not even allow its own backbenchers to have private members' business votable. It is a shame.

I say to citizens sitting in the gallery and watching at home that there are all sorts of great ideas their members of parliament could be proposing in this place. However the government across the way does not want to allow for private members' business. It says Motion No. 23 would make things complex. It says it would make all sorts of piecemeal changes and not allow things to be changed holus bolus. However the government believes in the status quo. It is opposed to change. That is part of the problem. The only way government members want to see changes is if they somehow benefit them electorally. That is the real problem.

As my hon. colleague from the NDP knows, I could come up with all sorts of reasons for disagreeing with his labour policies and put forward some of our own. However I do not wish to because he was not allowed the opportunity to have a vote on the motion.

Once in every parliament every member of this place ought to be able to put forward a bill that is votable by every member of the House. Even small, piecemeal changes to legislation would help build a better mousetrap and improve legislation. Members could make useful amendments with respect to issues the government overlooks or ignores.

Hon. members put time and energy into matters of private members' business. When the government comes into this place and says it will not allow a vote or will kibosh a motion without having any mechanism in place for democratic accountability, it is absolutely unacceptable. It is the reason we need to see a change in this place.

• (1130)

**The Acting Speaker (Mr. Bélair):** I would like the hon. member to debate the motion that is before the House.

**Mr. Rob Anders:** Mr. Speaker, the motion is adding or tweaking a particular piece of legislation to give federal employees more paid vacation leave. That is what it is about.

I would like to see the matter votable. I would vote against it. I would like to see more than myself voting against it and my colleague from the NDP voting for it is the government members across the way taking a clear stand on it. We will not get that today. We will get the one obligatory speech that the hon. member just gave and other government members will talk about how they have problems with the process. It has nothing to do with the process whatsoever. The hon. member and her colleagues are worried about the opportunity for the NDP to cut into their electoral base with unions, particularly public sector unions in Ontario. That is the real issue. I see a couple of members across the way nodding their heads.

I know where I would stand. I know where the NDP would stand on this issue, but the government is avoiding it. The government is running from the issue. It is hiding on an issue which is fairly clear

cut issue. Rather than deal with the issue of increased paid time for federal employees, government members will hide on it and tell us that it is the fault of the provinces, that it is too complex to be dealt with and that it is a piecemeal amendment and all these types of things because they do not want to hurt their electoral base in Ontario into which the NDP could cut. It is strictly optics.

I could talk today on all sorts of principled objections that I have to this piece of legislation, but at the end of the day it really would not matter because my NDP colleague has not been allowed the opportunity to have this as a votable item. At the end of the day we all know that we will get up and give our speeches. The hon. member will not have an opportunity to put this forward in an actual amendment or a change to the law because the government does not want to have the issue addressed. It does not want to allow private members or members period in this place to vote on it. That is a crying shame. It is one of the failings of the government.

There are some problems right now on the government side as I am sure all members well know. There are camps where members are trying to slit each other's throats over the power hungry grabbing for the leadership, the prime ministership. This directly applies because if there were mechanisms for backbench members to voice the concerns of their constituents, if they were allowed to come up with real amendments to legislation like this one today, even though I would be opposed to it, if they were allowed to put even one bill per session—

**Mrs. Karen Redman:** Mr. Speaker, I rise on a point of order. I would respectfully raise the issue of relevancy in that speaker's discourse.

**The Acting Speaker (Mr. Bélair):** The hon. member still has two minutes left in his speech. We are eagerly awaiting his opinion on whether or not we should get more holidays in Canada.

**Mr. Rob Anders:** Mr. Speaker, I would be opposed to it because it is more regulation. That being said, I could come up with all the reasons why I am opposed to it. However the important thing today is not so much that I am opposed to it. I am opposed because I am not allowed to register with my vote in this place. That is something for which the government is responsible.

I will get back to the point I was making. If the government allowed backbench MPs to come up with legislation and have it votable in this place, those backbench MPs would not be so frustrated. Those backbench would not be clambering around the former finance minister looking to oust the current Prime Minister because they would feel they had some voice in this place. However when they are relegated to the backbench, especially some of the ones who are more capable and know more about the portfolios than those who sit on the front benches, that irks them. I see that in hallway after hallway, committee after committee. I see the frustration that the government system causes among the Liberal benches. Instead of trying to fix it, the government tries to bury it. It tries to run and hide from the issues. That is a shame.

*Private Members' Business*

I know I am touching on a nerve. I know government backbenchers are frustrated. I see it in committees and I see it in the hallways when I talk to them. They are frustrated and rightfully so, members like the one who stood but she was not in her place. I would love it if she had a chance to comment. I would love it if she had a chance to vote on the bill today, but she will not because of her own government. I would love the opportunity for her or any other member on that side to put forward a votable, private member's piece of business in every parliament.

I leave it at that and say that I am opposed to it. Members know some of the other reasons why.

[*Translation*]

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, I would like to start by asking my colleagues to hear me through until the end, rather than interrupting. I sense that the female members of the Liberal caucus are hesitant today. Given that I have been the Bloc Québécois labour critic for many years, I am quite sure they will be interested in hearing all that I have to say.

Allow me to read Motion No. 23. The motion states, and I quote:

That, in the opinion of this House, the government should increase by one week the basic employee vacation entitlement granted by Section 184 of the Canada Labour Code, to at least three weeks with vacation pay and, after six consecutive years of employment with the same employer, at least four weeks with vacation pay.

I remind the House that this is not a votable motion, however I believe that it should be votable. The Bloc Québécois supports this motion. I think that it is an innovative measure, one which should be incorporated into the Canada Labour Code. This exists in Quebec. My colleague mentioned earlier that they have it in his province as well. It is incomprehensible that this has not yet been added to the Canada Labour Code.

The government seems very reticent about this. I have a great deal of respect for my colleague, the Parliamentary Secretary to the Minister of Human Resources Development, and for my colleague who chairs the Standing Committee on Human Resources Development. I know that the latter is bound by her government and must act on behalf of the government. I know that this must be difficult at times, particularly in the case of a measure such as this.

She mentioned earlier that there were costs associated with moving from two to three or four weeks, but these costs are not borne by the government. It is business and business owners who will pay. When employees have done exceptional work, when they have been a member of a team for ten years, they deserve paid vacation, or vacations that make sense, that are worthwhile. These people have the right to rest. We all take vacations during the summer.

In Quebec, after five years of employment, workers are entitled to three weeks of vacation, and to sick leave. Why are things always more complicated at the federal level? Why can we not modernize the legislation and say that, after five years of employment, three weeks of vacation is a good thing? Again, the jurisdictions are such that a Quebec woman who has been working for a company for five years will get three weeks of vacation if she comes under Quebec's jurisdiction, but will not enjoy the same benefits if she comes under federal jurisdiction. This is unacceptable.

I will discuss other issues and I hope I will not be interrupted. I want to make a comparison. I want to talk about preventive withdrawal for pregnant and nursing women. Everyone will say that it is my pet peeve. Indeed, I really care about this issue. We have been trying for 10 years to settle this issue in the Canada Labour Code, but the government has always rejected the idea.

When we reviewed part II of the Canada Labour Code, I tried to move a major amendment in committee to protect women who are under federal jurisdiction. The amendment was rejected.

In the House, amendments or changes to the Canada Labour Code are often rejected under the pretext that we are not reviewing that specific part of the code. This is no excuse. It is a matter of making a simple amendment to a section. There is no need to review the whole part, we just have to amend to the Canada Labour Code. It is not very complicated, in fact, it is very simple and it would not cost the government anything. It is not the government that would foot the bill. It is the companies, which, in any case, benefit from the fact that they have employees who do a great job for them. It would not be a big deal but, again, the government says no.

I want to go back to the issue of preventive withdrawal. I was promised that, perhaps, part III would be reviewed. However, I have no idea when this will be done. I have been pressuring the government for months and years. I was told that they are considering this possibility. Those were the words that were used. They are "considering the possibility" of reviewing part III of the Canada Labour Code.

• (1135)

I was told that they would perhaps get to it during the next parliamentary session and that, at that time, preventive withdrawal for pregnant women would perhaps be taken into consideration in part III of the Canada Labour Code.

In the meantime, there are young women who are not benefiting from this right now. There are women who are working in prisons and whose physicians feel they should be allowed preventive withdrawal because they are working in an environment which is not easy, with prisoners who are no angels; anything could happen to them.

When these women are pregnant, they should be able to exercise preventive withdrawal in order to be able to have a normal pregnancy and not to have to worry about the baby. This is still not the case and it is 2002. I wonder when the government is going to wake up and bring in major changes.

We have just reviewed the Employment Equity Act. We tried to make recommendations. I hope that the minister, who will receive our report, will take this into account, because I for one agreed with the government. We tabled a report which found the Bloc Québécois and the Liberal government on common ground. We successfully tabled a report. In any event, we supported the government. I hope that the Minister of Labour will take this into account and that she will take our recommendations seriously.

*Private Members' Business*

The problem here is that when we put forward amendments and make suggestions for changing things and improving the situation for workers because it is a priority, the government says “no”. It gives excuses. “It is expensive; we cannot do this now. We are not reviewing parts I, II or III of the Canada Labour Code right now, so we cannot make this change”.

Hold on now, nothing is graven in stone. We are here precisely for the purpose of making improvements, making changes, to ensure workers of better protection and a greater enjoyment of life. We all have lives outside work. These people need time for their families. It is important to have three weeks. Having more time for family and other activities when a person has been some time with the same employer is very attractive. It is normal to have that time.

However, it seems that to the people here it does not seem normal. It seems that it is all being left up to the employer. If we, as legislators, cannot manage to set some limits, to say “This is the minimum you must give your employees”, employers will not respect any rules. We have a duty as legislators to set limits, to tell them “This is the minimum. As employers, you must comply with this minimum requirement”.

I introduced an anti-scab bill in this House precisely so as to speed up negotiations between employers and employees. It is inconceivable that, in 2002, there can be a company like Cargill, a company where workers have been out on the street for 26 months—that is two years plus two months—and unable to negotiate. They have no negotiating power whatsoever. Families and lives are being destroyed.

Now, in 2002, the federal government is incapable of passing anti-scab legislation. I trust that this bill will make it through the draw and will be debated, because it is of vital importance.

**An hon. member:** And that it will be voted on.

**Ms. Monique Guay:** Yes, it must be votable, and I will do my utmost to see that it is.

I support my colleague, because this is an appropriate and proactive measure. It is a measure that costs the government nothing; it is wrong to say that it does. It costs them nothing, and would give them a fine image with the public, if they were to make the decision to tell workers “Yes, we will defend you. Yes, we will enact regulations that show you some respect. Yes, we will move on drafting such regulations”.

In closing, I wish to congratulate my colleague. Once again, I hope that other members of all parties will be introducing positive measures for workers. They can rest assured that I will support such measures and will speak in favour of them.

• (1140)

[*English*]

**Mr. Norman Doyle (St. John's East, PC):** Mr. Speaker, I want to say a few words on the motion. It states:

That, in the opinion of this House, the government should increase by one week the basic employee vacation entitlement granted by Section 184 of the Canada Labour Code, to at least three weeks with vacation pay and, after six consecutive years of employment with the same employer, at least four weeks with vacation pay.

I consider the motion to be a good one. I have no hesitation at all in supporting the motion. Under the Canada Labour Code an employee in a federally regulated industry is entitled to a two week vacation with pay at 4% of annual wages and three weeks after six years at 6% of annual wages. Most Canadian workers fall under provincial labour jurisdiction and in that regard standards across the nation will vary.

All provinces, except Saskatchewan, mandate the 4% two week standard. Saskatchewan requires three weeks vacation pay which rises to four weeks after 10 years. In the province of Newfoundland and Labrador we upped the ante to three weeks paid vacation after 15 years of service and in New Brunswick it rose to 6% or three weeks after eight years.

Ontario, Nova Scotia and Prince Edward Island have no increases above the basic two week standard, no matter how long a person works for a given employer. There are many different standards across the country depending on which province one happens to live in but we are still below the standard of many other countries in the world. The member pointed to the European experience and he made some good points. In the European community the member countries 20 paid work days off each year.

If we look at Japan, Sweden and Spain they mandate 25 days of paid vacation per year. That is a real indication of the importance that these countries attach to a good leisure vacation period. Not surprisingly the United States has no minimum standard for vacation pay. It would probably be said that the Europeans have had a long period with social tendencies and as a result they have longer vacations periods. The United States, except in matters of softwood lumber and agriculture, is a free enterprise society with not a trace of socialism in sight.

In defence of the Europeans they have a mindset that says there is more to life than the raw pursuit of profit. They feel the quality of life is as important as the quantities of things that we have in life. Indeed, even the Japanese, renowned as a nation of workaholics, have mandated a 25 day paid vacation per year. It is an interesting and civilized way to go about things. I have read that many Japanese workers are often forced to take their vacation period, which is an acknowledgment that someone in authority in that country knows and understands the importance of leisure time in a well-balanced life.

The member moving the motion makes a good point with respect to the implications on our health care budget when we talk about vacation time and the importance of it. He made reference to a 1999 health care report that stated that doctor's visits relating to work-life conflict cost approximately \$425 million per year. I read that report and noticed that it did not include visits to specialists, hospital stays and so on. I would imagine that instead of \$425 million it would probably cost in the neighbourhood of twice that amount, maybe \$800 million.

*Private Members' Business*

•(1145)

More than one-third of Canadians describe themselves as workaholics and experience high levels of stress and job burnout. It is not in the best interest of our nation for people to avoid taking annual vacations. Research shows that people who take regular vacations have a 20% lower risk of death, and death by heart attack drops by 30%. That is an interesting fact. Death by heart attack drops by 30% among people who take regular vacation periods.

Many diseases are self-induced through our lifestyles. Our inability or reluctance to step back and take some downtime is phenomenal. Governments, whether provincial or federal, should be looking for ways to lower the cost of health care. Some statistics coming out of health care reports point to a way of doing that.

There are those who might say that longer vacation periods would reduce productivity. The countries I mentioned a few moments ago with longer vacation periods are not what one would refer to as economic basket cases. They are modern industrial democracies with a high standard of living compared to many areas in the world. Unfortunately, the North American way lately seems to be increasing productivity by downsizing personnel, laying people off and placing a greater burden on people who are left to run any given business.

In this day and age the drive for productivity is not necessarily a survival strategy. Companies that do well want to do even better. There appears to be no limit to the appetite for profit, and I do not believe any of us are against companies making a profit. We should encourage companies to look at ways to not necessarily reduce profit, but look at the connection between a good healthy worker who has a reasonable amount of leisure time and the well-being of the business itself.

A recent article in the *Globe and Mail* written by a professor of management studies at McGill University referred to the tendency to pursue productivity to extreme levels. He referred to it as a ticking time bomb. We cannot cut personnel and increase profits indefinitely. Sooner or later the whole thing will come crashing down around our ears. We are all aware of the old saying "All work and no play makes Jack a dull boy". In this particular instance, it could be said that all work and no play could make him a sick boy as well.

I am not opposed to the motion put forward by the hon. member. As a Conservative, an extra week of paid vacation in our fast paced world is not a radical notion in any way. If we do not slow down and smell the roses, our relatives at our funeral will be smelling the roses for us. I do support this motion.

•(1150)

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I appreciate the opportunity to join the debate on the motion brought forward by my colleague from Regina—Qu'Appelle on a compelling and important issue.

I am disappointed in some of the comments on the motion from some of the speakers. By the same token I am heartened and encouraged by some of the remarks that I have heard from members of the Bloc Quebecois and Progressive Conservative Party.

Many of those speakers pointed to the social benefits of an increase in paid holiday time. One member stated that there was nothing wrong with being able to get to know one's children. Just because a person works in a day to day job to put food on the table, there are additional secondary benefits to more time spent with one's family and more time to develop as a person as well, as a more rounded individual, through leisure time and activities.

One thing that did not come up in some of the debate was the obvious benefit in terms of job creation, in spreading the work opportunities throughout the workforce. One more paid week of vacation spread across the public sector workforce or the workforce under the Canada Labour Code would create enormous opportunities for others to enter the productive workforce. I am thinking specifically, given the nature of the debate later today, of the aboriginal community. Even though Canada enjoys a relatively low level of unemployment, that level of unemployment is epidemic in the aboriginal community. We need to create opportunities and vacancies for aboriginal people to join the mainstream workforce. This reduction of work time is one way that we could observe that.

In the 19th century Samuel Gompers, founder of the American Federation of Labour, stated:

As long as there is one person who wants work and cannot find it, the hours of work are too long.

It can be said that in many workplaces under the federal jurisdiction unionized workers do enjoy four, five or even six weeks of vacation time because of negotiated collective agreements. That is not the norm for many people under federal jurisdiction. There are no unions in the banking sector and in a large part of the communications sector.

Members were using the United States as an example. It has no guaranteed paid holidays, while its rate of unionization is at 12%. In the Canadian workforce 30% of workers are unionized and can enjoy the protective umbrella of a collective agreement.

We have heard about the health benefits, the reduction in stress and the more productive workforce. Workers do not have to take time off for personal needs nearly as much, whether caring for the family, dealing with their home life issues, or dealing with a dental appointment. With a reduced workweek the productivity actually spikes because people are taking less time off for personal days. The European community experience has been, even for those countries that have gone to a 35 hour workweek and six weeks paid vacation, that productivity has gone up and that these changes meant no loss in pay.

There are numerous benefits to this point of view and mindset. If we are to enjoy the gains in profits and productivity that we have made over 20 good years, as far as the economy goes, these benefits should be passed on to employees in terms of quality of life issues, whether it means a shorter workweek or more weeks of paid vacation per year. The motion was put forward not in terms of some kind of selfish grab so that workers could have more leisure time. It was put forward for all the best of intentions, that we be a healthier and more robust and productive economy with a workforce that could enjoy more paid vacation.

*Government Orders*

I would like to cite the example of Sweden. Sweden has six weeks of paid vacation as the norm but it also has 16 days of paid education leave above and beyond holiday time so that workers can expand their skills in a job related way or adopt other hobbies and skills to develop as well rounded individuals. That is the kind of environment that we would like to see promoted in Canada.

It is a timely and topical debate for the House of Commons. As we keep raising it, we hope it will capture the imagination of Canadian workers and the Canadian public to adopt this progressive motion.

• (1155)

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, I want to thank people for participating in this debate today. This issue of increasing the vacation pay from two weeks to three and three weeks to four after six years with one single employer is an idea we should have been discussing a long time ago in the House of Commons. I am glad to have some support for the motion in the House of Commons from the Bloc Québécois and the Progressive Conservative Party. I am very disappointed in the Liberal Party across the way, which did not take a stand one way or the other but talked about the need for consultation. Of course there is a need for consultation and I did a lot of consultation before I presented this motion.

I said in my remarks that I hoped the idea behind the motion would be picked up by the government and parliament itself and referred to the relevant committee. We can change the law in the fall or next spring after hearings by the relevant committee of the House of Commons. We are not against consultation. The Liberals are hiding behind a smokescreen when they talk about consultation.

Also, this is not very complicated. We would be amending the federal Canada Labour Code and providing some leadership to the provinces. I do not think any province is really going to object to this. Some of them already have moved in this direction. Saskatchewan and Quebec are two good examples of this, where there is a minimum of three weeks of holidays, moving to four weeks after a certain number of years. Other provinces like Ontario should be given a push. They should be prodded into changing their labour codes. This is a simple thing to do. It is the proper thing to do.

I am sure there is going to be some opposition from the far right in the country. Some members of the Alliance Party might object to this because they do not seem to be very interested in anything but the bottom line, but I can tell members that quality of life is extremely important. The bottom line is not as important as quality of life. We will find that when quality of life improves productivity is going to improve in this country as well. It has already happened in Europe. When we have improved productivity and a better quality of life the bottom line is going to be just fine as well.

The member for Winnipeg North Centre also mentioned the increase in economic activity when people have a longer vacation period and a shorter workday or workweek. This would also create more jobs for other people who are currently unemployed. I mentioned the example of greater economic activity in France, where people travel on vacation, stay in hotels, tour, visit restaurants and stimulate the economy because they have time to do that. Money keeps circulating throughout French society.

This is something that provides a boost to the economy. It increases the quality of life. It is a good, civil, progressive thing to do. It is going to be a productive thing to do. We would be in sync, then, with more of the developing countries of the world. This is the kind of direction in which we should be going. It applies to 1.2 million Canadians under the Canada Labour Code. It provides a good example and a good stimulus to many of the other provinces around the country. This is where we should go.

The trade union movement has done a great job of negotiating long holidays for workers right across the country, but only 30% of Canadian workers are represented by the trade union movement. We have a lot of workers who fall between the cracks. The banking industry, the financial sector industry, is the best example of that. People work long hours at relatively low pay for huge institutions that make an awful lot of money. In fact many of the banks are still making billions of dollars and have been paying very little in taxes over the sweep of the last four or five years, yet the bank teller who works in those banks pays more than her or his fair share of taxes. These people have no guarantee of anything more than a two week or three week holiday after six years. There is no union. The benefits sometimes are very shabby and the protection is not there. The least we can do is amend the Canada Labour Code to provide some of those benefits.

I once again appeal to the members across the way to pick up this idea and refer it to a parliamentary committee. If they want consultation to be more thorough, let us have our consultation. We can consult with the provinces, trade unions, employers, employees and the people of the country and come back in the fall with a report recommending changes to the Canada Labour Code that would be good for the country and good for the people of Canada. That is what parliament is supposed to do. That is what this place is supposed to do. We are supposed to stimulate debate in the House, provide and promote new ideas and, through the parliamentary committees and the House of Commons itself, change legislation for the Canadian people.

• (1200)

[*Translation*]

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

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## GOVERNMENT ORDERS

[*English*]

### FIRST NATIONS GOVERNANCE ACT

Bill C-61. On the Order: Government Orders

June 14, 2002—the Minister of Indian Affairs and Northern Development—Second reading and reference to the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources of Bill C-61, an act respecting leadership selection, administration and accountability of Indian bands, and to make related amendments to other acts.

*Government Orders*

**Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, I move:

That Bill C-61, an act respecting leadership selection, administration and accountability of Indian bands, and to make related amendments to other acts, be referred forthwith to the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources.

Mr. Speaker, I am rising in the House today to speak about the first nations governance act, a bill I introduced a few days ago. With the consent of the House, I would like to refer the bill to committee immediately, prior to second reading. I would like to explain why I am making this request, but in order to do that I think we should take a few minutes to discuss the bill itself.

The first nations governance act is the foundation of our work together in building a prosperous and sustainable future for first nations. I believe the bill meets the government's commitment in the Speech From the Throne to work with first nations to develop the tools they need to build a better future for themselves and their communities.

The current Indian Act denies band governments the most fundamental tools needed to manage their own affairs in a modern society: tools for governance, tools necessary to build strong economies and healthy societies, tools other communities in Canada take for granted.

Our government has committed to strengthening our relationship with first nations people. As I have said, the bill has been written by over 10,000 first nations people who worked in partnership and in good faith with my government. We see this legislation as the foundation for a series of legislative initiatives that will help improve the lives of first nations people and their communities.

With the launch of Bill C-61, we are proposing to establish a new statutory and regulatory framework for first nations governance, a framework that would put the authority and decision making power that the Indian Act took away 126 years ago back into the hands of first nations people.

The bill provides for the creation of governance systems for first nations by first nations. It represents a fundamental shift away from the colonial approach of the Indian Act. This legislation will replace the roadblocks of the old Indian Act with modern tools of governance and a bridge to self-government. Let me be clear right from the start: Bill C-61 would not replace existing treaties or affect self-government and treaty negotiations, although it will help us move forward on both fronts. Neither would the act have any impact on the crown's fiduciary responsibilities.

With that, let me get back to some of the fundamental calls for change that have resulted in the proposed legislation before the House today. We all agree that the status quo is not acceptable. Certainly both first nations people and all Canadians recognize the need for change, and increasingly they also recognize the link between good governance and socioeconomic development.

Further, in the supreme court's decision in the Corbiere case, the court used the charter to strike down the on reserve residency requirement for voting in Indian Act elections. Now we have amended the Indian band election regulations under the act to facilitate off reserve voting in the short term. However, we were

faced with the choice of modifying only the elections regime under the Indian Act or trying to address the larger issues that face first nations through improving governance under the Indian Act. The bill reflects the feedback we received from first nations, our Speech From the Throne commitments and our decision to work with first nations to address the larger Corbiere decision issues.

We also acknowledge that self-government is the goal for many first nations. In fact, it is also the goal of this government, but it is important to remember that self-government must be negotiated and that negotiations do take time. In fact, at the current rate of negotiations, we are still 60 years away from the last self-government agreement.

• (1205)

While we continue to work toward self-government at over 80 negotiating tables with many first nations, we must not forget those who are not yet ready to come to the table. Are we to abandon efforts of capacity building and improving quality of life in their communities? Definitely not. This is yet another reason why this proposed first nations governance act is so important: to build a bridge to self-government together with those communities that are not yet at the negotiating table.

Part of that bridge is the proposed legislation before us today. It has been drafted with extensive input from first nations people. The bill reflects our dialogue with the people we serve and their feedback. When we launched the first nations governance initiative over a year ago, we purposely set out to consult with the people who would be most directly affected by this legislation.

First nations people understand the connection between effective governance and economic progress. They realize that leaving the Indian Act as it is means leaving their communities without the tools they need to make the progress they want. More than two-thirds of first nations people recently polled by Ekos said that citizens should have a voice in decisions affecting them and 71% agreed that providing the tools for effective governance will improve conditions for social and economic development. Just as important in the same poll, only 13% supported completely scrapping the act and a full 86% supported changing the act.

*Government Orders*

The proposed first nations governance act has been built from the ground up. It is based on the most extensive consultations ever undertaken with first nations. We held an unprecedented 470 consultations and information sessions with more than 200 first nations communities. Ten thousand first nations people participated. Just for comparison, when the Royal Commission on Aboriginal Peoples held its meetings, it took four years to complete less than 100 meetings. When I state that 10,000 first nations people participated in governance discussions, we must keep in mind that if proportionately the same number of Canadians were consulted it would add up to nearly a million voices.

We also consulted with chiefs, both independently and through their affiliation with the Assembly of First Nations. We created a joint ministerial advisory committee made up of representatives from the Congress of Aboriginal Peoples and the National Aboriginal Women's Association to provide technical advice and help ensure that the legislation reflects the needs of the people it will serve.

In short, this process and this bill must be about people, not politics. It must be about sharing best practices and about focusing on progress, not problems. It is precisely because the first nations governance act was built on their input and advice that I am therefore asking today that the House support a motion to refer this legislation to committee for its review before second reading. This will enable committee members to examine the principle of the bill prior to second reading. For those who worked with us and those who want to join in the process, it will provide the maximum opportunity to provide input. In other words, I believe that the committee will hear important testimony from the people and I feel that the committee must have the ability to change the bill to ensure that it reflects the needs and requests of those who come to speak before it.

Mr. Speaker, you are giving me the one minute sign, but I have an unlimited amount of time, do I not?

• (1210)

**The Acting Speaker (Mr. Bélair):** According to Standing Order 73, as the case was explained when you started your speech, all speeches were to be 10 minutes. I noted that you have quite a bit more to deliver, which is why I gave you the one minute sign.

Having said that, could I ask for unanimous consent for the minister to finish his speech?

**Some hon. members:** Agreed.

**Hon. Robert Nault:** Mr. Speaker, I have about 10 minutes left in a 20 minutes speech.

**The Acting Speaker (Mr. Bélair):** I believe I heard the minister say that he thought it was 20 minutes. The Chair is in a bit of a bind here. I really do not know what to do unless he asks for unanimous consent to take 20 minutes.

On a point of order, the hon. member for Charlesbourg—Jacques-Cartier.

[*Translation*]

**Mr. Richard Marceau:** Mr. Speaker, I am pleased to give my consent to the minister, provided the other parties can have as much time for their speeches.

[*English*]

**The Acting Speaker (Mr. Bélair):** I think the best way to proceed would be to allow the minister to complete his remarks and at the same time give the first speakers of all parties 20 minutes to deliver their speeches.

Is it agreed?

**Some hon. members:** Agreed.

**Hon. Robert Nault:** Mr. Speaker, I thought this was supposed to be the place to speak but I guess the rules have changed.

I believe the committee will hear important testimony from the people. I also feel that the committee must have the ability to change the bill to ensure that it reflects the needs and requests of those who come to speak before it. I want to make sure this is the best piece of legislation possible. I know the committee is up to the challenge.

As the House knows, I come from a constituency of 51 first nation communities. I know that they, along with non-first nation communities in my riding and communities across this country, want to build an economy to improve their quality of life. They want to build a future for their families and they want to do this in partnership with their neighbours.

Many first nation communities, like those I have mentioned in my own riding, are facing the dilemma of how to start down the path to a prosperous future when there is very little about their community over which they have control or responsibility.

While we continue to pursue negotiated self-government agreements with first nations, we cannot wait for these agreements to be reached as the only means of moving forward with practical bread and butter issues facing first nations people in Canada today. We can make progress on both implementing treaty rights and improving day to day quality of life.

The proposed first nations governance act is geared toward removing the impediments to progress that the Indian Act represents, providing first nation communities operating under the act with the tools they need to foster effective, responsible and accountable governance.

As the House may know, all modern self-government agreements include a chapter on governance. By creating a legislative base for first nations under the Indian Act, we hope to build the governance capacity of first nations which will not only serve them in the interim but will reduce negotiation time when those bands choose to move from the Indian Act to self-government. While negotiations for future self-government do take time, we want to build a bridge to that future.

In the past two years we have come a long way to providing the tools to achieve this. If we join the dots we can see the foundations of a more successful self-reliant future for first nations.

*Government Orders*

As the House will recall, we have increased investments in economic development from \$25 million to \$125 million. This in turn leveraged over \$400 million investments in jobs and businesses for first nations. We have opened the First Nations Land Management Act which empowers first nations to develop their own land use planning codes. It put key tools to attract further investment to the community back into the hands of chiefs and councils.

We recently introduced legislation to speed up specific claims resolution. Again this process will mean that with more certainty over land ownership investors can come to the communities with more confidence, and communities can come to the negotiating table with confidence, confidence that specific claims can be dealt with fairly and quickly.

Moments ago I announced the national working group on first nations education. That working group will bring together studies, recommendations and the experience of first nations people on how to improve education for aboriginal children. By improving education, it will provide a roadmap to a more confident and successful future for young aboriginals. With confidence comes success and with success comes the resources and the capacity to deal with the bread and butter issues.

The government has moved to fight poverty and inequality by investing, by returning power and authority to the communities, and with a hand up, not a handout. That philosophy of a hand up is also what governance is about.

The proposed first nations governance act will lay the foundation for an enhanced relationship between the Government of Canada and first nations, and between first nations and their citizens. These are relationships built on the democratic principles which we as Canadians hold so dearly, relationships built on true respect for the rights and traditions of first nations people.

• (1215)

The bill will not be part of the Indian Act. As I said, it is a break from the colonial approach of the Indian Act. It is stand-alone legislation. At the same time Bill C-61 would see band governments more politically and financially accountable to their own people. The legislation is intended to promote free and open elections to ensure first nations people are able to fully exercise their democratic principles.

Individual band members would have access to information and a direct voice in decision making about their community's development. It would also give them the right to redress for grievances against the band and the section of the Indian Act which stops first nations people from accessing the Canadian Human Rights Commission would be repealed.

The first nations governance act would promote the adoption by communities of codes to deal with elections, financial management and accountability. The codes can be as simple or as complex as they choose so long as they meet local needs.

While the bill would provide clarity, it also offers the necessary flexibility to respond to each community's unique circumstances.

The legislation would also pave the way to create an advisory body to support first nations as they take on added roles to build

better communities. The advisory body could assist with developing codes for governance, leadership selection and financial management, as well as providing a process for complaints and appeals.

Most important, the proposed act would give band governments the tools they may require to address socioeconomic challenges and improve living conditions as they work toward self-government.

In drafting this part of the legislation, it was our intention to clearly establish the legal capacity of bands: their capacity to make contracts, to deal with property matters and to raise money to invest, borrow or spend in the best interest of business and their communities.

It is equally an incentive for the private sector to pursue partnerships with first nations. These changes, we believe, would attract economic growth as the business community gains confidence in bands' administrative abilities and capacity to make sound decisions affecting community development.

As I have noted, more than 10,000 first nation people helped to shape the proposed legislation which would provide the missing and necessary tools to achieve self-reliance and economic growth during the transition to self-government.

We want first nations people to see for themselves the intent of the act and how it can help them and their communities. We want them to take a close at what the bill really says as opposed to what it is rumoured to contain.

