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OFFICIAL REPORT
(HANSARD)

Wednesday, December 3, 1997

Speaker: The Honourable Gilbert Parent

CONTENTS

(Table of Contents appears at back of this issue.)

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HOUSE OF COMMONS

Wednesday, December 3, 1997

The House met at 2 p.m.

Prayers

• (1400)

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

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

STATEMENTS BY MEMBERS

[English]

DISABLED PERSONS

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, today is International Day of Disabled Persons. Since the United Nations Decade of Disabled Persons ended in 1992, we have become a more enlightened society.

We have removed barriers in many of our buildings to make them more accessible and functional for people with disabilities. We have heightened public awareness and acceptance that access is a right and everyone's responsibility.

This government provided \$168 million to the vocational rehabilitation of disabled persons program. As well, the Government of Canada is contributing an additional \$100 million for Canadians with disabilities. This includes the new \$30 million opportunities fund that will help people with disabilities to find jobs.

The litmus test of Canadians' commitment to equality and equity is meaningful social and economic participation.

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SEAFORTH HIGHLANDERS

Mr. John Cummins (Delta—South Richmond, Ref.): Mr. Speaker, the Seaforth Highlanders, a Vancouver based regiment, was asked to be ready to act as the honour guard at last week's APEC conference in Vancouver. At the last minute they were told

to keep their uniforms in their lockers because they did not look Canadian enough.

• (1405)

It was a stupid decision, equivalent to flying in Atlantic salmon to serve to guests in B.C., or the premier of P.E.I. because the Prime Minister wanted to introduce his foreign guests to a provincial premier.

The government did not question the looks of the Seaforth Highlanders before sending them to war. Nor did it ask Seaforth veteran Smokey Smith to change his uniform before pinning a Victoria Cross on his chest.

The Vancouver based Seaforth Highlanders have a long and proud history as a Canadian regiment. To suggest in any way that they are not representative of their country is an unspeakable insult.

The Prime Minister's decision to bypass the Seaforth Highlanders is shameful and disgusting. I ask that he apologize to the Seaforth Highlanders today.

* * *

CHILD POVERTY

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, over the six year period between 1989 and 1995, the incidence of child poverty in Canada has increased by 58%. The number of children living below the poverty line is 1.5 million with a staggering 500,000 in Ontario alone.

Regardless of whether one accepts the low income cutoff or poverty line set by Stats Canada, there are some facts we should all note. The average poor family of three in Ontario lives 35% below the poverty line, on an annual income of \$17,000. This is in dramatic contrast to the average income of \$60,000 for all families with children in Ontario.

Aside from the obvious human costs, unless we quickly develop a concerted effort to combat this problem, there will be economic costs to pay through the education system, the health care system and indeed perhaps the correctional system.

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[Translation]

INTERNATIONAL DAY OF DISABLED PERSONS

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, today, on the International Day of Disabled Persons, the

S. O. 31

Quebec National Assembly made the official proclamation of the Quebec Week of Disabled Persons. For one week, we will focus on our fellow citizens who live each and every day with diminished autonomy.

With their tenacity, courage and skills, these men and women who deserve our full admiration have made names for themselves in the world of culture and sport, as well as in professional, social and community involvement.

In the coming days, let us take time to examine our share of responsibility in improving their quality of life. We can, without a doubt, use as a guide for our reflections the theme of the Quebec week: Access is independence; everyone gains from it.

Guaranteeing access is a collective obligation. Independence is a precious gift, but each of us knows what a fragile gift it is. May the week of the disabled raise our awareness of that reality.

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[English]

STANDING COMMITTEE ON FINANCE

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Mr. Speaker, the House of Commons Standing Committee on Finance travelled across the country to engage Canadians in a national dialogue about building a strong economy and a strong society.

Canadians approached this consultation with an understanding that economic growth and fiscal success are not ends in themselves, but rather a means to improve the quality of life for all Canadians.

Canadians want balance, not just a balanced budget, but balance in government policy, in its goals and its results. Canadians want balance between the security offered by debt reduction and the benefits of investing in people, technology and research and development.

Canadians firmly believe that health, education and pensions are not just line items on a balance sheet but rather an expression of our core values. Canadians want to leave future generations a legacy of expanding opportunities and security rather than one of high taxes and escalating debt.

Canadians have demanded accountability from the government as well as responsibility from themselves.

In our report entitled *Keeping the Balance, Security and Opportunity for Canadians*, we have tried to respond with the substance our fellow citizens demand, as well as a budget plan.

LAND MINES

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, this is a historic day in Canadian foreign policy. I join with all my colleagues in Parliament in welcoming to Ottawa the many distinguished guests who are gathered for the treaty signing conference and the Mine Action Forum.

Not only are we witnesses to the historic signing of the convention and the prohibition of the use, stockpiling, production and transfer of anti-personnel mines and their destruction, we have made history. We have ensured that the new international norm against anti-personnel mines is fundamentally encoded in a legally binding treaty.

● (1410)

We have participated in a remarkable global effort. I take this opportunity to commend not only our Minister of Foreign Affairs but also all those NGOs that have participated in this remarkable occasion.

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GUN CONTROL

Mr. Jim Pankiw (Saskatoon—Humboldt, Ref.): Mr. Speaker, last year the former justice minister who is currently the Minister of Health said that only the police and the military should be allowed to have guns. Two months ago the Minister of Foreign Affairs said that he would like to establish an international treaty to register, control and restrict the use of small arms. Last month the Deputy Prime Minister said that he favoured the development of an instrument to ban firearms throughout the world.

Do you see a pattern here? It is obvious. Beginning with Bill C-68 this Liberal government is committed to the elimination of firearm ownership in Canada. It is wholeheartedly dedicated to harassing law-abiding gun owners and confiscating their property. Registration then confiscation. That is the motto of these Liberals. Shame on the Liberal government for trampling on the property rights of Canadians.

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[Translation]

VIOLENCE AGAINST WOMEN

Ms. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, Canadians will be honouring the memory of the 14 young women who lost their lives in 1989 at the hands of a stranger at Montreal's Ecole polytechnique, just because they were female.

Every year, December 6 marks the National Day of Remembrance and Action on Violence Against Women, to ensure that no one ever forgets this tragic moment in our history.

According to Statistics Canada, half of the women in Canada have been the victim of at least one act of physical or sexual violence after the age of 16. Behind each statistic is someone's

mother, sister or daughter, someone just like any of the 14 young women whose memory we will be honouring on December 6.

Violence continues. We will, however, use this day to remind ourselves that the efforts of all Canadian men and women are required if the attitudes that perpetuate violence and prevent women from attaining full equality in our society are to be changed.

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QUEBEC'S PARTITION

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the debate on the partition of a sovereign Quebec is getting people worked up, particularly since the partitionists have the official support of the Prime Minister and the Minister of Intergovernmental Affairs.

Let us not beat about the bush. A debate at this point is irresponsible and puts the extremists in the spotlight. Both the Bloc Québécois and the Parti Québécois categorically reject those advocating violence to achieve their political goals, like Raymond Villeneuve and his extremist movement.

However, the federalist camp has its fair share of extremists too. Jim MacKenzie, an acknowledged partitionist, is raising a fuss and threatening municipal officials with guerrilla tactics if they do not support his proposals for hacking up a sovereign Quebec.

The debate on Quebec's political future was much healthier when federalist extremists were not officially sanctioned by the Liberal government. What are the Liberals waiting for to dissociate themselves publicly from the partitionist movement?

* * *

THE LATE MICHEL BÉLANGER

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, we were distressed to learn yesterday of the death of Michel Bélanger, who finally lost his long battle with an incurable illness.

Mr. Bélanger is one of the great Quebeckers devoted to the service of their country with a vision of the future that arose from a knowledge and a great understanding of the history of Quebec and Canada.

Universally respected in the worlds of business and politics, Mr. Bélanger was always keen to contribute to the workings of government. He also wanted to ensure that our society continued to evolve as it had, because it was clear to him that Quebec was meant to be within Canada.

We are all aware of Mr. Bélanger's contribution from the start of the Quiet Revolution in Quebec to the present. In both the public and private sectors he acted with vision, wisdom and reason.

Canada has lost a formidable ally and builder. Our condolences—

S. O. 31

The Speaker: I am sorry to interrupt the hon. member. The hon. member for Acadie—Bathurst.

* * *

FRANCOPHONES OUTSIDE QUEBEC

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the 1996 census figures on linguistic profile show a 2% increase in the assimilation rate of francophones in Canada over the last five years. This trend towards assimilation of francophones is unacceptable.

• (1415)

I am a proud Acadian from New Brunswick. I am therefore really concerned when I see Acadians leaving their communities because there are no jobs and heading for anglophone urban centres where the risks of assimilation are greater.

It is the responsibility of this government to invest in our francophone communities outside Quebec. Creating jobs also creates vibrant communities where young people can work and contribute to the continued development of the French language and culture where they were born and grew up.

The federal government's budget cuts to the network of cultural associations and institutions, and to Radio-Canada are contributing to the disappearance of French in Canada. It is time this government stopped cutting and began investing in francophone communities outside Quebec.

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[English]

DISABLED PERSONS

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, this is the week when we pay special attention to those among us who have the challenges of living with physical disabilities.

Most of us do not think very often of the blessing of health we enjoy, but it is important to be especially considerate of those who are not so blessed.

I think today of my sister who has lived with cerebral palsy all her life. I think of my friend Rudy, who, though younger than I, is totally disabled with Parkinson's disease and confined to his wheelchair. I think of Mark who faces the daily challenges of living with multiple sclerosis.

When we want to get up to go to a different place in the room, we just get up and go without even thinking of it. These people and thousands of others do not have this priceless privilege. They are locked into the limitations of their bodies.

Our thoughts are with them today, our friends who live so courageously from day to day.

*Oral Questions***BRANDON, MANITOBA**

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, members of the House will probably be getting a bit tired of my good news Brandon stories about the Canada Games and the Olympic curling trials, but once again I rise to congratulate the community of Brandon in southwestern Manitoba on yesterday's announcement.

Yesterday Maple Leaf Foods announced that it will develop a new world class hog processing plant in the city of Brandon. The capital investment will be \$112 million and initial employment will be 1,150 new jobs.

The investment in the plant is a key component of Maple Leaf's ability to compete globally. The CEO of Maple Leaf Foods said the plant will be a model operation worldwide, making it the best processing plant in the world.

I thank the many people who made this possible: Maple Leaf Foods, the province of Manitoba, the city council of the city of Brandon, and especially the economic development officer, Mr. Don Allan.

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[Translation]

MEMBER FOR ABITIBI

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, yesterday the House of Commons was witness to a disgraceful display, to say the least, during the special postal debate.

In a fit of hot-headedness, the member for Abitibi challenged an individual in the public gallery to a fist fight. Not content with verbally abusing a member of the public, the member went so far as to remove his jacket in an attempt to goad him into a fight.

Such behaviour is unworthy of—

Some hon. members: Oh, oh.

The Speaker: We will now proceed to Oral Question Period. The leader of the official opposition.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, these days a lot of cabinet ministers are cooling their heels in the waiting room of the finance department. They are lining up to make their pitch for spending any fiscal surplus.

We can just picture the heritage minister making a pitch for free flag poles, the justice minister looking for a few more million to hand out on airbus suits, and so forth. They have spending plans galore.

Which ministers, if any, are arguing not for spending increases but for debt reduction and for tax relief?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, all the matters raised by the Leader of the Opposition are on the minds of ministers.

We are striving to create the right balance in the best interest of Canadians between eliminating the deficit, debt reduction and helping Canadians lead better lives, something the Reform Party does not seem to be interested in.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, spending ideas are on the minds of ministers; spend the surplus on \$700 lunches for bureaucrats.

The industry department is looking at how to hand grants to friends of the government. Environment wants to spend money on a way to harness the wind power of the Minister of Natural Resources.

However Canadians have other priorities. We have a \$600 billion federal debt and we have the highest personal income taxes in the G-7.

• (1420)

Will the Department of Finance make debt retirement and tax relief its number one—

The Speaker: The hon. Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I can assure you the fixing up of Stornoway to change it from a bingo hall—

Some hon. members: Hear, hear.

The Speaker: The hon. Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, we want to know how much debt reduction and tax relief Canadians can expect. In particular Canadians want to know when they can expect tax relief and how much they can expect.

The government is supposedly good at setting targets. The Prime Minister claims to have a target for CO₂ emissions. In fact he had three of them in the last three weeks. If the government has a target for cutting CO₂ emissions to 1990 levels by the year 2007, will it commit to reducing tax levels to 1990 levels by the year 2007?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, to finish my last answer, the government will not be helping the leader of the Reform Party to fix up Stornoway for his domain.

We have already given billions of dollars of tax relief through the last budget. I am sure we are very much in line with the interest of Canadians for a balanced approach to tax relief, debt reduction and living better lives, whether one is a poor Canadian or a

Oral Questions

Canadian wanting better health. I look forward to the next budget which will confirm how we are operating in the best interest of all Canadians.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, as we learned in yesterday's brawl in cabinet over new spending initiatives not a cent of the debt has been paid down. There has not even been a hint of real tax relief.

Canadians are demanding debt reduction. They are demanding that their taxes be lowered.

Why are the ministers involved in a WWF spending match and ignoring the real demands of Canadians for debt reduction and tax relief?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, why is the Reform Party ignoring the desire of Canadians to help poor children, to have better health care, to have better innovation, and to have better research and development?

Why is the Reform Party thinking of nothing else but debt reduction, rather than our balanced approach, which will help Canadians live better lives and continue the success we have had, contrary to the suggestions of Reform for a better fiscal balance for our federal government and all Canadians?

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, when will the government figure out that raising taxes forever does not help impoverished children?

Yesterday the auditor general told us how the industry department spent a whopping \$143,000 on its latest job creating scheme. That was \$143,000 for a \$30,000 a year job.

How many billions does the government plan on wasting before Canadians get real debt reduction and real tax relief? How long do they have to wait?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, my hon. friend forgets that the government has not raised tax rates and in fact has brought about a number of tax reductions. It has brought about millions of dollars of tax reductions since coming into office.

I do not know why the hon. member does not want to support this and continues to talk about something that is not accurate. He claims that we have been raising tax rates when we have not.

We are very conscious of the need to have a balanced approach. We are interested in tax reductions. We are interested in balancing our debt situation, but we want to help Canadians have better lives, unlike the Reform Party—

• (1425)

[*Translation*]

CANADIAN FRANCOPHONIE

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, Statistics Canada's most recent figures show a net decline of the francophone population in Canada.

In light of this finding, the Fédération des communautés francophones et acadienne is calling for a firm and proactive commitment by the federal and provincial governments to ensure that French-speaking people can survive and flourish in this country.

What is the heritage minister's reaction to the appeal made by the federation?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, we must not mislead the House by saying that there is a net decline. Indeed, it is not a net decline but an increase.

But the increase in numbers is too small and this is why, in recent years, we have been working on a new policy. As members know, we have a five-year plan for the development of minority languages. The plan, due to end next year, will be extended, along with several new elements, not only to provide French education, but also to maintain French language institutions, which should please francophone communities all across Canada.

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, the lack of political will on the part of the provinces with English speaking majorities is a determining factor in the current decline of francophone communities in Canada.

What will the Minister of Heritage do to shake the apathy of the English speaking provinces, which has consequences such as the enormous problems experienced by the Montfort hospital, in Ontario?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, if the hon. member is saying that the English speaking provinces are responsible for the decline, I must tell him that the decline is even worse in Quebec. What does this say about the Quebec government?

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, whatever the minister may say, it is obvious that her department's budget for francophones outside Quebec has been reduced considerably.

It was \$28 million in 1995 and it will be \$21 million in 1999, a decrease of 20%. Funds for the ACFO have been reduced by 10% and those for francophones in Saskatchewan have been cut in half. Examples like this can be found across Canada.

Oral Questions

Does the heritage minister believe that it is by cutting essential funds for the francophone and Acadian communities that she will help them solve their assimilation problem?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am amazed, because once again, the numbers quoted by the member opposite are wrong.

Indeed, the five-year program we have implemented to support minority languages, that is the French language outside Quebec and the English language in Quebec, provides for \$900 million over five years.

If the member wishes to talk about numbers, there is no doubt that these reveal a willingness to go forward. That is why my cabinet colleagues have assured me that there will be an increase in these numbers in the next five-year plan to be announced at the beginning of next year.

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, it is indeed unfortunate that the rules prevent me from showing a document, because we would see who is lying in this House.

Some hon. members: Oh, oh!

The Speaker: I would ask the member to be very careful in her choice of words.

Mrs. Suzanne Tremblay: Will the minister admit at least that it is certainly not by taking money that is supposed to be used to help francophones outside Quebec and by giving it instead to Option Canada that she is going to solve the assimilation problem?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, the member opposite claims to be interested in French Canadians outside Quebec. I would like to quote what she said on September 30 about French Canadians.

She said "As a French Canadian, I am a second class citizen. As a Quebecker, I am a first class citizen." That is the difference. If French Canadians want support, they should not go see the member for Rimouski who calls French Canadians second class citizens. This is outrageous.

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[English]

YOUTH

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the minister responsible for Canada's youth.