There are a number of areas, to which I want to refer, to which the standing committee may choose to direct its attention. I think it is important for the committee to explore with first nations people how well we have done in ensuring that the fundamental Canadian values and principles of representative democracy are reflected in the legislation.

These are principles identified in the Penner report, the Royal Commission on Aboriginal People, the AFN-DIAND joint initiative, as well as the Corbiere consultations, and reinforced again during our recent consultations.

For example, for the 261 bands now operating under the elections provisions of the Indian Act, we have attempted to reflect democratic principles, such as the need to hold regular elections by secret ballot, and an arm's length appeal process. We have also tried to incorporate traditional practices and the standards that bands would follow in developing their own codes.

For the 330 bands that select their leadership according to the custom of the band and are not subject to the Indian Act for election purposes, we are proposing another approach based on what we heard in the consultations.

*Government Orders*

• (1220)

These bands would continue to have the ability to amend their practices and in doing so would not be required to include specific standards such as a regular election by secret ballot. We have suggested that custom first nations should write down their procedures and have them ratified by their full membership or alternatively they would fall under the default electoral provision in the proposed legislation.

The standing committee will play an important role in the next part of this process. Through the committee first nations people and all Canadians will have a forum through which to express their views. I know that the member for Winnipeg Centre, who sits on the Assembly of First Nations steering committee, has followed the legislation with great interest and representatives from both sides of the House have many good ideas to offer.

We on this side of the House, and I hope all parliamentarians, are determined to provide every opportunity for every first nations person to have the opportunity to read the legislation for themselves and tell us what they think before the bill becomes law.

The entire objective of the exercise has been to ensure that together we get it right, that we recognize that economic and social development depends fundamentally on good governance. By demonstrating democracy in action and giving real power to the people I am convinced that first nations look to the 21st century with confidence. For all these reasons I hope my colleagues will agree to refer the bill to committee immediately and let the discussion begin.

• (1225)

**Mr. Pat Martin:** Mr. Speaker, I rise on a point of order. I would like to ask for unanimous consent of the House to see if the minister would be willing to take questions from members as is normal with a 20 minute speech and a 10 minute period of questions and comments.

**The Acting Speaker (Mr. Bélair):** Is there unanimous consent to allow members to ask questions of the minister?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, I wish to thank the minister for his presentation this morning. I note that it was members of the opposition who gave unanimous consent to accommodate the minister. It is unfortunate that there will not be more time for us to debate this issue more fully today and ask questions of the minister.

I wish to tell the minister that we will support him in his efforts to send the bill to committee. We believe he is sincere in his efforts and is endeavouring to do what is right. As he said the status quo is totally unacceptable. In that respect the Canadian Alliance agrees that tools for better governance are essential to building both better economies and better relationships among Canadians.

The Canadian Alliance has many concerns with this piece of legislation. Those concerns will be raised in a forum that will allow aboriginal and non-aboriginal Canadians alike to participate. We encourage the committee to travel extensively to hear the views of a

great many more people across the country than this consultation to date has heard from.

We believe the bill is both good and original. Unfortunately, the good parts are not very original and the original parts are not very good. Canadian Alliance members have advocated for greater accountability mechanisms for a long time without any success in terms of the government's response and in terms of aboriginal and non-aboriginal governance.

It was interesting that last week the government came forward with a proposal to clean up its own ethics and at the same time it came forward with legislation purporting to make aboriginal government more ethically run. This is saying do as I say, not as I do. The reality is that the government has had a lot of difficulty offering effective governance illustrations to the Canadian people over a number of years and is currently caught up in a lot of challenges as far as its own ethical conduct is concerned.

The debate on this issue needs to happen. The debate on aboriginal governance is one that aboriginal leaders themselves have been having and will continue to have. There are tremendous success stories in terms of the pursuit of accountability at the local level among aboriginal leadership across the country. Since being named to this position I have had the chance to meet many aboriginal leaders across Canada and I have not yet met one who does not proclaim to be in pursuit of greater accountability mechanisms, both locally and nationally. That is a goal many aboriginal leaders share because they recognize that accountability is not something to be feared. Accountability is not something to run away from as the government has done on too many occasions, but rather it is something to pursue.

That accountability extends in several ways in this instance. It extends not just from aboriginal leaders to their band members, to their off reserve band members, and to residents on their reserves who are not band members, though that accountability must exist. It also extends in a broader sense to Canadians as a whole through the Government of Canada which provides a large percentage of the funding sometimes used and managed well, and sometimes less so unfortunately, by band leadership themselves. Accountability must go in several directions, up, down and sideways. Accountability is a good thing and something that needs to be pursued.

The minister alluded to consultation and spoke of the validity of his consultation. I do not know how fruitful it is for us to engage in a debate about how good or how bad the consultation was although there were many observers of the consultation process who would argue that it was not that good. Not only aboriginal leaders felt they were circumvented in the process, but aboriginal women as well. From an analysis that I read about the consultations, the number of aboriginal women who participated as a percentage of the total was less than 10%. That does not give a good indication of the degree to which the perspectives of aboriginal females could be heard.

*Government Orders*

•(1230)

This is something we must rectify in our committee process. Aboriginal people are not separate from Canadians. We have shared citizenship. We have interrelationships which in many respects are growing and are increasingly important. It is very significant to recognize that we belong to one another. We must ensure that legislation which we proceed to develop is legislation that has the benefit of input from people, not just of aboriginal status, off reserve or on reserve aboriginal people, but of all Canadians who have vested interests in these issues and who are concerned about them as well.

The consultation the minister spoke of is done. It was protested by many because they disagreed with its validity. They felt that it had a head of steam before it got under way and they would question his comment that it was of high quality. I agree with the minister when he observed that the larger goal of these proposals is to engage in a debate about what we can possibly do to enhance the level and capability of governance in this sector. Best practices is a good thing to pursue, but best practices and consultation should not be avoided either.

There is a law in physics that says for every action there is an equal and opposite reaction. The best indication of that in terms of the aboriginal debate in this country was the 1969 white paper which was put forward by the Prime Minister when he was the Indian Affairs Minister. The proposals advanced at that time were largely along the lines of assimilation, but the effect was that they incited and increased the degree of militancy and the degree of self-determination among the aboriginal leaders.

In the last three decades we have seen a growing and elevated concern among aboriginal peoples that they not be subjected to the same kinds of colonial, paternalistic, assimilationist types of policies that they had been unfortunately subjected to in past history.

The danger is that in pushing very hard in certain respects, the minister may be pushing for the same kind of equal and opposite reaction. That is unfortunate because the reality is, and the Canadian Alliance understands this and will support policies that aim us in this direction, that the two row wampum that we are familiar with, that symbol of the aboriginal ship and the European ship moving side by side, is an inaccurate and inadequate representation of the way that we should be going on the sea of life together. It certainly is a way we can go on separately.

The danger in the government's approach is that it may just be the case, that we will continue to be separate and because we are separate we will not recognize mutual benefits that accrue to us when we work together co-operatively.

I had the chance to meet with National Chief Coon Come recently and I asked about the two row wampum. It very much concerns me that we have this separateness which seems to be developing, this sense of segregation as a matter of public policy. It does not enhance our ability to learn, to grow, to work, to develop symbiotic relationships, to work more cost effectively in shared institutional approaches, to develop best practices and to do all the kinds of things that the government's spin-masters and communications people want us to believe are a part of this package. It does not do that.

I asked the national chief about that. He said that actually the two row wampum was not just like railroad tracks. It was not just two separate lines going off into a perpetual state of separation. Rather in the beaded belt, which is symbol of our relationship with one another, was a line that connected the two parallel lines. That line is called the covenant. That covenant is in there to recognize the permanent interrelationship and to recognize what aboriginal people have recognized for a long time and that is that the Europeans are not going away and neither are the aboriginal people.

We need that covenant. I am told it is signified by gold beads. What the symbol means is that there is an obligation on the part of people on both sides to keep that gold polished. The way to keep it polished is by honest and open dialogue back and forth and together. The way to keep it polished is not by imposing one's will on democratically elected leaders on the other side.

It is unfortunate that as much as the words are good in the legislation and as much as we agree with many of the aspects, in principle, of what the government is proposing, it has tarnished that gold covenant in a sense and has jeopardized what needs to be really worked on, which is a fair and open dialogue among people who have more in common than they do differences.

That being said, I want to begin my comments about the meat of the bill by saying that there are definitely things here with which we can agree. I think members will find in these consultations that the vast majority of responsible aboriginal leaders agree with these things too. It is important to recognize that in terms of, for example, the financial management and accountability code, and this is something for which the Canadian Alliance Party and before it the Reform Party have been calling for a long time, financial statements should be audited by an independent financial auditor. They should be made available. Copies should be provided to people requesting them. That is a good idea and a smart idea. That is transparency.

We do not get anywhere with accountability if there is no transparency. We have to have access to financial records, properly kept financial records, records kept by generally agreed upon accounting principles if we will have that kind of an understanding develop. We support that in principle.

The government has not done well in achieving these kinds of things in the past. The previous auditor general, L. Denis Desautels, remarked on his departure that one of his greatest areas of frustration with the government was its failure to deliver on the promises it made in terms of achieving accountability among the aboriginal band management. It was a serious problem and a serious concern, and it remains such.

To have these kinds of requirements imposed is a great idea in theory. The question is if it will be achieved in practice.

Prior to the new auditor general coming in, the auditor general's office did a series of evaluations and reports on compliance. It found that less than one-third of the audited band financial statements were submitted on time. Many of them had inaccuracies. Many of them had oversights or areas of potential revenue that were left out of the report, such as own source revenue.

*Government Orders*

●(1235)

These are larger issues of concern that we also have to get into. I do not know to what degree this bill will give us the opportunity to address those but we must take the opportunity to address them. As long as the underlying causes of non-compliance are not addressed, then requirements like these just will not be fulfilled. No matter how hard the department commits itself, it will have difficulty. The fact of the matter is that financial management and accountability is central to achieving good governance but the reality is sometimes different from the stated objectives as much as we agree with those.

There are many other issues. I recognize that we will have the opportunity through the committee structure to address a lot of these but I will address some of the concerns that we have just briefly now.

We know that unfortunately many of the aboriginal councils and chiefs who are subjected to charges of malpractice are being treated unfairly. There are patriarchal systems in some of the reserves and certainly the chiefs are open to charges like that, whether they are right or wrong.

I will deal with the stated goal of this legislation on redress. The summary material I have obtained from the department on redress states that the band will be authorized an impartial person or and impartial body to fairly and quickly consider complaints for breach of a code by the council or a band employee, et cetera, for decisions made against residents.

As much as the theory of that sounds good, how would the practice of that actually work? How would chiefs in council go about finding an impartial person to act as their kind of mini ombudsman on reserve? Do we realistically think that can happen? Do we think that is a possibility? Do we think that is even a distant possibility? How much would it cost? Who would pay for it?

If there are 600 bands and they each decide to have an ombudsman, how much would that cost? At a rate of \$50,000, for example, for every ombudsman, it would cost \$30 million for chiefs in council to have a little ombudsmen's offices on reserve where people could go and express concerns. Is that model really practical? Is it achievable? Is it something that could really happen and could it provide the result we want? We all want the result that people who have a genuine grievance or concern get to be heard and that something can be done about it. Can that actually happen in the context of a band?

I will give an example. The minister knows very well of a tiny reserve with about 100 adults on it in my riding. It is going through a tremendous split right now. The dissident faction is led by the sister of the chief. The chief is defending himself as best he can. The dissident faction is trying to find wrongdoing and perhaps they are finding it.

The problem we have with that is now the minister has had to put the band into third party management. Now there is a third party management situation. Would all of that have been preventable if an ombudsman had been present on the reserve? Do we think that really would have saved the day? Do we think putting one in there now would save the day?

We have some serious concerns about how this would work, especially given the fact that the chiefs in council are the ones responsible for hiring and selection of the person. This puts them in an added position of being accused of wrongdoing. There has to be some fine tuning done here.

The bill talks about laws for band purposes. Bands would be able to adopt laws, laws which would set fines of \$10,000 and even up to \$300,000 if it had to do with an environmental issue. They would be able to set terms of imprisonment not exceeding three months, at the band level now we are talking, on such issues as trespassing on the band's reserve or frequenting it for prohibitive purposes.

I am not casting aspersions on any chief or council but tie this all in with elections. Just imagine if chiefs in council were fighting real hard to be re-elected. Suppose the bands thought that one of the things that should be prohibited was campaigning against those chiefs. They could set the bylaws and the jail terms. A one day jail term could be the day of the election. Perhaps it will never happen but it sure could.

The reality is these are the kinds of things that I think frighten aboriginal people when I talk to them. The potential for abuse would be heightened and enhanced by some of the provisions in the bill so we have to ensure that these things are addressed quickly.

There is a danger with those penalties. When I talk to a lot of the aboriginal women, they are very concerned that there is the potential for abuse by the people in power because they would be given more power under this legislation to set bylaws, to impose fines and evict people.

●(1240)

One thing they would be empowered to do would be to appoint a person who would work for the chief in council and who could go into a person's house and look for evidence or investigate, because an individual does not own the house. The band owns the house. These people would be able to investigate and report back to the chiefs and council if they wanted. That kind of thing just does not happen off reserve but it would happen on reserve. That is the kind of inequality that I am not sure we would be able to support in the Canadian Alliance. That has to be addressed. The ability to go in and intimidate people is pretty much enhanced the way I would read this, particularly if a person is able to go into a person's house and get evidence.

These are the kinds of things that are fundamental to good governance. Another thing that is fundamental to good governance is participation in elections. Part of this legislation addresses that. It also addresses codes that the bands could set up. However we have a fundamental difficulty with this. An area of potentially great disagreement, which needs to be debated among Canadians, is this issue of hierarchical chiefs or chiefs for life.

The minister and I have had the chance to speak a little about this. I know it is a very difficult issue in many ways. To suggest that democratic elections should be held on all reserves is taken by some as a disrespectful comment. It is taken as disrespectful to say that should happen when bands have customs, and we want to honour those customs. At the same time we have other customs.

*Government Orders*

We did not use to have elections that were open and fair either. We did not use to allow women to vote. We used to do a lot of things 100 years ago we should not have done. Perhaps we need to have this debate in a broader context because there is great difficulty in saying that we will create effective governance on the one hand and on the other hand do nothing about the fact that a lot of bands do not get the right to vote. How can we do both? There are many more issues.

In closing I want to thank the minister. It is important that we build on a foundation of mutual respect. I am not sure that has been the case thus far but it needs to be.

I and the Canadian Alliance want to ensure that, in devolving responsibility to bands, the minister remains accountable to them and to the Canadian taxpayers. Finally, I and the Canadian Alliance want to ensure that we build not in separate directions but together on the basis of shared citizenship, a stronger future for aboriginal governance, aboriginal people and individuals.

• (1245)

[*Translation*]

**Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ):** Mr. Speaker, I am pleased to take part in this important debate. The bill that is before the House today is the outcome of a long and protracted process that began several years ago to fundamentally change relations between the federal government and first nations.

This bill, whose short title is First Nations Governance Act, is the result of in deep reflection on the management and consideration of the numerous claims made by various aboriginal nations in Canada and in Quebec, and particularly on the increasingly complex dispute settlement mechanisms.

The First Nations Governance Act primarily seeks to replace the current Indian Act, which is 126 years old, so as to adapt to today's context the legal framework governing relations with aboriginal peoples.

As I mentioned, this legislation is the outcome of a long and protracted process marked by what had become almost systematic confrontation between the federal government and first nations, regarding their land, cultural, social and economic claims.

The long-awaited action by the Minister of Indian Affairs and Northern Development is laudable in various respects, but includes a number of irritants which it would have been preferable to avoid so as not to needlessly detract from this major initiative. Of course, the main irritant is the refusal of the vast majority of aboriginals, as well as the Assembly of First Nations, to take part in the consultation process. This is particularly unfortunate because modernizing relations between aboriginal peoples and the federal government lies at the very heart of this legislation.

During the months preceding the drafting of this bill, the department of Indian affairs introduced a series of initiatives designed to consult first nations about their expectations and their needs. But the approach used in organizing the consultation process was the very approach which the government was proposing to change and restructure. I will explain.

Everyone agrees that the Indian Act has become outmoded and unworkable because it no longer corresponds to the reality of the 21st century concerning the place of aboriginal peoples in our modern society and particularly the increasingly autonomous role they are entitled to want to play.

For 126 years, the federal government has displayed a deplorably paternalistic attitude to first nations by unilaterally prejudging what ought to be good for their development. This approach by the federal government is nothing new and is part of the heritage left by the founding fathers, who mistakenly believed that they knew what would be good for aboriginal peoples at the time of Confederation.

Ironically, the offhand and arrogant "Ottawa knows best" attitude, which we criticize almost daily from this side of the House, goes back much further than one might think. All one has to do is take a quick look at the terms used to designate the various aboriginal peoples over the years. Their often inferior, subservient, scornful character is quickly apparent.

The central government's tendency to think that it had the magic solution to the problems of first nations held the latter back in adapting to life with non-aboriginals, to the now necessary cohabitation of nations of equal status.

The social crises that have marked the history of first nations could have been avoided if there had been a attitude of openness toward first nations' people from the outset. However, the attitude of the day dictated, almost instinctively, the mean and insidious paternalistic attitude that whites had toward any groups they considered to be inferior to them, or underdeveloped.

To come back to the crux of my argument, Ottawa's attitude throughout the consultation, which culminated in the introduction of the First Nations Governance Act, has been riddled with problems which must be corrected if we hope to come up with a permanent framework for relations with first nations. Once again, this must be on the level of nation to nation.

From the outset, the government biased the consultation process with native bands by proposing an operating framework that met its own needs.

• (1250)

What the government should have done was to let first nations organize amongst themselves and then listen to their long list of expectations. However, the government imposed its own framework instead of taking into consideration the cultural and social differences, which could have allowed for a much better and much more indepth discussion from the outset.

The best example of this is without question the fate that awaited the famous report of the Royal Commission on Aboriginal Peoples. The commission, also known as the Erasmus-Dussault commission, did an admirable job of drafting what should have become a redefined relationship between first nations and the federal government.

*Government Orders*

However, the political and partisan approach prevailed and the report was quickly shelved at the National Archives without the government bothering to follow up on it. Interestingly enough, the current government made the status of aboriginal peoples a central component of its recent election platform, without ever following up with any real action, something that we in the Bloc Québécois find deplorable.

The federal government, headed by the Prime Minister, has willfully side skirted this key issue, which has undermined the development of first nations and given rise to crises that may take generations to solve.

It is disturbing to note, once again, this attitude that can be best expressed as "Ottawa knows best. We want what is good for you, and we want your goods as well". Thousands of people are feeling its impacts. Worse still, this approach to problems undermines, right from the start, any initiatives to remedy the injustices of which aboriginal peoples have been victims right from the start.

As for the Bloc Québécois, from the very start it has always supported an equal-to-equal, nation to nation approach with the aboriginal peoples. Following the example of the Government of Quebec, discussions and negotiations relating to the various claims, regardless of their nature, must be based on a common and accommodative approach so as to be as advantageous as possible to both sides. A historical agreement such as the peace of the braves between the Cree and the Government of Quebec is probably the best example.

The process of consultation called for by Ottawa in the wording of this bill is not the right one and does not in any way meet the expectations of the first nations. I trust that the Prime Minister and his minister will listen to reason and heed the arguments of the first nations, and that he will deign to admit that it was a mistake to impose his views on the future of these communities.

As I have said, Bill C-61 contains a number of irritants, and the approach the federal government is taking is absolutely the wrong one.

The First Nations Governance Act, as it has been conceived—in other words, through a flawed process—will harm relations between aboriginal peoples and non-aboriginals. So, what should we do?

First—and this is the reason we support the motion to refer this to committee before second reading—we need to launch the broadest consultations possible, in order to hear as many first nations opinions as possible.

As for the second point—I hope the federal government and the minister will take good note of this proposal and adopt it—the Bloc Québécois proposes that one or several aboriginal community leaders be appointed to the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources, in order to make the most of the consultations.

This is a suggestion that I hope the government will adopt, particularly since this is something the minister himself seemed open to considering a little over a year ago.

This governance bill should not be used as a tool to delay treaty negotiations with aboriginals.

In closing, we hope that the government will listen to reason, resume negotiations with aboriginal leaders and come back with a bill that was developed jointly by the federal government and first nations.

This is what the Bloc Québécois hopes to see as a result of the consultations the committee will be holding across Quebec and Canada. This is also the only result that will lead to productive, friendly and equal relations in the future.

• (1255)

[*English*]

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.):** Madam Speaker, there have been discussions between all parties and there is agreement pursuant to Standing Order 45(7) for the following motion. I move:

That if a recorded division is requested on the motion to refer Bill C-61 to committee before second reading, it be deemed deferred to 3 p.m. on Tuesday, June 18, 2002.

**The Acting Speaker (Ms. Bakopanos):** The House has heard the terms of the motion. Is it agreed?

**Some hon. members:** Agreed.

(Motion agreed to)

**Mr. Pat Martin (Winnipeg Centre, NDP):** Madam Speaker, judging from his speech, it is plain for everyone here to see that the minister of Indian affairs thinks he knows better than aboriginal chiefs what is good for Canada's 1.4 million native people. It is this kind of paternalism that has doomed past attempts to amend and overhaul the Indian Act. It is these made in Ottawa policies, like the first nations governance act, that have soured relationships between aboriginal people and the Canadian government. In fact I would argue that it has set them back 50 years.

There is no doubt in the mind of the NDP caucus that new legislation is needed. There is no doubt in our minds that the Indian Act is a vestige of a colonial era. I would go further to say that the Indian Act is fundamentally evil. It has been responsible for 130 years of social tragedy in this country. The Indian Act we know has prevented native reserves from becoming self-sustaining communities and has prevented first nations from sharing in the prosperity of this great nation.

Surely the country's largest native organization, the Assembly of First Nations, should have had a leading role in drafting these new rules. Surely the elected chiefs of Canada's 633 bands understand the needs and priorities of their people better than Ottawa bureaucrats and the minister himself. Unfortunately the minister's highhanded approach has engendered such distrust among native leaders that there is little hope for an open-minded debate about the substance of the legislation.

*Government Orders*

The biggest problem is that it does not have to be this way. This was a conscious choice on the part of the government and on the part of the minister. When the minister announced plans to rewrite the Indian Act in I believe April 2001 he was advised and strongly urged by all of us in the House, when we stood up to speak to the concept, to take his time, to earn the trust of aboriginal people and to do it right the first time. In the 126 year history of the Indian Act it has been a rare occasion that it has been opened up for the purposes of improving, modernizing and hopefully ultimately abolishing it. He was warned over and over again but he chose to stick to his own timetable. He was warned when he failed to show up at two annual meetings in a row of the Assembly of First Nations that he was losing the support of native leaders.

However he chose to press on ahead without them. He consciously chose to circumvent, bypass and pull an end run on them and, as he says, speak to the grassroots people. He said that if the freely elected leadership of the aboriginal communities would not speak to him that he would bypass them and speak to the so-called grassroots people.

Other parties have said this and I will say it as well. We believe that the whole consultation process was a sham. That is where we got off to a bad start. It is implicit in the Indian Act that any time it is to be amended there should be broad consultation first. It begs the question: what is the legal definition of broad consultation? If we post a bulletin on a telephone pole that says "Town hall meeting tonight. Come on down", and three people show up, does that mean that the community has been broadly consulted with? I have lots of examples of how this consultation fell short of any reasonable person's definition of what broad consultation really means.

It is with regret that we say that the minister of Indian affairs may believe he was doing the right thing for aboriginal people by ploughing ahead with this legislation in spite of the controversy and adversity. However, we would argue that he is doing it the wrong way entirely.

Let me state again that the NDP caucus is in favour of the idea that the Indian Act should be amended with the ultimate goal of it being abolished. It is offensive and paternalistic. We believe it is the instrument by which Canada's treatment of aboriginal people has become its greatest shame.

• (1300)

Let it be known that the NDP caucus supports self-government for first nations and aboriginal people on their terms. We support the emancipation of first nations people and we support measures that would liberate aboriginal people from what we call the shackles of Eurocentric colonialism, and we support building the administrative capacity in first nations to do just that.

These are the terms we need to be using and they are terms that are freely tossed around by the minister, administrative capacity, building capacity, et cetera, but somehow INAC bureaucrats and the minister chose to deal with the three things that the aboriginal community frankly is not interested in discussing in this round of amending the Indian Act. He chose to deal with the legal standing and capacity of first nations communities, the legal definition, et cetera. He chose to deal with leadership selection and voting rights, implying that there is something fundamentally wrong with leader-

ship selection and the democratic process in first nations communities, and he chose to deal with financial accountability.

It is significant that the Canadian Alliance devoted most of its remarks to the issue of financial accountability, because I believe the government responded to an 18 month long campaign by the Canadian Alliance to discredit first nations communities. We believe that it was fear-mongering on behalf of the Canadian Alliance that led the government and motivated it to pay attention to the issue of financial accountability before it decided to pay attention to economic development or housing or fresh water or health or education or all the pressing needs the aboriginal leadership wanted dealt with. It decided to believe the allegations made over an 18 month period that somehow every first nations community is either incompetent or corrupt, because the Canadian Alliance spent almost two years pulling out isolated incidents of financial mismanagement and tried to thread that together into a common motif or theme that all first nations communities are corrupt or suffering from gross mismanagement. Whereas the truth, and the minister knows the truth, is that 96% of all of the 633 first nations communities submit their annual audits on time, their audits are approved, and of the remaining 4% some need some guidance or assistance or they are late in filing. The actual fact is that only 27 out of 633 first nations communities are in what they call third party management, in other words, they need real assistance.

I condemn the government for focusing on, responding to and listening to the groundless allegations of the Alliance about the competency and financial management of first nations communities and for wasting and frankly missing an opportunity where it could be dealing with issues of substance and instead is dealing with the financial accountability aspect.

We know that this has been a long, agonizing process. The relationship between first nations and the Government of Canada has dwindled and deteriorated systematically since April 2001 when the minister first announced his intention to open up the Indian Act. I note that at the Assembly of First Nations meeting in Ottawa in December of that year, the chiefs sent a very clear message even then on how they wanted the consultation to unfold and how they wanted the negotiation to take place. They voted 126 to 49 against a joint government-AFN work plan because they objected even then, six months into the process, to the substance, tone, content and continued paternalism shown by the government, in that it would dictate what things would be amended and the timetable under which they would be amended.

That was the first real message that the minister missed. Because if it was one of his stated goals and objectives to make the Indian Act less paternalistic, he began the process at the height of paternalism by dictating what would be discussed, the timetable under which it would be discussed, and what the end results would be. Then he said they would have two years to comply or it would be imposed on the first nations. That is so far away from the spirit of co-operation that has been lovingly nurtured and cultivated over the last many years so that we can try to remedy some of the historic injustices. It was cast out the window in a period of 18 months.

*Government Orders*

• (1305)

I lament that on behalf of our caucus, I am very sorry that we are missing the opportunity for constructive consultation on and meaningful amendments to an act that we all detest. We have squandered that opportunity and in fact we have watched the relationship deteriorate again. It has set us back maybe 50 years in terms of actual relationships.

We have been getting all the literature from the department, from INAC, saying that it is really the aboriginal community and first nations people who have been asking for changes to the governance structure and the Indian Act. Of course they have been asking for changes. They have been asking for self-governance. They have been asking for meaningful progress toward the day when they will be out from under the domination of the Indian Act.

These measures introduced today are insulting. They are so irrelevant to that lofty principle and that goal that it is insulting. This is either a wilful blindness to what they have been saying or it is saying to the first nations communities that they are wrong. These measures are saying that the issues the first nations care about are not the issues that need to be dealt with right away. INAC is saying it knows better, that it is the paternalistic agency that will tell them the types of changes that should be and need to be introduced.

The point has been made that this first nations governance initiative is too reminiscent of the white paper of 1969 introduced by the then minister of Indian affairs, who is now the Prime Minister of Canada. That document launched a generation of protest, activism, demonstrations, occupying of provincial parks and blockades of highways. That paper mobilized a generation of aboriginal youth into activism. I fear that this first nations governance initiative will have the same deleterious effect on aboriginal youth and on activists because they will be rising up in the same sense. The white paper of 1969 aimed to take away the special status of first nations people. Now we are jeopardizing the status of communities and municipalities, this idea of a legal person concept, that the legal definition of a first nations community will be that of a legal person. We know that has been challenged in the courts. We also know the down side to assuming more of the responsibility with none of the benefits, which could happen when this new legal status is imposed on them.

We would argue that if there is to be a change to the legal status of communities, it should be optional. It is a measure that some first nations communities have voluntarily entered into so that they can have different types of business relationships in dealing with financial institutions et cetera. It is an optional thing, not an imposed thing, because therein lies the paternalism, that if within two years they do not comply the default position will be imposed on them anyway.

The 1969 white paper said it would remove the role of the federal government. Would it have altered the fiduciary responsibility of the federal government? That was the question. It said it would make first nations people citizens of the provinces, which again challenges the fundamental nation to nation relationship between first nations and the federal government. It said it would turn reserves into rural municipalities. People balked at that because they felt, and rightfully so because history has proved them right, that this was a step toward assimilation, which is a step toward extinction of first nations people

as nations, as an entity within Canada. That was rejected soundly, but there are legitimate fears and apprehensions that we are on the road to that again.

One of the most obvious and disturbing things about the first nations governance bill we have had introduced now is that it wilfully ignores the Royal Commission on Aboriginal Peoples, the most exhaustive, broad, comprehensive and true consultation of aboriginal peoples ever in Canadian history. I believe that over five years \$58 million was spent to develop the volumes of the Royal Commission on Aboriginal Peoples. Therein lay the agreed upon recommendations that in fact would move the plight of aboriginal people forward.

There has been wilful blindness and wilful ignorance. Whether it was too expensive, inconvenient or what the reasoning and rationale was, those recommendations were not looked at. We could open any volume of RCAP and at any page find a meaningful, worthwhile recommendation that would have been welcome because it had been pre-approved, but the government chose not to do that. It chose to dive into new and contentious areas, areas of divisiveness and dispute. That to me indicates ill will, not goodwill, at the bargaining table.

• (1310)

The Assembly of First Nations has long argued that any changes to the Indian Act should stem from the inherent rights affirmed in section 35 of the constitution, so maybe the problem is not so much the merits or the details of this bill. Maybe the problem lies in the fundamental premise, even before we start talk specifics. The minister has often stood up and answered our questions in the House of Commons by asking how we can object to something we have not even seen. We can object to the basic premise that we are not starting from respect for the inherent rights of section 35.

Indicative of that, I think, is the fact that we do not even see a non-derogation clause in the bill, unless I missed it. No piece of aboriginal legislation should be put forward without a comprehensive non-derogation clause to assure the partners it is dealing with that nothing in the bill will take away from rights that are already enjoyed, or in other words, that there is no Trojan horse here, that we are not trying to slip in a mickey. This assurance is lacking.

*Government Orders*

The AFN has always argued that the proposed governance legislation seems to be based on a premise that first nations governance comes from federal legislation. Again we are starting from a flawed premise, or at least a contentious premise. This is a premise that might not survive a court challenge. Unless the minister is wilfully trying to drag us into a long, hot summer of protests and roadblocks, although I cannot speak for how aboriginal people plan to respond to this, unless he is trying to invite social unrest and long agonizing court challenges, why will he not, in the name of reason, step back one step, pick up the telephone, call the Assembly of First Nations and say that they got off to a bad start? Why will he not say to let us use the summer to try to heal some of the damage that has been done, to let us use what months we have, perhaps while the committee has the bill before it, to at least implement some of the changes, some of the very real and tangible things that have been pointed out and could have been done? What I am asking is, could we not use our time better?

Whatever possessed the minister to launch this volley, to risk the fragile relationship we have with first nations in Canada, to jeopardize that working relationship by insulting them, offending them, showing them disrespect? Who was the architect of this disaster? Who compelled the government to behave in this way?

However, I will say that it is not too late. This can be pulled out of the fire, because there is a fair amount of goodwill on this side of the House. We are going to unanimously agree to send the bill to committee. I know that it will be our job as opposition members to be a conduit to allow those good ideas that have been developed by the people out there who are genuine authorities on the subject, to allow them a vehicle to bring those issues forward and to implement them as amendments to the bill. If there was not enough respect on the government side to seek out their opinions, we will show that respect as opposition members and allow them to use us as their conduit.

In the meantime there is damage control that needs to be done. I would ask the minister to do the right thing, extend the olive branch and reject the negotiating stance he has clearly adopted, because that approach is not working. That approach does not work in such a delicate and sensitive relationship as we have with first nations people.

I could deal with more specifics about the bill, but I do not think it is the merits of the bill that we are here to discuss today. The motion is to put the bill before the committee prior to second reading. It is an unusual move. It is a move that I believe has the support of all the parties for the simple reason that a true consultation has to take place because no real consultation has taken place to date.

I reject the minister's figures that 10,000 people were consulted. I reject that it is true consultation if people are in a room and disagree or want to talk about something else, which was the case in many of those meetings. The officials would introduce the topic of the FNGI and people would stand up and want to talk about housing, education, health care, economic development, fresh drinking water and all the urgent, pressing basic needs issues that are top of mind in aboriginal communities. They did not go there to talk about the legal standing of their reserve or the financial accountability or the electoral practices.

●(1315)

The last thing I would say is that imposing eurocentric electoral standards of two year terms and elections supervised by Elections Canada perhaps more than anything else shows a disrespect for the customary and hereditary systems and structures that may be in place in various communities. It shows a wilful disregard and a disrespect for the status quo.

I appeal one more time for the Minister of Indian Affairs and Northern Development to pick up the phone and make overtures. I ask him to be the first one to extend a hand in friendship and heal these wounds that have been caused by the first nations governance initiative before it is too late.

**Mr. Inky Mark (Dauphin—Swan River, Ind. Cons.):** Madam Speaker, I am pleased to take part in the debate on Bill C-61 representing the PC Party of Canada.

Let me begin by saying that the PC Party supports the motion to refer Bill C-61 to committee before second reading, in the minister's own words, for extensive consultation from coast to coast.

The status quo is not acceptable. We have heard that mentioned many times and certainly it has been echoed on numerous occasions by the minister himself. Most Canadians would agree with that statement. Most Canadians believe that it is time for change.

The key words that we find in the first nations governance act are transparency, accountability, leadership, administration and financial management. The minister also says that the new act will give aboriginals the tools needed to improve the quality of life in their own communities. If that is the case, who could disagree with that? These intentions are certainly principled and democratic.

We are also reminded that the Indian Act is 126 years old. It is antiquated and should be thrown out according to many Canadians, including aboriginal Canadians.

Bill C-61 in my opinion should be separated into two components, content and process. Both components need to be evaluated very closely and thoroughly.

I will begin by looking at what most aboriginal and non-aboriginal Canadians would agree on concerning the subject of governance. Essentially the bill is about governance by aboriginal communities.

The first point I would like to make is that elected officials should be accountable to the electorate. What is preventing that from happening in aboriginal communities? Some say that the Indian Act is preventing that from happening because band councils are only accountable to the minister or his agents.

Second, the funds spent by the elected officials belong to the communities, not to the leaders of the communities and the band councils. On this point the Liberals need to be reminded that the tax money they spend belongs to the people of Canada, not the Liberal Party.

Third, all elections should be honest, fair, open, transparent and by secret ballot.

Fourth, the business of governing should be open, transparent and accountable to the electorate.

*Government Orders*

Most Canadians, including aboriginal Canadians, would agree with these four basic democratic principles.

I do not believe that the opposition to Bill C-61 is based on content. Most of the content of the bill is acceptable in a democratic society. My opinion is that the opposition is over the process that the Liberal government is following. The minister says that he consulted high and low to the tune of \$10 million.

This spring two consultation meetings were scheduled to take place in my riding of Dauphin—Swan River. I was looking forward to attending them, but as it turned out both were cancelled for lack of participants.

The Assembly of First Nations believed that the consultation process the minister followed was faulty. In fact it stated that more than \$10 million was spent on consultation which attracted less than 3% of the first nations population. Entire regions of the country refused to participate. Manitoba literally refused to take part in the consultation process. Participants were not representative of the Indian population directly affected by the proposal. In Ontario the Ontario Metis Association whose members are not under the Indian Act co-ordinated the consultations.

The consultation report distorts the findings by emphasizing comments relating to the first nations governance mandate. It virtually ignores comments about the vast array of issues many of the participants found to be of greater importance, such as housing, land and aboriginal rights. Many participants felt they were ill-informed about the issues.

• (1320)

Another concern raised by the Assembly of First Nations was that the joint ministry advisory committee, called JMAC for short, did not reach a consensus. JMAC was established to provide the minister with technical advice for possible amendments to the governance provisions. Yet after dozens of meetings its members are still far apart on key areas targeted for change. The fact that a group of first nations participants motivated to make the process work could not reach more agreement with their government counterparts demonstrates that much more work needs to be done. It suggests that the amendment should not be constrained to the arbitrary and flexible timelines imposed by the government.

I would like to briefly point out the position of the PC Party regarding the issue of aboriginal affairs. Our position will certainly contrast with that of other parties in the House.

There is virtually no more complex a public policy issue facing both government and the people of Canada than establishing policies to deal with the issue faced by aboriginal people in Canada. The Progressive Conservative Party has endorsed the inherent right to self-government within Canada for Canada's aboriginal people.

There are many issues facing aboriginal people in addition to the task of achieving self-government through negotiations with the federal and provincial governments. These include determining a sound economic base for aboriginal people to grow, flourish and benefit from being part of Canada. The legal and cultural roles of aboriginal women need to be addressed, especially in the movement toward self-government.

Among the most pressing concerns to be addressed are the complex issues facing aboriginal youth and those aboriginal individuals who live in cities and do not have a land base. More than half of the aboriginal population of Canada is under 25 and live in cities. Most often they experience poverty and function alone without direction. Without significant steps being taken by governments in partnership with Canada's aboriginal people, these young people will become a generation lost to Canada.

Government must respond more energetically to the co-operative settlement of outstanding land and other claims with aboriginal people ensuring that they have full opportunity to grow, develop and prosper within Canada.

Here is where the Progressive Conservative Party differs with the Liberal government. A Progressive Conservative government would work with aboriginal people to define and express aboriginal rights as a matter of public policy in non-confrontational, balanced and interest based negotiations. We believe that the ineffective, paternalistic, colonial approaches of the Indian Act must give way to greater self-reliance through effective education, economic development, social justice and local control.

We believe that in order to ensure fairness and equality the charter must apply to aboriginal self-government. We also believe that aboriginal self-government must occur within the context of the Constitution of Canada.

The Progressive Conservative Party believes that the performance and accountability of aboriginal self-government is enhanced when those who are receiving services contribute to the cost of those services. Giving aboriginal people the power to raise their own revenues will also reduce the cycle of dependency.

My constituency of Dauphin—Swan River has 13 aboriginal communities. Over the last decade I have spent much time working closely with many of the bands. For the record, I want to read some of the communications I have received from the aboriginal community in my riding of Dauphin—Swan River.

The first communiqué was received from Chief Dwayne Blackbird. This is what he thinks about the minister's consultation process:

The Minister's remarks to you and the Standing Committee about consultation lack honesty. He spent \$10 million money—not counting the time of his officials—to end up with a consultation process which his officials admit is useless and discredited. The Minister prescribed the narrow issues he wished to discuss and refused to permit discussion of the broad agenda required to bring about change.

• (1325)

At this time I would like to read into the record part of a speech given by Chief Roberta Jamieson in Winnipeg on March 12 on the topic of colonial thinking:

This is the kind of simplistic jingoistic thinking that is behind the government's fixation on a "new" Governance Act as its contribution to the legacy of colonial thinking. Sure—too often there is a lack of accountability out there. What else would one expect of a century of an Indian Act which held chiefs and councils accountable only to the Indian Agent and his successors? The last thing that government wanted then were chiefs and councillors accountable to their own people.

*Government Orders*

The PC Party believes that in an inclusive process, no matter how important the grand plan may appear, people must always have a say. Is this not what democracy is all about?

I also received a communiqué from National Chief Matthew Coon Come. This is what he had to say about the first nations governance act:

From the outset of the process launched by [the minister], First Nations leadership have expressed concerns on both the process and content of the proposed FNGA. In addition, the First Nation leadership expressed a willingness to engage in the process as meaningful partners starting with the development of the cabinet mandate, design of the consultation process, and drafting of the proposed bill on mutually acceptable concerns.

First Nations support the need for accountability, transparency and leadership selection. The majority...of the First Nations comply with auditing requirements contrary to the negative media reports over the past year. Political accountability is also paramount. We are however, greatly concerned with the issue of legal standing and capacity that will have fundamental implications to our relationship with the Crown, including the diminishment of the fiduciary obligations, amongst others.

It appears that the process which created the first nations governance act is under attack. National Chief Matthew Coon Come raised an interesting question last week: Why is it that the minister chose to amend the Indian Act over writing a separate piece of legislation dealing with aboriginal self-government outside the act? Indeed it is an interesting question.

Let me bring my portion of the debate to a close with a few additional comments. The Liberal government has pushed aside the conclusions of the Royal Commission on Aboriginal Peoples seen by all as a good first step and has replaced them by a consultation process tailored to say what the minister wants to hear. There are a number of ways to deal with the first nations governance and amending the Indian Act is probably the worst. Piecemeal changes likely would do more harm than good. A one size fits all approach to policy and legislation does not work for first nations.

Let me also say that the Liberal government is in no position to talk about greater transparency and accountability when its credibility has been stained by scandal after scandal. As I said earlier, the Liberal Party and the Liberal government have to realize that the money they take from the people really does not belong to them. It belongs to the people of Canada.

The bill does not address the most important issues facing first nations across Canada, namely the poor standard of living in first nations communities, health, housing, clean water and education. I have visited many of the aboriginal communities in my own riding and some of the living conditions are deplorable.

The minister is practising the politics of confrontation, not consultation. This appears to be where all the opposition to his bill comes from. It is the process the minister and the government is following. It is not one of inclusion but one of exclusion. The minister has also cut funding to the Assembly of First Nations. After the group positioned itself against amending the Indian Act the minister made it a policy of handpicking or even creating groups who said what he wanted to hear while shutting the others out.

● (1330)

The PC Party supports the motion to refer the bill to committee before second reading. The committee looks forward to visiting this country coast to coast and we invite all Canadians, aboriginal and

non-aboriginal, to express their opinions, apply to the committee throughout the summer, and take time to study the bill. We hope that many amendments will be made to this piece of legislation.

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):**

Madam Speaker, it has been a while since I had an opportunity to speak in regard to the issues that exist on first nations reserves. I had the pleasure of working with first nations people for nearly two years as I travelled the country. I met with grassroots natives from coast to coast and observed what was taking place. I saw things with my own eyes and enjoyed the hospitality of what little they could afford to give to visitors. I met a lot of friends over those years and it is a pleasure to rise once again a couple of years later to speak to the issue that is brought before the House today by the hon. minister.

I am in agreement that the bill should be forwarded to the committee as quickly as possible so that the committee can begin the hard work that is ahead of it with regard to what needs to happen. I am anxious to see that the minister truly means his words when he said that the bill must be about people and not politics. I hope the minister means that with all his heart. I wish he would speak more with his heart rather than read the canned speeches prepared by bureaucrats for the presentation of these kinds of bills. The situation that is about to occur, the changes that are being talked about and thrown about, will have an impact on aboriginal people that has been expected for years but has had no results.

The bill must be about people. That is where we must start. We must start with our aboriginal communities. They are dealing with some problems that have not been significantly addressed for a number of years. During the two years I spent on the road going to these various places I asked the people, as I went into the various homes which were not much to brag about in many cases, how many times they had a visit from a member of the House of Commons to discuss the problems that existed on their reserve. Unfortunately, in a large percentage of cases they indicated my visit was the first they had ever had and they were anxious to open up and talk about the situation in their particular areas.

*Government Orders*

I recall the visit I had at the Eva Pitt home. She is 74 and going blind. She lives on a reserve in Ontario with her husband who has a heart condition. He is unable to do much work so the heavy work is left up to her. She is required to go to the river to bring water to their fairly modern home which has no water source and no bathroom facilities. They have been asking for help and for somebody to address this issue for years. It was brought to the government's attention in the House of Commons before the last election in the form of a statement by myself and other members. It was ignored. There was no action taken to correct the situation. Today it remains the same. It is about people and it is about time that we started thinking about the people, not just one individual but many. We must look at the situation that exists on this and many other reserves.

I want to point out how pleased I was to see many reserves that were doing well. They were working hard to ensure that the people on their particular reserve were able to enjoy a standard of life that enjoyed full employment and that prosperity was thriving. There were reserves that were doing that.

● (1335)

The United Nations declared Canada to be the greatest nation in which to live. However if we were to include many of these reserves we would rank 38th in the world because of the living conditions that exist on some of these reserves.

I visited a home that was in a bus where the windows were broken out and the wheels were gone. The bus had been converted into a home because there was no other choice. A man, his wife and six children lived there, and were being visited by a mother and father. They did their best to accommodate my wife and I, who joined me on these tours to learn of their problems. They did their best to be as hospitable as they could with what little they had. These things were brought to the attention of the government. It was asked to investigate and check on these things. It took forever for anything to happen. However once the word got out in one particular case things did happen and a correction was made.

My question to the minister and to the government is: Why are we not doing that on a broader scale before we engage in the serious matters of governance? Currently it means absolutely nothing to so many hundreds of natives who wonder where their next plate of food will come from, who live in hopelessness and helplessness, where the suicide rate of teens is unbelievable, where drug abuse and alcohol abuse is completely out of control, not to mention the medical drugs supplied by doctors who like to be called doctor *X* or doctor *Y*, because they can get these things and manage to get their hands on a few bucks.

With these third world conditions in health and housing there is no reason why the government should sit back and be proud of a document it is bringing forward that does not address the heart of the problems that exist across this country.

The government talks about consultations. It was invited to attend literally hundreds of meetings across the country organized by aboriginal grassroots people, such as Rita Galloway from Saskatchewan; Leona Freid from Manitoba; Laura Deedza from Alberta; Bill Burgess from British Columbia; Jean Allard from Manitoba; Jim Horseman from Alberta; Yolanda Redcalf from Alberta; Rene Metacat from Alberta; along with elders, such as Floyd Manyfingers

from Alberta; Roy Littlechief who was accompanied by his son who was 20 years old at the time, Redman Littlechief; Greg Twoyoungmen; Ernie and Robert Bruno; Keith Chief Moon; Ed Olivirio; and the list goes on. They were all crying out to the government for help.

There were some specific things they wanted. They wanted to see some accountability, democracy and equality, not only for their women but for others. They wanted to see a caring government that would move in and help them with this deplorable situation that existed on the reserves. To date the only thing the government has come forward with is a change to the Indian Act which does not address the problems cited by every aboriginal native that I talked to on many of these reserves.

The minister knows of these people. I accompanied these people when they visited him. I do not understand why these things have not been addressed.

● (1340)

The New Democratic Party has indicated that we have been fearmongering by pointing out the conditions that exist. Instead of joining in and working toward alleviating these problems we play political games in this place. That is when we lose all control. We must stay away from politics. We must keep it about people and start deciding today what we will do to fix the problem.

● (1345)

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Madam Speaker, it is an honour to speak to this extremely important bill. The legacy of the relationship between non-aboriginals and aboriginals in our country a pox on our House because what we have done is create an institutionalized welfare state and apartheid in Canada.

We have removed from aboriginal people the basic abilities for a people to take care of themselves. We have removed the democratic rights that any person should have. We have removed control and responsibility from them. We have continued with politically correct initiatives and structures that have done little but harm grassroots aboriginal people in the country.

Diabetes, HIV rates, substance abuse, sexual abuse, infant mortality rates, maternal mortality rates, poverty and suicide rates are all sky high and well above those within non-aboriginal communities. Why is this so?

We would see the same situation if we were to look at other communities where this has taken place, where the checks and balances have been removed, where the ability of people to take care of themselves has been removed, and where the ability to contribute to themselves, their families and their communities has been removed. Whether it is aboriginal people in Australia, Bushmen or Hottentots in South Africa or whether a white living in an urban Canadian setting, if we remove the responsibility and the tools for people to contribute to themselves, their families and communities we get a litany of social problems, the likes of which we are contemplating and dealing with here today.

*Government Orders*

I used to work in Africa. After my return from that continent I had never seen social conditions that bad until I began to see what was happening on aboriginal reserves. I saw decrepit and destroyed buildings that had "Please kill me" written on their rooftops.

Suicide rates are sky high in an area that is stunningly beautiful, where pristine waters run through the reserve surrounded by mountains. When I did my house calls I saw elderly aboriginal people lying on soiled mattresses in their living rooms, children running around with massive infections on their faces and people lying drunk at 10 o'clock in the morning. Parents were nowhere to be found. Aboriginal leaders were taking money away from the pot to buy new Ski-Doo's and trucks for themselves and their friends. Mothers did not have enough money to send their children to school. Some mothers told me that the chief and the band council were taking the money slated for education and buying new trucks and Ski-Doo's for themselves and their friends. This was allowed to happen.

When I presented this to the department it said that it could not intervene. When I asked it to intervene, it declined. It said it was a band responsibility. What does one do in situations where band councils, leaders and chiefs have created a system where they run their reserves like private fiefdoms and use the moneys for their own pockets and those of their cronies who keep them in power?

Who speaks for the grassroots aboriginal people? Who speaks for the mother and father who wants to send their child to school and do not have the money for that? Who speaks for the system where the normal democratic controls that ought to be there are gone? That is what we have created.

We want the bill to give the grassroots aboriginal people the same power and tools as we have to control our leaders. They must have the democratic power to control spending, to know how much money is coming in, to know what band council resolutions are all about and to control the leaders within their bands. We cannot allow the status quo to continue. If we were to allow the status quo to continue then we would allow this institutionalized welfare system and apartheid to continue.

• (1350)

Many chiefs and councils are crying foul. They are saying that the government cannot do this. They are crying colonialism. The government is putting up the colonial banner as a way to continue the status quo.

The government must bypass the chiefs, bands and councils. It must talk to the people on the ground away from the prying eyes of their leadership in a free and fair fashion. If it does that, in many cases it will hear true horror stories.

Many bands and chiefs do an admirable job for their people. If we look at those areas, we would see places that are run well, where people have control of the money and spend it properly. The leadership in those cases has used the money properly, has given people power of control and has been transparent and accountable.

The other group we are not talking about is the group of aboriginal people who are off-reserve, those who live in cities often enduring lives of quiet desperation. I live in Victoria. In east Vancouver vast swaths of aboriginal people are unfortunately enduring lives of

prostitution, violence and drug abuse. They see absolutely no hope. If we are to help those people, we have to invest in education and health care for them. We also have to give their children better hope.

One thing has always struck me as been shocking and it has broken my heart. When I have gone onto aboriginal reserves, I have seen parents of little children, whose eyes are bright and filled with all the hope in the world, drunk at 10 o'clock in the morning, screaming at them and being abusive to them. We just have to look at the rates of sexual abuse and violence among children and the tragedy that has befallen many of them.

They could do and be whatever they wanted if they were given a chance. If the little aboriginal children were given the same opportunity, hope, possibilities and training, they would do as well or better than any of us but they have to be given the opportunity. It will not happen if the chiefs and councils control all the money and if they are allowed, in many cases, to abuse their power and position at the expense of the people on the ground. We cannot allow it to happen.

The bill must deal with that. We also have to invest in dealing with the terrible HIV rates and fetal alcohol syndrome which are tearing apart these communities. Putting posters in clinics is not the answer. I have seen some of the offers the government has made to deal with this tragedy. I have seen 15 year old and 16 year old girls who were pregnant and who were taking large amounts of alcohol and other drugs. They told me where to go when I told them what potentially could happen to their child. That cannot continue to happen.

We have to take look at other means of dealing with FAS and with diabetes. A can of Coke and a bag of potato chips is not appropriate food for little children. Nor is it appropriate food for adults. Alcoholism and drug abuse would happen to many of us if we were thrust into the same environment of hopelessness without the tools or skills to act.

Many studies have been done across the country, specific studies dealing with specific areas. On some of the reserves on which I worked, excellent work has been done on providing for economic reconstruction plans for those areas, with the people, by the people and for the people. Unfortunately these plans go absolutely nowhere.

My colleague mentioned the many aboriginal people who wanted to get things done within their communities. However the level of bureaucracy that they had to go through was so difficult, so onerous and time consuming, that their good ideas simply went nowhere. In fact, they were often obstructed by people higher up in the hierarchy. That cannot be allowed to continue. We must have a system that facilitates grassroots aboriginal people and which allows them to put forward good ideas that would benefit their people.

We as a party would be willing to work with the minister. I would implore the minister to listen to grassroots aboriginal people away from the prying eyes of the chiefs and councils. Listen to what they have to say. They have great ideas and great suggestions. They need help and they need it now.

*S. O. 31*

•(1355)

**Ms. Alexa McDonough (Halifax, NDP):** Madam Speaker, I would like to make some introductory comments and then I plan to continue following question period.

I listened very intently to the words of the minister when he introduced the so-called first nations governance bill that we are now considering in this debate. They were lofty words indeed. He spoke about the process the government launched leading to the introduction of this bill and that it was democracy in action. He talked about how the federal government and the first nations worked together in the process of bringing the bill forward. As well, he talked about giving first nations the tools they required to improve conditions and the importance of the bill in breaking ties with the colonialist past.

I say with deep regret and great sadness that the very process that has surrounded the introduction of the bill is fundamentally flawed. It is profoundly paternalistic. It has reeked of colonialist sentiment in the very worst sense of the word from its very inception.

Before I get to some of the provisions of the bill itself, the element of simple respect for first nations people has been lacking throughout the process to date. No wonder National Chief Matthew Coon Come of the Assembly of First Nations asked this on Friday when this bill was introduced. He said:

When is the government going to start dealing with first nations as human beings with rights instead of looking at us as subject matter for legislation?

I want to take the House back very briefly to this government's Speech from the Throne following the new mandate that it received from the Canadian people in 2001. I recall the words of the national chief at that time. He expressed real and genuine hope that the government's promise of a new beginning in the relationship between Canada and first nations would be realized. We could see that in his face, hear it in his voice and read it in his words.

Today it is a tragedy and a betrayal of monumental proportions that the government has proceeded against the urgings and pleadings of not just the national chief or leadership across the country, but proceeded in the face of a growing groundswell of grassroots community based first nations people who want to be involved in a genuine partnership. They do not want to be treated in a manner that is only consistent with the colonialist history of first nations people in the country.

On Friday the grand chief raised the question of what happened to those promises that were made by this government on its gaining a new mandate. He questioned who had given the minister a mandate to trample on their treaties and poison their relationship.

The bill before us, in the view of the first nations people who have studied it extensively, has been labelled as legislated extinction and simply an addition to the legacy of more broken promises.

The motion before us poses a dilemma. We do not have the kind of process that is needed, one based on respect and on genuinely carving out a joint future. The need for that process to get underway remains as urgent as ever.

## STATEMENTS BY MEMBERS

•(1400)

[*English*]

### CHARLOTTETOWN

**Mr. Shawn Murphy (Hillsborough, Lib.):** Madam Speaker, I rise today to inform the House that Charlottetown, Prince Edward Island will proudly welcome Canadians from coast to coast to coast this Canada Day with the largest planned celebrations outside of the nation's capital.

The CBC in co-operation with the Prince Edward Island Capital Commission will produce a spectacular stage show on the historic Charlottetown waterfront. This location is only steps away from where our founding fathers landed in 1864.

The show will be broadcast as part of a live CBC network special highlighting the best in Canadian entertainment and the history and pride that Charlottetown has to offer. As the birthplace of Canada, Charlottetown is truly honoured to have the opportunity to host this event.

I encourage all Canadians to join with myself, my family and the residents of the Charlottetown area on this Canada Day.

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### EDUCATION

**Mr. Werner Schmidt (Kelowna, Canadian Alliance):** Madam Speaker, it is with pride that I rise today to honour the outstanding contribution to education of both teachers and students in the riding of Kelowna, British Columbia.

Bradley Talbot and Douglas Grunert, teachers at Rutland Senior Secondary School, received the prestigious Prime Minister's Award for Teaching Excellence. Christine Letourneau and Leona Géber, teachers at Shannon Lake Elementary School in Westbank, were awarded Certificates of Achievement, joining a select 50 teachers across Canada.

Students also made their mark. Landon Bailey of Mount Boucherie Secondary School, Chris Pisesky of Kelowna Senior Secondary, and Patrick Wilson of Immaculata Regional High School were awarded Millennium Excellence Awards for showing outstanding achievement in academics, community service, leadership and innovation.

On behalf of the constituents of Kelowna I wish to congratulate the recipients. Our communities benefit greatly from their commitment to excellence.

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[*Translation*]

### GUY HUOT

**Mr. Claude Duplain (Portneuf, Lib.):** Madam Speaker, Guy Huot died on Sunday after suffering a cerebral hemorrhage. This is sad news for Canadians and for the musical world.

Guy Huot was originally from Ottawa, where he began his great musical adventure. Youth and Music Canada, the Canada Council for the Arts and the National Arts Centre can attest to the talent, commitment and intelligence of Guy Huot.

Later on, Guy Huot was attracted to the international scene. Among other responsibilities, he managed, with passion and imagination, UNESCO's International Music Council. This great Canadian shared with the whole world his passion for music of all types.

Unfortunately, he left us. On this sad day, my colleagues and I wish to express our sincere condolences to the family and friends of Guy Huot. Rest assured that he will have his own place in musical history.

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[English]

#### MILLENNIUM SCHOLARSHIPS

**Hon. Andy Scott (Fredericton, Lib.):** Madam Speaker, I am pleased to rise today to congratulate nine more students who have been awarded millennium scholarships: Levene Drummond, Jessica Forsyth and Josh Cantor from Oromocto High School; Paricher Irani, Melissa Persaud, Laura Richard and Travis Saunders from Nathan and Nicholas' own Leo Hayes High School; William McIntyre from FHS, and Nicola Nadeau from École Sainte-Anne.

New Brunswick receives \$7.3 million each year in millennium scholarships. In 1999-2000, 2,574 scholarships were a tangible demonstration of the federal government's continuing commitment to making post-secondary education more accessible.

I am pleased that these individuals have received financial support to help further their studies. They have made their families, their schools and our community proud.

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#### CANADIAN WHEAT BOARD

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I call upon the minister responsible for the Canadian Wheat Board to reject recommendation 14 contained in the fifth report of the Standing Committee on Agriculture and Agri-Food. The recommendation, put forward without the support of the elected board of directors of the wheat board, would result in my view in the board's destruction.

The government has long been on record as supporting the Canadian Wheat Board and in fact passed legislation in 1996 for farmers, through an elected board, to have governance and manage their own affairs. Because of single desk selling as opposed to the open market, during the 2000-01 crop year alone the board ensured that grain producers received a \$160 million higher return for wheat. Without the board these moneys would have gone to grain companies.

To agree with a proposal that would take money out of producers' pockets and give greater control to the railways and grain companies would be wrong. This recommendation must be rejected.

S. O. 31

● (1405)

#### FISHERIES

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, there is a ritual that occurs every year on the B.C. coast. Everyone involved in the recreational salmon fishery urges the DFO to announce its annual fishing plans early. Every year the department announces them late.

Dependent businesses are placed in an impossible situation where they must book summer clients without knowing the catch limits so they will not lose them to Alaska or other jurisdictions. In past years negative surprises from DFO have led to massive cancellations.

Alaska releases its detailed fishing plans for the following year in November. DFO only released its 2002 salmon fisheries management plans for northern and southern B.C. on May 31.

There is no technical barrier to prevent earlier DFO announcements. DFO must develop a sense of urgency.

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#### 2010 WINTER OLYMPICS

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** On June 7 the governments of Canada and B.C. announced \$620 million in funding for the Vancouver 2010 Bid Corporation if Canada is chosen to host the 2010 Winter Olympics. The funding would be put toward creating the facilities needed to stage the games. My colleagues the Minister of Canadian Heritage and the Minister of Natural Resources were in Vancouver to make the announcement.

The announcement provides a major boost to the efforts of Vancouver Whistler to win the Olympics. I firmly believe Vancouver Whistler has the strongest bid and will be successful in winning the games. We have the natural beauty and the strong spirit of Vancouver residents which will put us over the top.

We look forward to the final selection of the 2010 Winter Olympics site in July 2003.

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[Translation]

#### KIMY PERNIA

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, at the people's summit held in Quebec City in April 2001, Kimy Pernia, an aboriginal guest from Colombia, condemned the situation of exclusion and violence, of which the members of his community, Embera Katio del Alto Sinu, were victims, particularly by the death squads, which are paramilitary groups close to the Colombian army.

Upon his return to Colombia, Kimy Pernia was abducted by the paramilitary and has now been missing for one year. This crime against humanity is connected to his coming to Quebec City and taking part in the international forum.

*S. O. 31*

A solidarity march was held in Quebec City on June 1 to get Kimy Pernia freed. Two thousand five hundred and ninety-two people signed a petition asking the government to adopt a motion to use all its diplomatic, political and economic channels to get Kimy Pernia's case solved by Colombian authorities and to put a stop to the massacre of Colombian people.

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[English]

#### BIOGENEUS AWARDS

**Mr. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, I rise today to congratulate a young woman from my riding for her recent victory at the BioGENEius Awards.

Colleen Connolly, a very bright young woman from Bedford, Nova Scotia, was presented with a \$5,000 prize for her project titled "Code Red! Effect of Statin Cholesterol Synthesis Inhibitors on Endothelial Cell Adhesion Molecule Expression". Clearly, she deserved to win on the title alone.

The prestigious BioGENEius Awards bring the brightest and best from each province to a national competition in Toronto. These sorts of competitions provide concrete opportunities to demonstrate why this government is committed to its knowledge agenda. Our young people are showing us the way from coast to coast to coast.

Once again I congratulate Colleen.

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#### FREEDOM OF THE PRESS

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, today I rise to pay tribute to Dr. Russell Mills who was honoured this past weekend with an honorary doctorate of laws from Carleton University. Dr. Mills has enjoyed a long and distinguished career in the newspaper industry, starting as a copy boy and reporter with the London *Free Press* and eventually becoming publisher of the Ottawa *Citizen*.

In his convocation address to the graduating class of 2002, Dr. Mills reminded Canadians just how precarious democracy is in Canada. Freedom of the press is under assault in this country. His message of attack on freedom of the press is the attack on democracy. As someone who has endured a smear campaign run out of the Prime Minister's Office I know firsthand how important a free press is.

I congratulate Dr. Mills on being recognized by Carleton University, and I applaud his courage in standing up and speaking out against the growing concentration of power in the office of the Prime Minister, one party rule, and the threat to democracy.

\* \* \*

• (1410)

#### 2002 COMMONWEALTH GAMES

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, I wish to pay tribute today to members of Canada's Commonwealth Games team which will be officially announced in Toronto on July 4. These athletes will compete in the 2002 Commonwealth Games in Manchester, England from July 25 to August 4.

Each athlete of the Canadian team embodies excellence, dedication and discipline, and we as Canadians cherish these values. Pride in our athletes and coaches translates into pride in our country.

Like every other Canadian I want to see our athletes on the podium. At the same time, I want to recognize each and every one of them for what they have already brought to us through their commitment to their dreams and their courage in pursuing them. They will cherish these memories of a lifetime.

Once again I congratulate these athletes who will compete in the Commonwealth Games this summer.

\* \* \*

#### HEALTH

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Speaker, I rise today to draw to the attention of the House and all Canadians the ongoing struggle of some 70 dedicated health care workers in St. Catharines, Ontario fighting for their rights and quality care for the people they serve.

The members of IWA local 700 are entering the 10th week of a strike against the U.S. based private health care provider Anagram ResCare. In the ongoing dispute the employer has brought in workers from the U.S. as scab labour. An investigation is underway into its conduct as a result of a number of these scabs being intercepted at the border.

The workers of IWA local 700 are on the front line in the battle against the Americanization of our health care system, fighting for quality health care for Canadians and equity for health care providers. I commend them on their struggle and call on the government to act immediately to put an end to the Americanization of health care in Canada.

\* \* \*

[Translation]

#### ABORIGINAL CHILDREN

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, last week a unanimous report on the welfare of aboriginal children aged 0 to six years living on reserves was tabled in the House.

The federal government has repeatedly made commitments with respect to aboriginal peoples, and more particularly their children. The government now has an opportunity to put its money where its mouth is by acting on the committee's unanimous recommendations.

The government must end the lack of co-ordination between existing programs and ensure a comprehensive plan of action for young aboriginal children. The introduction of multi-service community based pilot projects, along the lines of Quebec's CLSC model, will pay off if the government involves aboriginal communities themselves, as Quebec is so successfully doing.

*Oral Questions*

The government has in its hands a tool which cannot fail to work. Now it must prove to aboriginal children and their families that it has the political will by coming up with the necessary funding. Its coffers are certainly full enough.

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**HEALTH**

**Ms. Yolande Thibeault (Saint-Lambert, Lib.):** Mr. Speaker, it gives me great pleasure today to mark the second anniversary of a national agency which, in the space of just two years, has revolutionized the way in which Canada directs health research.