There are 400,000 young people in Canada today with no job prospects. That is 400,000 youths facing squeegee futures.

• (1430)

In the U.K. leaders have put their political futures on the line with Target 2000, a program with specific targets and timetables that promises 250,000 new jobs, real jobs for young people.

Do the minister responsible for youth and her colleagues have the courage to do the same?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it does not take very much courage on our part to actually have the kind of commitment that we as a government have had.

We have announced a youth employment strategy which is a very good program; youth internship Canada and youth services Canada. We are helping about 110,000 young Canadians a year with our present strategy.

When we look at the extraordinary results we are having with this strategy we realize that we have developed the right tools to help youth with the transition from school to work.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, why does the minister not tell Canadians the truth, that there are 14,000 more youth unemployed since the day that youth strategy program was launched?

The prime minister meets in Ottawa next week with the provincial and territorial leaders. Will the minister ensure that the prime minister goes to that meeting and makes it into something more than a photo op? Will he push the prime minister to show genuine leadership by taking to the meeting a comprehensive youth employment strategy with precise targets and timetables and come away from the meeting with our own target 2000 plan for Canada's youth?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the leader of the NDP has her numbers completely wrong.

Youth employment has risen; 31,400 more youth employed in the last three months. That is as a result of our strategy.

I will not need to push the prime minister to do his job at the next conference. I know the prime minister is very preoccupied and concerned with the situation of youth unemployment and he wants to talk partnership with the provinces. This is an issue so important that we want to address it as partners with the provinces and the private sector because this is a national problem.

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CHARITIES

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, earlier in the day I gave notice to the prime minister of a question I wanted to raise today in question period.

Oral Questions

In the aftermath of this postal strike I know this will not interest the Reform Party but I will ask the question. The seasonal fund-raising—

Some hon. members: Oh, oh.

The Speaker: I ask the hon. member for Sherbrooke to put the question please.

Hon. Jean J. Charest: Mr. Speaker, because of the postal strike, the seasonal fund-raising activities of many Canadian charities have been seriously jeopardized because of this dispute, charities that rely extensively on the year end campaigns to fund everything from meals on wheels to medical research.

I ask the Deputy Prime Minister today whether or not the government would consent to extending the period for credible charitable donations to the end of January—

The Speaker: The hon. Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I want to thank the leader of the Conservative Party for having giving us notice of this question late this morning. As soon as we received notice we asked officials in finance and national revenue to begin looking into the matter.

I have not received an answer as yet but I or the Minister of Finance will get back to him as soon as possible. I thank him for giving us the opportunity to look into this issue.

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, I want to assure the government of our support for this initiative, and that of all members of this House except the Reform Party, which clearly would not.

While we are on the issue of expenditures, could the government explain to us the logic that allows it to dispute and have some discussion about spending new taxpayer money? If there is new taxpayer money to be spent, why is it not offering Canadians a tax reduction instead?

• (1435)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, because the Reform Party abandoned the approach it claimed it was coming into the last Parliament with, a courteous and constructive approach to Parliament, it is now spending more time hooting and hollering unnecessarily. Frankly, I did not hear my hon. friend's question. If the Speaker would allow him to repeat I would attempt to give him an answer.

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FISHERIES

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, the minister of fisheries in Washington just announced that if there

is no deal with the U.S. by the start of the next fishing season he might have to cut Canadian quotas by 40% to 50% for the 1998 northern B.C. fishery.

When is the government going to stand up for Canadians and British Columbians and fight for us? The minister is down in the United States giving our quotas to the Americans. When is he going to stand up and do something?

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, we are engaged in a diplomatic bilateral process with the United States. We are expecting it to terminate shortly. It is an obligation under international law to conduct and complete in good faith those negotiations. We will leave any speculation as to what we might do after the event until the process is completed.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, let me tell members about the diplomatic process this government is engaged in. The minister of fisheries is down in Washington right now announcing that if there is no deal he is cutting Canadian quotas by 40% to 50%.

Who is this government standing up for, Canadians or Americans? Which is it? When is the government going to get on its feet and do something for Canada?

Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the minister of fisheries is making no such announcement. The minister of fisheries has been in Washington a number of times and across several states trying to establish an agreement that will protect Canadian fisheries interests.

If the member would not be trying to make the political rhetoric he is he could be helpful to us in terms of encouraging the Americans to come on side and reach an agreement with us.

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[Translation]

TAINTED BLOOD

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the Quebec National Assembly unanimously passed a motion urging the federal and provincial governments to consider establishing as soon as possible a compensation plan for the victims who received contaminated blood or blood products, including those infected with hepatitis C.

How will the Minister of Health respond to this urgent request?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I am pleased to see that the National Assembly has now adopted the position I myself had taken upon receiving Justice Krever's report, which is that it is better to avoid spending a decade in court over these issues. It is better to hold, with the provinces and territories,

Oral Questions

consultations to deal with the recommendation made by Justice Krever.

I hope therefore to soon have the opportunity of having discussions with Mr. Rochon and the other ministers.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, can the minister give us the assurance that this potential compensation plan will apply not only to primary victims but also to secondary victims?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the whole question of victims' compensation will be discussed among provincial, territorial and federal ministers. As I said, I hope discussions will be held soon.

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[English]

NATIONAL ENERGY BOARD

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, the abuse of expense accounts is not limited to Ted Weatherill. Access to information documents reveal that Ken Vollman, the vice-chair of the National Energy Board, charged taxpayers a whopping \$26,000 for just one trip to Halifax. Perhaps he was on his way to Paris for lunch with Ted.

• (1440)

Will the government undertake to investigate the free spending of this appointee?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the National Energy Board is one of the most distinguished regulatory agencies in this country.

There has been nothing drawn to my attention that indicates any irregularity whatsoever. Because an hon. member has inquired, I too will inquire, but there is nothing on the record that is known to me that would justify that kind of slur.

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, it is in the public accounts and Mr. Vollman's expenses are twice that of other members on the board.

Under Treasury Board guidelines, it would have worked out for his hotel and per diem to be about \$10,000. He spent \$26,000. We are wondering where the cash is.

Will Canadian taxpayers have to wait six months before the minister takes action against Vollman, or has this government learned its lesson from the Weatherill fiasco?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, inquiries by members of Parliament with respect to particular spending items are perfectly legitimate and the government should inquire into those items when they are raised.

However, I think it is going far beyond the bounds of reason and fair play for the hon. member to leave that kind of slur on the record without providing the official even an opportunity to respond.

* * *

[Translation]

RESEARCH AND DEVELOPMENT

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, my question is for the Minister of Industry.

After several years of cuts to the research and development sector, the government tried to save face in its latest budget by announcing the establishment of the Canada Foundation for Innovation, with an \$800 million budget over a five-year period.

Since the foundation has now been in place for ten months, how can the minister explain that the foundation's board of directors just met for the first time?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I think the establishment of the Canada Foundation for Innovation is the single most important initiative of the federal government's research and development program in the last 20 years or so.

I should also point out to the hon. member that the board members have already met. They appointed directors and so did the government. They are now ready to begin their work, less than 10 months after the announcement was made in the budget.

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, the auditor general deplores the fact that the foundation is not required to submit to Parliament an annual report on how it uses this \$800 million.

Will the minister agree to have the foundation report its results to Parliament on a regular basis, so that taxpayers know whether or not they are getting their money's worth?

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I would like to point out that the foundation is a body independent of the government. The majority of its members are not appointed by the government.

However, I think I can assure the member that the foundation will be very proud to make known to all Canadians the successes

that will undoubtedly flow from investments in research and development at Canadian universities and research hospitals.

* * *

TRANSPORT

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, there are millions of Canadians who cannot afford to travel by Challenger jet at Christmas or any other time.

They are understandably outraged that a group of busy little bureaucrats is sitting there poised to kill the discount and charter air businesses in this country, the only way that travel is affordable to average folks.

Yesterday the transport minister brushed my question aside, and so I will ask him again will he make his bureaucrats back off and tell them—

The Speaker: The hon. Minister of Transport.

Hon. David M. Collette (Minister of Transport, Lib.): Mr. Speaker, I welcome the hon. member's question and welcome the point of emphasizing not only to him but to the Canadian public that there has been no change in the government's policy with respect to air charters. There is no change in regulations.

There has been no change in the enforcement. There is a process by the Canadian Transportation Agency to consult with stakeholders on future regulations that, even if they did come to me, would have to be approved by cabinet. Let us not alarm Canadians.

• (1445)

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, it looks like the hon. minister is not singing off of the same song sheet as his bureaucrats.

Yesterday in the Toronto *Star* he was reported as having said exactly what he said here today, but the bureaucrats do not say the same thing. Who is right? Who are we to believe here, the bureaucrats or the minister who is supposed to be in charge?

Hon. David M. Collette (Minister of Transport, Lib.): Mr. Speaker, despite all the mischievous rhetoric of the hon. member, I can assure him that there has been no change in the policy, no change in the regulations, no change in enforcement.

When he has a view on these particular matters, he should let the Canadian Transportation Agency know his feelings and they will be taken into account, as will the feelings of all the stakeholders. Not one Canadian is going to be affected this Christmas. Not one Canadian is going to be affected until regulations are approved by the Government of Canada and that is not forthcoming at this time.

Oral Questions

[Translation]

DAIRY INDUSTRY

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, my question is for the Minister for International Trade.

The minister pledged to conduct an in-depth review of the urgent demand made by the dairy industry regarding imports of oil, butter and sugar mixtures.

What can the minister tell dairy producers, who no longer want to be hurt by these imports, and who are urging him to take quick action?

[English]

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, as I mentioned to the member's colleague last week, obviously our department is working very closely with the stakeholders, the industries and clearly the industry knows the care and the priority that the government attaches to the issue.

* * *

THE ENVIRONMENT

Mr. Gar Knutson (Elgin—Middlesex—London, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

Global attention is now focused on the conference under way in Kyoto, Japan where countries search for the right formula to reduce greenhouse gas emissions to protect the global environment.

How can Canada be putting forward a position that does not have the support of all provinces? What is the minister doing to gain the co-operation of all Canadians in meeting our goals?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, all provinces are invited to take part in developing the Canadian implementation plan from Kyoto. The Government of Canada has stressed no unreasonable share of the burden for any region or sector, no carbon tax, deeper commitments by the private sector, greater energy efficiency, more renewable and alternative sources of energy, a powerful focus on research and development and the maximum use of international flexibility provisions. All of that is 100% consistent with what the provinces have suggested.

* * *

NATIONAL DEFENCE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, it is our understanding that all of the Trenton based search and rescue helicopters have been out of service over the days of November 21 to the 27. Half of Canada's population is actually serviced by that particular rescue team.

Oral Questions

My question to the government is, what would the government have done were there to be a disaster in central Canada during that time?

Mr. John Richardson (Parliamentary Secretary to Minister of National Defence, Lib.): Mr. Speaker, I welcome the question but it is hypothetical in nature and I am not prepared to answer a hypothetical question.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Parliamentary Secretary to the Minister of National Defence should talk to some of the helicopter pilots and he will find out the truth.

This government has told Canadians that the long delay in replacing search and rescue helicopters would not adversely affect search and rescue capabilities. The reality is obviously somewhat different and the parliamentary secretary and the Minister of National Defence seem to be out of the loop, all because of a cynical election promise in 1993.

I ask the government again, if there had been a disaster in central Canada last week how would the victims—

The Speaker: That is a hypothetical question. If the parliamentary secretary wants to answer it, he may.

Mr. John Richardson (Parliamentary Secretary to Minister of National Defence, Lib.): No, Mr. Speaker.

* * *

• (1450)

RESEARCH AND DEVELOPMENT

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, my question is for the Minister of Industry. All the experts agree that Canada suffers from a serious innovation gap. We simply do not spend enough money on R and D. Of the top 14 countries, only Italy's record is worse than ours.

The minister has been a minister for five years so he must be pretty embarrassed by this. Would he tell us on a scale of one to fourteen just how embarrassed he is by this?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the question regarding Canada's innovation gap is a very important one and I thank the member for raising it.

We all agree that greater emphasis needs to be put on encouraging performance of research and development, in particular in the private sector. That is why we created the Canada Foundation for Innovation. That is why we renewed the networks of centres of excellence and made that a permanent program. That is why we promised in the red book an increased amount of funding for IRAP, and that is why as we move forward from here, we will continue to

protect intellectual property, a key component in ensuring that research is done in the private sector.

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, we know why we are thirteenth out of fourteen and why so many Canadians have lost job opportunities and seen their wages decline. The OECD says that we will spend 10% less next year on R and D over this year and the president of Memorial University says that we are acting like a third world country when it comes to R and D.

Maybe the minister can tell us when he decided that Canada should not play in the big leagues.

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am sorry the hon. member puts his own country down to that extent. Even today at the Westin Hotel in Ottawa we are seeing a demonstration of Canadian technology which is world leading in removing mines from dangerous places across the world.

We are leading the world in space exploration. We are leading the world in regional aircraft. We are leading the world in environmental technology, in particular in relation to water. We are leading the world again and again. As we go forward from here with the commitment that the government has, together with the private sector and our universities, we will lead the world.

* * *

AIRPORT SAFETY

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, my question is for the Minister of Transport. On November 25 the Senate transportation committee heard testimony that NavCan is not even maintaining its minimum level of air traffic controllers at almost all the airports in Canada. This obviously creates a very dangerous situation and puts lives at risk. Will the minister immediately instruct NavCan to bring every airport up to the minimum level of air traffic controller staffing, a level NavCan sets for itself?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, the whole point of establishing Nav Canada as a not for profit agency was to remove it from the day to day operations of the government, but we do oversee safety. The Department of Transport is convinced that over the past year Nav Canada has provided a seamless service to Canadians that is safe and secure. This is something that the managers at Nav Canada pride themselves upon. I would ask the hon. member not to alarm people unduly. Nav Canada has this matter well in hand and the matter is being looked after.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I have a problem with that. I understand that at this moment Vancouver has 27 air traffic controllers available. NavCan set the minimum standard at 36 air traffic controllers. This is extremely dangerous. This is a 25% shortfall. It means that a lot of air traffic controllers have to work overtime up to 10 times a month.

Again, will the minister instruct NavCan to simply accept its own minimum standards for air traffic controllers? Will he tell NavCan to hire air traffic controllers to bring staffing up to its own minimum staffing standards?

Hon. David M. Collette (Minister of Transport, Lib.): Mr. Speaker, the managers at Nav Canada are well aware of what the standards are and what the minimum level of service is. They are meeting that level of service and they are doing it extremely well. I would ask the hon. member perhaps not to implicate himself in management-labour negotiations or disagreements here in the House of Commons.

* * *

ALTERNATIVE FUELS ACT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, because of the Alternative Fuels Act, the President of the Treasury Board must ensure that all federal bodies operate vehicles that run on alternative fuels which in turn will reduce greenhouse gas emissions. What progress has been made in converting Government of Canada vehicles to fuels that are less damaging to the environment?

• (1455)

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, at present we already assist departments in analysing their fleet to determine when it is cost effective to purchase and operate alternatively fueled vehicles.

In April 1996 we established a demonstration project of 120 vehicles to showcase the capabilities of alternative fuels.

In general, we provide better fleet management now, focusing on greater efficiency, in order to reduce fuel consumption and emissions.

* * *

SUPREME COURT OF CANADA

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, there is a vacancy in the Supreme Court of Canada soon to be filled. The justice minister has said in the House that there is merit in broadening the consultation process for candidate selection.

There is not a lot of public confidence in the justice system, so will the government advise Canadians how the next supreme court appointment will be put through more appropriate public examination?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I have said on numerous occasions in the House, I believe the appointment

Oral Questions

process we have in this country has guaranteed 130 years of highly qualified jurists who have served in the Supreme Court of Canada.

What I have also said is that in my developing a list of qualified applicants for a position with the Supreme Court of Canada, I am willing to consult with any and all Canadians who are interested. Therefore, I would encourage the hon. member, other members of his party and other Canadians interested in this appointment to contact me directly.

* * *

[Translation]

ALGERIA

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

Following on its condemnation of the rampant terrorism in Algeria, a delegation of European parliamentarians has announced its intention to travel there in order to assess the human rights situation and make recommendations.

How does the minister see Canada supporting this undertaking by the European parliamentarians?

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, Canadians are very concerned by the situation in Algeria. The minister mentioned to me yesterday that there will be a delegation of Canadian parliamentarians. As yet undetermined is who will be part of that delegation and under what terms.

I thank the hon. member for his question.

* * *

[English]

IMMIGRATION

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, the auditor general's report states that this government does not quickly grant Canada's protection to refugee claimants who genuinely need it.

The Liberal head tax presents a huge barrier to many of those refugees and families who genuinely need access to Canada. The so-called success of the loans program does not take into account all of those who do not even apply, and the reduction in applications since the implementation of the tax underscores this.

Will the government join with every other country in the world and remove this offensive tax?

[Translation]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, it is worthwhile pointing out to start with that there is no comment in the auditor general's report on the fee charged to immigrants and refugees for the right to settle in Canada.

Privilege

I must say in this connection that, according to our studies, we have penalized no one wishing to settle in this country, because we have set up a system of loans accessible to everyone who cannot make the payment themselves, a system that is working very well.