The Canadian Institutes of Health Research, created by the government in June 2000, have been given the mandate of excelling in the creation of knowledge and its translation into improved health for Canadians, more effective health services and products and a strengthened Canadian health care system.

Already, these research institutes have organized nation-wide workshops on subjects as varied as the integrity and safety of food and the water supply, bioterrorism, obesity, and genomics.

I have no doubt that with CIHR leading research programs, Canada can take its place among the world's leading nations in research and development.

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[English]

**ABORIGINAL AFFAIRS**

**Mr. Inky Mark (Dauphin—Swan River, Ind. Cons.):** Mr. Speaker, at a time when all politicians of the country are perceived in a negative vein, the cry of the day is the call for accountability and ethics.

On the surface Bill C-61 would appear to create a governance model calling for transparency and accountability in leadership, administration and financial management. Aboriginal Canadians want accountability from their elected officials. The minister says the first nations governance act would give aboriginals the tools to improve the quality of life in their own communities.

There is consensus that the 126 year old Indian Act is out of date. Does it need to be changed or does it need to be abolished? That is the question. Should the Liberal government have taken a top down approach to amend the Indian Act or should it have followed an inclusive process to create new legislation outside the act?

\* \* \*

•(1415)

**G-8 SUMMIT**

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Speaker, Ottawa business owners are still waiting for compensation seven months after the government hosted the G-20 in Ottawa. Collectively these business owners are owed several million dollars in compensation.

To make matters worse, G-8 summit protesters have now targeted Ottawa for protest next week. Once again local business people are not sure if they will be able to recover potential losses. The government is once again going to leave them high and dry.

It is unfortunate that the seriousness of the situation seems to be lost on one of the local members of parliament. The member for Ottawa Centre was quoted as saying he hopes the mass influx of visitors will boost local sales of food and souvenirs. What the member for Ottawa Centre does not realize is that the main goal of some radical elements is not to bring home souvenirs but to vandalize his city.

Ottawa business owners should not be waiting for lost compensation from last fall. When will the member fight for his own constituents and give them assurances that they will not have to wait for compensation this time around?

\* \* \*

[Translation]

**GOVERNMENT CONTRACTS**

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, with all the allegations of scandal involving the Liberal government, with all the arrogance being shown by the Prime Minister, public confidence in government is at an all time low.

The public has had enough of hearing day after day that this government is spending and wasting to millions of dollars for the benefit of its cronies. The public are no fools, they realize they are the ones having to bear the brunt of the slashes to social program budgets.

The person who keeps boasting about being the man for the job is more the man at the end of the line, and any means of keeping the power in his hands alone is fine with him. In the meantime, no one within his government will admit one iota of responsibility, and everybody just keeps passing the buck.

As we speak, those managing public funds must be accountable. The only way to do so is for there to be a public inquiry. The public has a right to know and the Prime Minister has a duty to fully inform the public.

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**ORAL QUESTION PERIOD**

[English]

**GOVERNMENT CONTRACTS**

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, over the weekend we learned that once again the government paid for another missing report from the Liberal friendly firm Groupaction. It looks like the government paid Groupaction another \$330,000 in hard earned tax dollars but got little or nothing back.

Could the minister of public works tell Canadians why the government paid yet another \$300,000 for a report it never received?

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, this particular file actually predates the sponsorship program which began in 1997. It dates from 1996. I have been examining it along with several hundred others in the process of the departmental review that we are undertaking.

*Oral Questions*

As is the case with all the other files, if I discover anything suspicious or untoward in my examination, the proper authorities will be called in to investigate.

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, as the minister says, this did happen five or six years ago. The report was meant to tell the Department of Justice how to sell the firearms registry but no one apparently at the Department of Justice actually asked for this help.

Canadians only learned about this yesterday. Surely the government did not just learn about it yesterday.

Therefore my question is straightforward. When did the government know that this department had not received the \$300,000 report or had no copy of it?

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the possibility of some difficulty with this file was drawn to my attention two or three weeks ago. Since that time I have been making the appropriate inquiries to determine exactly what transpired in this case.

Obviously I would be very interested to know the requirements of the Department of Justice and whether or not there was in fact any communication. The Department of Justice says no.

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the minister did not answer my question as to when the government knew. We know he has only been there for two or three weeks.

In this case we have a public works official, Charles Guité, with no authority to pay for a missing \$300,000 contract yet he paid anyway. No one is examining how or why the Prime Minister allowed this to go on year after year. No one is examining the link between these contracts and donations to the Liberal Party.

Will the minister stop handling these on a case by case basis and instead do the right thing and call an independent public inquiry now?

• (1420)

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, I appreciate the hon. gentleman's concern about these matters. I share that concern. Accordingly, a number of steps have been taken to make sure the whole matter is thoroughly ventilated. Action is being taken by my department with a departmental review. The treasury board is examining the governance system. The auditor general will conduct a government wide audit with respect to advertising and sponsorships. References to the police are made when the circumstances are appropriate for that. We are determining the way to totally revamp the program for the future to avoid the use of commission agents in future programs.

We are trying to deal with this in the right way on all fronts.

**THE MEDIA**

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, I have another matter concerning the government and threats to freedom of the press.

Many Canadians are concerned about the abrupt firing over the weekend of Ottawa *Citizen* publisher, Russell Mills, one of Canada's leading media executives.

Could the Prime Minister assure the House that neither he nor any other person on his behalf had communications with the Asper family or anyone associated with them concerning articles or editorials in the Ottawa *Citizen* criticizing the Prime Minister or his government?

**The Speaker:** I must say that I have some reservations about the question because it does not appear to deal with the business of the government but if the Deputy Prime Minister wishes to respond we will go with it.

The hon. member for West Vancouver—Sunshine Coast.

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, a couple of weeks ago the Deputy Prime Minister made a blistering attack on the media complaining about torqued up headlines and calling for an ethics counsellor for journalists. That is why my question has to do with the government. Maybe Mr. Asper is their new counsellor.

The Prime Minister complained about leaks from the government and asked for names. Now one of Canada's leading newspaper publishers has been fired after his paper destroyed the Prime Minister's defence on Shawinigate and called for his resignation.

Why will the government not give us a clear answer? Did the government call the Asper family and ask for the—

**The Speaker:** The question is out of order.

The hon. member for Laurier—Sainte-Marie.

\* \* \*

[*Translation*]

**GOVERNMENT CONTRACTS**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, in 1998, in violation of Treasury Board guidelines, Média IDA Vision was awarded the contract to oversee all sponsorship contracts. The Groupe Everest subsidiary also pocketed a 3% commission, even when it failed to do its work.

Given that there are reports by Groupaction and Communications Coffin that do not exist and given that the Salon du grand air de Québec never took place, but commissions were paid nonetheless, will the public works minister tell us if Média IDA Vision respected its contract, as its president, Claude Boulay, says?

*Oral Questions*

[English]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, I have nothing on the record before me at the moment that would indicate the contrary. What this would appear to be with respect to the interest charges is a bad business practice that was identified in the audit that was conducted internally by my department. Recommendations were made for correcting that business practice and the correction was in fact made about a year ago.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, they oversaw work that did not exist and they were paid for it. The minister still does not get it. I guess Média IDA Vision will have to write a report on the minister.

The August 2000 report was quite clear: the Média IDA Vision process did not respect, and I quote, “the spirit or the letter of Treasury Board rules and directives”. The audit specifies that the Everest subsidiary used, as it saw fit, interest generated from public money that it was holding, a violation of the contract and something Claude Boulay does not deny for the period from April 1, 1998 to June 28, 2001.

Given that the Prime Minister knew about this since—

**The Speaker:** The hon. Minister of Public Works and Government Services.

[English]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, I did not hear the last part of the hon. gentleman's question but I would point out that the problem with respect to the interest collected on certain accounts was identified in the internal audit that was conducted by that section of my department.

The auditors recommended certain specific actions that needed to be taken to correct that, including the establishment of separate accounts, and a holding period of not more than five days. About a year ago now, June of last year, those corrections were in fact made.

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, following the emergency meeting held in September 2000 to evaluate the sponsorship program, the President of the Treasury Board knew that certain contracts had not been properly completed, even though the firms involved had been paid. She also knew that the government was keeping Media IDA Vision in place to monitor this program, even though the work was not done properly.

Why did the President of the Treasury Board not tell the Prime Minister that Media IDA Vision was not doing a proper job, consistent with treasury board rules?

• (1425)

[English]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat**

**Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the treasury board requires all departments to have internal audit sections. The internal auditors within public works are regarded, by no less authority than the Auditor General of Canada, as a very excellent internal audit section. They are the ones who discovered this bad business practice with respect to the interest. They are the ones who recommended the corrections and I am pleased to say that the corrections were made a year ago.

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, how could the President of the Treasury Board be so remiss in her duties as comptroller of government spending? She was the one in charge of overseeing how taxpayers money was spent. Why did she keep quiet? Why did she not say that there was something wrong? Why did she instead defend the firms involved by saying that all the rules had been complied with? Why?

[English]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the President of the Treasury Board ensures that every department of government has an appropriately strong internal audit function. My department has that function. The auditor general has said that those people who perform that function within Public Works Canada are in fact excellent and courageous. It was these people who discovered this bad business practice and as a result of their recommendations the business practice was corrected. Therefore the requirements of the treasury board were ultimately adhered to.

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#### THE MEDIA

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the day after being awarded an honorary degree from Carleton University, *Ottawa Citizen* editor Russell Mills was fired. Mr. Mills dared to criticize the Prime Minister one time too many.

In the past five years, by the way, *Ottawa Citizen* owners, the Aspers, gave more than \$250,000 to the Liberal Party of Canada.

What does the government intend to do to protect freedom of the press and diversity of voices in this country?

**Mr. John O'Reilly (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, a longstanding rule in the newspaper business and in politics is that you never pick a fight with someone who buys ink by the barrel and paper by the role. That was a comment by Winston Churchill.

I would like to assure the House that no one here is responsible for the firing of any newspaper editor.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the government does not seem to get it. Freedom of the press is a fundamental pillar of democracy but media mogul Izzy Asper clearly subscribes to the Shawinigan school of quashing dissent.

We have repeatedly urged the government to take action on media concentration and today we see the results of its inaction.

*Oral Questions*

Russell Mills was fired because the Prime Minister's buddy happened to be his boss. That is downright dangerous to democracy. We need a full public inquiry into media concentration, ownership and convergence. Will the government commit today to that public inquiry?

**Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.):** Mr. Speaker, the member has made a series of allegations that are completely without base. I have no idea whether the Prime Minister had an opinion on how Russell Mills did his job. Clearly Mr. Mills had an opinion on the Prime Minister. I suspect their opinions would have about the same amount of weight in terms of whether or not the other holds his job.

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, let us try again with the government that is so much enmeshed in an abuse of power.

On the 30th anniversary of the Watergate burglary, we learn that a senior Canadian newspaper publisher has been fired for publishing an editorial calling on the Prime Minister to resign. The people who fired him are dependent on cabinet decisions for the health of their electronic media empire.

Did the Prime Minister meet with Mr. Izzy Asper on the weekend that the Ottawa *Citizen* ran the article on Shawinigate by Mr. Graham Green?

• (1430)

**Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.):** Mr. Speaker, I am not aware of the Prime Minister having had any meetings. In any event, decisions about internal matters in an organization like CanWest Global are taken by the corporation itself. It answers for them in the courts and elsewhere. Those decisions have nothing to do with the administration of the government.

\* \* \*

**AUDITOR GENERAL OF CANADA**

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, the minister of public works says that there is a government wide audit by the auditor general. Unfortunately that is not true. The auditor general herself says that her powers do not allow her to audit either the arm's length foundations or certain crown corporations including, suspiciously, Canada Post.

The government could give her that full power under section 11 of the Auditor General Act. That would let her inquire into any matter relating to the financial affairs of Canada. So far the government has denied the auditor general that power.

Will the government give the auditor general the full authority that she seeks—

**The Speaker:** The hon. President of the Treasury Board.

[*Translation*]

**Hon. Lucienne Robillard (President of the Treasury Board, Lib.):** Mr. Speaker, it is very clear that the auditor general announced that she was going to look into all the sponsorship, advertising, and opinion research programs. These are the areas in which the internal audit revealed problems.

Once the auditor general has tabled her report, which we expect in a few months, then we can decide whether there are additional problems, and take the necessary corrective action.

\* \* \*

[*English*]

**GOVERNMENT CONTRACTS**

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, another day, another example and we still have not cleared up all the earlier examples.

Last week there was a revelation of what appeared to be double payments to Groupe Polygone. Polygone received sponsorship money for a fishing show it ran and it received money to run the ads for the show in a magazine that Polygone itself owned, and all the money flowed through Groupaction.

Last Friday the minister spoke of a public inquiry. Has he learned anything other than the fact that the money is gone?

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, all of the files with respect to Polygone projects are under review. As that review moves forward, if there is appropriate action that needs to be taken either in further references to police authorities or otherwise, that will be done as we have already demonstrated is consistently the case.

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, the minister refers a single payment for no show to the RCMP right away but not a double payment for one show.

Perhaps we can clear up how many referrals we are talking about exactly. The triple billed Groupaction report is one. The missing car race report is two. The VIA Rail cheque delivery fee for Lafleur is three. The street safety CD-ROM is four. The \$330,000 Polygone fee for the missing fishing show is five. There may be a couple of other cases but the minister has hedged on his answers.

Is five, six, seven or some other figure the actual, as of today, current number of referrals to the RCMP?

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, I have responded to direct inquiries about this matter on a number of occasions. I have indicated why I am reluctant to engage in this type of discussion.

First of all, I do not want to inadvertently by this dialogue end up tipping off those that the police wish to investigate. Second, with respect to references by the government, that is not synonymous with the police investigation. It is the police themselves who determine after a reference has been made whether an investigation will be pursued.

[Translation]

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, according to the government, the only way to go about awarding sponsorship contracts is that used by the former Secretary of State for Amateur Sport, where Canadian heritage ordered that a firm be hired to organize the minister's tour and the Department of Public Works and Government Services obliged and approved the contract.

In the case of the firearms communication plan contract, how does the President of the Treasury Board explain that her department did not realize that a contract had been authorized by public works without any request from the Department of Justice? Does this not reveal a lack—

**The Speaker:** The hon. Minister of Public Works and Government Services.

[English]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, I have indicated that for the last two to three weeks or so I have had this file under review. We are examining all the dimensions of it including whether or not there were requirements by the Department of Justice or whether or not some other set of circumstances prevailed. As in all the cases, if there is something untoward that comes to my attention, we will refer the matter to the appropriate authorities.

•(1435)

[Translation]

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, the contract to award a firearms communication plan was recommended by Chuck Guité, authorized by Chuck Guité and signed by Chuck Guité.

Can the President of the Treasury Board explain how such a contract—and it is not the only one of its kind—made it through Treasury Board's nets without triggering any alarm, as though everything had been done by the book?

Are we to understand that her department is also colluding with the system?

[English]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the way in which financial standards and management practices and government systems are policed and supervised within the government is through the process of audits. First, there are the internal audits conducted by the departments themselves and then of course there are the official audits that are done from time to time by the auditor general.

In this case my department has obviously done its work because it was the internal audit in 2000 that discovered a number of these difficulties in the past. The auditor general will be conducting a government-wide audit.

## Oral Questions

### ETHICS

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, the ethics counsellor has publicly admitted that the Prime Minister changed the rules for political fundraising by cabinet ministers after firing the former finance minister.

How can Canadians be expected to have any confidence in the government's so-called ethical guidelines when the Prime Minister is using these specific guidelines as a weapon against his main political rival?

**Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.):** Mr. Speaker, the guidelines ensure a high degree of transparency and ensure that the public will be aware of who has been raising money from whom. This stands in stark contrast to the rules of the Alliance Party.

Do you know what the Alliance rules are, Mr. Speaker? There are none. Where did the Leader of the Opposition get his money? We do not know. How much did he get? We do not know.

I suggest the Alliance may want to look at the rules the Prime Minister has put out and consider adopting them.

**Mr. James Rajotte (Edmonton Southwest, Canadian Alliance):** Mr. Speaker, the ethics counsellor also admitted last week that he has no legislative power nor the power to sanction unethical conduct by cabinet ministers. He admitted that the Prime Minister himself can only punish what he considers unethical conduct at his discretion on an ad hoc basis.

How can Canadians have any confidence that the Prime Minister will be fair in applying ethical standards when he is in the political fight of his life against the former finance minister and has demonstrated that he will use ethical guidelines and other means against his political rival?

**Hon. John Manley (Deputy Prime Minister, Minister of Finance and Minister of Infrastructure, Lib.):** Mr. Speaker, I welcome the hon. member to the British parliamentary system in which the Prime Minister has responsibility for the conduct of his ministers.

I also encourage him to review the guidelines so that he considers advocating within his own party a level of transparency that would be similar. When some of his party's members state that their positions on Kyoto are going to help their fundraising abilities, then we know that the people who give their leader money have influence over his positions.

\* \* \*

[Translation]

### GOVERNMENT CONTRACTS

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, the President of the Treasury Board has risen in this House to solemnly state that all Treasury Board rules for contracts had been complied with.

*Oral Questions*

How can she say that all rules have been complied with when we know that the firearms communications contract was never ordered by the Department of Justice, the person who approved the contract did not have the power to do so, and there was no monitoring of how it was carried out? Ought not all these elements to have been checked before payment was made?

[*English*]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, consistency with treasury board guidelines and other provisions such as the Financial Administration Act are supervised and policed within the government system through the process of audits, either internal audits conducted by departments or the work of the auditor general.

In this case the internal audit discovered that there was activity that was not consistent with treasury board standards. Accordingly, the appropriate corrective action was taken.

[*Translation*]

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, the President of the Treasury Board had far more to say when it was time to defend the sponsorship contracts.

There are two possibilities: either the PMO did not forewarn the President of the Treasury Board that there were serious problems with the sponsorship program, which is proof that they wanted to keep on with their little game without Treasury Board interference, or she was informed, did nothing, and thus was derelict in her duty. If that is so, she ought to resign. Which is it?

[*English*]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the hon. member has obviously presented the House with a rather phony choice.

The facts of the matter are that the treasury board and the president of the treasury board insist upon departments having strong internal audit sections. In this case it was the internal audit department of Public Works and Government Services Canada that discovered the error. It discovered that in fact certain activity was not consistent with the standards established by the treasury board and insisted that corrective action be taken, which is now the case.

\* \* \*

• (1440)

#### VIOLENCE AGAINST WOMEN

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** Mr. Speaker, while a lot more people worry about terrorism these days, far too many Canadian women live in terror every day of their lives. The horrific shooting deaths of a Grimsby family at the hands of an ex-boyfriend are a new reminder of how little protection many women receive from very real threats to their safety and even to their lives and the lives of their families.

What exactly will the government do to step in and find new ways to prevent such tragedies?

[*Translation*]

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, on behalf of the government, and on behalf of all of parliament, we must express regret over this unspeakable act. I thank the member for her question.

I think that the public needs to know what is currently being done. First, I think that it is critical—

**Some hon. members:** Oh, oh.

**Hon. Denis Coderre:** I would think the Bloc Québécois should listen. This is an important question. It involves women and domestic violence and it is important to talk about it.

**Some hon. members:** Oh, oh.

**Hon. Denis Coderre:** First, I wish to confirm that the Niagara regional police are investigating. However, it is also—

**The Speaker:** I am sorry to interrupt the minister, but his time is up. The member for Calgary—Nose Hill.

[*English*]

**Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance):** Mr. Speaker, Canadian women would rather hear real answers from the minister than shots at his political opponents.

I ask again why is this happening? There is a real concern about the issue of safety for women in the country. The government needs to give serious consideration to how women can be protected. On behalf of Canadian women and their families who are listening, can we have an answer as to what the government intends to do to make us safer in this country?

[*Translation*]

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** I agree, Mr. Speaker. First, I think that when individuals come from the United States with a long criminal record, we have to fall back on the second line of defence, which is Citizenship and Immigration Canada. In this case, that did not happen.

That said, the second line is being looked into. We are taking this into consideration. I would like to assure Canadians that this work is being handled with professionalism. If there have been mistakes, if there have been problems, we will take them into consideration. However, the safety of all Canadians is a priority for us.

\* \* \*

[*English*]

#### IMMIGRATION

**Mrs. Judi Longfield (Whitby—Ajax, Lib.):** Mr. Speaker, my question is for the Secretary of State for Multiculturalism and the Status of Women.

*Oral Questions*

The recognition of foreign credentials is a longstanding concern for many newcomers to Canada. It is an acknowledged fact that Canadians are expected to account for all the net labour force growth by 2011. Could the secretary of state tell the House what is being done through multiculturalism programs to address the recognition of foreign credentials?

**Hon. Jean Augustine (Secretary of State (Multiculturalism) (Status of Women), Lib.):** Mr. Speaker, I thank the member for the question and also for her concern with the issue.

Foreign credential recognition has become an increasingly urgent problem in Canada, especially among the immigrant population. We outlined in the 2001 Speech from the Throne some areas which we will pursue.

The multiculturalism program has been working with other levels of government and other government bodies to address the challenges that people with foreign credentials face. As well, I announced on the 15th two programs on which we will work with the volunteer sector to address the issue.

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**ABORIGINAL AFFAIRS**

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I want to ask the minister of Indian affairs what specific steps he will take to ensure that first nations leadership will participate in the committee hearings on Bill C-61 and not boycott them as they did the first round of consultations.

The Penner inquiry was a joint committee. As a gesture of goodwill and to ensure the participation of those representatives, will he allow a representative of the Assembly of First Nations to sit as an extraparliamentary member of that committee so that at least first nations will have the assurance that their views will be valued and that they will participate in the committee hearings on Bill C-61?

• (1445)

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, this is a very serious issue. Some members have approached me as late as this morning about the budgets of this committee to ensure that there is adequate funding so that a parliamentary committee can review this issue in a very serious way.

The House leaders of all parties are meeting tomorrow afternoon. If the hon. member has a suggestion about the actual structure of a committee, I am sure that his House leader and I will be glad to discuss this with other colleagues in order to cause the proper House order that we feel collectively is the appropriate way to proceed.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, that was not exactly my point but I am going to move on.

The Minister of Veterans Affairs knows that thousands of first nations men and women voluntarily enlisted to serve their country in the second world war and in the Korean conflict. After these wars first nations veterans found that the benefits provided to the average Canadian soldier were not available to them.

First nations veterans have been waiting for more than 50 years for justice on this issue and aboriginal veterans are passing away. Again I ask the Minister of Veterans Affairs, will he act immediately

to remedy this historic injustice? Will he act now to give first nations veterans the equal recognition and compensation—

**The Speaker:** The hon. Minister of Veterans Affairs.

**Hon. Rey Pagtakhan (Minister of Veterans Affairs and Secretary of State (Science, Research and Development), Lib.):** Mr. Speaker, in fact the Government of Canada facilitated a round table so that we could look into this issue in a more comprehensive fashion. Recommendations were made in the ensuing report. The Government of Canada is seized of the issue. It is one of my priorities.

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**GOVERNMENT CONTRACTS**

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, despite the best efforts of the public works minister to keep a lid on the details of corrupt contracting practices, the list keeps getting longer.

Fugitive from Commons committee and former bureaucrat Chuck Guité and Groupaction did it again. Using a special no paper trail method made so popular under disgraced diplomat Alfonso Gagliano, Guité hired Groupaction to communicate the government's message on the merits of the ridiculous long gun registry, but guess what? The department apparently forgot to communicate that to the Department of Justice.

Has the public works minister referred this latest disgrace to the RCMP litany of investigations?

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, there is obviously no attempt here to conceal anything in the process. Whenever there is a matter that comes to my attention or to the attention of my officials that merits a reference to the police, that reference is made immediately. That is not only a public duty, it is something that is in fact required by the Financial Administration Act with which we are compliant.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, to quote the public works minister earlier in today's question period, the facts are that \$330,000 of public money has gone missing for nothing, zero. Reports from the justice department officials clearly indicate they had no knowledge of a contract to Liberal friendly Groupaction to promote and sell the disastrous long gun registry, another example of money for nothing.

Was the justice minister aware of this latest debacle? How does he explain the public works official's unauthorized contracting of that magical figure of \$330,000 on behalf of his department?

*Oral Questions*

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, I take very seriously the allegations that work was performed without consultation with the appropriate department or that money was paid without value having been received. My investigation with respect to this file is ongoing. As with all other files, if there is anything here that merits the intervention of police, I will refer the case automatically.

**Mr. Leon Benoit (Lakeland, Canadian Alliance):** Mr. Speaker, we have copies of contracts that show that over a two year period Media IDA Vision Inc., a subsidiary of Groupe Everest, received \$15 million from the federal government to run a recruiting campaign for the Department of National Defence. The results of the \$15 million were that recruiting levels went down. Despite that, the government shovelled another \$17 million into the Groupaction black hole the following year.

How can the government justify this kind of wasted spending on Liberal friends?

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, I have commented on both of the matters to which the hon. gentleman refers on other occasions. I simply make the point that as I go through the files to find where there were errors, mistakes and problems that need to be corrected, I make no attempt to justify them. I seek out what is wrong and aim toward solutions to solve the problem for the future.

**Mr. Leon Benoit (Lakeland, Canadian Alliance):** Mr. Speaker, if it is not millions of dollars for luxury jets, it is millions of dollars for Liberal friends. If the government had properly supported our military, it would not have to worry about recruiting at all. First, \$15 million was wasted on Groupe Everest and then was \$17 million spent on Liberal friends in Groupaction.

How can the government continue to put Liberal friends ahead of our serving members in the Canadian forces?

• (1450)

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the Canadian forces are obviously extremely important to all Canadians, as evidenced by their excellent work around the world.

In terms of the government's action with respect to advertising, we made the very firm commitment that where there were administrative mistakes, they would be corrected. Where there were overpayments, they would be recovered. Where there was conduct that could be considered illegal, that would be referred to the police and prosecuted if appropriate.

[Translation]

**Mr. Odina Desrochers (Lotbinière—L'Érable, BQ):** Mr. Speaker, we are stunned to see that even the President of the Treasury Board no longer controls what is going on in her department, even though she insisted that all the rules had been

complied with. As we can now see, these statements were far from accurate.

How can the Prime Minister keep her in her position the President of the Treasury Board who, like Media IDA Vision, is paid to monitor the work being done and who, in reality, monitors nothing?

[English]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the President of the Treasury Board is responsible for the overall financial probity of the government. Part of that system is the system of internal audits that are conducted by departments.

The difficulties with respect to sponsorships were in fact identified by the internal audit division of Public Works Canada, and it was the auditor general who described the work of the internal auditors of my department as excellent and courageous, obviously demonstrating that they did the job.

[Translation]

**Mr. Odina Desrochers (Lotbinière—L'Érable, BQ):** Mr. Speaker, when the Treasury Board, which is the agency responsible for controlling government expenditures, no longer controls anything, it means that the problem goes much deeper and that the situation is not just the result of an error, as claimed by the Prime Minister, but of an organized system.

Will the government recognize that when the Treasury Board condones such a situation, it is really time to launch an independent public inquiry?

[English]

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the Treasury Board Secretariat and the President of Treasury Board do not sanction mistakes, errors and wrongdoing. They establish the proper standards for financial probity within the Government of Canada. Whenever errors are discovered in the administration of public funds, the errors are corrected, as we have been demonstrating.

Furthermore, the President of Treasury Board has been asked by the Prime Minister to re-examine the whole system of financial management and governance with respect to advertising, sponsorships and polling to ensure that it is indeed strong.

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**ABORIGINAL AFFAIRS**

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, the government's first nation governance act gives bands additional powers, the powers to make new laws, to fine up to \$300,000 and to jail up to six months. In addition, councils will be able to appoint band enforcement officers authorized to search on reserve premises and seize evidence. Yet the act does not require that band councils be elected.

Is it not dangerous to give such enormous powers to unelected governments?

*Oral Questions***AGRICULTURE**

**Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, the member is referring to a bylaw enforcement officer. Any fines that would be arrived at by the council that put forward these fines based on bylaws, like traffic and things like that, obviously would be enforced by the police forces.

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, these are considerable powers and, as we know from this government's actions, powers without accountability mechanisms are pretty dangerous.

The Canadian Alliance supports the creation of a national ombudsman to provide an outlet for grievances of aboriginal Canadians. The governance act could result in separate ombudsmen for each reserve, appointed by the band council.

An ombudsman by definition must be independent and above reproach. How can an ombudsman appointed by and accountable to only a band council be any more effective than an ethics counsellor appointed by and accountable to the Prime Minister?

**Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, I suggest to the member that he read the bill and not the general booklet that he has been reading the last few days.

The bill specifically says that it is an interest of the government, based on the information and advice we received from first nations citizens, to allow for a redress mechanism, preferably a redress mechanism that would include a number of first nations, not individual first nations, because it would be much more effective and efficient and deals with the issues of appeal.

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**TRADE**

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, apparently the Oregon forest giant Pope & Talbot opposes the release of certain documents. Consequently, a NAFTA tribunal has ruled that the Government of Canada cannot release documents requested by the public.

Could the Minister for International Trade inform the House as to when discussions on the interpretation of chapter 11 will conclude and whether the issue of secret tribunals and denial of public access to information is now included in these discussions?

• (1455)

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, my colleagues Zoellick, Derbez and I have instructed officials to examine the investment protection rules in chapter 11 and report back in the fall of 2002.

In terms of the Pope & Talbot tribunal's order for Canada to withhold information requested under the Canadian Access to Information Act, we are challenging the tribunal's ruling in the Federal Court of Canada. These are important public policy issues and this government is committed to promoting transparency in all areas, including the chapter 11 dispute settlement.

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, the protectionist U.S. farm bill deliberately targets Canadian farmers. Expanding U.S. subsidies into pulse crops is just one example. Canadian grain and oilseed producers are hardest hit by the impact of rising foreign subsidies, yet this government has failed to bring forward a compensation package that would directly target their need.

My question is for the Prime Minister. Will any new agriculture funding announced by him be directly targeted toward grain and oilseed producers for trade injury compensation?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the hon. member knows that we have taken a number of approaches to assist the agriculture and agri-food industry. We have been working on and continue to work on a long term agriculture policy framework. We know some work has to be done, some programming and support, to get to that program from here. I have also made it very clear that the benefits and challenges of trade are shared.

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, the government is failing farm families. The Prime Minister has allowed his fight with the former finance minister to delay an anticipated farm announcement by almost a month. Now we see that the government has no intention of targeting help to the livelihoods that are being crushed by foreign subsidies. The government is leaving farmers alone to fight against the U.S. treasury.

Farmers from coast to coast have demanded a trade injury compensation program. Why does this government refuse to target compensation to farmers who are being directly hit by foreign subsidies?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, there are a number of programs to assist farmers in many different ways, including grain and oilseed producers, livestock producers and those who are affected by weather, markets and other activities by other countries. We will continue to support farmers. I can assure the hon. member we will do that soon.

\* \* \*

[*Translation*]

**LA SOIRÉE DU HOCKEY**

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, last week I asked the Minister of Canadian Heritage a question about Radio-Canada's decision to stop broadcasting *La soirée du hockey* on its French network. I asked her if she intended to file a complaint with the CRTC to get Radio-Canada to reverse its decision. The minister replied that she would do so if necessary.

Can the Minister of Canadian Heritage tell us whether she made a decision and did in fact file a complaint?

*Oral Questions*

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, last week I said that we must wait for the results of the report by the Standing Joint Committee on Official Languages.

I happen to know that the chair of the Standing Joint Committee on Official Languages is again going to request that Radio-Canada appear, and I am waiting for the report of the committee, which will look at this issue.

\* \* \*

[English]

**HUMAN RESOURCES DEVELOPMENT**

**Mr. Mark Eyking (Sydney—Victoria, Lib.):** Mr. Speaker, Nova Scotia is a province that historically has thrived on major industries. We have proven time and time again that we can work hard and against all odds to succeed.

The province has faced many challenges in recent years. With the decline in our mining industry, it is sometimes difficult, especially for older workers, to find and keep new jobs.

Could the Minister of Human Resources Development tell the House that the Government of Canada is helping older workers in our great province of Nova Scotia?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, Canadians expect their different levels of government to work productively and efficiently together in support of their needs. That is why today I am very pleased to announce a strong partnership with the government of Nova Scotia directly in support of older workers in the province of Nova Scotia.

The Government of Canada will provide \$733,000 for programs like the Cape Breton older worker adjustment service centres that will be opened in Sydney, North Sydney and in Glace Bay as well as the seasoned employee education and development skills centre in Halifax.

This is recognition that older workers have strong competencies and will and need to contribute to a continuing strong workforce.

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• (1500)

**G-8 SUMMIT**

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Speaker, Ottawa business owners are still waiting for compensation seven months after the government hosted G-20 in Ottawa. While these business people wait, the government is making the same promises for compensation in Alberta for the G-8.