* * *

[*English*]**NORTHERN DEVELOPMENT**

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Diamonds are said to be a girl's best friend. However, I am not sure that diamonds will end up being this minister's best friend.

Diamond mining in the Northwest Territories of Canada is an extremely valuable new industry. Can the minister guarantee the House that the jobs in the sorting and the grading sector of this new industry will remain in the Northwest Territories of Canada and not be lost to some offshore cartel?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, we are extremely proud of the new diamond mines that are being opened in the far north. Indeed, it is a great addition to the economy of the north and for all of Canada.

We have a working committee which has representatives from the federal government and the territorial government focusing on this new and burgeoning aspect of our economy. I look forward to the continuing advice from that committee and to ensuring that Canada does indeed benefit from this great new asset.

* * *

• (1500)

SMALL BUSINESS

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, my question is for the Secretary of State for Western Economic Diversification.

The federal government has stated the importance of small business focusing on the needs of rural Canada. How are those issues being addressed in western Canada?

Hon. Ronald J. Duhamel (Secretary of State (Science, Research and Development)(Western Economic Diversification), Lib.): Monsieur le Président, il y a plusieurs programmes qui fonctionnent bien.

One of the better programs is the community futures development program. In the last fiscal year it provided over 2,000 loans, created more than 6,000 jobs and provided information on loans, counselling and business plans to over 250,000 western Canadians.

This is a loans program which is operated by local people, many of whom are volunteers. And Mr. Speaker, it works.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw to the attention of members the presence in our gallery of the Hon. Alexander Downer, MP, Minister of Foreign Affairs of Canberra, Australia.

Some hon. members: Hear, hear.

The Speaker: I have received written notice of two questions of privilege and I have two points of order. I will take them in this order. I will hear from the hon. member for Abitibi and the hon. member for Burin—St. Georges. Then I will hear from the hon. member for Témiscamingue and the hon. member for Dewdney—Alouette.

* * *

[*Translation*]**PRIVILEGE**

DECORUM IN THE HOUSE OF COMMONS

Mr. Guy St-Julien (Abitibi, Lib.): Mr. Speaker, last night, during a vote here in the House of Commons, two members of the Bloc Québécois indicated to me verbally and by pointing that I should turn around, after I had voted, and look at the opposition visitors' gallery behind me.

I did so and saw two people. One gestured rudely at me and then made another gesture beckoning me to a fight.

• (1505)

During the day I twice intervened in the debate on Bill C-24. My interventions were specifically directed at the people of Abitibi and postal workers.

I will not challenge a union's right to try to protect and promote its members' interests. Last night I told the NDP member for Acadie—Bathurst that I would be intervening today.

My union experience told me I was dealing with two CUPW negotiators, invited by a political party. It is regrettable that because of these gestures—

Some hon. members: Oh, oh.

The Speaker: Dear colleagues, I am unable to hear the question of privilege. I would like to hear the question of privilege. The hon. member for Abitibi has the floor.

Mr. Guy St-Julien: Mr. Speaker, my immediate reaction to the negotiator's actions was to take off my jacket. It is too bad about the union negotiator's colleague, who said and did nothing and got blamed. I am sorry.

In conclusion, I forgive the CUPW negotiator—

Some hon. members: Oh, oh.

An hon. member: You've got some nerve.

Mr. Guy St-Julien:—for his gestures at my person. Here in the House of Commons we are accustomed to hard-hitting exchanges, but we must treat our political adversaries with respect and dignity.

Some hon. members: Oh, oh.

Mr. Guy St-Julien: I apologize to both national negotiators and, if I have offended certain colleagues opposite, I am sorry.

Mrs. Suzanne Tremblay: You're late.

An hon. member: That is a statement, Mr. Speaker.

The Speaker: I thank my colleagues.

My dear colleague, that is not a question of privilege. The hon. member for Burin—St. George's has the floor.

[*English*]

MINISTER OF FISHERIES AND OCEANS

Mr. Bill Matthews (Burin—St. George's, PC): Mr. Speaker, I rise on a question of privilege regarding media reports which I have already sent to you. This refers to the Minister of Fisheries and Oceans who is quoted in Canadian Press reports which have been published in several papers referring to possible recommendations from the fisheries and oceans committee. The minister said he would look at them first to see if they are intellectually coherent and not just simply for headline purposes.

As a member of the fisheries and oceans committee, naturally I take issue with the minister's prejudgment of the work of the committee. More importantly I suggest that they constitute an attempt to intimidate the members of the committee, particularly the Liberal members of the committee who form a majority.

The fisheries and oceans committee has just finished a tour of Atlantic Canada and parts of Quebec, having had 15 meetings out and about the country and having seen about 4,000 people. I take exception to what the minister said.

Although these statements were made outside of this House, the authorities are clear that any action outside the House which attempts to molest or intimidate members can constitute a contempt of the House even though the events complained about occurred outside this House. There is a longstanding assertion of the privileges of the House against conduct which tends to obstruct members in the execution of their parliamentary duties.

Mr. Speaker, I would like to refer you to the 22nd edition of Erskine May, page 127, which clearly states that analogous to molestation of members on account of their behaviour in Parliament are speeches and writings reflecting upon their conduct as

Points of Order

members. As a matter of fact, as far back as February 26, 1702 the House of Commons resolved that to print or publish libels reflecting upon any member of the House for or relating to his service therein was a high violation of the rights and privileges of the House and the member.

So, Mr. Speaker, I submit to Your Honour that the minister of fisheries—

The Speaker: I do thank the hon. member for bringing up the point. He was kind enough to give me written notice and also send along the article wherein the allegation takes place that he is being intimidated.

• (1510)

I have ruled that this is not a question of privilege. It could be that the member would have a grievance of some sort. I would encourage all hon. members to be very judicious in their choice of words inside and outside the House.

* * *

[*Translation*]

POINTS OF ORDER

DECORUM IN THE HOUSE OF COMMONS

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I rise on a point of order.

Standing Order 16 of the House of Commons provides that:

16.(1) When the Speaker is putting a question, no Member shall enter, walk out of or across the House—

and now we get to the part that is of particular interest to me:

—or make any noise or disturbance.

I would like to correct a number of facts that were just mentioned by the member for Abitibi. Yesterday evening, when we were voting on Bill C-24 at report stage, we witnessed a rather disgraceful scene on the part of a member of this House.

A verbal confrontation took place between a member of Parliament and a spectator in the public gallery. The hon. member even took his jacket off, as he admitted earlier, and challenged the spectator to fight with him. This is totally unacceptable and it is an insult to our whole institution.

[*English*]

The Speaker: Colleagues, I think what the hon. member is referring to is an incident that took place in the House which is regrettable. The hon. members from what I can understand had a joust of words. We have that every day in the House of Commons.

The hon. member for Abitibi on a question of privilege, which I judged not to be a question of privilege, apologized to the House for any actions that he has taken. If this is a continuation of what I

Routine Proceedings

judged not to be a question of privilege, then I think it should end here, unless the hon. member has something more that he wants to add. At the end of it all, I think what we want here is decorum in the House.

I will permit the hon. member to terminate with a very few words because I would like to move on to the other point of order.

[*Translation*]

Mr. Pierre Brien: Mr. Speaker, I quoted Standing Order 16, which deals with the decorum that must prevail.

It seems to me that, in such a deplorable situation, because we did not get the same interpretation of the comments made by the member for Abitibi, it would be normal for the hon. member to apologize, or for the Chair to call him to order.

In this particular case, the member apologized to postal workers, but offered no apologies to the House and to our institution. I would like to see him do just that.

Some hon. members: Hear, hear.

• (1515)

The Speaker: Dear colleagues, I will read the blues again.

[*English*]

The hon. member for Abitibi has said that he apologized not only to members in the gallery but also to the House.

An hon. member: No, he didn't.

The Speaker: I beg you, my colleagues, that I am not in a debate with you. I am here to hopefully see to it that there is normal discourse in the House. We cannot have that when we are shouting in the House.

The hon. member has apologized to whoever was in the gallery. The hon. member has apologized in my view to whoever in the House has taken offence. I take that as an apology.

I will revisit the blues and, if necessary, I will come back to the House, but at this time this point of order is over.

COMMENTS DURING QUESTION PERIOD

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, my point of order arises out of comments made by the Minister of Natural Resources in question period. She seemed to be unaware of spending details with reference to Mr. Kenneth Vollman, vice-chair of the National Energy Board.

It is important to get this information into the public arena as it is taxpayers' dollars that are being spent on these expenditures. I

would like to table the document that details the information for the minister.

The Speaker: The hon. member can deposit the document with the unanimous consent of the House. He wants to table a document. Does he have unanimous consent of the House?

Some hon. members: No.

The Speaker: There is not unanimous consent.

[*Translation*]

DECORUM IN THE HOUSE OF COMMONS

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I rise on the same point of order raised by my colleague from Témiscamingue. I wonder if it might not have been appropriate under the circumstances to immediately call to order the hon. member for Abitibi for pulling off his jacket. That in itself constitutes a breach of the proper dress code for this House—

The Speaker: My colleague, sometimes things happen pretty fast in this place, in the House of Commons. I do not know what I would have done, but one of my colleagues was in the Chair and did for the best in the circumstances.

I would ask all hon. members to conduct themselves honorably. After all, we are the parliamentarians of Canada. As the hon. member said, this kind of attitude is not acceptable in the House of Commons, and all members are requested to refrain from doing such things. We should not even exchange certain words, which are a tad too strong.

I would ask that the hon. members please choose their words more carefully. And the same goes for their actions. I would like to leave it at that. I think the point has been discussed enough, my colleague.

Mr. Louis Plamondon (Richelieu, BQ): On a point of order, Mr. Speaker.

The Speaker: Does it pertain to another matter? Is it a new point of order? I am putting the question directly to the hon. member for Richelieu. In a word: is this a new point of order?

Mr. Louis Plamondon: Mr. Speaker, the matter can be settled easily. In all good faith I would just like to tell the Chair that I believe the hon. member for Abitibi, by nodding, in fact apologized. This confirms that he apologized to the House. The hon. member could now nod to confirm and that would settle the matter.

Is the member apologizing? Yes?

• (1520)

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, the longstanding traditions of this House call for, perhaps demand, but at the very least call for respect for the Chair in refraining from questioning a decision by the Speaker once one has been made. I trust members will adhere to this parliamentary tradition, which is worthy of all those who are part of it.

The Speaker: Is there another point of order?

Mr. Stéphane Bergeron: Mr. Speaker, I rise on a point of order concerning the hon. government whip's intervention.

The Speaker: Come now, this is turning into a debate. I will allow the hon. whip to say a few words but I want that to be the end of it. We have work to do here.

Mr. Stéphane Bergeron: Mr. Speaker, the hon. government whip has referred to the long British parliamentary tradition in this House, and rightly so. That tradition calls for respect of the Speaker's decisions, and I agree.

That tradition does, however, also call for decorum in this House. We are here to exchange ideas, but when a member invites someone else to come to blows—

The Speaker: Point made and accepted. It is not acceptable to see these little squabbles between anybody. Now, that is that for the moment.

MINISTER OF FISHERIES AND OCEANS

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, I thank the Chair for recognizing me. It is not about the points just raised, but about the point raised by the member for Burin—St. George's.

I realize that the Chair has made its decision, but for the information of the House and of the public, the question raised by the Conservative member for Burin-St. George's concerned allegations by the Minister of Fisheries and Oceans regarding the work of the standing committee, and the fact that this could hamper us in our parliamentary work.

I would like the Chair to remind the House and the listening public that the House of Commons Standing Committee on Fisheries and Oceans is a body duly created by the House, by you, Mr. Speaker. The Standing Committee on Fisheries and Oceans is accordingly completely free to do the work it wishes. At no time may allegations by ministers made in or outside the House influence this work. Am I correct?

The Speaker: The short answer is yes.

Routine Proceedings

ROUTINE PROCEEDINGS

[English]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1) these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to 10 petitions.

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COMMITTEES OF THE HOUSE

CANADIAN HERITAGE

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Canadian Heritage.

[Translation]

Pursuant to its mandate under Standing Order 108(2), our committee studied the topic of the Canadian television and cable production fund.

On the strength of these and other observations, the committee recommends as follows:

[English]

That the Government of Canada maintain its level of funding for the Canada Television and Cable Production Fund at least at the 1997 level.

* * *

• (1525)

PETITIONS

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition from a number of Canadians, including some from my own riding of Mississauga South.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to society.

Routine Proceedings

The petitioners would also like to point out that they concur with the report of the National Forum on Health in terms of its recommendation that we should be investing more in our children, particularly since the Income Tax Act does not fairly take into account the real costs of raising children.

The petitioners therefore pray and call upon parliament to pursue tax initiatives to assist families that choose to provide direct parental care to preschool children.

PENSIONS

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, pursuant to Standing Order 36 I am pleased and honoured to present a petition on behalf of constituents of Winnipeg North Centre and other Manitobans who are very concerned about Canada's retirement system.

They are worried about changes in the works that are being discussed. They petition the government to rescind Bill C-2 and to establish a national review of the retirement income system in Canada to ensure the adequacy of Canada's retirement system today and tomorrow.

NATIONAL HIGHWAY SYSTEM

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, pursuant to Standing Order 36 I have the honour to present three petitions today.

The first petition asks parliament to urge the government to upgrade the national highway system in conjunction with the provinces.

PUBLIC NUDITY

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, the second petition asks parliament to clarify the Criminal Code to ensure that public displays of nudity cannot be considered an infringement of an individual's freedom of expression.

The third one asks parliament to enact legislation to prevent women from appearing topless in public.

PENSIONS

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition on behalf of the citizens of Manitoba, asking that Bill C-2 be rescinded.

It imposes massive CPP premium hikes while reducing benefits, changes the CPP financial arrangement to provide a payoff for Bay Street brokers and bankers, ultimately sends Canadian investment dollars out the country, and reduces employment.

YOUNG OFFENDERS

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present

a petition signed by nearly 500 constituents from Appin, Melbourne, Mount Brydges, Glencoe, Parkhill and Strathroy after a series of break-ins and auto thefts in their communities.

The petitioners urge the government to lower the age limit for young offenders, to strengthen the penalties and to publish the names of convicted young offenders in their local newspapers.

PENSIONS

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, in conjunction with my colleagues from Manitoba who have spoken to the matter this afternoon, I am pleased to present a petition pursuant to Standing Order 36 on the Canada pension plan.

It is signed by a number of people from the prairie region who are interested in supporting a publicly administered universal pension plan which ensures that all Canadians, not just the wealthy, can look forward to a secure retirement.

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QUESTIONS ON THE ORDER PAPER

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 23 will be answered today

[Text]

Question No. 23—**Mr. Jean-Guy Chrétien:**

With regard to the recent reopening of the Cassiar asbestos mine in British Columbia, can the government (a) state what its involvement was; (b) indicate how much the government contributed; (c) indicate which government programs were used; (d) indicate the amounts contributed under each program; (e) specify the conditions of any loan or loans, including the interest rate and duration; and (f) indicate which departments were involved in this reopening?

Hon. Ralph E. Goodale (Minister of National Resources and Minister responsible for the Canadian Wheat Board, Lib.): The Cassiar asbestos mine in British Columbia has not been reopened. The project mentioned is in fact a pilot project to reprocess waste from the old mine.

The Cassiar pilot project went into service on October 19, 1997 and is producing only for test purposes. To date, there has been no industrial production.

The pilot project is financed entirely by the private sector. Natural Resources Canada has not been involved in any way in the opening of the Cassiar pilot plant.

[English]

Mr. Peter Adams: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I rise on a point of order.

Just before we grant leave for all questions to stand, could the parliamentary secretary explain why it is taking so long to get an answer to Question No. 14? The question was tabled on September 23, which means it is well beyond the 45 days the rules allow for the government to reply.

• (1530)

The question seeks to find out whether the government has honoured the commitment made by the former minister of health a year ago to spend \$10 million on education and other programs to reduce youth smoking. I am concerned at the delay in making this information public and wonder if my colleague, the parliamentary secretary to the government House leader, could undertake to ensure that the response is quickly forthcoming.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have some information on the progress of questions which are as yet unanswered. I would be glad to see if in fact I can give the member opposite some information immediately.

Failing that, I will follow up on this question and see that it is answered as quickly as possible.

The Deputy Speaker: Is it agreed that the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that the notices of motion for the production of papers be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA MARINE ACT

The House proceeded to the consideration of Bill C-9, an act for making the system of Canadian ports competitive, efficient and commercially oriented, providing for the establishing of port authorities and the divesting of certain harbours and ports, for the commercialization of the St. Lawrence seaway and ferry services and other matters related to maritime trade and transport and amending the Pilotage Act and amending and repealing other acts

as a consequence, as reported (with amendment) from the committee.

SPEAKER'S RULING

The Deputy Speaker: There are 20 motions in amendment standing on the Notice Paper for the report stage of Bill C-9.

The motions will be grouped for debate as follows:

[*Translation*]

Group No. 1: Motions Nos. 1, 2, 3 and 12.

[*English*]

Group No. 2: Motions Nos. 4, 10, 11 and 20.

Group No. 3: Motions Nos. 5 to 9 and 13 to 17.

[*Translation*]

Group No. 4: Motions Nos. 18 and 19.

[*English*]

The voting patterns for the motions within each group are available at the table. The Chair will remind the House of each pattern during the time of voting.

I should advise hon. members and draw to their attention the fact that the French text of Motion No. 13, as printed in the Notice Paper, is incorrect. A corrected version is available at the table.

The chief government whip on a point of order.

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, there have been consultations among all parties and I believe you will find unanimous consent for an order of the House that would deem all amendments which have been found in order at the report stage of Bill C-9 to have been read by the Chair and to have been duly moved and seconded, and to further provide that when there is no further debate the amendments will be deemed to have been put and a recorded division requested.

In any case, no later than 5.30 p.m. today all questions necessary to complete the report stage will be deemed to have been put, divisions requested and deferred until the conclusion of the consideration of Government Orders tomorrow.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

MOTIONS IN AMENDMENT

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I rise on a point of order. I have had discussions with my colleagues in all parties opposite and I believe you will find there is unanimous consent to waive notice and introduce a technical amendment as follows:

That Bill C-9 be amended by replacing line 34 on page 16 with the following: "tions made under paragraph 27(1)(e)".

I will be making copies of this technical amendment available at the table immediately. I thank in advance members opposite for their co-operation.

Government Orders

The Deputy Speaker: Does the hon. Parliamentary Secretary to the Minister of Transport have the unanimous consent of the House to propose the amendment?

Some hon. members: Agreed.

• (1535)

[*Translation*]

The Deputy Speaker: The House has heard the proposal, without agreement on the amendment at the moment. Can the hon. member move it and include it in the motion proposed by the Parliamentary Secretary to the Leader of the Government in the House of Commons and can the amendment be the subject of debate this afternoon with the other amendments proposed?

Some hon. members: Agreed.

Mr. Michel Guimond: Mr. Speaker, on a point of order. For clarification purposes, could you tell this House the number of this motion and the group it will be presented in?

The Deputy Speaker: The Chair will do so as soon as possible. We have to look at the amendment now that it has been presented, and I will tell the House soon which group it belongs to and it will be available at the Table for all to see.

Mr. Michel Guimond: Mr. Speaker, on the same point, I do not want to be overly procedural, but am I to understand that it will certainly not be included in discussing Group No. 1, which will be discussed immediately?

The Deputy Speaker: The answer is no. We can now begin with Group No. 1.

[*English*]

Mr. Lee Morrison: Mr. Speaker, as a point of clarification, I was of the impression that in spite of this agreement we would first speak briefly to the legislation and then speak to the amendments. You are asking us to speak to the amendments first.

The Deputy Speaker: This is the report stage of the bill. It is for the purpose of discussing amendments to the legislation. If the hon. member wishes to debate the bill he can do so on third reading, but at report stage we do proceed with speeches of 10 minutes duration on groups of amendments. We are now on Group No. 1. I understand the amendment proposed by the parliamentary secretary will not be included in Group No. 1 so we are safe to start on that if the House is ready. We will be debating Motions Nos. 1, 2, 3 and 12.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ) moved:

Motion No. 1

That Bill C-9, in Clause 8, be amended by replacing line 9 on page 6 with the following:

“(ii) one individual appointed by each of the”

Motion No. 2

That Bill C-9, in Clause 12, be amended by adding after line 7 on page 11 the following:

“(3.1) For the purposes of subsection (3) the Minister may fix the limits of a port that is to be managed by a port authority.”

Motion No. 3

That Bill C-9, in Clause 14, be amended by replacing lines 7 to 9 on page 13 with the following:

“users.”

Motion No. 12

That Bill C-9, in Clause 48, be amended by replacing line 32 on page 29 with the following:

“matters and zoning by-laws that apply to neighbouring lands.”

Hon. David M. Collette (Minister of Transport, Lib.): Mr. Speaker, I am pleased to participate in the debate at report stage on this bill which has been so long in the making. Transport Canada has implemented a comprehensive strategy of change over the last few years, commercializing many activities, streamlining regulations, reducing or eliminating subsidies and cutting departmental overhead and expenditures.

I believe the government has demonstrated leadership in attaining national goals and in nurturing national programs and institutions within the framework of the Canada marine act. The first group of amendments before us will go a long way to achieving a number of objectives.

First, marine infrastructure and services will respond to user needs. Second, excess marine infrastructure and services will be rationalized or transferred to more efficient local management in an orderly way. Third, the operation of marine infrastructure and services will be managed on commercial principles wherever possible by commercial entities with a minimum of overhead costs and red tape and the maximum user say.

Fourth, the federal framework of legislation, regulation and administration will be simplified and streamlined while maintaining our high standards of safety. Fifth, marine infrastructure and services will continue to be provided for remote communities in a manner that will preserve a national presence in such communities. Sixth, overall levels of subsidization, direct and indirect, will be significantly reduced or eliminated.

These amendments will go a long way to ensuring that local autonomy will be increased in order to reduce costs and allow ports to better serve their customers.

The federal role in ports as a result of this bill will be more clearly focused on the ports of greatest importance to Canada's domestic and international trade and to those that provide marine service to meet the basic needs of the various remote communities.

We are providing representation on the board of directors to allow increased involvement in port management by business and local interests. The bill has provided for a majority of the new port boards to be nominated after consultation with users. We believe this acknowledges that it is the users who must pay for marine facilities and services.

[*Translation*]

At transport committee hearings, we were told that boards of directors could be strengthened by making provision for members with a more diverse combination of qualifications.

• (1540)

We agreed with this point and amended the bill accordingly so that the three levels of government have this latitude when appointing board members.

Changes made in committee will allow provinces and municipalities to appoint to boards of directors members with the necessary qualifications to represent a broad range of local interests, not just business interests.

This increased flexibility, along with the advice that will be supplied by port users, will make it possible to ensure that boards of directors include members with a diverse combination of knowledge and qualifications.

[*English*]

This new port authority will have powers relating to shipping, navigation, transportation of passengers and goods, the handling and storage of goods as well as other activities that are deemed in the letters patent to be necessary to support the port operations.

In the letters patent there will be a full description of the lands that will make up the port limits. I think that is extremely important in the whole context of land management.

The bill does require port authorities to develop a land use plan within 12 months of receiving its letters patent, and at least 60 days before the plan is to come into effect the port must advertise in the local media and obtain public input before it finalizes its plan.

Unlike the past practice at many ports, Bill C-9 makes it very clear that Canada port authorities must develop their land use plans in consultation with the local community. That is extremely important right across the country. I want to take an aside here and underscore to my friends in Toronto this is indeed the aim of this bill. It is now in the bill if it passes. I think that would go a long way to ensuring local interests in Toronto that local planning concerns will be taken into account by the new port authority.

We have also heard a concern from members of the Standing Committee on Transport that a direct provision was needed to ensure that port plans are co-ordinated with other land use regimes.

Government Orders

[*Translation*]

I am pleased to note that my hon. colleague, the member for Beauport—Montmorency—Orléans, moved an acceptable amendment in this regard, an amendment that members on this side of the House will be happy to support.

Accordingly, when a port's board of directors develops its land use plan, it is supposed to harmonize its decisions, in so far as possible, with users and with the restrictions applying to property adjacent to port boundaries.

[*English*]

The vital interests of the public at large, the users of the port, the local businesses and communities and the various interest governments are addressed at two levels in the bill. The procedure for the nomination and appointment of port authority directors offers the conventional assurance that the decisions of a port authority start with people who have professional qualifications and who enjoy the basic confidence of the many constituencies.

The second level of institutional control is of prime importance. We believe that feedback will come from the strict new disclosure requirements for a port authority. The director's actions will be reviewable in a practical way and they will be held accountable through various mechanisms such as annual reports, periodic reviews and annual public meetings.

[*Translation*]

This is the kind of reform our port authorities want, and we are very pleased to be going ahead in this direction. I strongly urge members to support this bill.

[*English*]

The Canada marine act will help to prepare Canada for the global competitiveness of the 21st century, to ensure a strong continued federal presence in our ports and will serve as a valuable tool in the continued strengthening of our economy and the creation of jobs and growth.

I thank the hon. members who have taken part in the debate thus far, especially the members of the standing committee who have worked in a collegial way to deal with the concerns of this bill. It is the second time round for the House within this calendar year. As people know, the earlier Bill C-44 did not pass the Senate before the election was called. We brought back in the same bill that was passed in the House last year. This was an important feature that my colleagues, especially in the opposition, insisted on.

We have made some modifications. We have made some real progress in certain areas. I mentioned Toronto a few minutes ago. We have also been able to resolve some of the matters pertaining to the Hamilton Harbour Commission and Hamilton, of course, is

Government Orders

included in the schedule as a CPA. I think this shows how all of us working together can overcome various difficulties.

• (1545)

In that particular case, we had to wait until certain matters resolved themselves between the counsel in Hamilton and the Harbour Commission. They look like they are on their way to resolution. It seems only appropriate to include Hamilton in the bill.

I exhort my hon. colleagues to allow this bill to go forward. It is a good day for Canada, the Canadian marine industry and, hopefully, in the other place, we will address their concerns which they did not have an opportunity to address earlier this year.

The Deputy Speaker: Before debate resumes, I am reluctant to interrupt at this moment but I should advise the House that the motion proposed by the Parliamentary Secretary to the Minister of Transport and admitted on unanimous consent a few moments ago will be in Group No. 2 and will be voted on separately. Resuming debate.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, I will speak only very briefly on Bill C-9 as it was reported from committee.

This is a flawed bill. It had a lot of promise. The foundation and the framework are excellent, reflecting a lot of diligent effort in the last Parliament.

Unfortunately, the builders lacked finishing skills. The final construction has a leaky roof and rather ill-fitting doors. There are no real excuses for the deficiencies in this bill.

Every member of the standing committee was fully aware of the shortcomings which had been identified by the stakeholders. The standing committee, rather than addressing the problems in the legislation, simply rolled over and played dead.

Dozens of innocuous government housekeeping and drafting amendments were passed but let us for a moment consider what could have been.

The most common complaint against the bill is its provision for a federal levy on the gross revenues of each port authority at a rate to be arbitrarily fixed by the minister.

Can members imagine entering into a royalty agreement with a property owner and telling him to set his own price, based on what he felt he could afford to pay? Imagine, moreover, that the same owner would also be leasing property to your competitors and would be free to set different rates for them, again at his discretion. That is precisely the situation in which the various port authorities will find themselves under this legislation.

Changes requested by shipping companies, stevedoring firms, unions and producers were never seriously considered. In the end, at the crack of the parliamentary secretary's whip, the advice of

departmental bureaucrats prevailed over the wishes of the people who have to live with the legislation.

Not only did the government members fail to respond to stakeholders, but they lined up solidly to vote down every single amendment presented by opposition members on behalf of the stakeholders.

A motion to levy a charge based on clearly defined net revenues at an equal percentage rate for all port authorities was rejected by all Liberals present.

Second, an amendment requested not only by unions but by shipping associations to guarantee a union representative on each board of directors was rejected by the Liberals and, rather curiously I thought, by the sole NDP member of the committee.

The presence of a union member at the executive level could have had far-reaching effects on the maintenance of labour peace on the waterfront.

Nowadays, labour relations do not just involve wage disputes, especially at the waterfront. A lot of disputes revolve around policy decisions and an atmosphere of mutually beneficial co-operation would go a long way to maintaining future labour peace.

Third and finally, one of the most galling Liberal responses was the rejection of amendments that would have weakened pilotage monopolies, especially on the St. Lawrence. Our proposals would have made it easier for the captains of Canadian vessels routinely plying the same waters to be certified to pilot their own vessels.

Under the terms of the motion, applicants for pilotage certificates would have had only to prove their competence and knowledge of the waters in order to be certified.

St. Lawrence pilotage is widely acknowledged to be one of the worst examples of pork-barrel politics and union featherbedding in the world. A few hundred people with incomes from \$80,000 to \$180,000 for nine months of work are holding the entire inland shipping industry hostage. The estimated cost of excess pilotage to grain shippers alone is about \$4 million annually.

• (1550)

In refusing to accept the proposed amendments, the Liberals demonstrated that they care more about a small legislated monopoly in central Canada than they care about the interest of 50,000 prairie farmers.

I will be introducing proposed amendments to this bill. At that time I would like to speak not about what we did not get in committee, but things we hope to get here, things that could be done to make this a better bill.

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I would first off like to thank the Minister of Transport for having indicated his support for an amendment

Government Orders

submitted by the Bloc Québécois and I would also like to thank the government for having kept pilotage mandatory in Canada.

In this vein, I will not repeat the remarks made by my Reform colleague. I invite him to come in the next referendum campaign and brag about Canada's beauty as I do the rounds on the Île d'Orléans, and then we will see about his credibility.

Clause 4 sets out as one of the objectives of Bill C-9 to provide a high level of autonomy for local port management. This method of operation will permit more manoeuvring room in the use of property managed by these new administrations. For most ports, the manoeuvring room provided in the legislation is justifiable.

However, there are certain special situations in which integration of port functions into the community is more complex. The legislation as written could prevent certain necessary adjustments.

In the port of Quebec City, for example, there might be some concern over the use made of the manoeuvring room in a port located at the heart of a metropolitan region, whose main city, Quebec City, has been designated a world heritage site. In this case, a conflict in usage has already arisen in certain areas currently managed by the port of Quebec City.

Is it unthinkable for a special interest group, which the federal Minister of Transport will continue to appoint, and which are often friends of the government, to have more power than elected municipal officials, who, however, are accountable to the public for maintaining the area.

We contend, therefore, that the bill must be amended so that special situations, like that of the Quebec City region, are given special solutions. The increased flexibility we are seeking in our amendments is necessary for the following reasons.

First, we must discuss the limits of the areas managed by local port authorities. This is the thrust of one of our amendments.

Second, we should provide for the possibility of submitting authorized usage to municipal zoning when letters patent are drawn up. This is our Motion No. 12, and the government, through its minister, has indicated that it will support our amendment.

Third, there should be greater flexibility in the make up of the board of directors. We will come back to that.

Let us talk first off about the geographic limits of port administrations. I said it was important the geographic limits of a port administration be approved by the community the port operates in. In this regard, the legislation must provide that the municipal zoning bylaws are to be respected by the port authorities. This is

the intent of our Motion No. 12, which the government will support.

• (1555)

Next, I would like to discuss our Motion No. 2. It states, and I quote:

“(3.1) For the purposes of subsection (3) the Minister may fix the limits of a port that is to be managed by a port authority.”

The rationale behind this motion focuses on the possibility of excluding from the limits of a port a part of the area which is used for other than marine trade and transport. Let me explain.

There is one part of the port of Quebec which is called the baie de Beauport. There is a boating association called l'Association nautique de la baie de Beauport, which is recreational and touristic in nature. The bay is a regional recreation and tourism facility used by people from all over the Greater Quebec region. This zone ought, therefore, not to be included in the limits of the port, since its use is not solely for shipping. It is used for recreation and tourism.

The government still has until 5.30 p.m. tomorrow to think about it before the vote, but we respectfully submit that the government will need to give some thought to approving not only our Motion No. 12 but also our Motion No. 2.

Continuing now along the same lines, I would like to look at the composition of the port authority. There is a problem in the current wording of this bill because it is set out that a single municipality will represent the others on the local port authority. What is to be done, then, when several municipalities are affected by port operations? We know this often leads to more complex problems for community integration.

We submit that community representation ought to be stronger in order to offset the purely commercial aspects of port activities. A conflict of interest might, moreover, arise between the various municipalities where certain aspects of port activities are concerned. In that case, given that a number of municipal interests may be affected, we submit in our Motion No. 1 that each municipality adjacent to the port should be able to have its point of view heard, so that each of the municipal administrations involved has a say.

The purpose of Motion No. 1 is therefore to make provision for a representative from each of the municipalities concerned and not just from one municipality speaking on behalf of the others.

In conclusion, I would like to take a few minutes to explain Motion No. 3. First I will read clause 14(1)(d):

The Governor in Council appoints the remaining individuals nominated by the Minister in consultation with users selected by the Minister or the classes of users mentioned in the letters patent.

Government Orders

We humbly submit that the bill should be amended to reflect our Motion No. 3 so that it is the users themselves who choose the people who will represent them on the local port authority's board of directors, and so that it is not left to the minister, as it is now, to make partisan appointments. In the case of airports, users were asked to say whom they would like to see on their local airport authority's board of directors. Why was the same scenario not used for the privatization of ports?

To a certain extent, this is what we are criticizing, what we often see in Canada. On the one hand, the government is privatizing. On the other hand, the government is pulling out, sometimes leaving facilities in poor shape, but not providing an adequate budget to make the required technical improvements. The government is privatizing but still retaining authority for appointing directors.

• (1600)

Unfortunately I am running short of time, but I could name many friends of the government in office who are appointed all the time. This has been just as true under the present Liberal government as it was in the time of the Conservatives. That is why we said in the last two election campaigns that Conservatives and Liberals were one and the same.