Although the solicitor general's word is not worth much in Ottawa, will he finally see that these Ottawa business people are compensated and that any losses incurred in Alberta will be compensated without this kind of delay?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, as I said a number of times to my hon. colleague, the Government of Canada will certainly assume its responsibilities as the host nation for the G-8. We have and will continue to pay for any compensation that is the federal government's responsibility.

[Translation]

**FOREIGN AFFAIRS**

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, we have learned that U.S. President George Bush has mandated the CIA to overthrow the President of Iraq. This body apparently has a green light to carry out secret operations and even to use force in order to capture Saddam Hussein. This secret plan would also enable the CIA to use all possible means, murder included, if Saddam Hussein decided to defend himself.

Can the minister of foreign affairs tell us whether the government sanctions the American government's approach to Iraq?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I thank the hon. member for her question. She knows, as do all other members of this House, that Canada has always been in favour of respecting international law and others. We make sure that everything done in the international arena is under UN auspices and respects international law and standards.

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[English]

**NATIONAL DEFENCE**

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, we now know that the continued delay of the Sea King procurement is because NH Industries, which is two-thirds owned by Eurocopter, has asked for the delay because it indeed cannot meet the requirements set forth by the split procurement process.

Coincidentally, Mr. David Miller, formerly of Eurocopter, is now a senior policy adviser of the Prime Minister.

My question is for the Deputy Prime Minister. Is David Miller, formerly of Eurocopter and now a member of the Prime Minister's policy advisory bureau, in any way, shape or form involved in the Sea King procurement process?

**Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, my department and the Department of National Defence are trying to proceed with this matter as rapidly as possible.

The question with respect to Mr. Miller was raised many months ago when he was first employed in the Prime Minister's office. It was made abundantly clear at that time that Mr. Miller would have absolutely no role with respect to this matter.

**ABORIGINAL AFFAIRS**

**Mr. Inky Mark (Dauphin—Swan River, Ind. Cons.):** Mr. Speaker, the biggest criticism of Bill C-61 is over the consultation process. A Progressive Conservative government would have worked with all aboriginal people as a matter of public policy in a non-confrontational, balanced and interest based negotiation to come up with new legislation.

My question is for the Minister of Indian Affairs and Northern Development. After spending \$10 million on consultation, why is there so much opposition to Bill C-61 from the aboriginal leadership?

**Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, as you know, it is pretty obvious to any member of parliament who has been here more than two days that the Indian Act always brings out a lot of debate by the first nations leadership and that is a good thing. The reactions of leaders sometimes are predictable and sometimes are not.

The objective of consultation with first nations citizens is to get some good advice in the year 2002, and I look forward to the discussion of making first nations people successful in this century. We can do that if we work together and I am looking forward to the committee's work.

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**POINTS OF ORDER**

## ORAL QUESTION PERIOD

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, I wonder if I might have the agreement of the House to table a letter from the auditor general that is relevant to questions raised today. This letter indicates, in the auditor general's own words, that she does not have the authority to audit a foundation.

**The Speaker:** Is there unanimous consent for the hon. member to table the document?

**Some hon. members:** Agreed.

**Some hon. members:** No.

\* \* \*

[Translation]

**BUSINESS OF THE HOUSE**

## BILL C-54

**Mr. Benoît Sauvageau (Repentigny, BQ):** Mr. Speaker, I rise on a point of order. We are happy to hear that the Liberal government accepted the amendments moved by the Bloc Québécois under Motions Nos. 1 and 6, in the debate on Bill C-54, an act to promote physical activity and sport, which should be taking place this afternoon.

Now that the government party has agreed with the Bloc Québécois' position, it gives me great pleasure to request the unanimous consent of the House to withdraw Motion Nos. 1 and 6, to amend Bill C-54.

*Routine Proceedings*

● (1505)

**The Speaker:** Is there unanimous consent to withdraw Motions Nos. 1 and 6, to which the member for Repentigny referred?

**Some hon. members:** Agreed.

(Motions Nos. 1 and 6 withdrawn)

**ROUTINE PROCEEDINGS**

[Translation]

**AGRICULTURE**

**Mr. André Harvey (Parliamentary Secretary to the Minister of Transport, Lib.):** Mr. Speaker, pursuant to Standing Order 32(2) I have the honour to table, in both official languages, the 2000-01 annual report of the 2000-01 crop year, entitled: "Monitoring the Canadian Grain Handling and Transportation System".

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[English]

**COMMITTEES OF THE HOUSE**

## TRANSPORT

**Mr. Ovid Jackson (Bruce—Grey—Owen Sound, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, an interim report entitled "Commercial Vehicles Hours of Service" from the Standing Committee on Transport.

We would like a response from the government within the usual 150 day period.

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**REFERENDUM ACT**

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP)** moved for leave to introduce Bill C-478, an act to amend the Referendum Act.

He said: Mr. Speaker, the purpose of the bill is to amend the Referendum Act to allow a referendum in this country on any change of the electoral system. I am thinking primarily of the move in this country now by a lot of people to bring in a measure of proportional representation so that people have a parliament that reflects how they vote right across the country.

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

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**COMMITTEES OF THE HOUSE**

## FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, I move that the 18th report of the Standing Committee on Foreign Affairs and International Trade presented on Wednesday, May 8, 2002, be concurred in.

*Routine Proceedings*

In our hemisphere the greatest place of murders, the number one place for human rights abuses, the place that has the greatest displacement of human beings in the entire hemisphere, is Colombia. The committee did a report on this much forgotten place, a place of human rights abuses that has been destroyed by a conflict that we are partially responsible for, and I will get back to this later.

The depth of destruction and the depth of human rights abuses taking place in that country and the ramifications for the surrounding areas are so large as to be quite extraordinary.

I want to thank the committee chairperson for the great work she did and the committee members who have put together an excellent report on this conflict, a conflict that we hope the Government of Canada will take a more active role in trying to diminish.

To give an indication of the depth of the problem, 2 million people have been displaced in a country with a population of 40 million. To put it in some perspective, Colombia is a country that is relatively the same size as ours, but with 7 million to 8 million more people and is smaller in land mass. It is a country where 26,000 were murdered in the year 2000 alone. That is a rate 30 times the level in Canada.

What is fueling this conflict? Is it ideology? Is it a battle between groups trying to fight for power? No. It is a battle over drugs. Drugs fuel the war in Colombia, drugs that are consumed primarily in North America. That is where our responsibility lies and I will get back to that later.

Not only is this a place where 26,000 people are murdered every single year, where 2 million people have been displaced, a place where there is a fiscal and economic crisis in a developed country with a competent, hard-working and intelligent populace, it is a place where there is a massive environmental disaster happening because the chemicals that are used in the production of these drugs are being dumped into the Amazon basin. This is destroying the Amazon rain forest and the jungle is being displaced by crops to grow cocaine and heroin. Those areas are completely destroyed and will be of no use to anybody for many years.

This is also a social disaster. I was in Colombia last year. Children are being prostituted on the street to pay for the drug habits of the parents. Children are also being put into situations where they can be used as slaves and as drug runners. This is a direct result of the drug war and the drug production fueled by our demands here in North America. Colombia is also the number one kidnapping spot in the world. In one year alone, 3,042 people were kidnapped and that number is increasing. Kidnapping is used as a tool to generate money.

The major antagonists in all this are as follows. FARC is the leading guerrilla movement. I use the term guerrilla movement loosely. Certainly this conflict has been going on for 50 years. Indeed, it started off as an effort with a political objective: to make changes for much needed land reform in the country and to also put in social and economic reforms in a country that desperately needed them. However, that changed.

What changed is as follows. As we know, in the 1980s the Medellin and Cali cartels controlled cocaine production in that country. In fact, Colombia is the number one cocaine producer in the world.

In our war on drugs, with the Americans and other countries, we said that we were going to cut the head off organized crime and we were going to cut the head off the Medellin and Cali cartels. Indeed, we were successful in doing that, but what we failed to understand and anticipate in doing so is that drug production, because of the profits involved, will never stop. If there is demand, there will be production. As we destroyed the Medellin and Cali cartels a vacuum took place and FARC filled the vacuum. It began as a small guerrilla movement but massively increased in size as it actually took that spot. FARC is now the major producer of cocaine, producing some 300 tonnes a year. Now it is producing heroin. As heroin production has decreased in southeast Asia and Afghanistan, Colombia has taken on that role and is now producing some six tonnes of heroin a year, heroin that is becoming purer all the time.

• (1510)

Colombia became involved, but this is also more insidious than that. The conflict is spreading to the surrounding areas. It has involved Bolivia and Peru and is destabilizing those countries. FARC has also used its terrorist links with the IRA. The IRA has gone into Colombia and has taught the FARC a great deal about how to wage a war of terrorism to destabilize and destroy the country of Colombia, not for a political objective but to control a larger segment of that country so that it can produce what? Drugs, primarily cocaine but an increasing amount of heroin.

What have we done so far? We have waged a war, which has failed. We have used Plan Colombia. Plan Colombia will work to the extent that it has to strengthen domestic police and army capabilities to deal with FARC, but it is not enough. We have also tried to use herbicides to spray the crops. They do destroy the drug crops, but they also destroy a lot of edible crops and poison the riverine force in that area, dumping large amounts of toxic chemicals into the Amazon basin.

I want to talk a bit about what an ecological disaster this is. I want also to remind people out there that if they consume heroin, cocaine in particular, what they are doing is killing a country and killing innocent civilians. They are part and parcel of the murder of some 26,000 innocent people in Colombia. They are also part and parcel of an ecological disaster.

Colombia contains 10% of the earth's biodiversity in only .7% of the world's land mass. It has a third of the world's primates. It has 1,721 bird species representing an extraordinary 20% of the world's total. It also contains priceless rain forests. It has the highest capacity for carbon dioxide sequestration in the entire world. It has one of the most diverse ecosystems. It ranks fifth in the world in hydrological resources, has the largest coral reef zones in the world and has 82 different ethnic groups.

What has happened is that the production of drugs has destroyed some 6,600 hectares, which are under poppy production in the Andean rain forests. It has also destroyed a quarter of a million acres for coca crops in the rain forests of Amazonia and the Orinoco basin. Those areas are massive and the total damaged area is over one million acres under production.

*Routine Proceedings*

Members will be interested to know that in the production of these drugs not only are we culpable by virtue of being users, but we also produce the chemicals that are necessary in the production of these drugs. The United Nations has told the western world, including Canada and European countries, that it is part and parcel of the problem because when it starts talking about trying to deal with the drug problem and conflict in Colombia, what it is really doing is being a hypocrite. It is a hypocrite because not only does it consume the drugs but it also allows the precursor chemicals that are absolutely essential for the production of these drugs to continue unabated. The western world has done nothing but turn a blind eye to the sale of these chemicals to these countries, which are used for nothing more than the production of these illegal drugs.

What can and should we be doing to deal with this? What we should be doing is what I have previously proposed in a motion that I presented to the House. First, we have to decrease consumption here in North America. It is absolutely essential that we do this. There are new European models for the treatment of people with substance abuse problems and they work very well. These people should not be looked upon as individuals who have a criminal problem. They have a medical problem and they should be treated accordingly.

Second, we need to prevent. What is the best model for prevention? It is the head start program, which is a program that works on children. It starts even before then, in the prenatal stages, to diminish the incidence of fetal alcohol syndrome and the effects of illegal drugs on the developing fetus. If we ensure that children in the first eight years of life have their basic needs met, have proper nutrition, are living in a loving, caring and secure environment with proper boundaries and are subject to good parenting, the opportunities of ensuring that those children will develop into gainfully employed, functional people in our society are much greater. The work done by the Minister of Labour and others bears this out.

• (1515)

Third, we must employ the U.S. racketeer influenced and corrupt organizations act amendments. We must use the RICO amendments in Canada to go after the money pillars that support organized crime. The best way to go after organized crime gangs is to take away the money supports that they have. Organized crime gangs are people in Armani suits, with expensive tastes, who use illegal means to generate funds. They are the ultimate in a corrupt businessperson. They are willing to use the law for their benefit, hide behind it for their benefit and prey on the weaknesses of some people.

Fourth, we must remove the barriers to trade that exist for developing countries, in particular Colombia, so farmers can grow other crops.

Fifth, we must support plan Colombia but we also must recognize that we must reduce consumption in North America.

Finally, we must use import-export permits to ensure that there are checks and balances on these chemicals that are used for the production of these drugs. If we do not do this the war in Colombia will not stop.

If we are so naive to believe that the murder of 26,000 people in our hemisphere will stop as a result of taking this war down to

Colombia without decreasing consumption in North America we are sadly mistaken. It is encouraging to hear individuals like Senator McCain in the United States and the governor of New Mexico echoing the same kind of message. Some people in the United States understand this.

It is up to the government to work with our partners in the United States and say to them that we must decrease consumption in North America. We must implement a head start program in Canada and in the U.S. We must have the import-export permits and employ new European models for treatment. The current punitive models for the way we approach drug problems do not work. They are archaic and obsolete. If we look at the cold, hard facts, all they do is play into the hands of organized crime gangs which are the ones preying off the weaknesses of others.

Who pays the price? It includes: drug addicts; we as a society, through crime; property destruction; diseases such as HIV-AIDS, hep B, hep C; and the list goes on. That is the penalty we pay for not dealing with the problem in a more multifactorial and holistic approach.

The FARC and ELN are guerrilla movements not based on ideology. The paramilitary is also a group not based on ideology. They are all thugs. They are criminal organizations whose main purpose is to control the drug trade. If there were no demand, this problem would end overnight. It is our consumption in North America that is helping to drive those problems in Colombia. It is true that land reform needs to take place in Colombia and that economic and political reform must take place in that country. We must work with President Uribe.

My colleague from the Bloc had a press conference with the sister of Ingrid Betancourt that was attended by members from the House. Ingrid Betancourt was a presidential candidate who was kidnapped, like more than 3,000 other Colombians recently. Her life is in the balance. Many of these people are murdered. I am asking the government to work with the Colombian government to release Madame Betancourt from her kidnappers. If we do not do that her life is at risk. That would be a tragedy for Colombia.

This problem in Colombia will not end unless we work with like-minded countries. We cannot do this alone. We must work with the United States, the Mexicans and the Europeans to implement this multifactorial approach to deal with the drug problems that we have in our own countries.

We must also work with the Colombians to address the human rights abuses that they have there. Historically the military in Colombia has used paramilitaries to engage in human rights abuses. Colombia has done a lot to diminish that and the report cites that good work. We must continue that good work.

*Routine Proceedings*

•(1520)

We must enforce the police and military capabilities to go after these groups who are thugs. They are criminals, nothing more and nothing less. We can do much by working with our counterparts to that end. If, however, we believe as some members in the U.S. congress and senate believe, that merely pouring money down plan Colombia's throat would end this, we are sadly mistaken.

I ask the government not only to listen to what I have said about the foreign policy implications but to deal with the domestic situation we have in Canada. We must deal with the consumption aspects and the implementation of import-export permits. This is easy to do. I was in Costa Rica where I met with representatives from the Organization of American States. The bureaucrats said the only thing that was holding up the import-export permits for the precursor chemicals was bureaucratic intransigence. This would require leadership that our country could show. By working with like-minded countries we could implement this system that would go a long way to undermine the ability of these countries to produce these drugs.

Organized crime in Canada is a blight on all of us. More than half of all the crime in our country is from organized crime. The penalties are not severe enough or where they are used, they are not used to the full force of the law. Too many individuals involved in organized crime are allowed to go scot-free. Too many of those who are known to be involved in organized crime, for example, the biker situation in Quebec, are allowed to operate as they always have. These individuals are not the traditional vision we have of somebody on a Harley-Davidson without a helmet going down the highway. These are sophisticated individuals who use a multiplicity of tools to buy and sell drugs, to launder money and deal with prostitution and extortion.

These are things we must deal with in our country today. The trial of Maurice "Mom" Boucher in Quebec brought to light not only the depth to which organized crime exists in Canada, how it has infiltrated all segments of our society, but that we have been woefully unable or unwilling to take a tough and firm line against organized crime gangs that are preying on the innocent, the general population and costing us all billions of dollars.

I want the government to show spine. There are good suggestions in this report. We must get tough on these people. We must employ the full force of the law to eliminate them. If we can do that the people in Canada will live a lot safer.

•(1525)

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, I thank the hon. gentleman for bringing up this subject today. I am rather intrigued as an NDP member about the concerns that he has expressed. We in the NDP, especially the critics for foreign affairs, labour and agriculture, have raised the issue several times about what is happening to trade union representatives in Colombia. We are sad that Ingrid Betancourt has been kidnapped and her life could be in serious peril, but at the same time a lot of union leaders themselves who represent the people and average workers in Colombia are being exterminated as we speak. Would the member elaborate a bit more on those concerns that we

have expressed, about the fact that many people who represent ordinary citizens in Colombia are being singled out as well?

**Mr. Keith Martin:** Mr. Speaker, I thank my friend from the NDP for his excellent question. It is not only trade union representatives. I will show what is happening at the municipal level in Colombia. The mayor of El Donacellio was given a note from FARC that said "I hope you enjoy your life. Get out in 24 hours or you're a dead man".

What is happening is a systematic removal of mayors and municipal leaders in a large segment of Colombia. This is an area that was given over to the FARC in President Pastrana's honest effort to develop a constructive discourse with the FARC. It failed miserably because the FARC was using that as a power base to expand its involvement. President Pastrana wisely ended that process.

What is happening in that area, and indeed in a much larger area, is that the FARC is using the systematic annihilation, destruction, murder, torture and rape of not only union representatives but municipal leaders and mayors. President Uribe has given mayors bulletproof cars and assurances they would be safe, but as we know people's lives are worth more than that and their lives cannot be assured.

There is actually an ethnic cleansing taking place within Colombia. Government structures are being removed by the FARC. It is a lethal problem because if the Colombian government loses control over this territory the FARC would be able to go in and have a free reign in committing human rights abuses and terrorizing the civilian population. The situation is critical right now.

I ask the Minister of Foreign Affairs to engage a dialogue with his counterparts, not only in Colombia but also the OAS and particularly the United States, and convince them that drug consumption in North America is what is fueling the conflict of Colombia.

Yes, we must support plan Colombia but we must make a concerted effort to reduce drug consumption in North America, get tough with organized crime and develop a comprehensive North American strategy for doing this. If the minister does that I am sure he would find widespread support in the House in dealing with this problem.

•(1530)

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I listened to what the member had to say. He is knowledgeable about this area. I want to assure him that we on the government side are closely following events in Colombia. I understand he has some reasonable points to make. We will review them, we will work with him and we will work with everyone we can.

I happened to meet on Friday with the sister of the presidential candidate who has been kidnapped in Colombia. This is an extraordinary situation. We in Canada and Canadians generally will do everything we can to bring peace to that troubled country. I will follow with interest the propositions that the member has been good enough to make. I wish to congratulate the subcommittee on its important report which we will be looking at and doing our best to implement.

*Government Orders*

**Mr. Keith Martin:** Mr. Speaker, I want to thank the hon. Minister of Foreign Affairs for his kind comments and also draw attention to the fine work done by the previous secretary of state for Africa and Latin America. I also wish to thank Ambassador Rishchynski who is widely respected and has an extraordinary vision of what is taking place.

I would like to impress on the hon. Minister of Foreign Affairs that the use of import-export permits on the precursor chemicals can be instituted easily by countries of the world. If we were to do that we would not only be able to track these chemicals to where they are going, but by doing so would find out who exactly is producing the illegal drugs.

That can be instituted very easily. The UN would help. It has some good ideas. Our European counterparts must deal with this too because all of us are responsible for this terrible situation. The use of import-export permits are easily implemented, cheap to do and provide extraordinary intelligence in enabling us to determine the producers of these illegal drugs. I wish to thank the minister for his kind consideration of this important matter.

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I move:

That the House do now proceed to orders of the day.

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

**Some hon. members:** Agreed.

**An hon. member:** On division.

(Motion agreed to)

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## GOVERNMENT ORDERS

[English]

### FIRST NATIONS GOVERNANCE ACT

The House resumed consideration of the motion.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, my time is short and I have many things to say about the bill and the motion to refer the bill to committee but I will take the opportunity to make three quick points.

I want to refer back to a statement made by the national chief of the Assembly of First Nations upon learning about the referral of the bill to a standing committee. He pleaded:

If members of the standing committee are genuinely interested in hearing about the vision, the hopes and the dreams of our people then they should hold hearings in all of our communities and listen to our people.

It is not surprising that aboriginal Canadians right across the country have been very alarmed at the manner in which this whole process has been conducted and how the legislation was brought forth. We know from the discussions earlier in question period about freedom of speech and freedom of the press being threatened, that they are not the first examples. It has been truly shocking to see the pressures brought to bear on the Assembly of First Nations by the massive withdrawal of funding, which has been a not very subtle attempt by the government to quash dissent and the kind of

leadership that is very much wanted from first nations communities across the country.

The member for Winnipeg Centre, the NDP aboriginal affairs critic who spoke earlier, expressed his revulsion at the way in which the official opposition has in many ways egged the government on to introduce this repugnant legislation. I could not help but think that it was an irony that so much of the legislation was inspired by the mistaken notion that there was massive mishandling and mismanagement by the leadership of the first nations and band management across the country.

When we look at the facts, they are otherwise. Over 96% of the bands are operating without management problems. Only 4% are under third party management. We have to ask ourselves whether it is not the government that should be under third party management for the ways in which it has been mismanaging the nation's finances and flaunting the rules of ethical standards of conduct. We wonder about the double standard.

We will be supporting the motion to send the bill to committee because we support the widespread call from first nations people to be truly consulted. It would be naive of us to think that the standing committee would in good faith agree to that broad consultation, which is why the suggestion from my colleague from Winnipeg Centre is a very sound one, that an ex officio member from the first nations, who can play a part in the process and have direct input into the work of the committee, be added to the committee.

Let us make no mistake that we have a very big fight on our hands. I stand proudly and say that the New Democratic Party stands in solidarity with the first nations people when they ask for the dignity owed to them, of being full partners in charting the future governments of their first nations communities.

It is very worrisome when we hear the leadership of the first nations summing up the legislation as being nothing more than a dragging back to the worst aspects of the Indian Act. We need to get rid of it but we need to get rid of it with a positive vision of the dignity of our first nations people. Surely the first priority for the government and the people of Canada is to meet its obligations to the first nations people. If we cannot get that right then we do not deserve the reputation of a country that is concerned about justice, equality and peace.

● (1535)

**Mr. Jay Hill (Prince George—Peace River, Canadian Alliance):** Madam Speaker, it is a pleasure to rise this afternoon and speak to Bill C-61.

At the outset of my brief comments I have a comment for the member for Halifax. If that is the extent of her enlightening comments in response to this particular legislation in the Chamber this afternoon, then I for one do not regret her decision to step down as leader of her party. She used words like revulsion and repugnant.

*Government Orders*

I have quite a number of reserves in my riding of Prince George—Peace River, and I say that with a great deal of regret because I do not think the reserve system has been at all beneficial to the aboriginal men, women and children of our nation. What I find particularly revolting is the fact that a large percentage of people who live on the reserves in my riding and indeed in ridings all across the country continue to live without hope. I cannot imagine a worse fate for any Canadian than to live without hope. They try to get by without any hope. The system is to blame, not the aboriginal people.

I want to begin my remarks by doing something I very rarely do and that is congratulate the minister for at least attempting to address this serious problem in Canada by bringing forward Bill C-61.

Do we as the official opposition have concerns about it? Of course we do. However we, as I believe all parties do, support the idea of sending the bill to committee. We look forward to making our concerns, not only on behalf of aboriginal men and women but on behalf of all Canadians, known as it goes through the committee process. We will certainly take a hard look at the various clauses in the legislation and will be bringing forward what we believe to be constructive and helpful amendments to the legislation.

I thank the minister for addressing a situation that seriously needs redress. I thank him for showing the courage to bring forward legislation. Has he done it in the manner in which we would have liked it done? Probably not. We probably would have done it differently. We would have tried to have a more open and widely consultative process. I think all parties have been somewhat critical of that but at least the minister has brought forward a bill that contains some clauses that we can discuss and debate. Hopefully aboriginal people themselves will be part of the process and be encouraged to come forward with their alternatives.

As the member of parliament for Prince George—Peace River one of the things that deeply concerns me is what I call the growth of the Indian industry in Canada. The last number I saw that was spent annually trying to address the problems facing our aboriginal people was around \$9 billion. That is nine thousand million dollars when combined with what is spent at the local, provincial and federal levels of government. By anybody's estimation that is a lot of money.

● (1540)

When I drive down a back alley in my home town of Fort St. John, British Columbia and see aboriginal people being reduced to climbing into dumpsters for their supper, I would suggest that there is something seriously wrong in the country.

When we as a nation can spend that kind of money, it is obviously not reaching the people who need it. These people continue to live without hope. They live in abject poverty. They face incredible difficulties on the reserves.

Before question period my colleague for Esquimalt—Juan de Fuca spoke passionately about his role as a rural doctor in the city of Prince George in my riding, about how he treated many aboriginal men, women and children and about coming face to face on a daily basis with the tragedy of our aboriginal people. He talked about the horrendous suicide rates; the daily violence; the murder rates on reserves; the alcohol, drug and sexual abuse; and fetal alcohol syndrome that puts so many aboriginal children at a disadvantage

before they even begin. The living conditions are worse in many cases than in third world countries and yet we as a nation are spending adequate amounts of money on this, by anybody's standard. Where is the money going?

How is it that we can spend \$9 billion a year and still drive to a reserve and see the poverty of the people we are attempting to help? Something is clearly wrong. There are far too many lawyers and consultants becoming incredibly wealthy while the people continue to suffer.

We have some concerns about Bill C-61. It has a great summary at the start of the bill. It reads:

This enactment provides governance tools to bands operating under the Indian Act in matters of leadership selection, administration of government, financial management and accountability, legal capacity and law-making. It makes a number of related amendments to the Indian Act.

It sounds like something I think all Canadians would want to support. Despite the comments by the member for Winnipeg Centre and the member for Halifax, there are serious problems on our nation's reserves and members of the NDP are burying their heads in the sand if they do not recognize that.

Those members have said that we are fearmongering. The member for Winnipeg Centre basically said that the minister, by bringing forward the legislation, was trying to incite violence and protest from the aboriginal people. If that is not fearmongering I do not know what is. Yet they point to the Canadian Alliance and say that we are somehow responsible for what has transpired. What absolute nonsense.

We and, in particular, the member for Wild Rose have had countless consultations across the country with grassroots aboriginal men, women and children. The member for Wild Rose reached out to those people and found an audience that was just waiting for someone to ask the question of how we can help and give some hope for the future.

Members of the NDP say that the Canadian Alliance has raised these concerns but these concerns were heard directly from the grassroots aboriginal people when we and the member from Wild Rose travelled across the country .

● (1545)

We will continue to raise those concerns. We welcome the opportunity to address some of those concerns within the confines of this legislation. There are clauses, though they may be flawed, that we can work with, amend and improve so that we can bring that degree of accountability to the reserves of Canada which is what the grassroots people themselves have been asking for.

**Mr. Leon Benoit (Lakeland, Canadian Alliance):** Madam Speaker, I am pleased to take part in the debate. It is not very common for the debate to take place before second reading stage.

*Government Orders*

We support sending the bill to committee before second reading, although we do have some concerns about that. When this procedure was first tried as a result of some prodding on our part, we thought it would be productive, that changes would be made before a bill went to committee and there would be more input from all parties in the House. We were quite hopeful that would happen. That is not what has happened. However we still support sending the bill to committee before second reading. We hope we will be listened to today and that the input we give in other ways will be heard. We are supporting that.

We do have concerns about the legislation as it has been presented to date. I want to take some time today to compare the legislation that has been brought forth to some work I did back in 1997-98, mostly throughout 1998 shortly after I was elected to the new constituency of Lakeland.

I was elected in 1993 to the Vegreville constituency. In 1997 the boundaries were changed and Beaver River and Lakeland, about two-thirds of each, went together into one constituency. With that constituency came eight Indian reserves and four Metis settlements.

As the elected representative I got lots of calls from reserves, from aboriginal people living in communities near reserves and from Metis settlements. Some very serious issues came up. They were issues that are dealt with in the legislation, or at least are mentioned in the legislation, although I am not convinced the solutions are there. That is why a lot of changes are needed before the bill actually becomes legislation which will be debated and passed by the House.

When these calls came in I dealt with them individually. Then there were so many of them that I got together with some aboriginal people in a town in the constituency and we set up the Lakeland aboriginal task force. I have talked about that task force, its results and the report that was produced on several occasions since 1998 when the report was completed. When the report was completed members of the task force and I met with the minister of Indian affairs at that time. The current human resources development minister was the minister at that time. We took some time to sit down with her and talk about the report.

The issues that came up from the report are worth talking about today. I want to go through them and make some comments on whether they have been dealt with effectively from what we can see at first glance in Bill C-61.

The first group of recommendations that came from the task force were not recommendations of the Reform Party which has since become the Alliance Party. They are not necessarily Alliance supported recommendations, although in some cases they are, but they are issues that have to be dealt with and recommendations which could be productive.

The first group called for more transparency in financial reporting on reserves and in settlements. It goes beyond the scope of the federal government in some cases, but the problems were very similar. The legislation talks about that. There is a start in that it talks about that, but the bill has to go to committee. The legislation that comes from committee has to ensure open financial transparency. Until that happens there really is very little meaningful change that can take place.

The second group of recommendations involves democratic reform on Indian reserves and settlements but settlements are outside the purview of the federal government.

• (1550)

The second group recommended the use of a third party monitor, such as Elections Canada, to monitor elections on reserve. I presented private members' bills and motions on the issue and at least one has been debated. I do not remember whether it was a bill or a motion but unfortunately, the item was not made votable so we could not even determine the will of the House when it came to having Elections Canada monitor elections on Indian reserves. It makes sense that it would. Indian reserves are the responsibility of the federal government.

The aboriginal grassroots people have expressed concerns about the way elections are conducted on reserves. They asked for some independent monitors. From what I can see in the bill, that is not dealt with. Certainly, let us take it to committee and have all parties involved in some serious discussions on the democratic reform issues.

The next group of recommendations that were made were very interesting. I had a process in place to gather information from aboriginal people which involved one on one private meetings. These took place with members of the task force over a period of five days in a time span of about two or three months. We heard from a lot of individuals at these meetings.

We put out a questionnaire to anyone who wanted to give input on any issue they wanted. It was a directed questionnaire. We mentioned certain issues which were brought forth by the task force. Others were brought forth by individuals who filled out the questionnaires. We put the results of the questionnaires together. The final part of the process was public meetings.

At one public meeting there were about 70 or 80 aboriginal individuals. Some came from reserves, others from communities near reserves. They expressed concern about moving too quickly to some type of self-government. There was a vote put forth by one member at one of the meetings just to see what the response would be from the attendees as to whether the group supported moving to self-government as the Liberal government and the leadership had been presenting it in quite a few cases.

The vote was almost unanimous against self-government. People said they were not ready for it. The accountability would have to be in place. The electoral reform would have to be in place so the elections would be fair. An ombudsman would have to be in place. I put forth a motion or a bill which was debated in the House on putting in place an effective ombudsman, not one who reported to the very people who hired him but one who was independent.

We know what there is in the government. In spite of what the Liberals promised in 1993, to put in place an independent ethics commissioner, the government chose to put in place a counsellor who answers to the Prime Minister. They are two different things entirely.

*Government Orders*

It is that kind of corruption and lack of ethics that we are seeing the results of, with all the various corruption that comes up in the House every day, one day after another. It seems to be only the tip of the iceberg because we keep finding more and more. It gets broader and deeper. Certainly it could not be solved by putting an independent ethics commissioner in place but it would be a start.

Corruption in government or anywhere can only be ended by having people who are determined not to take part in it. No amount of law can completely eliminate corruption. There has to be ethics in the group before corruption can be ended. I digress in talking about the government. I want to get back to the bill that we are sending to committee.

● (1555)

What was clear is that none of this can effectively be put in place until fiscal accountability is dealt with in an effective way. It has to be open. We have to put in place a democratic system. Part of making it democratic certainly is to have Elections Canada monitor elections on reserves as it does across the country. That is what the Lakeland aboriginal task force recommended.

When the checks and balances are in place, then and only then can we talk about an effective type of self-government beyond what is in place already. That is what the ultimate goal has to be but we cannot jump from where we are now to that without ensuring that these other things are in place. I look forward to my colleagues dealing with this issue in committee.