Once again, I ask the parliamentary secretary, who is a responsible member and who handled this issue well on the transport committee, to examine our amendments. As can be seen, our shopping list is not terribly long. We wanted to focus on the key points.

In closing, I would ask the House to give positive consideration to this first group of amendments moved by the members of the Bloc Québécois, which I proudly represent.

[*English*]

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, it is certainly a pleasure to speak on this bill today.

I have but one little problem with it and that is that I was not here in the last Parliament. My constituents decided to give me a little vacation and while I was home for three and a half years, the transport committee of the House of Commons researched this particular bill for approximately a year and a half.

In our case, it was really thrown at us and we did not have a lot of chance to review it. We were denied the opportunity to hear witnesses other than the minister and his officials. Therefore, I feel that the committee and Parliament were let down quite a bit. However, we are going to address these motions in Group No. 1 today.

As much as we understand the thought and the purpose behind this motion, we are going to vote against Motion No. 1. In some ways we feel that it makes sense, but on the other hand it would

allow an unlimited number of directors to be appointed to the CPA boards. We think that would be a mistake. It already has a large number of members and many of the ports have asked for smaller boards, not bigger boards. With this amendment to the bill, it would allow for a much larger board.

We are also going to vote against Motion No. 2 because we feel that it will prevent port authorities from expanding, using their own resources. It will deny them the ability to grow if a port authority is successful and is able to grow. There have been some very exciting examples of this lately. However, this motion would deny them the right to continue to grow. It reduces flexibility and creates an impediment against growth for successful port authorities.

It basically says: "The minister may fix the limits of a port that is to be managed by the port authority". That really would restrict imaginative, successful, viable port authorities.

It was interesting to hear that the airport authority in Vancouver recently get a contract to build and manage an airport in another country on another continent.

Motion No. 3, from the member for Beauport—Montmorency—Orléans, I am pleased to say we are going to vote yes on this one. We feel that this is a much better idea than the original one. It creates flexibility and removes politics from the board. The way it is established now there is opportunity for patronization and politics to be involved. This removes some of that and we support it. It is much more efficient and certainly is in line with the streamlining objective of the whole bill, to make it efficient and put control in the hands of the users and the people in the ports. This amendment goes a long way toward that.

Motion No. 12. I am going to vote against this motion. Again it changes the situation quite a bit concerning the property and the limits "matters and zoning by-laws that apply to neighbouring lands".

• (1605)

We feel this is far too vague in that local and neighbouring municipalities could change bylaws and therefore affect what goes on in the port authorities. The port authority may establish a certain fashion of operation based on the bylaws that are in place now in the neighbouring municipality or jurisdiction and then all of a sudden, if that jurisdiction were to change its bylaws, it could cause the port authority to have to make substantial and profound changes in the way it operates.

We feel that this amendment is too vague. It gives too much control to the neighbouring jurisdictions. We do not support this motion.

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, there is no question with regard to Bill C-9 that new members of the transport committee were not given the opportunity to interview new

Government Orders

witnesses. We did, however, have access to an extensive amount of considerations that were done in the previous Parliament.

We also had time to have discussions with the stakeholders, including people within the marine industry and union members. Therefore, I can quite confidently say that contrary to the hon. member's belief that the unions were not given the opportunity to be represented on the board and shocked that that position would not be supported by myself, it is interesting to note that the unions did not ask for representation on those boards. I also accepted the explanation of the member across that they were not restricted. If their local municipalities or the authorities in question wanted to have someone on the board, they certainly had the opportunity to do that.

I do not make any bones about my background. I come from a very strong labour background and I do not make any bones about that. I am comfortable with my position within the labour unions. They know I am there acting on their best behalf and that I am not going to show up tomorrow suggesting back to work legislation.

In putting that point straight, I would like to comment on the motions. I will be recommending support of Motion No. 1. All the municipalities that have a stake in the ports should have the opportunity for representation. We will have far greater viability of the ports and a lot better working relationship within those communities if they have that opportunity. I will therefore certainly be supporting and recommending the support of Motion No. 1.

I will be recommending support to all of the motions in this group. It is important that the limits of the ports be clearly set out so that a year down the road we are not questioning what should be happening to this port or that port or whether one is having more opportunity than the other. Therefore, I would also recommend that one.

There is no question that Motion No. 3 will lead, I hope, to less patronage. It seems to be a common problem with appointments through the governing body. If we could have representation, if the appointments were suggested by the users, then there would be less chance of that. I would strongly urge the government to move on that motion as well.

Motion No. 12 in regard to the zoning bylaws, the clause already calls for taking into account the relevant social, economic and environmental matters. I was quite surprised that the member from the Conservative caucus would suggest that the concerns of the municipalities in the area should not be an overall guiding factor and their wishes with regard to zoning should not be considered. To suggest that just because a port is there it should have the municipalities to ransom for years to come and not allow municipalities to readjust their zoning is just not acceptable to me.

I will be recommending support for all these motions.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I would like to remind you that the bill we are debating is an improved version of the former Bill C-44, improved in several points I believe. This is a bill which requires our uninterrupted attention.

No one can be opposed to the fact that it was important to decentralize port administration in order to make it more efficient, closer to the communities.

• (1610)

At the same time, we must be sure that decisions on this bill and each clause in this bill respect this. There have been some improvements to date, not sufficient in my opinion for a vote in favour of it. There are some interesting things in it nevertheless.

A balance must be struck in the amendments. In Bill C-44 there was already the acceptance of port development according to regional socio-economic characteristics. I think that was a move in the right direction.

I would like to draw attention of the House to the question of the port limits determined by the minister taking recreational and tourist considerations into account. To give an example, adjacent to the port of Cacouna there is a Canada Wildlife Service bird conservation reserve. When the ports are handed over, the group that takes over the port must ensure that the status of the adjacent lands is clearly established so as not to buy something and then have problems with the neighbours afterward. The amendment and the bill must therefore be clear. That is the reason behind the proposed amendment.

It is also important for zoning bylaws. With the handover of local port facilities, it will be increasingly important for zoning regulations to be respected by those who inherit those facilities. Municipal authorities, the grassroots, will have more say in the matter. Care must therefore be taken that nothing is omitted from the bill and that the legislation is clear.

I will also take this opportunity to draw the attention of the parliamentary secretary and the minister to the fact that these principles must be respected in the daily business of privatizing ports. I have an example that unfortunately is giving us pause right now.

In the port of Rivière-du-Loup, which is a port for ferries crossing between Rivière-du-Loup and Saint-Siméon, steps were taken to privatize the port, but unfortunately, at the same time, a letter was received from a regional director telling us that, effective the summer of 1998, dredging will be discontinued in the port of Rivière-du-Loup, meaning that in the short term the ferry service can no longer be maintained.

Government Orders

I think that the government, which I believe is acting in good faith in Bill C-9 and which really wants to see ports handed over, should in a case like that put a hold on the operations of its regional director and ensure that privatization can proceed under favourable conditions, which would encourage those wishing to acquire facilities to do so.

It should not be forgotten that the investments in the port of Rivière-du-Loup are not a gift to the region. An economic impact study revealed that this crossing generated \$25 million. Over \$3 million in taxes are paid to the two levels of government.

So when \$300,000 or \$400,000 is spent dredging the port of Rivière-du-Loup, this is only a partial return on the money that goes to the federal government through the increased economic impact generated by crossing users. I think it would be a good idea for the department to be sure that its actions are in keeping with the principles of the legislation in this regard.

I would like to point out that situations vary considerably from one site to another. In my riding alone, there are three different ferries. There is one covering a kilometre and a half between Saint-Juste-du-Lac and Notre-Dame-du-Lac. Another runs between Rivière-du-Loup and Saint-Siméon. There is a third between Trois-Pistoles and Les Escoumins. Each case is different, and the federal government must consider local realities when it meets with communities in the process of divesting.

Management of the ferry in Rivière-du-Loup is by contract, but the ferry belongs to the Société des traversiers du Québec. In Trois-Pistoles, the ferry is privately owned. The ferry at Saint-Juste-du-Lac operates within the lake, as the name indicates. So the sorts of management differ considerably, and the sites do not all have the same financial and economic capacity.

I hope the directors and the people implementing the bill will be openminded enough to permit the divesting of ports and for them to become the tools of economic development for all these areas of activity.

• (1615)

In conclusion, I think the Bloc has done its part in analyzing this bill in a highly professional manner. It has presented some very constructive amendments in order to make this the best legislation possible.

If the government had been still more precise in indicating how much money it can put into the handover, perhaps we might at the end of the day have been able to vote in favour of the bill. The Bloc Québécois amendments on the table, however, in this group and the others, are pertinent. They will improve the bill and I trust that the government will, as my predecessor said in his speech, take the time to look at them thoroughly and do as they did for the one they have already accepted, which is to reconsider their position so that

when the amendments are voted on they can be integrated into the bill. That will result in a more worthwhile piece of legislation.

We are now in the final stages of examining this bill, which is today at the report stage. We will probably get to the third reading on Friday. That is when the question will have to be asked. This bill will govern the federal government's divesting operations for the next 10, 15 or 20 years. If Quebec becomes sovereign, the transfers will take place in accordance with the contents of this bill.

What is needed, therefore, is for there to be the most solid legislation possible in place, legislation which will make it possible to fulfil the initial objectives and will also add efficiency to one sector, maritime transport, which Quebec for a long time could not get under its jurisdiction. Now, in its exchanges with Quebec, the federal government must ensure that the wishes of Quebec are respected, so that if, for example, a network of ports is created, the economic objectives of Quebec can be respected in the process.

We have before us, nevertheless, a bill aimed at ensuring decentralization. Let us look at how it can be done under the best possible conditions.

[*English*]

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, we have before us Bill C-9, the Canada Marine Act which is long overdue as we turn the pages into a new century. We are not quarrelling with that. I want to commend the member for Cypress Hills—Grasslands for the tremendous amount of effort he has put into this bill.

I want to make a few comments about the modernization of the ports. Canadians from the Atlantic to the Pacific realize this is a modernization of the way in which we will operate in the new century.

I have some quarrels with one area however. I particularly do not like the number of appointments that are going to be made available. It seems that this is a possible flaw in the bill in that it could be offset by the number in the harbour authority in having other people come on to the authority.

I would like to mention to the hon. member for Churchill that when we put forth the idea of the union people being included on the port authority, the argument was that they were never themselves asked to become a part of the port authority. If we look at Motion No. 1, we will also see that the hon. member was in favour of supporting that motion, so the same thing goes for the municipal authorities. They were not named either but they can be asked to make their presence on the board.

If we look at Motion No. 1, this clause seems like it unjustifiably inflates the boards of some port authorities and therefore could possibly have an imbalance on the people who serve on a given board. For that reason I think this is a bad motion. We will be opposing this motion because it would render them unbalanced in favour of municipal governments. This bill is not designed to

favour municipal governments. It is designed to favour the operation of the harbour boards in co-operation with the municipal governments where the harbour is located. As a result of that I cannot support Motion No. 1.

• (1620)

Regarding Motion No. 2, it seems that this is redundant since the granting of letters patent will deal with the existing port authorities. Those things will vary even within the same province. It may vary between Port Alberni and so on. It seems to me that this somehow limits the growth. I do not think Bill C-9 is designed to limit the growth of the port authorities, or curtail the economic advantages they may have. Rather, the bill I believe is designed, and it certainly has been a long time in the making, to strengthen the economic viability of each port.

Motion No. 3 in actually talking of users, the term “users” as such is not adequately defined anywhere in the bill. I just thought users were people in the business world availing themselves of the use of the port. Whether that needs further definition I do not know but I do not think it is necessary.

Regarding Motion No. 12, I really feel that the motion put forth by my hon. colleague would unduly restrain, shackle or hamper the activities of port authorities. Again I want to make sure that the port authorities would have the opportunity to take advantage of the talented people who sit on the boards, the inputs from the various people, and that the port authority grows.

For the first four amendments under Group No. 1, while I do not doubt that they were put forward with very good intentions, I do not think we can support them. I think they are hampering the general welfare and somehow dampening the purpose of Bill C-9.

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, I wanted to actually speak on Motion No. 1 regarding the make-up of the port authority boards. There is a port back home I want to mention. I hope the parliamentary secretary will have some patience here because I will come back to the motion.

This has to do with Bayside port, which is a small port on the St. Croix River, an international body of tidal waters. It is one of the few profitable ports in Canada. In fact last year that little port made a profit for the Government of Canada of about half a million dollars. It is blessed with deep water, close access to U.S. markets and so on and so forth. It is ideally situated, if you wish, and blessed with a good geography.

The reason I am concerned about this port in terms of privatization is simply that there is a group out of New York and New Jersey that wants to take over this port. All members on both sides of the House have to be concerned about this because the group that wants to take over this port is a large conglomerate from the United

Government Orders

States. They are actually in the sand and gravel or aggregate business. They are big, extremely big.

The reason we are concerned in New Brunswick is that the aggregate business in the United States is controlled by a group of families. In fact, the shipping of aggregate is controlled by a group of families who are notorious, and many people refer to them as organized crime. It is an industry that is practically impossible for a Canadian company to break into. The only way to get into the aggregate business if you want to ship into New York or New Jersey is to be owned by the Americans. The Americans have set their sights on taking over this port.

I know the parliamentary secretary will find this very interesting. On May 20, 1997—and as the minister just said a few minutes ago, the legislation died on the Order Paper and obviously was not passed before the last election—these people from New Jersey had a plan to take over the port.

• (1625)

Now this is interesting. Please hon. parliamentary secretary listen very intently to this. They hired two former members of Parliament as consultants to expedite the transfer of that port into the hands of these Americans. The two former members of Parliament, one of them being Paul Zed, the other Doug Young, a former minister of transport, were hired to lobby the federal government to allow the transfer of that port into their hands. Not only did they attempt to get the port into their hands, in doing so they presented a 40 page document to the province of New Brunswick to assist them in expediting the transfer of the port into their hands.

We know that they hired two former members of Parliament to assist them, but they did not stop there. They hired a former member of the New Brunswick legislature and a former cabinet minister from the province of New Brunswick to assist them on the provincial side.

An hon. member: What party was he from?

Mr. Greg Thompson: It was obviously the Liberal Party. He is a former minister in Mr. McKenna's government. The name of that individual is Mr. Al Lacey.

They vehemently denied that they had a secret plan to take over the port. In discussions with the premier of the province of New Brunswick in early August this year, he denied flatly to me as a member of Parliament that this group out of New Jersey and New York had any design on taking over the Bayside port. He had to eat his words two days later when this document was secretly released to me. The Atlantic television network actually aired this nationwide, when one of the consultants was lying through his teeth in

Government Orders

regard to the intent of these individuals out of New York and New Jersey.

On speaking to the department of economic development yesterday, the owner of this particular group, an individual by the name of Randy Waterman, has all doors of government open to him. Why? Because they are hiring the best consultants they know how. That is done with the aid of a lot of money, to get through the doors of the ministers here and the ministers back in New Brunswick.

That is why this bill is flawed. It does not allow the citizens of the province of New Brunswick or any other province in this country protection from unwanted residents of the United States, United States businessmen coming here and taking over our ports.

The group is no slouch when it comes to doing business. This group is a multilayered group of companies. Here are some of the companies which Mr. Randy Waterman is involved with: New York Sand and Gravel, Amboy Aggregates, McCormick Aggregates, McCormick Materials. They have also set up a dummy corporation in New Brunswick called Charlotte County Ports. Does this not sound much better, Charlotte County Ports? Everyone would believe it is a home grown company, only to find out that it is 100% owned by these characters out of New York and New Jersey.

It does not end there. Bayside Materials Handling Inc. is another company they set up as a front for their New York-New Jersey operation. It does not end there. When they pay their bills they do not pay them through any of these companies. They pay them through a company called Trapp Hill Holdings.

The interesting thing is you never speak to anyone on the telephone that represents these companies in New York and New Jersey. They will not correspond with a member of Parliament. They will not correspond with anyone. They are silent. Who speaks on their behalf? Mr. Doug Young and Mr. Paul Zed, former members of Parliament who sat on that side of the House. That tells us how far they have infiltrated the levels of government in this country when they can hire former members of Parliament and transport ministers to carry their case forward to the federal government.

The present transport minister is being petitioned or lobbied at this very moment to reduce all shipping fees. Not only to reduce all shipping fees but to eliminate them completely so this company out of New York and New Jersey can compete with its nearest competitors in the marketplace in the United States of America. It is absolutely ludicrous to think the government would entertain doing that.

• (1630)

I spoke yesterday with the regional manager in Nova Scotia. He told me that they approached the government to eliminate the fees

so they could compete with their closest competitor, a company named Martin Marietta from the United States, that was working out of Canso, Nova Scotia. Again it is an American company, and a Canadian company cannot export into the United States unless and until it controls either the shipping lines or the companies on the New York-New Jersey harbourfront.

These companies have been under investigation for 15 years by the FBI, and these characters over there are entertaining doing business with them? The province of New Brunswick goes haywire when we try to talk sense about these companies.

Who is being paid off? Who would have access to the premier of New Brunswick tomorrow on a moment's notice? I do not think I would. Who else in the House would? If we were to hire the best lobbyist in New Brunswick, a lobbyist who is intimately connected with the province, we would have access to its premier and to the minister of economic development who wants to be the premier of New Brunswick.

It is critically important if the legislation goes through that the make-up of these boards has the clout to keep such people out of Canada. We still have to exercise a degree of independence in terms of our economy and how we build it. We do not need these types of people in Canada. We do not want these people taking over our ports. That is why we have to beef up the legislation. We must ensure that individuals with the big dollars cannot come up from the south to take us over.

I hope to speak later to the same issue.

[*Translation*]

The Deputy Speaker: Order, please. 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 Halifax West, health care; the hon. member for Dartmouth, human resources development; the hon. member for Waterloo-Wellington, trade; the hon. member for Charlotte, health.

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Mr. Speaker, we do in fact support the principle of the legislation to privatize the administration of ports in Canada. We support it because, up to now, these ports were managed by a federal agency. We are sure, given the management of these ports in recent years, that they will be better off not managed by a federal agency, and I congratulate the government warmly for having the humility to understand this in introducing this legislation.

We therefore support the principle of the legislation, but we have amendments, because we feel it needs improving in certain important areas. I am thinking specifically of clause 8. It provides that certain ports may be managed by local authorities. The principle is obviously an excellent one, and the conditions the government is

setting for transferring management of the port to a local authority are reasonable.

They include the port's having a certain financial autonomy, a link to major roads and rail lines, and so forth. That all makes good sense.

• (1635)

The problem is that the vendor or transferor, before transferring the property, should return it to good condition, especially when requiring that it be financially autonomous.

As a result of the, shall we say, less than favourable management of these ports in recent years, some of them are in need of major repairs. There are 324 ports in Canada and the paltry sum of \$125 million is all that has been set aside for this operation. We will try, through our amendments, to have this amount increased.

Still on the topic of ports, we were not in the least surprised to learn in this bill that the federal government wants to divest itself of all financial responsibility. It will no longer pay anything towards port administration. I said that this did not surprise us in the least and, without wanting to jump to any conclusions, we even think that unloading this financial burden may have been one of the reasons for introducing this bill.

When one intends to stop paying, it is not normal to want to keep calling the shots. A look at clause 14 concerning the composition of boards of directors makes it clear that Ottawa intends to retain control of these ports through third parties.

What does clause 14 say?

14.(1) The directors of a port authority shall be appointed as follows:

(a) the Governor in Council appoints one individual nominated by the Minister;

(b) the municipalities—

(c) the province or provinces—

(d) the Governor in Council appoints the remaining individuals nominated by the Minister in consultation with users—

When you consider that between seven and eleven directors will be appointed, three of them not by Ottawa, the fact remains that the majority of seats will still be subject to government appointment, even if the government says it is going to consult, yes, consult local authorities. We propose that, instead of consultation, appointments be direct and unconditional.

To date, the St. Lawrence Seaway has cost the public \$7 billion and brings in \$70 million annually. I do not think there are many private corporations that would be happy with a return as low as 1% on their investment, and yet that is the return generated by the seaway.

The concern regarding the profitability of the seaway, which we should be looking at, is the reduced traffic on the seaway. We think

Government Orders

things will only get worse given that Saskatchewan grain en route to Germany goes through Vancouver and the Panama canal rather than via Thunder Bay and the seaway, which would seem to be the more logical route geographically. Similarly, grain going to Russia is sent to Vladivostok, which is a bit odd, because it is in Siberia.

So there is some inconsistency, which may come from a conflict in rates between the railway and the seaway, and which will be of concern to the new administrators, if the seaway is to recover its life and vigour.

That summarizes our positions on this first series of amendments being debated today. We support the principle of the bill, on the condition that the major amendments we are proposing are approved by this House, which I encourage it to do.

[English]

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, it was not my intention to rise on this grouping but something was said this afternoon that I think needs some clarification.

• (1640)

To begin with, I dare say that Bill C-9 has been refined with consultation and consensus from all stakeholders. It has been refined like no bill I have ever seen in my nine years in this place. As some will recall, it was Bill C-44 in the last parliament.

I will deal with the last item first, the very strong words of the hon. member for Charlotte who discussed the great port of Bayside. It is a great port. I agree wholeheartedly with the hon. member. He understands his constituency well. That wharf is in excellent shape and is capable of handling all the shipping interests in that port.

The hon. member spoke of individuals like the hon. Doug Young, once a minister of the crown in this place, and Mr. Paul Zed, a distinguished member who served his time here as a parliamentary secretary. These gentlemen are involved in a lobby organization and are doing their thing in the private sector. I say good for them.

However the hon. member for Charlotte must understand that if they are doing work for individuals it has nothing to do with whatever the government is proposing to do with Bayside and what will eventually develop for Bayside as a divested port.

It must be made clear that the port of Bayside is having discussions with the Government of Canada through what is called the Bayside Port Steering Committee Inc., which is made up of local users of the port of Bayside. They are currently, with all due diligence, putting together negotiations with Transport Canada to transfer the port to the discretion of the government at the end of the day.

Government Orders

If the hon. member has any names of any individuals or any municipalities that want to come forward to offer their representations to the government, the minister or the Ministry of Transport, they will be given equal opportunity to be heard on the matter of having Bayside divested to them under a negotiated deal. Let them come forward. We welcome everyone's participation in the process.

Just to clarify as well for the hon. member for Charlotte, the Bayside port steering committee again is made up of local users in the area and is chaired by Mr. Fred Nicholson. He is a gentleman who clearly has nothing to do with the allegations the hon. member put forward today, along with the very strong descriptions of the individuals he put forward.

The hon. member referred to Mr. Waterman. He is an American, as I understand it. He wants to develop the lands adjacent to the port for aggregate. I stand to be corrected, but Mr. Waterman has no interest in running a port. He wants the stone next door to the port.

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, I rise on a point of order. I have a document which disproves that.

The Deputy Speaker: Order, please. The hon. member has to listen to the debate. He may disagree with what the parliamentary secretary is saying, but it appears the parliamentary secretary may have disagreed with what he said.

With all respect to the hon. member, we are not on points of order during his speech. This is a debate and people do have different opinions, and I think we might hear them out.

Mr. Stan Keyes: Mr. Speaker, if the hon. member has some information he would like to give me to clarify the issue, I would be more than willing to receive it because it would be useful in the overall agenda.

I stress to the hon. member that it is not the intention of the government, the minister or the Ministry of Transport to take one offer from one group or one individual and say there is your port.

There are many aspects to the dual track of port divestiture the government proceeded with many months ago that allow for representation not just from one but from many and all who want to come forward to take the opportunity to buy a port.

• (1645)

Beyond that I want to quickly address amendments Nos. 1, 2 and 3. I believe the minister has already addressed amendment No. 12 in this group, so I will not touch on that again. He was very thorough in his examination of No. 12.

Motion No. 1, from the member for Beauport—Montmorency—Orléans, proposes that the number of directors of a port authority could be increased by additional municipal appointments.

Right back to 1995 the national marine policy clearly stated that we are trying to put these ports on a commercial footing. That means that we want to put the user representatives on the board with the majority. We do not need government representatives on a committee that is running a port. That is not the idea of either the national marine policy of 1995 or Bill C-9. We want it commercialized. In order to do that, we need to have the majority of users on a board from the user representatives list that is supplied by the minister.

It is important that if we get into a constituency in British Columbia, I believe it is North Fraser, there are eight or nine municipalities bordering the waterway of the defined port. Members can imagine if we are going to construct a board of seven members because we do not want one too much bigger than seven. We have a choice of seven, nine or eleven. On what was supposed to be a board of seven there will be eight municipal representatives and four users. Boy, that is a lot of government representation. I do not think anybody in this place wants to see all that government representation on a board with the fiduciary responsibility of running a corporation to make a port successful. We do not want to see that, so unfortunately we will not be support Motion No. 1.

We will also not be supporting Motion No. 2 because, quite frankly, it is redundant. The minister already has the authority to specify the extent of property to be included within a port. That can be found under subclauses 8.2(c), (d) and (e).

Finally, on Motion No. 3, we cannot support it because the minister is going to have to exercise some responsibility on who is going to put forward the names for a board. Imagine if it was left just to the user to present the list and then it automatically became the representation on the board. What if the users got together and decided, jokingly, heaven forbid, they would all be lawyers. Do we want all lawyers running a port? Probably not.

An hon. member: You have a couple over there.

Mr. Stan Keyes: I am not a lawyer, but I have a lot of respect for most lawyers. Mr. Speaker is a lawyer and I respect the Speaker.

However, we cannot support this particular motion. We need an acceptable mix of knowledge and expertise on a board. That can happen if there is a preview of the list of names. That list of names should not be sheltered to just four. The names will come forward from the users and then the minister will make the selection from those names presented on the list in order to make the mix work well for a particular port.

I look forward to debating the next three groups of motions, if we ever get to them.

The Deputy Speaker: Pursuant to the order made earlier, the divisions on the proposed motions are deemed to have been demanded and deferred.

The next group is Group No. 2, Motions Nos. 4, 10, 11 and 20, and 21, being the one introduced earlier today. Debate.

Hon. David M. Collette (Minister of Transport, Lib.) moved:

Motion No. 4

That Bill C-9, in Clause 31, be amended

(a) by replacing line 14 on page 22 with the following:

“(3) Subject to subsection (4), a port authority may not mortgage.”

(b) by replacing lines 18 to 26 on page 22 with the following:

“revenues of that property.

(4) A port authority may, if authorized in the letters patent, create a security interest in fixtures on federal real property to the same extent as Her Majesty could create such an interest and may, instead of Her Majesty, execute and deliver the documents required for that purpose.

(5) For the purposes of subsections (3) and (4), “security interest” means an interest in or charge on property or fixtures mentioned in those subsections to secure the discharge of an obligation or liability of the port authority.

(6) A grant under subsection (4) may be effected by any instrument by which an interest in real property may be granted by a private person under the laws in force in the province in which the federal real property or fixtures are situated.”

Motion No. 10

That Bill C-9, in Clause 45, be amended by adding after line 38 on page 28 the following:

“(3.1) The port authority may exercise the powers under subsection (3) to the same extent as Her Majesty could exercise those powers and may, instead of Her Majesty, execute and deliver the documents required for that purpose.”

Motion No. 11

That Bill C-9, in Clause 46, be amended

a) by replacing lines 3 to 7 on page 29 with the following:

“property that it manages but it may

(a) without the issuance of supplementary letters patent, grant road allowances or easements, rights of way or licences for utilities, services or access; and

(b) to the extent authorized in the letters patent,

(i) exchange federal real property for other real property of comparable market value subject to the issuance of supplementary letters patent that describe the other real property as federal real property, and

(ii) dispose of fixtures on federal real property.

Government Orders

(1.1) The port authority may exercise the powers under paragraph (1)(a) or (b) to the same extent as Her Majesty could exercise those powers and may, instead of Her Majesty, execute and deliver the documents required for that purpose.”

(b) by replacing, in the French version, lines 21 to 25 on page 29 with the following:

“(3) Les concessions peuvent être faites par un acte qui, en vertu des lois de la province de situation de l'immeuble fédéral, peut servir à faire des concessions entre sujets de droit privé.”

Motion No. 20

That Bill C-9 be amended by adding after line 2 on page 98 the following:

“195.1 Section 589 of the Act is replaced by the following:

589. All fines recovered under this Part shall be paid over to the Receiver General and shall form part of the Consolidated Revenue Fund.”

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, who was it that coined the phrase, it is like déjà vu all over again. In the last Parliament it was called Bill C-44 and today we know it as Bill C-9. It is with a great deal of privilege that I speak to the report stage amendments of the Canada Marine Act.

This bill fills the 1995 national marine policy to commercialize and strengthen Canada's marine sector.

• (1650)

What I would like to do is provide my colleagues opposite and on this side of the House with an overview of the subjects covered in the bill. The proposed act makes it easier for ports to operate according to business principles. It enables the Minister of Transport to commercialize the operations of the seaway. It improves the way pilotage authorities operate.

I want to take a moment and thank the members opposite, in particular the member for Beauport—Montmorency—Orléans, for his praise and congratulations on the work we have done in regard to pilotage authorities. However, not all the work has been completed there as is evident in the bill.

Part I of the bill establishes a new form of port corporation and it is going to be called a Canada port authority. The basic principles for the port authority operations are that they will not have to have recourse to the federal treasury other than for emergency relief. They will be incorporated or continued by letters patent. They will be non-share capital corporations, must recover costs from fees charged and must comply with corporate governing provisions that we have brought into the bill, some of which come from the Canada Business Corporations Act.

In line with these principles, the powers of the port authority include commercial freedom to price its services, the powers of a natural person for the purpose of operating a port, authority to borrow on open markets but, with regard to federal real property,

Government Orders

the port authority may only secure loans by pledging revenue streams and movable fixtures and not federal land.

Within this group of motions the government seeks to clarify and simplify some of the procedures for transactions that involve crown lands. We are also clearing up any defective section reference relating to the Canada Shipping Act.

Generally, port authorities will also be agents of the crown allowing them to pay grants in lieu of taxes. In some cases, municipalities never received this before. Agent status reinforces the port community from provincial taxation and regulation. This is necessary to allow our major ports to remain competitive in a global environment. Ports will not be able to borrow as agents and will have to convince commercial lenders of the merits of their proposed investments. The crown will not back up port loans.

Bill C-9 strikes a balance also by limiting the crown's exposure to actions taken where the port is an agent. This gives the ports the autonomy they need to operate on a commercial basis without unduly exposing the crown to future liabilities.

Part II of the act requires the repeal of the Public Harbours and Ports Facilities Act. It then provides the minister with various options for the administration of ports remaining in the federal system. This ties into the 1995 national marine policy decision regarding the transfer of port facilities that do not play a national role.

It set up a new streamlined regulatory regime for any remaining public ports similar to that for the new port authorities.

Part II also requires that the minister report to Parliament each year on the divestitures that took place during that year.

Part III of the act sets out a new framework for management of the Canadian portions of the St. Lawrence Seaway. The minister may use agreements to assign the management of part or all of the seaway to a not for profit corporation or to any other person. An agreement may include management of the operation of the seaway, transfer of assets, et cetera.

The existing seaway authority may be dissolved by governor in council at an appropriate date to allow such agreements to proceed. The government will retain ownership of the seaway property and regulatory control over navigation in the seaway.

Part VII of the bill provides a more commercial environment for the operation of our pilotage authorities. It allows pilotage tariffs to take effect after expiry of a 30-day notice. If there are objections, any reviews of tariff increases by the Canadian Transportation Agency generally must be done within 120 days or less. The borrowing limits for pilotage authorities are to be set by the governor in council.

The bill states that no appropriations can be made from the government to pilotage authorities except in respect of emergencies. The chairman of the pilotage authority will be part time or full time and appointed by governor in council in consultation with the users and the authority.

The bill also requires that there will be a ministerial review of various functions of the pilotage authorities in consultation with both the authorities and the users. The review will be completed in a one year period after the provision for the review comes into force.

The remainder of the bill provides a review of the whole act in the fifth year and it receives royal assent.

● (1655)

No matter how finely tuned we have managed to construct this bill over the last close to three years, it is clear that it is not the end of the day and a review is there built in to ensure that if there are any further refinements, they will be made. It provides for a regime for enforcement of regulations established pursuant to the bill.

It has been almost three years in the works with, as I say again, much consensus building on the part of all of the stakeholders involved.

I urge all hon. members in this House to support Bill C-9.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, Motions Nos. 4, 10, 11 and 20 are essentially housekeeping amendments. That being the case and in view of the agreement which we made to limit debate here, I would seek unanimous consent of the House to put Group 2 immediately and proceed to the following motions which are of much more substance. We only have half an hour left.

The Deputy Speaker: Is there unanimous consent to proceed as suggested by the hon. member for Cypress Hills—Grasslands?

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, the hon. member for Charlotte is not confined to speaking to this grouping. If he wants to make his remarks, he can make it in the next grouping. I am sure the House will be permissible for that.

If the hon. member for Charlotte wants to agree to the proposal put forward by the member for the Reform, he can speak at the third grouping.

The Deputy Speaker: The question is: Is their consent to proceed now with Group 3?

Some hon. members: Agreed.

Government Orders

The Deputy Speaker: Then the questions on Motions Nos. 4, 10, 11, 20 and 21 are deemed to have been put, a division demanded and deferred.

The debate now will proceed on Group 3, Motions Nos. 5, 6, 7, 8, 9, 13, 14, 15, 16 and 17. The motions are deemed to have been moved, seconded and read.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.) moved:

Motion No. 5

That Bill C-9, in Clause 38, be amended by adding after line 15 on page 25 the following:

“(1.1) A port authority shall establish a code of conduct and system of practices respecting avoidance of conflict of interest by its directors and officers.”

Motion No. 6

That Bill C-9, in Clause 41, be amended by replacing line 4 on page 26 with the following:

“referred to in subsections 38(1) and (1.1) were, in the”

Motion No. 7

That Bill C-9, in Clause 41, be amended by adding after line 11 on page 26 the following:

“(2.1) An examiner shall be a person appointed by the Minister from suitable persons in the office of the Auditor General of Canada or the Department of Justice.”