\* \* \*

● (1600)

**WAYS AND MEANS**

## NOTICE OF MOTION

**Hon. Maurizio Bevilacqua (Secretary of State (International Financial Institutions), Lib.):** Madam Speaker, pursuant to Standing Order 83(1) I wish to table a notice of a ways and means motion to amend the Customs Tariff, the Excise Tax Act, the Excise Act 2001, as well as a backgrounder, and I ask that an order of the day be designated for consideration of the motion.

\* \* \*

**FIRST NATIONS GOVERNANCE ACT**

The House resumed consideration of the motion.

**Mr. Dennis Mills (Toronto—Danforth, Lib.):** Madam Speaker, I want to be on the record on this bill for a few moments because in my parliamentary career some of the happiest moments I have had have been working with the Algonquins of Barriere Lake and working with my friends the Cree when the minister of the western Arctic and I spent time in 1990 in the northern part of James Bay. Recently we held our first summit on water at the Mohawk Reserve in Wahta the Parry Sound-Muskoka region. Also, my seatmate for many years from Kenora—Rainy River was elevated to the status of Minister of Indian Affairs and Northern Development.

When we are in the House for many years, we learn to know the members of parliaments, their ridings, backgrounds and passions. I have grown over the years to know that the minister responsible for the file has deep roots within the first nations community. As many members probably know, and the public and the media should know,

there are over 60 different bands in the riding of Kenora—Rainy River. Therefore the minister brings to this file an extraordinary amount of knowledge and experience in dealing with first nations.

In fact, the Prime Minister has, as a major part of his legacy, a special relationship with first nations. I find the idea that legislation would come before this House that would be insensitive and not deal with first nations in a way that is proper strange. After what I had seen happen in the media over the last few days, I decided to speak to Chief Matthew Coon Come. Lo and behold some real genuine tension exists on this file.

Thank goodness in the last few days the Prime Minister said that this bill would go to committee and that there would be amendments to it before second reading. The minister said that earlier today. It is very important we understand, Canadians understand and all first nations people understand that the bill in its current form will not stay the same if everything we hear from first nations people is listened to when they appear before the committee.

Rather than creating an environment where a tension and a gap develops, it is incumbent upon all of us to ensure that both parliamentarians and the leadership and friends in first nations understand that there is a real genuine opportunity here to ensure that this bill is put into a form that can work.

A member asked a very good question? Why do we not wait until the fall to deal with the bill? The reaction and the exercise we have experienced in the House in the last few days, where members of the opposition have been very constructive and creative in their ideas, will press the nerve of the entire system in a constructive way so that when we do go to committee before second reading I think there will be a much higher level of attentiveness. As well, I think the level of listening will be a lot greater.

● (1605)

This happens on many bills in this House, especially in the last few weeks. We all know that over the last few years there has been a pendulum toward devolving the governing of this country to unelected officials. Most of us are coming to a realization that our roles here are becoming diminished as every week passes. I believe that pendulum has hit the wall.

I have noticed in committees in the last few weeks that more and more parliamentarians from all sides have been creative and constructive, and major portions of bills have been altered. On Bill C-48, the copyright act, a few minutes ago a recommendation by the Canadian Alliance to have it carved out on Internet retransmission was unanimously accepted by all parties. That went against the entire will of the public service. I have seen that happen more and more. I think this bill will go through the same experience.

*Government Orders*

It is very important to understand that when legislation like this comes to the House, it does not come here to make things to be worse for people, its intent is to make the lives of first nations better.

When we read the title of the bill, the first nations governance act and the purposes of it are very noble and constructive. However the reality is that the process in getting to that point is not going to be supported by some of those leaders in first nations who we all respect. We also realize that there are many in the first nations community who do like the bill. However the exercise of examining the bill in a totally open, constructive way will happen and any attempts to create a situation where we will be closed minded is not really accurate. That is what I leave with the House.

**Mr. Deepak Obhrai (Calgary East, Canadian Alliance):** Madam Speaker, it is a pleasure for me to rise today to speak to Bill C-61, which deals with the Indian Act. Like most Canadians and like most people in this parliament, I feel that the it is long past the time when the bill needed to be revisited. We are happy to see the government has introduced the bill and has finally made an attempt to address many of the concerns, the issues and the paradox that exists in Canada in regard to first nations.

Let me go back one step. I will not say that I am new to the country now because I have been here for 25 years. However in the last 30 years most of the immigrants who have come to this country from other parts of the world have looked at this issue and have been absolutely puzzled by what has happened. A huge amount of money has been spent on treaties and whatever by the Government of Canada, under this act, to address our first nations people. Yet report after report has indicated that something is seriously wrong because our first nations people are living under third world conditions, conditions that are deplorable.

One would say shame on Canada, a country that has been judged as the best in the world, a country that is rich within the exclusive clique of G-7, the richest in the world, yet people are living under such deplorable conditions. It is very difficult to comprehend. Many new immigrants have been puzzled by this.

I have not seen much debate by the new immigrants who have come here. Hence I feel it necessary for me to stand in the House of Commons today to speak on behalf of these people. We cannot have these conditions. The question is who is to blame? Fingers have been pointed left and right and accusations have been flying around. About three weeks ago I had a town hall meeting. I alluded to the act and an accusation started flying around the room, which I felt was inappropriate and not informative. However it was out there. Somehow someone and the department have failed.

One can say that the failure lies with the way reserves have been run, with the way leaders and with people pointing fingers. One can say we have a huge bureaucracy under the Indian Act which has been meddling in the affairs of the reserves and that the people of the first nations have not been allowed to use their full potential to be productive citizens of our nation.

When I look at the history of the first nations, I take my hat off to them. Their communities have learned to live very well with nature, with the environment and have adopted a lifestyle that is very impressive and conducive to living in conditions with the environment. They deserve that credit. Subsequently of course

many of us have heard about residential schools and the reservations. We feel saddened about the fact that as we move forward in the 21st century we have not addressed this issue.

• (1610)

Therefore, it is very good, I would say, and the Canadian Alliance, as my colleagues have indicated, is prepared to support the bill going right now to the committee, because we want to start the debate. The nation has to debate these deplorable conditions. We must debate this issue.

As the bill moves forward through the committee I am sure the committee will hear the views of everyone, which I hope will include the aboriginal leaders as well. My colleague from the NDP has wrongly, I must say, tried to accuse us of fearmongering but that is not the case. It is better to bring out the issues, talk about them and address them than it is to push them under the carpet. This is coming from a party that is telling us we are wrong, but at least I am glad we are going to talk about it.

My concern that I would like to raise, and I heard my colleague from the Liberal Party dwell on it, is that past experience has shown the tendency of the government, the Prime Minister and the ministers to ignore the work of the committees. Will this committee also be a rubber stamp or will this committee's recommendations make an impact on the bill to make it an effective bill? Or are we once again embarking on an exercise that the government will ignore but will love saying that the committee discussed it, as it wants to do on this one?

We in the Alliance Party want to discuss this issue. We want Canadians to engage in this debate. We must engage in this debate. Everything should be on the table in this debate. Let us not sweep anything under the carpet, because in the longer term we are doing an injustice to our first nations people as well as to the Canadians of our future. It is incumbent on us. I could go on to talk about the many things that are wrong with the bill, but I am sure we will get a tremendous amount of opportunity in the coming years to discuss this issue.

Once again I hope that all Canadians can put their differences aside and bring the issues to the table that need to be resolved so that the first nations can become citizens of this country.

• (1615)

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Madam Speaker, it is a pleasure to rise on this very important issue for Canadians that is obviously of a great deal of concern and importance to aboriginal people who are trying to wrestle with a way to better their lives.

*Government Orders*

As has been mentioned earlier today, and on both sides of the House, I think, there is a growing understanding and maybe a consensus building in all communities and in all political parties that the status quo is just simply not good enough. We cannot continue along the path we are on, repeat it endlessly and hope that we will have a different result down the way. It is a definition of insanity to say let us just keep the process going when the process we have now has resulted in 80% unemployment on many reserves, the highest suicide rates, difficulty in infant mortality and on and on the problems continue to go. The bill at least is going to get those issues on the table for debate and, I hope, for resolution.

To begin, let me say that the Stó:lō Nation is within my area, or I am within theirs, depending on whose perspective we are following. There are many different reserves that make up the Stó:lō Nation. I would say that some very good leaders have come up through the system in the Stó:lō Nation in spite of the Indian Act, not because of it. The person who makes it to the top and is able to work hard on behalf of his or her people stands out like a shining light, but unfortunately there are so many others who do not get there because there is no natural path to provide good governance and good leadership.

In fact, if they are good governors or good leaders within the community there is no guarantee they will be re-elected or receive kudos for it. In fact, sometimes, and this is what is happening in the Stó:lō Nation right now, there are certain bands that are so frustrated with the system, with the unintelligible leadership morass they have, that they have given up and opted out of the Stó:lō Nation. Now they are taking one another to court. Meanwhile different bands are fighting each other. Nobody is helping the aboriginal people with this, but the war is on between the groups as they try to find out who can lead.

We have to resolve the governance issues. This bill at least is taking a stab at it. In that sense it is good. I remember writing to the ministers in times past and asking them to intervene where I thought there was grievous, undemocratic activity going on in certain reserves. The response I got from the minister was if the people did not like it then they should elect a new council. However, here is what happens in those situations. Sometimes the band bylaws are such that all one has to do to give notification of a new election for the band council is to post on the four corners of the reserve or thereabouts a notice on an 8.5 by 11 sheet of paper, typewritten, at times posted 12 or 14 feet high on a telephone pole. The election comes and goes because nobody knows about it. There is no public notification required. There is no voters list. There is no night when all the candidates speak. There are none of the things that we take for granted in a democratic system. Certain bands just run roughshod over the democratic rights of the aboriginal people themselves, or what I would hope are democratic rights.

Therefore, we have to grapple with this. We cannot let this go on. We would not put up with it in our dealings with a third world country and we certainly should not put up with it here in our dealings with aboriginal people. They deserve better and they want better. To the aboriginal leaders who squawk the most and think it is unfair to even re-open or open this can of worms, I say "get into the 21st century". We need to have accountability because without accountability we cannot have good governance.

I also hope that during this discussion on governance issues we will understand another thing that I think is a truism about human nature, that is, if we get money from the people we purport to represent we will naturally have better accountability and better governance. In other words, right now billions of dollars are transferred from one level of government to another level of government in the aboriginal community, but it does not pass through the hands of the aboriginal people. They do not see it. It is just transferred from federal or provincial governments to a local aboriginal government, but the aboriginal people do not see it.

● (1620)

Because of that, the aboriginal people do not have any sense of where the money is going. It is not taxed out of their back pockets. It is transferred from government to government. The aboriginal people say that they do not know where the money is. All they know is that they do not have running water and they do not have facilities. They have no opportunities, no hope, because they do not see any of the money. The money just goes from government to government and then it is spent by the guys at the top and they do not get any of it. They do not see it.

I hope we discuss ways to make government better on aboriginal reserves the same as we would for any other level of government. Money should be given to the aboriginal people. They should have access to it and have opportunities and then if need be it can be taxed back. Then we will see some accountability. We will see aboriginal people standing up and saying that transfers are coming to them, their families and their community to the tune of thousands of dollars and if people want it back then they will be held accountable for it. They will say that if it is to be spent on health care they want to see where the money is being spent. They will say that they do not want it just wasted.

We see the headlines in the local papers back home and in the Vancouver *Sun* about the money being spent on trips to Hawaii, trips to exotic locations and boondoggle seminars held by dozens of people in exotic locations, all of it because of transfers of money from one government to another. If that money had to be taxed out of the back pockets of aboriginal people they would be rising up and saying enough of this nonsense. However, they never see the money. It goes directly to the band council, the band council disburses a lot of it to itself and then we have taxation without representation. We have money being spent and people not seeing the benefit from it. It is just not right.

Finally, the NDP has tried to make the case today that we should not be raising these issues, that it is unjust, unfair and so on. It is repugnant and there is revulsion and all that kind of stuff. I would tell them, as the member for Prince George—Peace River has said, to get their heads out of the sand. What on earth is the NDP thinking? If the NDP wants to help the aboriginal people, as we all want to, then let us get into the 21st century and not stick with an 18th century or 19th century model of governance. We have to, because they want something new and different.

*Government Orders*

As for the fact that some of the leadership says it is going too quickly and there is not enough consultation, we can address that in the committee forum, and of course we should consult broadly, but to say that nothing is going to change is an insult to aboriginal people and in essence is telling them that what they have is good enough. It is not good enough.

There has not been an aboriginal land claim settlement in British Columbia under the government's leadership since it came to power in 1993, not one. Hundreds of millions of dollars have now been spent on consultants' fees, on lawyers' fees and on talking around the bush until another generation of aboriginal people has grown up with even more despair.

They were promised better. They say that the government promised them it would deliver something and they cannot even get land claim settlements done under this government because the system is botched up. There is so much political correctness, so many lawyers and consultants and so much 18th century thinking that it is bogged down. Now it is being said that some of those bands, when they settle their land claims, will spend all of their land claim settlements paying off the consultants who got them to where they are today. It is just a travesty for the aboriginal people, who deserve better.

In conclusion, let me say that I was a logging contractor before I got into this business here. In the logging business in those days, I would say that around 50% of the people who worked in the industry were aboriginal, at least in my area. They were some of the best loggers and the best contractors. Some of them made a lot of money. Some of them did very well. They were hard workers, good people and excellent in the woods. We considered ourselves fortunate to have a high proportion of aboriginal people and contractors working for us. However, that was an exception to the rule. If we take the forestry industry out of it, and it is unfortunately less and less of a factor now in economic activity, aboriginal people are asked to sit on their reserves and just exist instead of having opportunities to advance themselves.

•(1625)

It is time to break out of the mould, give them good governance, allow them to make decisions that affect themselves, and work with them to make a brighter 21st century because the past century and a half has been an abysmal failure.

**Mr. Rick Laliberte (Churchill River, Lib.):** Madam Speaker, I am honoured to rise in the House today to debate an issue that is critical to our country. The preamble of Bill C-61 states:

Whereas governments in Canada have certain capacities and powers facilitating good governance, accountability and economic development—

The opening statements of the preamble should exemplify how the country was created. The crown of England negotiated by treaty with the aboriginal nations of Canada to create a country. Why is that preamble not in the bill? Immigrants or anyone else who declares themselves to be Canadian must realize that the country was created by negotiation and treaty, a sacred covenant. It was sacred because it was held in high regard. It was held with the sacred pipes of our nations to secure a nation which shared the land among all Canadians. That preamble is missing from Bill C-61.

When immigrants become Canadians they must learn the country's history. They must realize that the aboriginal nations willingly shared the land to live a peaceful and harmonious existence. It started as a colonial relationship but we must now throw the colonial cloaks away, as the minister has said.

How do we travel forth? This morning an hon. member across the way brought up the issue of the two row wampum. I commend his perspective. However the two vessels he spoke about are here on Parliament Hill. This vessel, created under the British parliamentary structure, has a Senate and a House of Commons. The other vessel, the Library of Parliament, is round and shaped like a teepee. An aboriginal council could take its place there and we could collectively govern the country.

There are three Houses. They are like mind, body and spirit. We could stand together in security for the certainty of the country. The senators could be our sober second thought. They could be our elders, our wisdom. They could make their decisions on journeys such as this law.

The House of Commons represents all jurisdictions and constituents of Canada, but our aboriginal nations have been missed in governing the country. The crown has been selfish in governing the country on its own. The crown must recognize the original nations and come together with them. We must create a united Canada made up of all our nations. We are a river of nations and a nation of rivers.

When we speak of a nation of rivers we need only look at the river maps. The river basins are based on treaties. In the region I come from, Saskatchewan Treaty 6 includes the entire North Saskatchewan River. Treaty 10 includes the entire Churchill River system. Treaties 8 and 11 include the entire Mackenzie River basin system. It was through treaty that Canada acquired the lands to govern the country. Let us go back and respect those treaties. If we visit any first nations community that has signed a treaty the elders will say time and time again that our relationship flows from the treaties signed by their people. Chiefs such as Mistawasis, John Iron of Canoe Lake, and Chief Apisis from English River all signed treaties. Canada cannot forget its own history.

Everyone here is afforded a treaty right. It is by treaty that Canadians have a country to govern. I have a treaty right to be here as a member of parliament. Without a country called Canada I would not be the member of parliament for Churchill River. Treaty rights flow both ways. Aboriginal nations are not the only ones with treaty rights. It is through treaty rights that we as Canadians have a land to live on and call home. That preamble is required in the governance bill.

•(1630)

The other challenge I will make is to our aboriginal nations. Madam Speaker, I hope you will allow me to express myself in my language because that is how I must address them.

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

*Government Orders*

We have been given a great responsibility as aboriginal people. The aboriginal nations have inherited the gifts of mother earth that we call Canada. The creator has given us gifts that are so immense we must share them with the world. Many nations have come from many directions: from the east, the south, the west and the north. The nations have converged and call Canada home. Their children have come here. We all want to raise our children together. Let us raise our children in peace and harmony. Peace and harmony can be found if we gather as nations and represent ourselves as one country.

It is time to take this debate to the aboriginal nations. I beg the aboriginal nations to gather as nations. If they gather as nations in this country we call Canada we will find peace and a harmonious relationship with our country. The country is too beautiful to neglect. Our responsibility as nations is critical at this point.

The bill is a default bill. If we do not get our self-government models in place to rectify our inherent and aboriginal rights we will have two years before the default comes into play. The debate needs to take place now. The call for the gathering of nations should be made now for the benefit of the country and of the world, because the world is on a slippery slope to war. We see atrocities happening worldwide.

Here on mother earth we have been given a sacred gift that we call North America or Turtle Island. The aboriginal nations of the island have been given a gift called peace. It is called the great law of peace. It is based on the Iroquois confederacy, a union of five original nations which now includes six. When the United States needed a model of democracy it took a Xerox copy of the great law of peace to create its own constitution. The U.S. constitution is only a replica of that law. Canada has a chance to bring the real law of peace here and nurture it for the world. That is where we will find true world peace.

Ladies and gentlemen, hon. members:

*[Editor's Note: The member spoke in Cree]*

Let us rise to our responsibilities. Aboriginal peoples and their leaders have a responsibility to gather, and the crown has a responsibility to recognize first nations when they come together. Let us find a meaningful relationship so we can journey on this river we call Canada together as nations, united to create one beautiful country.

• (1635)

**The Acting Speaker (Ms. Bakopanos):** It is my duty to interrupt the proceedings at this time and put forthwith the question on the motion now before the House.

Is the House ready for the question?

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

(Motion agreed to and bill referred to a committee)

*[Translation]*

**The Acting Speaker (Ms. Bakopanos):** It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Palliser, Agriculture; the hon. member for South Shore, Government Contracts.

\* \* \*

**PHYSICAL ACTIVITY AND SPORT ACT**

The House proceeded to the consideration of Bill C-54, an act to promote physical activity and sport, as reported (with amendments) from the committee.

*[English]*

## SPEAKER'S RULING

**The Acting Speaker (Ms. Bakopanos):** I would like to draw the attention of the House to the decision made by the Speaker on report stage of Bill C-54.

There are 14 motions in amendment standing on the notice paper for the report stage of Bill C-54. By unanimous consent earlier today, Motions Nos. 1 and 6 have been removed from the notice paper. All remaining motions have been examined and the Chair is satisfied that they meet the guidelines expressed in the note to Standing Order 76.1(5) regarding the selection of motions in amendment at the report stage.

The motions will be grouped for debate as follows:

*[Translation]*

Group No. 1, Motions Nos. 4, 5, 7 and 8.

Group No. 2, Motions Nos. 10 and 11 to 14.

The voting patterns for the motions within each group are available at the table. The Chair will remind the House of each pattern at the time of voting.

*[English]*

I shall now propose Motions Nos. 4, 5 and 8 in Group No. 1 to the House. We shall not proceed with Motion No. 7 as the hon. member for Hamilton West is not present to move the motion.

## MOTIONS IN AMENDMENT

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.)** moved:

Motion No. 4

That Bill C-54, in the preamble, be amended by replacing lines 17 to 22 on page 1 with the following:

"WHEREAS the Government of Canada is committed to promoting physical activity and sport, having regard to the principles set out in the Official Languages Act;

AND WHEREAS the Government of Canada wishes to encourage cooperation among the various governments, the physical activity and sport communities and the private sector in the promotion of physical activity and sport;"

Motion No. 5

That Bill C-54, in Clause 2, be amended by replacing line 30 on page 1 with the following:

"member or members of the Queen's Privy Council for".

Motion No. 8

*Government Orders*

That Bill C-54 be amended by replacing line 27 on page 2 with the following:

"5. The objects of this Act are to encourage, promote and develop physical activity and sport in Canada. The Minister may take any measures that the Minister considers appropriate to further those objects, and in particular may

- (a) undertake or assist in research or studies in respect of physical activity and sport;
- (b) arrange for national and regional conferences in respect of physical activity and sport;
- (c) provide for the recognition of achievement in respect of physical activity and sport by the grant or issue of certificates, citations or awards of merit;
- (d) prepare and distribute information relating to physical activity and sport;
- (e) assist, cooperate with and enlist the aid of any group interested in furthering the objects of this Act;
- (f) coordinate federal initiatives related to the encouragement, promotion and development of physical activity and sport, particularly those initiatives related to the implementation of the Government of Canada's policy regarding sport, the hosting of major sporting events and the implementation of anti-doping measures, in cooperation with other departments or agencies of the Government of Canada;
- (g) undertake or support any projects or programs related to physical activity or sport;
- (h) provide assistance for the promotion and development of Canadian participation in national and international sport;
- (i) provide for the training of coaches and any other resource persons to further the objects of this Act in relation to sport;
- (j) provide bursaries or fellowships to assist individuals in pursuing excellence in sport;
- (k) encourage the promotion of sport as a tool of individual and social development in Canada and, in cooperation with other countries, abroad;
- (l) encourage the private sector to contribute financially to the development of sport;
- (m) facilitate the participation of under-represented groups in the Canadian sport system;
- (n) encourage provincial and territorial governments to promote and develop sport;
- (o) coordinate the Government of Canada's initiatives and efforts with respect to the staging and hosting of the Canada Games; and
- (p) encourage and support alternative dispute resolution for sport."

**Mr. Dennis Mills:** Madam Speaker, I rise on a point of order. In your comments earlier you talked about some motions the hon. member for Hamilton West had presented. You said they were not presented because he was not here. My understanding is that the amendments could not be received because they were ruled out of order. I only want it on the record because both the minister and myself had undertaken to present the amendments but were told we could not.

**The Acting Speaker (Ms. Bakopanos):** Perhaps the hon. member was not in the House but the hon. member for Hamilton West had a number of amendments which were rejected. This one had been selected but the hon. member is not here at the moment to present Motion No. 7.

Resuming debate, the hon. Secretary of State for Amateur Sport.

• (1640)

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.):** Madam Speaker, Motion No. 4 would amend the preamble by including a reference to the Official Languages Act. This would affirm the Government of Canada's commitment to promoting physical activity in sport, having regard to the principles set out in the Official Languages Act.

[*Translation*]

When the bill was presented to the subcommittee, a number of members expressed concerns. Discussions were held, and it was decided that it would be wise to include a reference to our intention to comply at all times with the Official Languages Act.

With respect to Motion No. 5, at this time sport is the responsibility of the Minister of Canadian Heritage, and physical activity, the Minister of Health.

Reinsertion of clause 2 will give the governor in council the required flexibility to designate any member or members of the Queen's Privy Council for Canada to administer the act.

We have determined that it would be wise to have these two references to the two ministers.

[*English*]

With respect to Motion No. 8, the amendment reintroduces clause 5 of Bill C-54 which was deleted at committee. This clause sets forth the objects of the bill, namely to promote, develop and encourage physical activity and sport in Canada, and specifies the minister's mandate in that regard. This in essence was the heart of the bill along with the centre for dispute resolution. It was important that it be reinserted.

There have been discussions among all parties and I understand notwithstanding that there will be other interventions, there is unanimous consent that the bill be deemed to be passed at report stage this afternoon.

**The Acting Speaker (Ms. Bakopanos):** Is that agreed?

**Some hon. members:** Agreed.

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Madam Speaker, I want to speak to the amendments. We will have a chance to go over the bill likely tomorrow if it passes report stage today. We will be able to wax eloquent about the need for physical activity and amateur sports and what the bill will do. We will be able to talk about our hopes for the bill. An awful lot of it is unclear. We do not know what the budget will be, what the priorities will be, whether the government will create the authority required but in essence I think there will be broad support for it.

For people to understand where we are today they almost have to go back to the clause by clause amendments in committee last week to understand why we are on these particular motions today.

Motion No. 4 which includes a reference to the Official Languages is necessary because the Bloc is adamant that it be specifically noted. I do not have a problem with it. It is in the preamble. All laws in Canada are subject to the Official Languages Act and as such it does not disturb me.

What would have disturbed me and what was a problem even in committee was the amendment was actually passed in committee at one time. The amendment was passed that the object of the bill was to develop physical activity and sport and to create an environment conducive to the equitable participation of both official language communities in the Canadian sport system.

*Government Orders*

After that amendment passed we had to actually defeat the entire clause of the bill. We had to gut the bill basically because the purpose of the bill is not to promote an atmosphere conducive to two official languages; it is to create physical activity and a sports environment for all Canadians. This is not a language bill; it is a sports and physical activity bill.

The committee went on to eliminate the entire *raison d'être* of the bill which we are now reinstating in Motion No. 8 which the secretary of state has put forward. I think it has the right language. It says that the minister may take any measures that the minister considers appropriate to further the objectives and it gives a long list of things that the minister may do. The language in the original bill was proper and the language we are putting back into the bill today is proper.

The amendments that thankfully have been withdrawn by the member for Repentigny are appropriately withdrawn because they would have weakened the bill. They would have made it a little bit of everything and would not have done what we wanted. I am happy to support Motion No. 4 which is in the preamble and Motion No. 8 which is basically the core of the bill and reinstates it to what it was before the committee stage.

• (1645)

[*Translation*]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Madam Speaker, I rise today as the Bloc Québécois critic for amateur sport to address Bill C-54, an act to promote physical activity and sport.

Since the beginning, the Bloc Québécois has been supportive of the principles that underlie this bill, provided that it includes a specific provision to comply with the Official Languages Act. We believe that athletes, coaches and the whole population will benefit from the objectives of this bill, which are laudable and long overdue.

The Bloc Québécois has always made athletes and coaches a key element of its demands and it will continue to do so at every opportunity, as long as this is necessary.

Bill C-54 is a step in the right direction. It remains to be seen whether these specific measures will meet the numerous expectations of the sports community and of the general public. It is important to remember that this bill is as much about sports as it is about physical activity.

Discussions during the sittings of the subcommittee on sport were lively, but we always kept in mind that we should be working in the best interests of athletes and coaches, because this is a non-partisan issue. Based on the comments that we heard, it appears that our work was appreciated.

The objectives on both sides of the table were basically the same, namely to increase resources for our athletes and coaches, to develop an awareness of the fact that sport facilities and infrastructures are in urgent need of investments, and to implement practical measures to increase public participation.

As a member of parliament, the Bloc Québécois critic for amateur sport and a member of the subcommittee on sport, I have stressed the need to have a specific provision on respecting official languages. Today, we see that our efforts have paid off. During the sittings of

the subcommittee, we insisted on the need to put in place mechanisms to monitor and implement the use of official languages, based on the recommendations made by the Commissioner of Official Languages in the report she tabled in 2000.

Subcommittee members unanimously expressed a desire to soon have a true department of sport and physical activity. We believe that the creation of such a department would officialize the implementation of the objectives of Bill C-54.

Members of the subcommittee would also like to see a strengthening of the preamble to Bill C-54. We need more than empty words to meet the expectations of our athletes and trainers. It is incumbent upon the government to officially act on this preamble as soon as possible.

We hope that this bill will put athletes and trainers at the heart of this government's actions, as the Bloc Québécois has been recommending since the very beginning.

We also hope that the government will act quickly to make the resources available to meet the objectives of excellence and that the appropriate transfers will be made to Quebec, the provinces and the territories so that athletes can have, right from the start, all the tools they need to succeed.

Our athletes and trainers are our pride, and we need to show that to them. They have been listening to empty words for too long. The time has come to take action so that we never again have to talk about a lost generation.

The Bloc Québécois hopes that the government will take its inspiration from community physical activity programs such as Kino-Québec. We are still wondering about the relevance of abolishing the ParticipAction program.

It is the government's intention to encourage physical activity for the public at large, but it did abolish a program that would have helped us move along toward that goal.

The Bloc Québécois is in favour of this bill inasmuch as there is total respect for Quebec's jurisdiction, to avoid any form of encroachment. We encourage the federal government to open a dialogue of co-operation with its counterparts in Quebec, the provinces and the territories.

• (1650)

With respect to the creation of the dispute resolution centre, the Bloc Québécois reiterates its desire that this extrajudicial resolution centre operate on a purely voluntary basis in connection with athletes and that Sports Canada be required to respect athletes' wishes. It would also be appropriate to implement arbitration award consultation mechanisms, thus creating sport case law which would be available to the sport community.

The Bloc Québécois feels that the rules of application for the mediation and arbitration process should follow the example of the rules of procedure in use in Quebec. The amendments to this effect were rejected by the subcommittee on sport during clause-by-clause study.

*Government Orders*

Finally, we see in the specific affirmation of respect for the official languages an intention of goodwill, and we hope that Quebec's athletes and trainers will finally be able to participate fully in the international sport community.

In 1999, the Bloc Québécois filed a complaint with the official languages commissioner asking her to look into the difficulties faced by francophone athletes. The commissioner felt that our allegations were well founded. In 2000, she submitted a detailed report containing 16 recommendations.

In her report, the Commissioner of Official Languages referred to the results of an in-depth investigation of the use of French and English in the Canadian sports system. Her conclusion was that not only did the process of selecting Canadian teams represent a major obstacle to francophone athletes, but that the problem existed far earlier than the final team selection process. It is a problem that has been around for some time and it is time steps were taken to ensure respect of the rights of francophone athletes to receive services and coaching in the language of their choice.

The Bloc Québécois has been calling for a long time for implementation of the 16 recommendations made by the Commissioner of Official Languages. Her report is already two years old. We are still demanding their immediate application. In fact, acknowledgment of the francophone athlete issue is the central point of our demands, as it has been from the start, both in the House of Commons and in the sports subcommittee.

The Commissioner of Official Languages makes it clear: French and English are far from equal in status as far as Canadian sport is concerned.

With the introduction of Bill C-54, the Bloc is entitled to call for proper implementation of the recommendations by the Commissioner of Official Languages, and particularly the explicit entrenchment of these recommendations in the bill itself. The Bloc Québécois therefore calls for legislative acknowledgment of the formal application of the Official Languages Act.

How many francophone athletes have been training for years and have not managed to get to international level competitions because of the language barrier? Unfortunately, far too many.

The Bloc Québécois has been constantly demanding from the very start that the government respect francophone athletes and coaches, who are being forced to master English as well as the demands of their sport.

As I have only two and one half pages more to read, I would ask for unanimous consent of the House to finish my speech.

• (1655)

**The Acting Speaker (Ms. Bakopanos):** Does the hon. member have the unanimous consent of the House to finish his speech?

**Some hon. members:** Agreed.

**Mr. Robert Lanctôt:** Madam Speaker, since the very beginning, the Bloc Québécois has been constantly asking that the government respect francophone athletes and trainers from Quebec, who must master the English language as well as their sport. Our request is totally legitimate.

We wish to remind the government that 12 of the 16 recommendations were to be implemented by April 1, 2001. Nothing has been done; no recommendation has been implemented, which is deplorable.

The 16 recommendations were quite simple. The first one called for Sport Canada to review the official languages objectives with regard to the funding framework for sports organizations.

This means that Sport Canada was asked to require Canadian sports federations to eliminate restrictions for francophone athletes.

The second recommendation called for Sport Canada to ensure, through close monitoring, that official language objectives within the funding framework were met, and to do so by April 1, 2001.

In turn, Treasury Board was asked to review its method for verifying compliance with programs so as to ensure better control.

The next recommendation called for a complete review of language requirements for positions within the Athlete Assistance Program.

The fifth recommendation referred to the requirement for assurances that both official languages will be respected during large-scale games. For the sixth recommendation, the official languages commissioner called for the linguistic requirements for management positions to be reviewed.

The seventh recommendation involved reviewing how responsibilities are assigned to program officers, in order to guarantee client organizations services in the language of their choice.

Sport Canada was also to work together with sporting organizations in order to adopt policy statements on official languages.

Another recommendation was to ensure that Sport Canada require that the linguistic capabilities of Canadian sports organizations be reviewed. Sport Canada was also to review sports organizations' budgets for official languages spending.

There was also the issue of having a non government organization provide translation services.

Recommendations 12, 14, 15 and 16 dealt with the first language of coaches. The commissioner recommended that coaches know both official languages and that medical services be offered in both official languages.