Motion No. 8

That Bill C-9, in Clause 41, be amended by replacing lines 24 to 25 on page 26 with the following:

“about the plan, the matter shall be referred to the Canadian Transportation Agency and the Agency shall make a final determination with respect to it and shall report its determination to the Standing Committee of the House of Commons appointed to deal with matters relating to Transportation.”

Motion No. 9

That Bill C-9 be amended by deleting clause 43.

Motion No. 13

That Bill C-9, in Clause 85, be amended by adding after line 8 on page 54 the following:

“(1.1) A not-for-profit corporation shall, in respect of its operation of the Seaway establish a code of conduct and system of practices respecting avoidance of conflict of interest by its directors and officers.”

Motion No. 14

That Bill C-9, in Clause 87, be amended by replacing lines 29 to 30 on page 54 with the following:

“tems and practices referred to in subsections 85(1) and (1.1) were, in the period under examination”

Motion No. 15

That Bill C-9, in Clause 87, be amended by adding after line 36 on page 54 the following:

“(2.1) An examiner shall be a person appointed by the Minister from suitable persons in the office of the Auditor General of Canada or the Department of Justice.”

Motion No. 16

That Bill C-9, in Clause 87, be amended by replacing line 3 on page 55 with the following:

“shall be referred to the Canadian Transportation Agency and the Agency shall make a final determination with respect to it and shall report its determination to the Standing Committee of the House of Commons appointed to deal with matters relating to Transportation.”

Motion No. 17

That Bill C-9 be amended by deleting Clause 89.

He said: Mr. Speaker, I thank the House for its courtesy in speeding things up here.

When I spoke earlier today I was looking at things which have already happened, things which I thought might have been improved in the bill. Now I would like to speak specifically to the 10 related motions which Reform has on the order paper and which call for greater transparency and accountability in the commercialization of the ports and the St. Lawrence Seaway.

Unlike the amendments which we introduced in committee, these amendments are not stakeholder driven. Instead, they reflect the dedication of our party to the principle of public accountability of public institutions.

This new bill will do away with Ports Canada which is known fondly by its friends and admirers as “Pork Canada”. While we have the opportunity, let’s build some safeguards into the new regime.

These amendments I am going to pair as I speak because they are mirror amendments relating to port authorities and to the seaway. For example, Motions Nos. 5 and 13 say basically the same thing, but because of the nature of the bill we had to write amendments to apply to the two situations.

These address the problem of conflict of interest. Hopefully, they will avoid situations such as the one that developed when NavCan was created. I recall that the government’s financial adviser on privatization slid laterally into work for NavCan before the financial adviser’s contract had even expired. Incredibly, Transport Canada made no objection to this clear conflict. This is the type of thing we would like to avoid.

Motions Nos. 7 and 15 would tighten up section 87 which provides for an outside audit every five years. Notwithstanding that five years is an inordinately long time between examinations, we will accept that. The amendment proposes that the outside examiner be totally independent of the Minister of Transport and that the person or persons come from the office of the auditor general or from the Department of Justice. These departments have the

Government Orders

experience and the background to enable them to spot problems and avoid repetition of mistakes.

• (1700)

Motions Nos. 8 and 16 would remove the power of the minister to adjudicate between the special examiner and a port authority's audit committee.

One of the objectives of commercialization is to remove the minister from the decision making process. This is what the bill is about. If there is a problem with an audit, an arm's length organization, and we are suggesting the Canadian Transportation Agency, should be the adjudicator. Its determination would then be reported to the transport committee. Ideally it should be the transport committee itself that would act as adjudicator but since our parliamentary committees as constituted are quite toothless, the CTA has proposed to be the referee.

Finally, Motions Nos. 9 and 17 are merely consequential to the other eight motions. They simply remove the power of the minister to interfere in the selection of auditors with respect to port authorities or the seaway.

Because everyone was courteous and allowed me to get this on the record, I will relinquish the remainder of my time.

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, I want to point out a couple of things to the parliamentary secretary in terms of accountability and that would be referring to Motion No. 5.

It is interesting to note and can members believe that the company of which I was speaking, the American company out of the New York-New Jersey area, has representation on the steering committee that is charged with overseeing the orderly transition from a public facility to a private facility. Would this not be comparable to putting the fox in charge of the chicken coop in a sense? Think about it. This Randy Waterman from New York-New Jersey who owns a series of layered companies involved in the aggregate business has his own paid representative on that board.

This is not just an ordinary employee who sits on that board representing Randy Waterman, McCormick Aggregates, McCormick Materials, Bayside Materials Handling, Charlotte County Ports, New York Sand and Gravel, Amboy Aggregates. This is not just an ordinary employee. He is a fellow by the name of Al Lacey.

Who is Al Lacey? Al Lacey owns Lacey and Associates. Al Lacey is a former minister of economic development in the province of New Brunswick. The consummate insider.

An hon. member: What party?

Mr. Greg Thompson: What party? That was the Liberal Party spelled with a large L. He is in daily consultation with Mr. Paul Zed, former Liberal member of Parliament who was defeated in

the last election. Mr. Paul Zed is in business with Mr. Doug Young, the former minister of transport.

Think about this. Would there be a possible conflict of interest? Doug Young, the former minister of transport charged with the overseeing of this bill. He was the minister who introduced the very bill that we were talking about in the last Parliament. He was the minister. Now he is being paid by these interests out of New Jersey to represent them in overseeing the orderly transition—they call it orderly transition—from a public facility to a private facility. Here we have this group of insiders all being paid by Mr. Randy Waterman to ensure that they gain control of that port.

The parliamentary secretary was given the wrong information and that is why I interjected quite vigorously on a point of order. I know I was ruled correctly by you, Mr. Speaker, that it was not a legitimate point of order but this is legitimate. This is the very document in my hands, 40 pages in length, that details page by page with the numbers there to present their case to the province of New Brunswick and the federal government why this port should be given to them. The name of the document is "Bayside Port Acquisition and Development Proposal".

• (1705)

Acquisition. If we look in any dictionary, acquisition means assuming ownership, taking ownership. They want to take ownership of that port. I have a document here which the government denied existed for a number of weeks until finally the document was leaked to yours truly. That is why the make-up and integrity of that board is so important.

The parliamentary secretary did mention an individual by the name of Fred Nicholson. Fred Nicholson is an honourable man. He is a lawyer. He is a very bright individual. I want to point this out—

Mr. Dick Harris: Mr. Speaker, I rise on a point of order. I think it is a rule of this House that props should not be used during a speech.

The Deputy Speaker: The hon. member is absolutely correct. I had cautioned the hon. member for Charlotte. I wagged my finger at him when he started waving the document, but since he was simply turning pages I thought he was looking for something in it he might quote from and I did not get up and chastise him. I would not want to chastise the hon. member and he would not want that either. So I know he will not want to use props. I invite him to continue his remarks without any aids.

Mr. Greg Thompson: Mr. Speaker, I apologize for putting that document forward in the sense of a prop but I was leafing through it.

I wanted to make a point with regard to Mr. Nicholson. He is an honourable man. He is representing the community well. He does a

Government Orders

fine job, as do a number of the individuals that make up that body. There is no question about that.

The point I am making is that the very people who have designs on taking over that port have representation on the board, the steering committee, which is absolutely bizarre. Hence the chicken coop and the fox scenario. That is exactly what it is.

It does not end there. In this document when I did make it public when it was leaked to me—I am not going to use it as a prop, Mr. Speaker, but only to pick some of the numbers out of it because it is important to note. In this document which is 42 pages in length the proponents of this project, in other words the people from New York and New Jersey who want to take over the port, no less than 14 times in this document do they mention that unless and until they are given absolute control of the port and the waiving of all fees, they could not possibly proceed with their project.

The parliamentary secretary is partially right in the sense that the aggregate project does not involve his department as much as it would the province of New Brunswick or the department of economic development. But the point we make is that some of the properties in which they want to do this piece of business are actually owned by the Government of Canada. I think there is an obligation to ensure that there is an orderly transition with regard to who takes over those properties and what they are going to be used for.

As I mentioned before, that particular company because its nearest competitor is Martin Marietta, an American owned company out of Canso, Nova Scotia, is saying that it has to have all federal wharfage fees waived. Can you believe it, Mr. Speaker? The company says that all fees have to be waived in order to make the project a success in order for it to be able to compete with its nearest competitor which again is an American company.

• (1710)

It is absolutely bizarre that the federal government would even entertain the waiving of any fees associated with setting up an American company in Canada. It is absolutely ludicrous that it would entertain doing that.

Going back to the motion in question, the integrity of that board and the responsibility of the board and the steering committee is very critical to the success of this bill. Unless we have top quality people with no interest in assuming ownership of a port that is to be transferred from the public sector to the private sector, unless we have that orderly transition, we will all be in trouble. What it does is it opens up the door for individuals like the New York and New Jersey individuals to come up here with bags full of money and find that they get their way. This is terribly wrong.

I support the strengthening of anything in the bill that will tighten the loopholes on the membership of that steering committee which will eventually determine who will own the port.

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I want to make it clear to the hon. member for Charlotte that there are several other parties, including Charlotte County Ports Inc., that have expressed interest in the possibility of assuming ownership of the port of Bayside.

I suppose the true test of the allegations the member for Charlotte made here today under the protection of the House of Commons would be if he would leave this place through those doors and repeat his story outside. Given what he said and some of the pretty tough language in his descriptions of some of the individuals involved, I am not a lawyer but I would probably caution him on leaving this place and saying outside of this place some of the things he said.

Let us get on with some of the concerns the hon. member for Charlotte and the hon. member from the Reform Party have in regard to governance and accountability of the port authorities under Bill C-9.

As the Minister of Transport has said, the federal government will give leadership in attaining national goals and in nurturing national programs and institutions.

Canada port authorities are specifically identified as strategic links in both national and international transportation and logistic chains. Crown agency status emphasizes that we are not seeking to privatize ports but to constitute port authorities as important instruments of federal public policy while at the same time providing for their increased commercialization.

We have made sure that port boards will be responsive to user concerns. We do this without losing sight of their accountability to the wider communities at the municipal, provincial or federal levels.

To foster good management, the bill gives a framework that guides port boards without frustrating day to day decision making, including such features as a code of conduct and provision for a periodic special examination. CPAs are to have a public code of conduct for directors, officers and employees designed to prevent real and perceived conflicts of interest. I trust that would make the hon. member for the Reform Party more satisfied that what is included in this bill does protect and is designed to prevent real and perceived conflicts of interest.

The code is expected to stipulate that prior to accepting an appointment to the board of directors, every director to be shall notify the CPA board of directors in writing of any business activity which would pose an actual, potential or perceived conflict of interest. Another point that the member for Charlotte might want to recognize.

Government Orders

Where the particulars of a given transaction or changing circumstances create a future conflict of interest, the code will place a director under a similar obligation to make full, immediate and written disclosure to the other directors and to refrain from participating in any related discussions or decisions of the board.

Some of the other controls that apply to the ports include the letters patent and any changes to them must be approved by the government.

• (1715)

Ports cannot dispose of federal land. Agent status will be limited to core port activities. Non-core activities will not receive agent status. The government will have to approve which non-core activities a port may undertake.

Ports will not be able to borrow as agents. They will have to convince commercial lenders of the merits of their proposed investments. The crown will not back up port loans. Borrowing limits will be established for each port. Ports will be directly responsible for any breach of duty or a contractual obligation to a third party.

The crown will specify through regulations the extent of insurance a port must carry. The Minister of Transport will specify the maximum terms of leases. We have put measures into the bill to protect the crown from liabilities of the ports and to ensure they are accountable.

Perhaps the most important accountability mechanism stems from the fact that ports will have to raise their financing in the private sector. Port development aspirations will be subjected to ordinary measures of commercial risk. The law ensures that with few exceptions appropriations cannot be made for port deficits. This means they have to be more efficient than they are today and that the government will not cover their liabilities.

Canada port authorities will have a high degree of transparency through rigorous disclosure to the public. Bill C-9 requires each port authority to provide for the following: a public annual and financial report, a public annual audit, a public land use plan, an annual general meeting open to the public at which directors and senior officers are available to answer questions from the public, disclosure of remuneration and expenses of board members, and details of port operating expenses.

The Reform's idea of a special examination quite often gets confused with the need for an annual financial audit while each procedure makes a report on the total operations. The financial audit answers these questions. Did the port follow the rules? Do the records provide a full and fair disclosure of how the port was run?

In a special examination, as suggested by a member of the Reform Party, different questions are asked. Does the port have the

right set of rules? Do its procedures and reporting systems help the port in meeting its true obligations, or should they be changed?

In Bill C-9 the minister plays a key role in fine tuning port objectives through the letters patent and other procedures. This means that a special examination will be important to the minister in considering periodic changes to the letters patent in response to evolving conditions.

Port authorities are also covered under the Access to Information Act which further strengthens their accountability to all stakeholders. In addition we have taken measures to ensure that ports do not borrow in their own name and not in the name of the crown to emphasize to lenders that the crown does not stand behind these obligations.

These are appropriate arrangements to support the commercialization of our ports. I thank members opposite for their participation in this stage of the bill and in this block of amendments.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I would like to comment on Group No. 3.

I add my support to the hon. member for Charlotte. I am not as familiar with the issue as he is but I have to ask myself a question. If a company has a good and viable project that makes sense to the community and everybody involved, why does it have to hire a former provincial minister of economic development to support it? Why does it have to hire a former member of Parliament to support it? Even more so, is it right to hire a former minister of transport who actually drafted and developed the legislation? Why does it have to hire that team? As a fellow said to me the other day, it does not pass the smell test right off the bat.

Motion No. 5 seems to be a reasonable request. In part it reads:

—A port authority shall establish a code of conduct and system of practices—

This only makes sense. It is in line with all organizations that establish standards. Even the ISO 9000 sets up a system of practices and standards and a code of conduct, which is only appropriate. We agree. It is more accountable and we support it.

• (1720)

Motion No. 6 updates clause 41 to include subsections 38(1) and (1.1). It only makes sense. It goes along with clause 41 and we support it.

Motion No. 7 states in part:

—An examiner shall be a person appointed by the Minister from suitable persons in the office of the Auditor General—

This again makes sense to us. It assures credibility. It ensures the examination will be done properly. It removes the potential of political influence from the position. We agree the examiner should be appointed by the minister from suitable persons in the office of the Auditor General of Canada or the Department of Justice.

Government Orders

We are against Motion No. 8. It seems to make the system far more cumbersome and difficult to handle. It makes it less efficient and contradicts the whole purpose of streamlining the act.

We are against Motion No. 9. It eliminates the auditor as far as we can tell. It does not make sense to us to eliminate the auditor function. We think it is appropriate to leave the auditor in place.

Basically that is our position on those motions. Now I will move to Motion No. 13 and onward.

Motion No. 13 states in part:

—A not-for-profit corporation shall, in respect of its operation of the Seaway establish a code of conduct and system of practices—

That is exactly the same theory and purpose as the former amendment with regard to a code of conduct and a system of practices. We agree with Motion No. 13. It is very reasonable and we support it.

Motion No. 14 is linked to Motion No. 13. If we support Motion No. 13 we pretty much have to support Motion No. 14.

Motion No. 15 states in part:

—An examiner shall be a person appointed by the Minister from suitable persons—

That is much the same. It is a good position. It is appropriate. We will be supporting it.

Motion No. 16 states in part:

“shall be referred to the Canadian Transportation Agency and the Agency shall make a final determination with respect to it and shall report its determination to the Standing Committee—

We say no to this motion. It is very cumbersome. It is far less efficient. Again it contradicts the purpose of the bill, which is to commercialize the exercise, make it more efficient and put the decisions into the hands of the users. We are against Motion No. 16.

Motion No. 17 would delete clause 89. We are against this motion. Clause 89 allows the minister to change the auditors if he feels it appropriate, and we support that. We think that clause should remain so we will be voting no to this amendment.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, it will soon be 5.30 p.m. I would ask you to seek unanimous consent for each party to have five minutes to speak to the motions in Group No. 4.

[*English*]

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

Some hon. members: Question.

The Deputy Speaker: The motions in Group No. 3 are deemed to have been put, divisions demanded and deferred.

Group No. 4, Motions Nos. 18 and 19, is the next group of motions.

Is there unanimous consent for the proposal of the hon. member for Beauport—Montmorency—Orléans that each party have five minutes starting now to speak to Group No. 4?

Some hon. members: Agreed.

The Deputy Speaker: The motions in Group No. 4 are deemed to have been moved, seconded, and read by the Chair.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ) moved:

Motion No. 18

That Bill C-9 be amended by adding after line 15, on page 77, the following:

“133.1 (1) For greater certainty, on the continuance of a harbour commission under section 10 as a port authority, on the continuance of a local port corporation under section 12 as a port authority or, on the coming into force of an agreement entered into under subsection 80(5) with the St-Lawrence Seaway Authority, any person who, at the time of the coming into force of those sections or subsection was employed by one of those bodies and remains employed, may, if that person was a contributor under the Public Service Superannuation Act, elect to remain subject to the terms of the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and the regulations made under those Acts.”

(2) The Governor in Council may make regulations for carrying out the purposes of subsection (1).”