We are pleased to note that the government decided to make specific reference to respecting official languages, even though this is the result of the fact that we insisted on this each time we spoke on the subject, whether it be in the House of Commons or during the hearings of the subcommittee on the study of sport.

The Bloc Québécois is proud that our repeated demands of the government for recognition, in law, of the importance of the Official Languages Act has finally yielded results, as it is contained in the preamble. Obviously, we would have preferred it if all of the amendments on official languages that were presented by the Bloc Québécois had been included in the bill itself, rather than simply in the preamble.

*Government Orders*

However, I believe this is a considerable improvement, and it is my hope that athletes, coaches and everyone involved in sports will benefit from this addition to the preamble.

[*English*]

**Mr. Dick Proctor (Palliser, NDP):** Madam Speaker, I will be extremely brief because we in the NDP caucus are in support of the bill. It is my understanding that we are talking about the motions in Group No. 1 and that there will be an opportunity perhaps tomorrow to make a more substantive intervention.

I congratulate the Bloc for its insistence on including the Official Languages Act but also to correct the Canadian Alliance for saying it was at the insistence of the Bloc. The member may technically be correct but I can assure everyone that this party and I suspect another party in the House would have been equally adamant that there be full recognition of the Official Languages Act in part as a result of the appearance of the commissioner of official languages before the committee some several weeks ago.

We are pleased to see that addition in Motion No. 4. We support all of the aspects of the motions in Group No. 1.

● (1700)

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, on behalf of the Progressive Conservative Party I am very pleased as a member of the sports committee to participate in this debate. I will be brief as well but perhaps not quite so succinct as my colleague from Palliser. He was certainly correct in pointing out that all parties were very co-operative throughout the efforts to ensure that there was language parity and to ensure that the Official Languages Act was complied with in every fashion throughout the process and was encapsulated in the bill.

The bill which is to promote physical activity in sport is one that demonstrated how a parliamentary committee should work. There was a great deal of consultation and input from stakeholders as well as members of parliament. The Bloc played a very active role in ensuring that the official languages sections of the bill were acceptable to all Canadians. I also want to take a moment to commend the efforts of the parliamentary secretary and the minister himself, who in his day I understand was somewhat of an athlete. He is somebody who still has some athletic ability as he has demonstrated on occasion.

Motion No. 2 deals with group representation. It carried a great deal of weight and some might say controversy during the committee proceedings. Some felt that specific groups should merit recognition while others felt that the naming of any one group might by virtue of that move alienate some others. To deal with this, the phrase has been changed to “wishes to increase awareness among all Canadians”. This was a very insightful and wise agreement to come to on behalf of the committee.

The amendment should also alleviate the problem associated with language or any other minority group. The inclusive language of all Canadians is self-explanatory.

Motion No. 3 similarly is meant to encompass the all inclusive phrase “all Canadians in increasing their physical activity”. This again is a common sense amendment. The issue deals specifically with inclusion, tolerance and a moderate approach, which is one that

is consistent with the approach that has always been brought forward by the Progressive Conservative Party. In particular when we are dealing with Canadians leading healthy lifestyles, it pays to make the linkage to the health benefits and savings associated with health care costs in Canada.

Motion No. 4, which was clearly the most controversial of all elements, lays out the framework in terms of language, answering committee concerns and making note of the government's desire and commitment to promote physical activity in regard to the principles set out in the Official Languages Act. There had to be compliance with language requirements and language parity.

I must say as a member of the committee, again it was truly heartening to see the spirit of co-operation demonstrated in arriving at the co-operative and compromise position that we did in presenting the amendments that we see before us. The proper balance was achieved and there was a genuine effort to achieve this linguistic parity.

I again commend the efforts and diligence of my colleague from the Bloc Quebecois who was a very active, able member of the committee.

Motion No. 5 deals with the definition of minister. It also adds “members of the Queen's Privy Council” so it expands that particular definition.

Motions Nos. 7 and 8, which unfortunately did not make it through this process, dealt with the permissive language surrounding the actions of the minister. There is certainly still some merit in examining this particular element in the future, especially when we look at the efforts of the minister to ensure Canadians encourage their children to lead healthier lifestyles and develop positive health habits.

It would also at some point merit revisiting because of the prioritizing of funding and the issues that would stem from greater funding associated with these new sections of the bill.

Similarly Motion No. 9 did not make it through the cutting room floor.

● (1705)

Motion No. 10 inserts verbatim clause 9 which deals with the establishment of the dispute resolution centre. I might just comment briefly that this not for profit independent arm's length body is mandated to aid the sport community with national dispute resolution in issues where a dispute might arise.

Why that matters is clearly demonstrated by some of the issues that arose very recently at the Olympics in terms of judging and standards with respect to international sport. Similarly, on occasion issues tend to arise with who represents this country and how that decision is arrived at. Another very good example was the dispute that arose with the national coach of the Canadian rugby team and the breakdown in communication that occurred between the players and the organizing body. As a result, that breakdown in communication cost Canada several international matches.

*Government Orders*

This new body goes a long way to deal with sports disputes in a very expeditious manner at a very basic level. I am encouraged to see that this body will be set up. I will add one proviso that I hope in the future the government may consider making this arm's length body and all arm's length bodies subject to monitoring and review by the auditor general. That appears to be a shortcoming in many areas and has been the subject of debate on another level in the House.

Motion No. 11 amends clause 17 which deals with the bylaws. The amendment removes the requirement that the board of directors determine the salary of the executive director. It maintains the appointment and remuneration of the officers of the centre.

Motion No. 12 deals with the language protection guidelines and requires the staff of the centre to deal in both official languages. It is a very important element of this legislation to promote both French and English throughout the system and the enhancement of sport in Canada.

Motion No. 13 deals with clause 21 which sets the terms of office for the executive director at not more than five years but allows the executive director to have that appointment renewed for one or more terms. This amendment does away with this and merely states that the board of directors shall appoint an executive director of the centre. It leaves some of the decision making power around that appointment in the hands of the board members.

Motion No. 14 deals with the absence of the executive director at the centre should he or she become incapacitated or if the office were to be vacated. No one will be allowed to take over for more than 90 days without the approval of the board of directors. This is a very common sense amendment that empowers the board members. It gives them greater legitimacy in the affairs of their own decisions. The previous responsibility fell to the minister.

In conclusion, overall this is a very positive piece of legislation. I commend the new minister of sport. He has made this bill, sport and physical activity in Canada his highest priorities since taking over the post. I also commend the member for Toronto—Danforth who on occasion has been very active in the promotion of healthy living and sport in the country.

There has been a great deal of consultation and co-operation throughout this process which in these very contentious days is heartening for the parliamentary process. It is an indication of the level of agreement that we are able to get the bill through and proceed through report stage today.

The Progressive Conservative Party wholeheartedly supports Bill C-54 and all efforts to ensure the betterment of Canadians' healthy lifestyles and build upon our very storied history of athletic accomplishment. Our recent Olympic exploits as well as those amazing accomplishments of our homegrown heroes give Canadians reason to beam with pride.

It is certainly my hope and the hope of the Progressive Conservative Party that legislation such as this will go some way to ensure that this legacy of excellence in athletic competition continues.

● (1710)

**Mr. Chuck Cadman (Surrey North, Canadian Alliance):** Mr. Speaker, I am pleased to rise to speak to Bill C-54 for a number of reasons.

First and foremost this is one of the few pieces of government legislation that I can support without offering much criticism other than the fact that the bill is long overdue. It would replace the Fitness and Amateur Sport Act of 1961. Much has changed since 1961. Having had some experience in recreational amateur sport I feel strongly about the role the federal government should play to ensure that opportunities exist for all Canadians, in particular young Canadians who wish to participate. The primary reason I can support the legislation is that the drafters of the bill have ensured that the private sector would be properly encouraged to financially support sporting activities and events. This is an excellent solution to funding.

There are provisions in the bill to ensure that all Canadians would be encouraged to participate in physical activities. From a social planning perspective this is good policy as a fit and healthy population has wide ranging benefits. As Canadians become more involved in sports and physical activity we would see many payoffs, such as lower health care costs and, equally as important, increased social interaction and the cultural benefits that flow from it.

Personally, recreational sports have been a part of my life for as long as I can remember. Growing up in Ontario weekends and summer holidays were spent playing baseball and football in the schoolyard. At school it was football and basketball. Like many of my generation, and many of today's generation, I spent countless winter hours on natural outdoor ice in subzero temperatures playing both shinny and organized hockey. I never played hockey inside an arena until I was in my early teens. It stayed with me. It was only after I was first elected to this place in 1997 that, due to the extended absences from my home on the west coast, I retired from the Surrey men's recreational hockey league after 14 years as a player. I was also the league statistician for a number of years.

My wife, Dona, was a league timekeeper for just about as long, not so she could keep tabs on me but because she, like many other hockey widows, thoroughly enjoyed the camaraderie and the social interaction. Together, we also played slow-pitch baseball for many years. I will always be grateful for the support of my teammates when we lost our son nearly 10 years ago. It was incredibly important. It showed the true measure of what amateur and recreational sport is all about.

When our children were growing up I spent ten years involved in coaching youth soccer and seven years with baseball. Again it was a family affair, as my wife also coached a girl's softball team for six years. I have many fond memories of those years at the ballpark and the soccer pitch, memories of young faces playing the game for the fun of it. I still see some of those kids today. They are young men now, some coaching their own children.

*Government Orders*

One disappointing aspect of my coaching experience was the lack of interest and participation shown by some parents, who saw the sporting activities of their children as nothing more than a babysitting service. Anyone who has coached young people's teams can attest to that. It seemed nothing more than an opportunity to get rid of the kid for a few hours a couple of times a week. It cannot be emphasized too strongly just how much it means to an eight or nine year olds to have mom or dad cheering for them on the sidelines. Parents who take little or no interest have no idea what they are missing. They will never get those times back, and that is indeed unfortunate.

Having been involved in sports at this level I was further impressed with the legislation because it appears that there was consultation with Canadians across the country before the bill was written. It is my understanding that there were over 1,000 people involved in that consultation process and the backgrounds of those people covered a wide spectrum of sport in Canada.

I am interested in what the bill would do for Canadian athletes who aspire to more than recreation sport. I am reminded of world sporting events, such as the Olympics. Canada has traditionally done well on the world stage of sports. This past winter in Salt Lake City was no different. I cannot think of any more unifying events than the gold medal hockey games. Our country literally came to a standstill when the men's team played for gold on a perfect Sunday afternoon. The women's team played with skill and determination. The class that they displayed in their gold medal victory showed the true spirit of champions. However the hockey gold in no way diminishes the extraordinary accomplishments and efforts of other members of the Canadian Olympic team. Each and every one of them is to be commended and deserves our deepest gratitude for the way in which they represented Canada.

• (1715)

I would be remiss if I did not harken back to the 2000 Sydney summer Olympics to acknowledge Daniel Igali who brought home to Surrey the gold medal for the 69 kilogram class of freestyle wrestling. Daniel came to Canada from Nigeria. Our first contact came when he requested assistance from my office to ensure that his immigration application was proceeding properly so he would qualify for the Canadian national wrestling team. I recall sitting in front of a TV well after midnight here in Ottawa watching his gold medal winning match from Australia. Those who saw the image of Daniel spreading the Canadian flag out and kneeling to kiss it will long remember it. Daniel is a role model who spends much of his time speaking to children and youth about the importance of working toward one's dream.

Recently, another young man from Surrey, Adam Loewen, was selected fourth overall in major league baseball's draft. This is the highest ever for a Canadian player. Adam currently pitches for the Whalley Chiefs and at 18 has an extremely bright future.

We must remember, however, that few athletes reach these pinnacles. For every Daniel or Adam there are thousands who compete to the highest levels of their abilities and then move on to find their niche in life. The bonds of friendship that develop through the camaraderie of amateur and recreational sport last a lifetime. The encouragement of amateur sport will do more for the unity of this

country than any politically motivated sponsorship or advertising scheme. It is my sincere hope that the bill would allow athletes of all stripes to attain their dreams, be it at the local, provincial, national, international or professional level.

I am glad to see that there are provisions in the legislation that provide for the promotion of a drug free sport. It is vital to our society that this anti-doping message be delivered loud and clear to our young people. Hand in hand with that message must be the commitment that our young people deserve to have all the advantages we can reasonably provide them with in terms of training facilities and opportunities.

Another positive aspect of the bill is its emphasis on ethics in sport. I hope that as the legislation is implemented there are some guarantees written in to ensure that an ethics code is established in a more timely fashion than the one the government is creating for itself.

The one concern that I have with the legislation comes to light only after some of the problems that the government has been having with patronage and rewarding its supporters. It would be unfortunate if the bill became yet another vehicle for pork. I would expect to see athletes and supporting organizations receive support based on merit rather than the political party they support. I encourage my colleagues to support the legislation to ensure that sport and physical activity remain alive and well in Canada.

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

**Some hon. members:** Question.

[*Translation*]

**The Acting Speaker (Mr. Bélair):** The question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Bélair):** I declare the motion carried. (Motion No. 4 agreed to)

[*English*]

**The Acting Speaker (Mr. Bélair):** The question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Bélair):** I declare the motion carried. (Motion No. 5 agreed to)

**The Acting Speaker (Mr. Bélair):** The question is on Motion No. 8. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Bélair):** I declare the motion carried. (Motion No. 8 agreed to)

• (1720)

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.)** moved:

Motion No. 10

*Government Orders*

That Bill C-54 be amended by replacing line 12 on page 3 with the following:

“9. (1) A not-for-profit corporation is hereby established to be called the Sport Dispute Resolution Centre of Canada, in this Act referred to as “the Centre”, which shall include a dispute resolution secretariat and a resource centre.

(2) The Centre is not an agent of Her Majesty.

(3) The Centre is not a departmental corporation or a Crown corporation within the meaning of the Financial Administration Act.

(4) For the purposes of the Federal Court Act, the Centre or an arbitrator or mediator who provides services under the auspices of the Centre is not a federal board, commission or other tribunal within the meaning of that Act.

(5) The Centre shall offer its services to, and communicate with, the public in both official languages of Canada.

(6) The head office of the Centre shall be at the place in Canada that is designated in the by-laws of the Centre.”

Motion No. 11

That Bill C-54, in Clause 17, be amended by replacing lines 25 to 27 on page 5 with the following:

“(c) the appointment and remuneration of the officers of the Centre;”.

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, you will note that Motions Nos. 12, 13 and 14 that were on the order paper were found by the Speaker not to be acceptable. I ask for unanimous consent that they be reinstated. Motions 13 and 14 are consequential motions from amendments that were made in committee and we request that there be unanimous consent to reinstate them.

[*Translation*]

Motion No. 12 is a amendment about the centre to be created, giving the board of directors authority to resolve disputes involving official languages.

I seek the unanimous consent of the House to restore these three motions.

[*English*]

**The Acting Speaker (Mr. Bélair):** Is there unanimous consent to reinstate Motions Nos. 12, 13 and 14?

**Some hon. members:** Agreed.

**An hon. member:** No.

[*Translation*]

**Hon. Paul DeVillers:** Mr. Speaker, the purpose of Motion No. 10 is to restore clause 9 to Bill C-54, and I quote:

9.(1) A not-for-profit corporation is hereby established to be called the Sport Dispute Resolution Centre of Canada—

Clause 9 provides that the centre shall be independent of the government and shall offer its services to, and communicate with, the public in both official languages of Canada.

The committee rejected clause 9 and we are in the process of restoring it.

[*English*]

Motion No. 11 is a technical amendment necessary in light of the amendment adopted by the Standing Committee on Canadian Heritage regarding the appointment of the executive director by the board of directors of the sport dispute resolution centre. This is similar to Motions Nos. 13 and 14 for which I had requested unanimous consent to reinstate. Maybe after further discussion I

would make the request again for unanimous consent to have Motions Nos. 12, 13 and 14 reinstated. I understood that all parties were in agreement with those amendments.

**The Acting Speaker (Mr. Bélair):** To ensure we understand each other, the hon. secretary of state is asking for unanimous consent to reinstate Motions Nos. 12, 13 and 14 after the Speaker had said they were not acceptable. Is there unanimous consent?

**Some hon. members:** Agreed.

[*Translation*]

**Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.)** moved:

Motion No. 12

That Bill C-54, in Clause 17, be amended by replacing line 39 on page 5 with the following:

“cludes

(i) principles governing the use of English and French by the staff of the Centre in their communications, provision of services and daily work; and

(ii) a mechanism for resolving disputes”.

Motion No. 13

That Bill C-54, in Clause 21, be amended by replacing lines 4 to 10 on page 7 with the following:

“21. The board of directors shall appoint an executive director of the Centre.”

Motion No. 14

That Bill C-54, in Clause 23, be amended by replacing line 25 on page 7 with the following:

“without the approval of the board of directors.”

He said: Mr. Speaker, Motion No. 12 is a technical amendment which would allow the sport dispute resolution centre of Canada to make bylaws regarding the principles governing the implementation of an official languages policy with respect to the use of English and French.

● (1725)

[*English*]

**Hon. Paul DeVillers (Simcoe North, Lib.):** Motion No. 13 is a technical amendment in light of the amendment adopted by the Standing Committee on Canadian Heritage regarding the appointment of the executive director by the board of directors of the sport dispute resolution centre of Canada. As drafted the bill referred to the minister and that was changed in committee. Therefore this is simply a consequential amendment.

[*Translation*]

Motion No. 14 is a technical amendment made necessary by the adoption by the Standing Committee on Canadian Heritage of an amendment providing that the executive director of the sport dispute resolution centre of Canada shall be appointed by the board of directors.

*Government Orders*

[English]

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, the group of amendments we are now dealing with, including the ones we have reinstated, are all about the creation of a sports dispute resolution centre. Many witnesses from the amateur sports and organizations both large and small who appeared before committee felt that this dispute settling mechanism for sports would be a useful body for them to handle issues rather than having to go to court or get into a messy legal battle.

Second, the witnesses felt the board would not only expedite relations between organizations and the government but that it could also provide arbitrators, mediators and so on who could offer their professional assistance to organizations that probably could not afford one on their own. It is a good idea and the organizations want it.

The clauses we put in actually improve the original bill. The board of directors would now be able to appoint its own executive director, someone who would actually run the day to day business, which is better than having the minister himself doing it. If we are going ask the board of directors to ride herd on this, it is only right that they hire their own executive director. In that sense we have improved the bill with the inclusion of that clause.

Overall, the amateur sport community will be well served by having this. Depending on what one thinks happened in the NHL, maybe we need the same sort of thing for professional sports, but that is another issue we will go through during next year's Stanley Cup. However, as for amateur sports, this dispute settling centre has good potential and I hope its establishment will serve the sports community well.

[Translation]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, in connection with Motion No. 10, which concerns reinstatement of clause 9, it is vital to reinstate this, because it is one of the key points of the bill. It concerns the Sport Dispute Resolution Centre.

Having spoken with all athletes as well as a number of coaches, we find it obvious that this is both welcome and necessary. I trust that it will not be made mandatory.

I had proposed some amendments on this, making it a voluntary decision for the athletes to be part of this centre. Similarly, should they wish to take advantage of the centre's mediation or arbitration, the federations and Sport Canada would be required to participate.

These amendments were turned down in committee. Since the bill does not make reference to this, it is important not to deprive athletes of their rights, in other words, they must still have the right to decide to go to court.

Creation of a dispute resolution centre must not deprive anyone of his or her rights. I trust that it will be used as something extra, another extrajudiciary approach, that is the opportunity to opt for mediation or arbitration. People must, however, still have the possibility of going to court if that is important to them.

In other words, if two athletes decide its settlement is final, this must be respected. This represents a big step forward for athletes, because they will have a choice, but this must remain a choice and

not be made an obligation. I hope that the bill will be interpreted in this way. There is no specific reference to this being mandatory or not, so I hope this is what will be done.

Now for the appointment of the executive director, it was important to move this amendment because we want this centre to be truly independent. We are creating an extrajudiciary entity, but there must be transparency and independence.

In this regard, when the minister or the secretary of state for amateur sport appoints the directors of this board, it is important for these directors to appoint the executive director. This will ensure transparency. Of course, this will also indirectly ensure accountability, since the board will operate at arm's length.

It is high time we had such legislation and co-operation with the provinces and with Quebec. I hope that people will talk to each other, that the ministers will get along, because physical activity and sport are extremely important for society, in terms of health, but also of unity and sport ethics.

We have not yet discussed the issue of sport ethics. The bill does not say much about it, but it is so important. As members know, we now have the World Anti-Doping Agency in Montreal, and this is wonderful for Quebec and for our athletes. It tells the whole world that doping in Quebec and in Canada is a thing of the past, and we must show leadership in this respect. I hope that we will make good use of this bill to achieve our objectives.

Of course, I congratulate the members of the subcommittee on amateur sport for reaching a consensus. We all had to make compromises. Personally, it goes without saying that I would like to see many amendments to this bill.

Again, I want to tell the secretary of state for amateur sport that we must not forget the amendments on the grounds of the decisions made by the dispute resolution centre, which must be put in writing. Deadlines should be included in this regard. As for the amendments that I proposed in this respect, I hope that the government will follow Quebec's procedure code, which is part of an act, not regulations, and I hope that the legislation will be amended to include these amendments.

• (1730)

The registration of a sentence must be included in the bill, not just in the regulations, as the government tried to do. The idea is not to have the dispute resolution centre work in isolation. This would be a mistake. Things as important as deadlines or the written reasons for an arbitral decision must be included in the bill.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, I congratulate my colleague, who sits on the subcommittee on sport. I think that his comments are very important, particularly with regard to ethics in sport.

*Government Orders*

[English]

It is very timely as well in terms of the need to ensure ethics in sport and Canada's reputation both at home and abroad.

I want to commend the efforts of the minister and mover to put these three motions back into the bill. They add to and enhance the true intent of Bill C-54. He has displayed a degree of wind and stick handling that he was not able to mirror on the ice but was able to do here in the House. I feel he is quite supportive of athletics as demonstrated by those efforts.

As previous speakers mentioned, Motions Nos. 12, 13 and 14 are aimed at enhancing parity with respect to the centre itself in dealing with both official languages and dealing with the public. The subcommittee had broad consultations and received a great deal of input. Athletes, coaches, stakeholders and many individuals expressed their support for this type of dispute resolution centre.

I want to specifically mention the efforts of Sport Nova Scotia and Scott Logan for their input, direction and leadership on many issues relating to sport in my home province of Nova Scotia.

As the minister said, Motions Nos. 13 and 14 are somewhat technical in nature but stress the independence and the importance quite apropos of team work in allowing the board to take ownership over its decisions and to truly be a master of its destiny in building its own team, which I expect will work very closely for the betterment of sport throughout Canada.

These are certainly very important amendments. We are encouraged by the efforts of the minister to ensure they were included in the legislation. The Progressive Conservative Party once again expresses its support for these amendments as well as the entire bill.

• (1735)

**Mr. Jay Hill (Prince George—Peace River, Canadian Alliance):** Mr. Speaker, the hon. Secretary of State for Amateur Sport asked for the unanimous consent of the House to reintroduce Motions Nos. 12, 13 and 14. From the comments I have heard I think everybody is supportive of those motions. The House ruled unanimously to allow that to stand.

However it struck me as a bit odd that this would proceed in such a manner. I have been here almost nine years and it is somewhat unique for me to find a situation where the Speaker has ruled on the admissibility of amendments and yet a minister of the government asks the House to overrule the Speaker. That is of concern to me and I do not know why it would not be of concern to the government, particularly the minister who has done this. I wanted to raise that at least for the viewing audience to consider.

On the other issue, Motion No. 10, which deals with the sport dispute resolution centre of Canada and other—

**The Acting Speaker (Mr. Bélair):** I am sorry to interrupt the hon. member. I am advised by the clerk that in this case it is not a question of admissibility but a question of selection.

**Mr. Jay Hill:** Mr. Speaker, I am sure you can appreciate my bewilderment in the sense that if the Speaker himself is confused about the issue of process, he can understand why I am a bit

confused. As well, I think the viewing public at home would be confused about how this all transpired.

In any event, the good news is that I believe the House does unanimously support the three motions that have come to the floor of the Chamber in such a strange manner this afternoon. Perhaps it is a bit indicative of the fact that we are still sitting at almost the end of June and I am sure that members from all parties are getting quite tired. However let us carry on.

As I was saying, I have some concerns as well with the sport dispute resolution centre. It is supported quite widely by the amateur athletes of the country and certainly we support it as well. As my hon. colleague from Fraser Valley said, it is a step forward. I am sure members can appreciate that we certainly would hope not to see Liberal patronage run amok as we have seen with other boards. We will watch quite closely to see who exactly is appointed to this board because it is important.

At committee my colleague from Fraser Valley listened to testimony from athletes and organizations representing athletes. They said it was important to have a board in place as an appeal mechanism so that when they had a dispute, the board hopefully would intercede and bring it to a satisfactory resolution for both sides.

As we have seen so often before, I would hate to see a board, which has been given an important role to play in our nation, seized with patronage. I would not want to see some disgraced Liberal minister or member of parliament being appointed to the board rather than someone with the experience, knowledge and expertise to do the job in the best interests of the people, the people who that person is expected to serve.

I am also concerned about the cost of this. It is my understanding, in talking to colleagues who have served on the committee that has dealt this, that nowhere can we find that the cost has been dealt with adequately. Of concern as well is that there be an adequate budget for this dispute resolution centre of Canada, but not one that would not be supported by the amateur sport industry itself. There are concerns all the time that the industry does not have enough money to its job. Obviously we would want to watch very closely the money that is allocated to the sport dispute resolution centre and we would want to see the proposed budget.

The final point I want to make on Motion No. 10, which deals with the board, is the establishment of a code of ethics for its directors and its employees. There is a touch of irony here in the sense that we could see a situation develop where this brand new board would have a code of ethics for its directors and employees long before the government brings forward its much anticipated and long promised code of ethics for members of parliament. The government might want to consider bringing that forward.

Obviously all of us believe that people who are appointed to these types of institutions should be held accountable, but we ourselves should be held accountable as well. We do not want to have a situation where people can point to us and say that it is the age old thing of "Do as I say, not as I do".

*Government Orders*

• (1740)

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

**Some hon. members:** Question.

[*Translation*]

**The Acting Speaker (Mr. Bélair):** The question is on Motion No. 10. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Bélair):** I declare Motion No. 10 carried.

(Motion No. 10 agreed to)

**The Acting Speaker (Mr. Bélair):** The next question is on Motion No. 11. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

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

(Motion No. 11 agreed to)

**The Acting Speaker (Mr. Bélair):** The next question is on Motion No. 12. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

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

(Motion No. 12 agreed to)

**The Acting Speaker (Mr. Bélair):** The question is on Motion No. 13. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

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

(Motion No. 13 agreed to)

• (1745)

**The Acting Speaker (Mr. Bélair):** The question is on Motion No. 14. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

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

(Motion No. 14 agreed to)

**Hon. Paul DeVillers (for the Minister of Canadian Heritage)** moved that the bill as amended be concurred in with other amendments.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

[*English*]

#### CANADA PENSION PLAN

The House resumed from June 14 consideration of the motion that Bill C-58, an act to amend the Canada Pension Plan and the Canada

Pension Plan Investment Board Act, be read the second time and referred to a committee.

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance)** Mr. Speaker, when I left off a couple of days ago, I was making reference to the way in which the legislation and this series of changes to the Canada pension plan was modelled by the former minister of finance, the member for LaSalle—Émard, to allow moneys in the Canada pension plan to be used for purposes other than the goal of achieving a maximum rate of return. First, I was in the process of pointing out to the members of the House how this had the effect of reducing the likely rate of return that would be achieved through the Canada pension plan investment fund.

Second, I was demonstrating, through a history of the minister's prior actions on RRSPs, old age security and earlier changes he made to the Canada pension plan, how this was part of a pattern he had demonstrated of repeatedly seeking to accomplish other goals with pools of money in our various pension plans, how this would have the impact of greatly reducing the amount of wealth available to Canadians when they retired and how this would cause a great deal of damage to the economic interests of all Canadians, both those currently at retirement age and those who would eventually be of retirement age.

Having gone through this demonstration, I pointed out that the finance minister had based his model on the Quebec pension plan and on the Caisse de dépôt et placement, which is the vehicle by which the government of Quebec invests its pension moneys. In fact I quoted from him. On a number of occasions he had made it quite clear that the Quebec pension plan and the Caisse de dépôt et placement was his model. He went so far as to describe himself as an apostle of the Caisse de dépôt et placement.

Members on this side of the House have a problem with this. We feel that the only suitable use for Canada pension plan moneys is to invest them to achieve the maximum rate of return. No other consideration should be taken into account, not regional development, which the minister has suggested, not stabilizing the economy, which is an idea that has been floated and not dealing with any social goals that might occur. Raising the best rate of return is the only consideration that should be taken into account.

I want to describe what happened a few years ago when the first stage of this transition of the Canada pension plan was underway. The *National Post* and the *Ottawa Citizen* carried a column by Andrew Coyne and he commented a little on these changes. I will quote from what he said at that time. He said, referring to the former finance minister, that he "confesses to being 'an apostle' of the Caisse de dépôt's approach". Then Mr. Coyne asked:

Is this what we really want: a mammoth, government run investment fund, with the money and the mandate to take controlling stakes in private firms, hire and fire directors, block takeovers and otherwise tilt the scales in the capital markets to suit the whims of the government of the day? Socialism by the back door? Is the Canadian Caisse, as Martin is already calling it, to be the vehicle for the same mix of nationalism, dirigisme and plain-old cronyism for which the original is justly famous?

That is a good question.

*Government Orders*

There are no guarantees of non-intervention on the part of the Canadian Caisse de dépôt et placement in the Canadian economy. All we have right now as guarantees is the goodwill of the people who are running it, the people who are appointed by the Department of Finance to the 10 man board that runs the Canada pension plan investment board.

Going through the commentary of the individuals who are on the board, I am somewhat encouraged for the short term by the current appointees. In particular I am encouraged with the situation with John MacNaughton who is on the board. I will quote from an interview that was reported in the *Financial Post* about two years ago when he was appointed to the board.

He was asked about some of the interventionist activities that the Canada pension plan investment board might make. I am quoting not from him but from the article which paraphrases him. It states:

Unlike high-profile U.S. pension funds such as California Public Employees' Retirement System, Mr. MacNaughton has no plans to be a crusader on corporate governance. For him, a solid board of directors is every company's best watchdog.

● (1750)

Nor does he intend to mimic [the] Teachers' [plan] by joining other outside investors to force change in executive suites.

...Mr. MacNaughton is adamant that the government will never be able to use CPPIB [Canada Pension Plan Investment Board] to support any industrial strategy. Nor will he heed a government plea to restore calm if the stock market tumbles.

I am reassured about Mr. MacNaughton, but as another article which I quoted in my prior remarks a few days ago pointed out, Mr. MacNaughton is dispensable and over time it is not inconceivable, indeed, given the record of the government it is a virtual certainty, that more politically compliant individuals will be placed on the board. Moreover, the pressure to do so will be there.

Looking at the results of this kind of model, the obvious question is, what kind of results can we get? We do have a model. It has been in existence for nearly 40 years: the Caisse de dépôt et placement. What kind of rates of return does it have? I am looking at the 16th statutory actuarial report of the Chief Actuary of Canada, who reports that from 1966 to 1995 the average real yield after inflation on the Quebec pension plan account, which has always been invested in the manner in which the Canada pension plan account will now be invested, was a little under 4%. By comparison, the average of the largest private managed funds in Canada was just under 5%. Compounded over several decades these are huge amounts of money, particularly when the government is talking about an investment capital of over \$100 billion. This adds up to an almost incomprehensible sum of money, which is deliberately being forgone.

I say deliberately because the proposals put forward by the former finance minister when he was proposing this Canada pension plan investment scheme stated that the projected rate of return on the Canada pension plan, once inflation is taken into account, is 3.8%, that is to say, less good even than the Quebec pension plan has been achieving, less good than that standard, sub-market rate of return.

I should mention as well that if we examine just the rate we would get by using a passive index, a passive North American index would have produced a substantially better rate of return. It would also have been, and this is a remark I will be returning to later, insulated from

the government's long term policy of allowing the dollar to fall and therefore all investments that are demarcated in Canadian funds to fall as well. None of this is contained in the bill and that is just unacceptable.

With the Quebec pension plan, what do we see it being used for? There are many things I could point to, but in general it is the industrial and economic development of Quebec. I do not want to suggest that the idea of regional development is not a worthwhile goal. It is not a worthwhile goal when we are talking about the hard-earned savings of Canadian taxpayers who are depending on this money for their future. The result of the regional and industrial development plans in Quebec has been a very unsatisfactory rate of return and those funds that have been focused upon real estate developments and so on have been the worst funds in terms of rate of return in Quebec, achieving in fact in many cases a substantial negative return. That is to say, it is just lost.

As well, we have seen the Quebec pension plan funds being used during the last referendum period to help the government of Quebec shore up its short term credit, so that in the event of a yes vote the government of Quebec would not have had to refinance its debt for two years. That may be an intelligent strategy if one is trying to break up the country and is worried about a lenders' strike. It was not a wise strategy for the moneys in that plan. It was completely unacceptable. That kind of use of funds is not prevented in the legislation.

I do not think the Government of Canada would seek to do quite that with the money, but we can see the argument being made that we have a unity crisis and we need to use the money for something else because we have a unity crisis and we need to shore up the unity of this country. How can we say that Canadian pension plan moneys should not be used for this? Is there anything more sacred than the unity of the country, than child poverty, than regional development or than whatever the policy demands of the government at that time might happen to be? This is simply unacceptable.

Finally there is the question of the use of the moneys for political intervention and the potential for the kinds of misuse of funds that we see being virtually endemic in the government. I do not want to suggest that this was ever part of the plan when this strategy for managing Canada pension plan investment funds was being set up. It is merely a likely consequence and one against which there is no protection.

● (1755)

I want to turn, then, to the question of the way in which some limits are put on the Canada Pension Plan Investment Board as to how it can invest the money. I have already mentioned that the fund is interventionist, but I think it should be pointed out just how severe a problem this is. One of the rules that governs the Canada Pension Plan Investment Board, and this is a rule that is being set in place by this piece of legislation, is that the rules that apply to RRSPs with regard to foreign content will also apply to the funds in the bill. Therefore, the hundred billion dollars or more in this fund will be kept within the Canadian market. Only 30% will be allowed to be placed outside of the Canadian market.

*Government Orders*

The Canadian market is approximately 2% of the world market. It is the market in which we are all participants by virtue of being participants in the Canadian economy. Our salaries are denoted in Canadian dollars and are paid in Canada. We find that all of our real assets, our non-pension assets, are trapped within the Canadian economy, which means that if it goes down we have no insurance against that because of the fact that the Canada pension plan and its moneys are kept within this economy rather than in the other 98% of the world economy. This is a severe problem that increases the risk on Canadians and Canadian pensioners.

We know what kind of impact this can have because we can look at the rate of return that RRSPs have been able to achieve when they are subject to similar rules. A few years ago, Keith Ambachtsheer, a noted pension expert in Canada, did some research and published a report which indicated that as a result of this rule applying to RRSPs they achieved on average a rate of return which was 5% lower than it would have been had that money been invested more broadly on the international market.

I will just quote from the *Financial Post*, which stated in 1995 that:

Ambachtsheer's research showed that the price of this limitation on diversification is a significant increase in risk to achieve the same return. In addition, he estimated a conservative balanced portfolio subject to the...limit [on foreign investments] earned approximately 1% less on average each year over the last 10 years than an unrestricted portfolio.

This is what we will impose on our national pension pool of investments. I have talked about the risk increasing because we are trapped in this same pool of money. We have all our eggs in the same basket, our pension moneys and our non-pension moneys. However, that is not the only kind of risk that exists. There are currency risks, of course, and there are others, such as if the stock market takes a tumble. Again, a smaller stock market is far more likely to take a tumble than the world as a whole.

Here is a question that was raised in an article in the *Financial Post* on July 17, 2000. The author asks this question:

But suppose 15 years down the road, the CPP Investment Board has \$100-billion or more tied up in the stock market and the market threatens to plunge 40%. Would Canadians be willing to have the Investment Board sit tight and see \$40-billion in collective pension assets go up in smoke?

It is a good question, is it not? It is a question that this legislation forces us to ask because it does not protect us from this kind of risk. Indeed, it forces this kind of risk upon us.

There are other problems. When we are a large player in a small market we affect the market with everything we do. In a small market, a large player that goes in to purchase a stock has the effect of driving up the price of that stock, which means it automatically pays a penalty, a fine, simply for having moved in that direction. When it sells a stock it automatically drives the price down by virtue of the fact that it is a substantial proportion of the market itself. That has the effect of causing it to pay a fine when it gets out of a stock.

• (1800)

Therefore, in fact, an actively managed portfolio that dominates the Canadian market, as this fund will, will have the effect of driving down the rate of return on investments. I want to suggest that this is a consideration that was not taken into account when the 3.8% rate of return was projected. I see nothing in the government's documents

that indicates it was ever considered. That means that the rate of return is very likely to be below the 3.8% the government projects.

That in turn means that when the next crisis in the Canada pension plan comes along, a crisis fomented on the Canadian people by the government and in particular by the former finance minister, we will face the same kind of decision that occurred on the part of the former finance minister five years ago when he was dealing with the last crisis in the Canada pension plan. Aside from raising the rate of Canada pension plan payroll tax, which he did by a substantial amount, he also reduced Canada pension plan benefits to seniors by about 5%. That was the first step. We can expect, if this plan goes into effect, a lot more of that sort of thing. Anybody who is a senior now or who will be a senior in the future had better think about that. That is the almost certain consequence of this structure for these investments.

There is an alternative, which is to use an index, to use what is called a passive investment. Earlier I mentioned the California public employees' retirement system, the largest privately run investment fund in the world. That pension fund invests its assets passively by simply purchasing a basket of stocks that mimics the Wilshire 2500 index of American stocks, which is basically as close to a publicly traded index as possible in terms of reflecting the United States economy. The reason this pension system uses this system is that even though it is in a vastly larger market 10 times or 12 times the size of the Canadian market, nonetheless it finds that trying to get actively involved results in lesser rates of return. It simply does not want to get into that sort of thing. I think we should follow this example. I should point out that we actually have some experience in Canada with a comparison between active and passive management of publicly managed funds, which extends over the past few years.

In its first year of operation, the Canada pension plan investment fund was simply invested in a passive index that mirrored the Canadian market. By contrast, the Quebec pension plan was actively managed on the model that it is now suggested the Canada Pension Plan Investment Board should follow. The result in that first year was that the Canada pension plan investment fund, which was passively managed and which simply mirrored the index of the Canadian market, did more than twice as well in that year as the Quebec pension plan. So why on earth would we want to go from something that is working, I would suggest, not perfectly well but tolerably well, to something that is following a model that is clearly dysfunctional? It makes no sense.

That is without considering the problems I have mentioned with regard to potential political interference in corporate governance and in the internal affairs of the Canadian economy. The government talks at great length about a pension plan investment board that is at arm's length. We have seen that this is an easy matter to overcome if this government or any future government chooses to set that rule aside.

*Government Orders*

However, what we really want is a pension plan and a pension fund that is politician proof, not at arm's length but politician proof. The legislation was brought to the House in great haste in an effort to make it look like the government has an agenda. It was brought here despite the fact that there is no report from the chief actuary stating what the implications of the legislation are for the pension system and that is something that the existing legislation clearly states is not acceptable. It makes it impossible for us to know whether this suggested series of changes will accomplish the goals that the government claims they are going to accomplish.

• (1805)

For this reason, I move that the motion be amended by replacing all the words after the word "that" with the following: This House declines to give second reading to Bill C-58, an act to amend the Canada Pension Plan and the Canada Pension Plan Investment Board Act, since the bill is not accompanied by a report of the Chief Actuary of Canada who reported to the government that the changes proposed in the bill will increase CPP assets by approximately \$75 billion over 50 years and that members of the House cannot evaluate the impact of these changes properly without a report.

**The Acting Speaker (Mr. Bélair):** I will take the amendment under advisement and bring back a ruling before 6.30 p.m.

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, you have no idea what an honour and a pleasure you are giving me in allowing me to speak to Bill C-58, an act mainly consolidating the Canada Pension Plan Investment Board.

At the outset, I am announcing that the Bloc Québécois will support this government's initiative by wishing it as much success and joy as has resulted from the creation of the Caisse de dépôt et placement 36 years ago.

Contrary to what our colleague from the Canadian Alliance has done, we are going to provide a totally different picture of the Caisse de dépôt et de placement experience, to enlighten our Canadian friends on what they could do with this major instrument, the Pension Plan Investment Board, the positive things they could do, as opposed to the negative things, as our Alliance colleague has mentioned.

I remind the House that for Quebecers the Caisse de dépôt et placement is the main spearhead of their financial autonomy. With the nationalization of electricity, the creation of the Régime des rentes and the Caisse de dépôt et placement, to manage Quebecers' savings, is probably the cornerstone of what we, Quebecers, have become financially and economically in the last 36 years. It is our cherished child, so to speak.

Our colleague having painted a dark and negative picture, we can only disagree and be somewhat upset about the way some people feel about the Caisse de dépôt et placement.

Like him, this is how many Canadians keep on depicting the Caisse de dépôt et placement year after year, because it has become a major force on Canada's financial scene. This scares many people, including the big financiers on Bay Street, who have done everything they could to try to weaken the Caisse de dépôt et placement since it was first created. This is something that is a bit

visceral with Canadians and Canadian financiers, especially those in Toronto.

When they see how much Quebecers have saved over 36 years through the Caisse de dépôt et placement, how much wealth its decisions have created during that period, and what a formidable financial force the caisse, which started out with capital of \$1 million in 1966, has become, they are upset. The caisse is so formidable that it has become the 12th largest manager of general funds in North America and the largest in Canada. It ranks eighth in real estate holdings.

Naturally, this does not please everyone, and it has not pleased everyone in the past. I will come back to this, however. I will talk about the attempt in 1982 and the aborted attempt in 1983 to weaken the caisse.

I will begin by painting a positive picture of the past 36 years.

The Caisse de dépôt et placement was created in the wake of the quiet revolution by one of the founders of this revolution, the main one, because he was then Premier of Quebec, Jean Lesage. In 1964, at the Quebec City conference, Mr. Lesage had a bit of a creative temper tantrum in reaction to Mr. Pearson's desire to impose a Canada-wide pension plan run by one manager, which of course was the federal government at the time.

Quebec had already given thought to setting up a typically Quebec pension plan with just one caisse to manage these considerable savings.

I find it hard not to mention all those who laboured, both politically and technically, in the 1960s to build the Caisse de dépôt et placement. One of those involved was the late Michel Bélanger, who had been president of the Montreal Stock Exchange and a member of the Bélanger-Campeau commission. At the time, he was a senior government official and one of those who had come up with the idea of the pension plan and the Caisse de dépôt et placement. There were also Claude Castonguay, whom everyone knows, André Marier, Marcel Bélanger, Roland Giroux and Roland Parenteau.

• (1810)

There was also the first president, Claude Prieur, who started off in a little office in downtown Montreal, with very few means when he began as president of the Caisse de dépôt et placement du Québec.

I would like to quote Mario Pelletier, who wrote an excellent history of the Caisse de dépôt et placement du Québec, because it really has been excellent, contrary to the bleak picture our colleague from the Canadian Alliance painted earlier.

Mr. Pelletier wrote that, in January 1965, Claude Prieur, the first president of the Caisse de dépôt et placement du Québec—a manager with the powerful Sun Life company until then—he was a pretty sharp tack, as they say—moved in all alone to the decrepit office on McGill street.

*Government Orders*

During the two months that went by before any income came in from the Régie des rentes, he was forced to take out loans in his name, with no help whatsoever from the government, in order to set up what would later become the Caisse de dépôt, which today has some—hang on to your hats now—\$133 billion in capital.

Today the Caisse de dépôt does \$10 billion worth of transactions every working day. That was last year's average. Listen carefully, because this is important to highlight: \$10 billion worth of transactions each working day.

Last year alone, the Caisse de dépôt et placement du Québec carried out \$2 trillion in transactions, or three times Canada's GDP. I am talking about the word billions in French, I mean trillions, there are thousands, millions, billions and then trillions. There were \$2.5 trillion worth of transactions last year, three times Canada's GDP, or more than \$10 billion every working day.

We are talking about the 12th largest manager of global assets in North America; it is the eighth largest in terms of real estate holdings. This is no small institution.

There is also another person who was involved in creating the caisse, whom I neglected to mention on purpose. It was Jacques Parizeau. He worked very hard to make the Caisse de dépôt what it is today, an institution that has stood the test of time, with a few updates, mostly since the early 1990s, with respect to the Caisse de dépôt's international activities.

Mr. Parizeau was known at the time as a brilliant economist, recognized as such, a senior government official, a great builder of the Quebec state, and he would become, some years later, Quebec's finance minister, then premier.

Mr. Parizeau did not only contribute to make the Caisse de dépôt what it is today, being one of its main creators. Indeed, he has played a key role in everything that has to do with the modernization and dynamism of Quebec's financial sector.

Mr. Parizeau drew from the experience he gained with the Caisse de dépôt et placements and with the Quebec pension plan, which allowed him later on, when he was appointed to such strategic positions as finance minister, to develop modern tools to move Quebec forward, to move the Quebec business sector forward, a business sector which, in the late 1960s, did not resemble at all what it is today.

Among other things, the creation of the Caisse de dépôt et placements marked the start of a move toward a greater participation of small investors in Quebec's economic and financial evolution. This goes back to the Parizeau commission on guaranteed investment funds, which means guaranteed deposits.

Mr. Parizeau initiated this commission, which created the Régie de l'assurance-dépôts, allowing small investors to be sure to keep a portion of their deposits in financial institutions. Their investments were guaranteed.

From 1967 on, it has been a big help to small investors in Quebec, enabling them to take part in the economic and financial evolution of the country they love and cherish.

●(1815)

Mr. Parizeau was the one behind the stock savings plan created in 1979. Once again, this was an effort to get everyone involved in the economic and financial progress of Quebec. It was also the basis of the modernization of the tools for monitoring and properly administering our securities, such as the Commission des valeurs mobilières du Québec and the Inspecteur général des institutions financières.

Building on this experience with the Caisse de Dépôt et de placement et de la construction and the ensuing construction, and particularly on the original stakeholders behind its creation and the addition of fundamental and democratic tools to democratize the financial sector, a Caisse de dépôt et placement was created. It has evolved over the years and contributed to the creation of various companies that have grown into major undertakings, such as Alcan, Hydro-Quebec and Bombardier.

In this connection, let us keep in mind that the first government involvement was via the Caisse de dépôt et placement, with investments in Bombardier, Domtar, Vidéotron, Noranda and Canam Manac. In 1985, the decision was made to focus more on small and medium businesses that were creators of employment in the regions. Investments were made in 63 companies, with an average performance of 30%. This is nothing to sneeze at, although my Canadian Alliance colleague looked down his nose somewhat at these figures, but for startup companies this is an extraordinary performance.

So much so, that the Caisse de dépôt et placement became an incredible agent of the economic and financial development of Quebec and it was ranked tops among fund managers in Canada in the 2000 Reuters Survey, which Tempest carried out by contacting—not just anyone—but TSE 300 companies.

In the year 2000, the biggest companies in Canada considered—and this still holds true today—the Caisse de dépôt et placement du Québec, a source of pride and a vital tool that has played a cutting edge role in the financial emancipation of the people of Quebec since the late 1960s, to be the best money manager in Canada. Let my colleague, who has nothing but disdain for its accomplishments and those of the economic stakeholders of Quebec, put that in his pipe and smoke it.

Since I have ten minutes left, I shall speak on a situation that occurred in 1982, although some may feel this is ancient history. However, it still has echoes today, particularly since 1993.

I sit on the Standing Committee on Finance, and we meet business people from across Canada. As I mentioned earlier, some people show contempt toward the Caisse de dépôt et placement. The Canadian Alliance member is one of many. We met Bay Street financiers who hate the Caisse de dépôt et placement, even though it makes a positive contribution to the Canadian economy and has become a key player in a number of so-called Canadian businesses that make Liberal, Conservative, Canadian Alliance or New Democrat members so proud.

*Government Orders*

Still, some continue to despise the Caisse de dépôt et placement and to say that it is bad, that it is rotten. Because the Caisse de dépôt comes from Quebec and has become Canada's largest manager, there is reluctance on the part of Canada to recognize achievements by Quebecers. This is because until this financial emancipation occurred, it used to be said that Quebecers were not cut out for business, economic and financial matters. But now that we have created something as fundamental as the Caisse de dépôt et placement, they are a little less blunt about Quebecers.

● (1820)

In 1982, the federal government decided to table a bill, Bill S-31. We still remember that. Bill S-31, introduced by André Ouellet, the then Minister of Consumer and Corporate Affairs, prohibited the Caisse de dépôt et placement from holding more than 10% of the stocks of major businesses in Canada. At the time, the Caisse de dépôt was considering investing in Canadian Pacific.

This generated incredible controversy. Owned by Quebec interests and built on Quebecers' savings, the Caisse de dépôt et placement would become CP's main shareholder. This created an incredible uproar in Canada, so much so that business people from English Canada decided to wage a war against the Caisse de dépôt et placement.

They decided to put unbelievable pressure on the federal government to get it to introduce Bill S-31, which provided that the Caisse de dépôt et placement could not hold more than 10% of the shares of companies involved in interprovincial transport.

This did not target Canadian Pacific alone—it was clear that the railways affected all of Canadian business. Do you want to know why? Because all Canadian businesses at the time had a stake in transportation. If it was not air transportation, it was shipping, in the oil industry, for example, it was in pipelines, it was in the railways, which was a secondary activity, but which was added on to manufacturing and also the service sector.

For the year that the saga of Bill S-31 dragged on before the government decided to withdraw the bill due to pressure from Quebec business, during that whole year, from 1982-82, we Quebecers lost incredible opportunities to invest the significant sum at the time of approximately \$17 billion that the Caisse de dépôt et placement held in capital.

During that year, we lost the ability to benefit from the increase in value of Canadian Pacific shares. In 1982, CP shares were worth \$30, in 1983 they were worth \$50; we could have made a \$20 profit per share if the Caisse de dépôt et placement had been allowed to own more than 10% of CP shares. The caisse lost some \$15-\$20 million dollars, with CP alone. We have to assess all opportunities that were lost, involving the purchase of shares of other Canadian businesses, given the provisions of Bill S-31 that were retroactive.

Before this bill, we were told it would be retroactive. If the Caisse de dépôt et placement had invested more than 10% in the specified businesses, it would have had to get rid of the difference. Selling shares when you are being forced to do so means you end up selling off shares at a loss.

This is what they were going to force the Caisse de dépôt et placement into, as it was getting too powerful for the liking of

English Canadians. The president of the Toronto Stock Exchange at the time, Mr. Bunting, launched an incredible offensive to bring down the Caisse de dépôt. All of the big Canadian corporations like Bell Canada, Stelco, The Bank of Montreal, the Royal Bank, Dominion Textile, Nova, Inco and Hiram Walker fought against the Caisse de dépôt et placement to keep us from moving forward.

Totalling the losses, for example for 1982-83, we lost \$100 million in opportunities. This is a plausible figure because for CP alone it is around \$15 million or \$20 million. Given the average yield of the Caisse de dépôt et placement, between 1982 and 2001, this means over \$1 billion of potential capital lost to Quebecers.

Thus today the value of the Caisse de dépôt et placement is not \$134 billion but \$133 billion. Quebecers would have had \$1 billion more to invest and to build up their savings with.

Because of the Bill S-31 episode, we have \$1 billion less, and that is a real drag. Today, here we are faced with your bill, which creates and consolidates the activities of the Canada Pension Plan Investment Board. We are here to support it, despite our memories of Bill S-31. We said to ourselves “Let us put that in the past for now”.

● (1825)

People take much delight in recalling this episode. But we are supporting you in this wonderful plan to create another sort of caisse de dépôt et placement in Canada, using the money in the pension plans of Canadians outside Quebec, because it will open up opportunities and thus democratize the economic growth of Canada.

I wish you—as do all my colleagues—as much success with the Canada Pension Plan Investment Board as we have had with the caisse de dépôt et placement.

But I hope that nobody puts obstacles in the way of this wonderful initiative such as we have had to face since 1982. And there were all sorts of subsequent criticisms of the caisse de dépôt et placement. There were all the smear campaigns I have seen since I became finance and economic critic. It is unbelievable.

When one visits Toronto and talks about the caisse, it is as though one had mentioned the plague. People are afraid of it. We are flattered by this reaction. But, at the same time, it would have been nice if, in the past, you had been as enthusiastic about the growth of the Caisse de dépôt et placement du Québec as we are now about the creation and consolidation of the activities of the Canada Pension Plan Investment Board.

*Adjournment Debate*

It would also be nicer if we did not have such outrageous comments from our colleagues about the experience of the past 36 years, the marvellous experience of the caisse de dépôt et placement. I will have an opportunity to come back to this later, because you are indicating to me that my allotted time is up. I will have about 20 minutes when we resume debate on this bill and I will have more to say about this fabulous experience.

**The Acting Speaker (Mr. Bélair):** In fact, the hon. member for Saint-Hyacinthe—Bagot will have 18 minutes when we resume debate on this bill.

[*English*]

I am ready to rule on the amendment tabled earlier. The hon. member for Lanark—Carleton has proposed a reasoned amendment to the motion for second reading of Bill C-58 concerning the Canada pension plan. The amendment argues that the House cannot evaluate the impact of these changes without a report from the chief actuary as provided by section 115(2) of the Canada Pension Plan Act.

The House will recall that this report was also the subject of a question of privilege last week. The Chair wishes to inform the House that the chief actuary has today tabled the 19th actuarial report on the CPP in accordance with the terms of the act. Accordingly the issue raised by the amendment having been resolved, I must conclude that the amendment is not in order.

• (1830)

**Mr. Scott Reid:** Mr. Speaker, I rise on a point of order. My amendment points out that there is an absence of information as to how this bill will affect the Canada pension plan.

I am unaware, because I have not seen the 19th report and neither has anyone in the House, whether or not that is in fact addressed in the 19th actuarial report of the chief actuary. In fact these reports tend to be structured so as not to include that kind of information. Until we have confirmation on this sort of thing, I fail to see how we can go forward. I believe that the substance of my amendment in fact is very much valid.

**The Acting Speaker (Mr. Bélair):** The hon. member rose on debate much more than anything else. As I have said, his amendment is not in order. The report has been tabled and if the member wishes to do so, he can come to the table and obtain a copy.

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## ADJOURNMENT PROCEEDINGS

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

[*English*]

### AGRICULTURE

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, farm organizations and provincial governments have been pleading with Ottawa to provide compensation to cover off the huge U.S. farm bill which provides massive subsidies that will drive down international prices for grains, oilseeds and soon for pulse crops. These subsidies have the potential to drive thousands of our farmers out of business.

Our caucus has been calling on the agriculture minister and the Prime Minister for a trade injury compensation package worth \$1.3

billion. The constant answer we receive back is that Canada's pockets are not as deep as those in Washington or Brussels. That statement was true at one point. In 1994-95 when we did have a significant deficit, our farmers were asked to make a sacrifice and indeed they did. That deficit has long since been eliminated and Canada has been rolling up some reasonably healthy surpluses in past years. However our farmers are not being assisted as a result.

It is also irrefutable that the United States federal government is providing full support for its farmers. It does not ask Montana or North Dakota to provide assistance.

When we make the point that we need a trade injury package, more often than not the agriculture minister tells us that he does not intend to pick on any particular province, but inevitably he then turns around and picks on my home province of Saskatchewan. I simply want to put a couple of facts on the record this evening.

We have gone from 100% federal support to a 60:40 arrangement and it is based on cash receipts. This means that relatively successful sectors like supply management which exists on dairy products, poultry and the like, which some provinces like Ontario and Quebec have a lot of, also have most of the cash receipts. Saskatchewan ends up with most of the risk. That is a result of the Fredericton formula.

The province of Saskatchewan takes the position that it should flow on the basis of public policy need. If it is to address risk, it should go where the risk is. The federal government has refused to take a public policy position and is prepared in the end simply to live with the position of the majority of the provinces.

Hypothetically let me say that a \$1 billion aid package was to be announced this week with \$400 million of that payable by the provinces. It would cost Saskatchewan \$88 million, the same as it would cost Ontario except that Ontario has 12 or 13 times the population. The per capita injury to Saskatchewan would be much greater. It is simply not fair.

When the federal government insists on 60:40 cost sharing, it is asking some provincial taxpayers who already face significant demands for health care, education, roads, policing and social services to pay a significantly disproportionate cost. This is especially true in provinces with a large agricultural industry relative to its tax base. The federal government owes it to provincial taxpayers to make sure its policies are fair. The policy of 60:40 cost sharing is simply not fair, particularly when it is based on cash receipts.

The following figures are drawn from the federal department of agriculture. The federal government provides \$100 per capita. Saskatchewan, because of 47% of the arable land and one million population, provides \$430 per capita, four times the federal level and over three times the average of all provinces.

These are the facts about agricultural spending. I simply wanted to put them on the record.

*Adjournment Debate*

• (1835)

**Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.):** Mr. Speaker, on behalf of the Minister of Agriculture and Agri-Food I would like to respond to the member's points. I thank him for raising this important issue.

Through the rural water development program, referred to as RWDP, Agriculture and Agri-Food Canada provides technical and financial assistance to prairie producers for planning and development of dependable secure water sources for agriculture and the protection of water resource.

The rural water development program's annual budget for financial assistance is \$5.5 million of which \$2.2 million or about 40% is allocated to the province of Saskatchewan.

In addition to the financial assistance, PFRA staff provide technical assistance and information pertaining to water source development and water supply protection to rural residents estimated at some \$6.5 million per year prairie wide.

While the rural water development program is not an emergency drought assistance program, it does reduce the risk of water shortages in the future through the planning and development of secure water supplies.

The annual application deadline for this program is April 1. Applications received prior to the deadline date were reviewed and rated with funding priority given to those projects which best meet the program objectives.

Program funds are fully committed for the 2002-03 year. However projects that do not receive financial assistance may still be eligible for technical assistance.

In addition to the financial assistance provided through the RWDP, on December 7, 2001, the minister announced the \$2.5 million Canada-Saskatchewan livestock farm water program, a federal-provincial cost shared initiative to provide financial assistance to producers for the development for water supplies for livestock.

The demand for the Canada-Saskatchewan livestock farm water program exceeded expectations and the program was over subscribed by \$1.1 million. Rather than turn away applicants who were on time with good projects, AAFC agreed to provide an additional \$1.1 million to cover the entire program shortfall.

In conclusion, the completion date for all projects developed under this program was extended to June 28 to ensure that all approved projects will be constructed. To account for the shortage of contractors in Saskatchewan, the project completion date will again be extended to September 30, 2002.

**Mr. Dick Proctor:** Mr. Speaker, a cost sharing formula that does not recognize provincial fiscal capacity is simply unfair to the provincial taxpayers.

Because of the large agricultural sector in Saskatchewan it currently provides \$430 per capita, over three times the average of other provinces. The federal government owes it to provincial

taxpayers across the country to make sure that its policies are fair, and 60:40 cost sharing based on cash receipts is simply not that.

The unfairness of 60:40 cost sharing can also be clearly demonstrated by looking at the fiscal implications of each \$100 million paid to Saskatchewan farmers for agriculture programming. The federal per capita cost is \$2 but the provincial capital cost is \$40, 20 times as much. How is this fair to Saskatchewan? It simply is not.

• (1840)

**Mr. Paul Szabo:** Mr. Speaker, in 2001-02 and 2002-03 the department will have spent over \$6 million in direct financial assistance to Saskatchewan producers for the development of over \$20 million worth of water projects. It also provides almost \$5 million worth of technical assistance to help Saskatchewan residents find solutions to their water problems.

The tax deferral program is a statutory response to serious drought conditions. It allows livestock producers to defer paying income tax on revenue from breeding stock sold as a result of the drought, increasing their cash reserve to buy back their herd.

If drought impacts are severe, initial designations can be made based on precipitation and early estimates of forage yield. Final designations are made when all forage yield information is available, usually in December.

The minister is aware of the importance of this program to the producers and is working to identify areas for 2002 designation as quickly as possible so that producers can make timely management decisions. At this time areas in the prairie region are of particular concern.

## GOVERNMENT CONTRACTS

**Mr. Gerald Keddy (South Shore, PC):** Mr. Speaker, this late show question concerns questions I asked in the House on June 10 of last week. At that time the Minister of Public Works and Government Services replied that he was seriously dealing with the problem of untendered contracts and a number of other contracting scandals in which the government found itself.

During the minister's reply he said that he had been asked by the Prime Minister to solve the issues in his portfolio and that he intended to do so. He also said that he would not allow idle speculation to interfere with the process.

The main concern I have is with what the Minister of Public Works and Government Services is actually calling idle speculation.

I have tried to total up the contracting scandals. We get a new scandal every day so the total is growing as we speak. If we add all the scandals together, it amounts to \$55 million. Never has a government in the history of Canada thrown away or given away to friends \$55 million of the public purse.

*Adjournment Debate*

If we were to add the \$101 million Challenger contract, that would make \$156 million of untendered contracts.

The Department of National Defence alone has had \$30,600,000 in questionable contracts looked at by the auditor general without being called on the mat by the minister. VIA Rail has \$1 million. Attractions Canada or Groupe Everest has a \$22 million untendered contract. The Groupe Polygone sportsman show that never happened had a \$333,000 contract. We just found another contract with Groupaction, a company that is already into the public purse for \$1.6 million. Today in the Toronto *Sun* we read about another \$330,000 contract for the gun registry that never happened.

This is not idle speculation by members of the opposition. These are serious complaints about serious issues that in any other time and in any other government people would, quite frankly, be in jail. It is a terrible waste of public office and a waste of public funds.

If we look at the sponsorship program since 1997, \$232 million has been paid out and much of that money went to friends of the Liberal Party. That is just wrong.

I am not trying to deny the fact that those of us in the House are partisan politicians but we cannot give contracts out to our friends. If we look at the amount of money that has gone out and what the auditor general has said about it, it is time for immediate and direct action from the government.

• (1845)

**Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I welcome the opportunity to address the issue with the hon. member for South Shore.

When one is in government one has to be accountable, show prudence and good judgment with regard to certain matters. It therefore would not be appropriate to make further comment on certain files while an investigation is going on, simply not to jeopardize it.

The hon. member has raised some serious questions and in light of the very serious nature of these matters the government is working on several fronts to identify the exact nature of the problem and deal with the responsible authorities. Public works is conducting a review of the period in question, which is between 1997 and the year 2000.

The findings of a public works 2000 internal audits started this process. An action plan was implemented and corrective action has been taken. The auditor general is also undertaking a government wide audit of advertising and sponsorship programs and contracts. The treasury board is also looking at the issues of the governance framework and management framework. Whenever anything questionable comes to the attention of officials it is referred to the appropriate authorities.

I would like to reiterate to the hon. gentleman that a whole series of examinations into the nature of the difficulties have been launched. Mistakes were made and errors in the past cannot be condoned and we do not condone them. We are determined to correct those mistakes. We intend to get to the bottom of it so that

there can be transparency, accountability and the verification of value for money.

The issue here is one of making certain that the RCMP has full scope to do its work without interference. Let me point out that references to the police are not the same as police investigations. The police themselves determine what they will investigate and no government should tell them where to go in their investigations. The government is however co-operating on every front and we are determined to solve this issue once and for all.

If members of the House engage in discussions about what has been referred to the RCMP there is a chance that one member of the House on either side may interfere with an RCMP investigation. It would be highly inappropriate for members to do so or to say anything that might impede or interfere with that investigation.

In conclusion, the police must not be interfered with. The Prime Minister asked that we find out where the problems were and to correct them. His instructions were very clear. The problems must be addressed in a sound and solid way so that we can have transparency, accountability and full value for the taxpayers' dollars. It is extremely important for the taxpayers to know that they have received value for money.

**Mr. Gerald Keddy:** Mr. Speaker, what this comes down to, quite simply, is untendered contracts to Liberal friends. The government received no value for many of those contracts. We cannot even find the contracts. Some of them do not even exist. For many of them we only received a photocopy.

That is just the tip of the iceberg. Another \$7 billion worth of government money is in foundations. The right hon. member for Calgary Centre asked today in the House about the foundations and the refusal and inability of the auditor general to look at those foundations. The auditor general has the power to look at the foundations as well as at the untendered contracts if the government uses section 11 under the Financial Services Act.

**Mr. Paul Szabo:** Mr. Speaker, the bottom line is that we really must let the RCMP do its work without the comments of members on all sides of the House which might jeopardize an ongoing investigation. We must let the police do its work.

As a final comment I would suggest to the member and to the House as a whole that to make allegations that contracts were given to friends and to allege kickbacks, et cetera, those would be illegal acts and it would be duty and responsibility of all hon. members to bring any evidence of such wrongdoings to the proper authorities.

I hope members will use judicious language in their commentary on this sensitive matter.

• (1850)

[*Translation*]

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

(The House adjourned at 6.50 p.m.)





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