Hon. David M. Collenette (Minister of Transport, Lib.) moved:

Motion No. 19

That Bill C-9 be amended by

(a) replacing the heading before line 1 on page 79 with the following:

“Comparable Employee Benefits”

(b) adding after line 8 on page 79 the following:

“138.2 A person who has entered into an agreement under subsection 80(5) and every port authority shall take all reasonable steps to negotiate with the President of the Treasury Board a pension transfer agreement in accordance with section 40.2 of the Public Service Superannuation Act in respect of employees referred to in paragraph 130(b), 132(b) or 135(1)(b), as the case may be.

138.3 For the purposes of sections 138.4 to 138.6, “employee benefits” includes coverage and benefits in respect of employer-sponsored pension plans and of life, income protection, health care and dental care insurance plans.

Government Orders

138.4 A person who has entered into an agreement under subsection 80(5) shall, in respect of an employee referred to in paragraph 130(b), provide employee benefits that

(a) begin on the day of the transfer under paragraph 80(6)(f) or, if there is transitional coverage provided in respect of the person under section 40.1 of the Public Service Superannuation Act, on the expiry of the period of transitional coverage;

(b) are comparable to the employee benefits of the employee immediately before the transfer under paragraph 80(6)(f) and at a rate of contribution by the employee not greater than the rate that was applicable in respect of the employee immediately before that transfer; and

(c) end on the day on which an agreement to the contrary comes into force between the person and the bargaining agent representing the employee or, in the case of an unrepresented employee, the person and the employee.

138.5 A port authority shall, in respect of an employee referred to in paragraph 132(b), provide employee benefits that

(a) begin on the day on which the port authority is continued under subsection 12(1) or, if there is transitional coverage provided in respect of the port authority under section 40.1 of the Public Service Superannuation Act, on the expiry of the period of transitional coverage;

(b) are comparable to the employee benefits of the employee immediately before ceasing to be an employee of the local port corporation and at a rate of contribution by the employee not greater than the rate that was applicable in respect of the employee immediately before ceasing to be an employee of the local port corporation; and

(c) end on the day on which an agreement to the contrary comes into force between the port authority and the bargaining agent representing the employee or, in the case of an unrepresented employee, the port authority and the employee.

138.6 A port authority shall, in respect of an employee referred to in paragraph 135(1)(b), provide employee benefits that

(a) begin on the day on which the port authority is deemed to be incorporated under subsection 12(1) or, if there is transitional coverage provided in respect of the port authority under section 40.1 of the Public Service Superannuation Act, on the expiry of the period of transitional coverage;

(b) are comparable to the employee benefits of the employee immediately before ceasing to be an employee of the Canada Ports Corporation and at a rate of contribution by the employee not greater than the rate that was applicable in respect of the employee immediately before ceasing to be an employee of the Canada Ports Corporation; and

(c) end on the day on which an agreement to the contrary comes into force between the port authority and the bargaining agent representing the employee or, in the case of an unrepresented employee, the port authority and the employee."

[*Translation*]

He said: Mr. Speaker, I am very pleased to take part in the debate on the fourth group of amendments.

In drafting the Canada Shipping Act, the government has made human resources a priority. It has made an effort to ensure that all affected employees, whether unionized or not, would be treated

fairly and it made sure the Canada Labour Code would be rigorously adhered to at all stages, in both the spirit and the letter.

• (1725)

In Bill C-9, the government has taken the position that employees of federal organizations which will be commercialized, divested or sold will be covered under comparable replacement pension arrangements. This is thoroughly consistent with past practices.

[*English*]

Under Bill C-9 the government has taken the position that employees of a federal organization which will be commercialized, divested or sold will be covered under comparable replacement pension arrangements. This is thoroughly consistent with past practices.

For example, recently transport employees at major airports have been offered comparable pension plan coverage to that of the public service plan. Similar arrangements were made for employees affected by the transfer of air navigation services to NavCan. The transfer provided employees with a parallel pension plan where employees were no worse off as a result of their move out of the public service.

By adding employment related provisions to its agreements with these new employers, the government has been able to exert direct influence to ensure that employees have been treated fairly with regard to offers of employment and replacement benefit packages.

[*Translation*]

During the Standing Committee on Transportation's examination of Bill C-9, an additional amendment was adopted to guarantee that ports employees will be able to take advantage of the transitional provisions recently established in the Public Service Superannuation Act on an equal footing with the seaway employees.

When Treasury Board has given its approval to this new clause, affected employees will be able to continue to participate in the federal pension plan for a time after divesting, so as to allow the new employer time to create, register and implement a new pension plan.

[*English*]

There may be some discussion today about whether or not transferred employees should continue to be covered under the government's superannuation plan, but I point out that some of my colleagues may propose that, when transferring to a new retirement plan, affected employees should be able to transfer their accumulated benefits.

I am pleased to say the government has responded to many of the concerns raised to date on the issue of superannuation benefits to

transferred employees. Motion No. 19 in fact proposes to amend the bill so that it covers all employees transferred to a number of different situations: the seaway, a not for profit corporation, a former local port corporation, and former non-corporate ports which are the divisional ports managed by Canada Ports Corporation.

Harbour commissions are the only group not included in this list. They are not affected by these questions because of existing coverage under their private benefit plans.

Motion No. 19 will ensure that new employers will have to offer benefits that are comparable to what the employees had immediately before the new employer took over and keep the comparable benefits in place unless the employer and the employees mutually agree to change them.

It will also set in place contribution rates that are not higher than what was paid by the employees immediately before they were taken over by the new employer. They will also begin their benefit plans when they take over the employees or immediately after any transitional coverage under federal plans. Finally they will take all reasonable steps to negotiate a pension transfer agreement with the Treasury Board.

The government has moved a long way toward meeting some of the objectives of my colleagues on the other side. We cannot, for reasons stated, move all the way to accommodate them but I think we have made our best effort in the spirit of co-operation to get the bill through.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, in committee all opposition parties pressed the government side to ensure that the superannuation benefits of federal employees transferred over to the public ports and not just port authorities would be protected. Instead, the government with Motion No. 19, as near as I can determine from what I have read, merely clarifies and solidifies the rights of government employees moving to port authorities but does nothing at all for employees moving into the public ports.

These employees, some with 10 or 15 years of service, will be left out in the cold. They have fallen through the cracks. Their pensions are not portable and the bill literally leaves them hung out to dry.

• (1730)

They are not great in numbers but nevertheless these are real people. Some consideration should have been given to them.

Motion No. 18 really has the same deficiency. It does not relate to people transferring into the public ports. However, as I read that motion, it is a bit over generous to employees transferring to port

Government Orders

authorities. To some extent it negates the intent of commercialization which was to get the government out of the business of ports.

I think on one hand there are the employees of public ports who are not going to be cared for at all. On the other hand, with either Motion No. 18 or 19, fair enough, the port authority people are being looked after. Motion No. 18 looks after them so well that we will not support it. We will support Motion No. 19 but I am extremely disappointed that the government only did half the job.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Madam Speaker, in committee, I asked the Minister of Transport to stand up to his colleague, the Treasury Board President, and tell him that employees of local port authorities, employees of the St. Lawrence seaway, contrary to what was done in the case of the airports and Nav Canada, would continue to belong to a crown corporation. With this in mind, I asked the Minister of Transport to really reaffirm his role as leader and say that Treasury Board officials would not be the ones to decide that these employees would be out of the pension plan.

Contrary to what my Reform colleague has just said, it is clear in the amendment in Motion No. 18 moved by the Bloc Québécois, and it is worth taking the trouble to read, that:

—any person who, at the time of the coming into force of those sections or subsection was employed by one of those bodies and remains employed, may, if that person was a contributor under the Public Service Superannuation Act, elect to remain subject to the terms of the Public Service Superannuation Act—

Our amendment makes this an obligation and allows employees to continue to belong to the government pension plan. The same reasoning as that used in the case of the airports and Nav Canada cannot be applied.

I respectfully submit that, when the minister tells us that employees will continue to be covered by a comparable pension plan, it is true that they will continue to be covered, but employees of these local port authorities are losing an important bargaining tool. Allow me to explain.

If a port's board of directors has a salary mass of \$500,000 to divide among employees in the next collective agreement, the pie can only be cut into so many pieces. If, at the bargaining table, the port's finance director says that, under the legislation, this amendment, the government has obliged him to maintain a comparable pension plan.

I am not an actuary, but after 18 years in labour relations, I am well aware that maintaining a comparable pension plan for a group of 50 employees, such as in the port of Grande-Anse, in the Saguenay, or in the port of Quebec City, involves a different actuarial cost than allowing them to continue to belong to the government pension plan. The finance director for the port of Quebec City is therefore going to tell employees that he has

Government Orders

\$500,000 for improving working conditions in that particular year. If I maintain your pension plan, because you are just a small group, it will cost \$400,000. There will only be \$100,000 left to increase death benefits, annual leave and salaries”.

• (1735)

This is why, if our amendment to Motion No. 18 is not accepted, I predict that workers in Canadian ports will lose their negotiating power and the possibility to improve, in a dignified manner, through negotiations, their working conditions. As for the comparable pension plan, the cost involved in the case of a small group of employees will not be the same as would otherwise be the case.

So, Motion No. 19 moved by the government does not satisfy us. It is not because we oppose maintaining the right of workers, but because we feel our Motion No. 18 would have been absolutely fair by providing a fair chance to negotiations and to employees to improve their conditions of employment, instead of being part of a comparable pension plan.

[English]

Mr. Bill Casey (Cumberland—Colchester, PC): Madam Speaker, I rise on the last group of motions. I am little troubled. Perhaps I misunderstood. At committee several of us proposed amendments on the superannuation transfer between the harbour commissions to private corporations or to harbour authorities, that the superannuation benefits would be extended to all those employees of harbour commissions and ports that had them, that they would be supplied even on a temporary basis until such time as appropriate alternatives could be found.

Several members made amendments which would perform that and I thought we had been assured by the parliamentary secretary that they would be submitting an amendment that would address that need to make sure all employees had some continuation of superannuation benefits.

According to this, it applies only to Canada Port Authority employees, Motion No. 19.

Motion No. 18 is the same kind of motion, addressing the same issue. We prefer Motion No. 19. However, we understood that it would apply to all employees, not just to Canada Port Authority employees. I may have misunderstood that in committee but we did vote based on the assurances of the parliamentary secretary that there would be an alternative to the superannuation amendments that several of us put in.

Motion No. 20 is nice and simple and we agree that all fines recovered under this part should be paid over to the receiver general and form part of the consolidated revenue fund.

Ms. Bev Desjarlais (Churchill, NDP): Madam Speaker, in discussion of the marine act at the standing committee, it was acknowledged that there had been lengthy discussions in the

previous Parliament and it was also understood that the affected groups were, overall, satisfied with the changes that had been made to the marine act.

In recognition of that and of their request that we not rehash the whole process and that we try to move the bill along, I believe the standing committee worked in that effort. The major area that came up for discussion, as we are being made aware, was to ensure that employees of Canada Ports continued with some kind of superannuation or pension benefits comparable to what they had.

I had a real treat of being in Churchill the day after the signing took place and the port was turned over to another company. I realized that Canada Ports really had not given two cents worth of its time with regard to its employees. There had been little or no discussion with the employees. The employees were given forms with which they were basically signing away their rights to any file or complaints they had under the human rights code. It was actually very disgraceful to see that approach taken with the employees.

What also happened with those employees is there was not a comparable plan in place.

• (1740)

I have a letter that was given to one of those employees with regard to the three months pay for the perceived difference in superannuation and RRSPs. The letter states that the money that person would have received, in that perceived difference, the money that person would get, would be put toward that person's earnings. Therefore, that person would be denied a length of time in which to claim unemployment. That person could not even take that money and invest it in something that would be there for retirement. It then went toward insurable earnings. So that person did not have even that difference of money that was recognized. That person would not even be allowed to use it for retirement.

Mr. Rob Anders (Calgary West, Ref.): Madam Speaker, I rise on a point of order. Pursuant to the special motion of the government whip which was adopted unanimously at the beginning of this debate, all questions should be deemed put no later than 5.30 p.m. today.

The Acting Speaker (Ms. Thibeault): I must advise the hon. member that there was unanimous consent to go on with the debate with five minutes for each party represented. The hon. member for Churchill is the last member to speak.

Ms. Bev Desjarlais: Madam Speaker, further to discussion with Canada Ports employees, all the opposition parties and even some Liberal members recognized the real need to ensure employee benefits and pensions were continued. We are going through a major change here. I hope this is not something that will happen every day or every decade where employees who work for the Government of Canada are being told their jobs will no longer be

there, that they are due to retire in five years and will not have the income or pension benefits they have planned for retirement.

It was hoped that the government would come up with a clause that would recognize this is a major change and that employees would be given the opportunity to continue with those same benefits. That is not to say that new employees may have had something different. Those employees who had planned their retirement based on that plan should have had the opportunity to continue.

This situation will not affect only Canada Ports. It is coming up in Atomic Energy Canada as those types of corporations are turned over. The issue will keep coming back. I suggest that we all look at the possibility of ensuring there is something for those employees so they are not five years to retirement without the funds they thought were available.

I will be supporting Motion No. 18 because I believe it is more encompassing. I put that motion forward at committee and I thank the hon. member for Beauport—Montmorency—Orléans resubmitting it.

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Madam Speaker, I rise on a point of order. I understand that the unanimous consent that was arrived at 10 minutes ago allowed for each party to have five minutes to speak. I also understand that the hon. member for the Reform Party spoke for just three minutes and we would not object to another two minutes being allowed for another member in that party. We have no objection.

The Acting Speaker (Ms. Thibeault): The hon. member for Souris—Moose Mountain.

• (1745)

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Madam Speaker, I will just sum up and get some clarification and hopefully some clarification for anyone who may be reading the results of this debate.

The hon. minister mentioned that in this transferring from the one authority or one paycheque to another that these people would be no worse off. Those were the terms that he used. May I present this to the hon. minister. If someone is being transferred to the new authority and they do so with 20 years experience, will that 20 years experience count with the new authority so that if the pension age is with 30 years of service, that would be the same number of years which qualified that individual for full pension?

That has not been made clear and I think that should be made clear because that is valuable information for the people who are waiting for the new port authorities to be established.

Private Members' Business

The second thing is in Motion No. 19, which is a motion which was raised by the government—and I will be very quick—there is a statement there that says that this excludes the port authorities, but this is another issue and I am wondering how the government is going to deal with that other issue.

Those are my two points.

[*Translation*]

The Acting Speaker (Ms. Thibeault): Pursuant to order adopted earlier today, all the questions on the motions at report stage are deemed to have been put and a recorded division is deemed to have been demanded. Therefore, the recorded divisions stand deferred until Thursday, December 4, 1997, at the end of government orders.

It being 5:46 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

USER FEE ACT

Mr. Monte Solberg (Medicine Hat, Ref.) moved that Bill C-205, an act to provide for parliamentary scrutiny and approval of user fees set by federal authority and to require public disclosure of the amount collected as user fees, be read the second time and referred to a committee.

He said: Madam Speaker, I am pleased to finally be able to stand and speak in favour of this bill that I have introduced, Bill C-205, the user fee act.

I will start by quoting from the auditor general's report from 1993. He said:

We are concerned that Parliament cannot readily scrutinize the user fees established by contracts and other non-regulatory means. There does not exist a government-wide summary of the fees being charged, the revenues raised and the authorities under which they are established.

He went on to say:

We have recommended that the Treasury Board review and report to Parliament on the adequacy of the current legislative and administrative framework for establishing user fees, and provide Parliament with government-wide summary information on fees being charged.

This is an important issue to many Canadians around the country. In 1996 user fees raised about \$3.8 billion for the government coffers without absolutely any parliamentary scrutiny. We believe that that is taxation without representation. Pretty clearly, others feel the same way.

Private Members' Business

I sit on the finance committee and I can tell you we had a number of representations from different groups, a lot of agricultural-type groups who came before us to complain specifically about how easy it is for the government and the bureaucracy to start to raise user fees, again without really very much scrutiny, with very little regard for the impact it is having on the various sectors of the economy.

• (1750)

If you look back over the history of this issue, one of the things you come to suspect very quickly is that the government is really using user fees to simply tax people more. It is a way for the government to come up with more revenue and not necessarily just for cost recovery.

It is interesting that in the February 1995 federal budget the finance minister sent bureaucrats in search of \$600 million in new revenue in a program he called cost recovery. This should cause us to be pretty suspicious. The government was in a terrible pinch in 1995. The finance minister ordered his bureaucrats to collect \$600 million from the hides of people who were doing business with the government. That is being done through user fees.

The intended purpose of this bill is to fulfil concerns raised by the auditor general in his 1993 report. Essentially it would require scrutiny by the appropriate standing committee of the House of Commons before any user fee is set or increased. The regulating authority, that being an agency or department, would be required to submit a proposal to the committee for review before any user fee is established or increased.

Madam Speaker, I might ask that you to give me a signal when I have used up about eight minutes of time. Then I will wrap up fairly quickly thereafter to allow my colleague to say a few words.

We believe beyond the issue of accountability, which is obviously an important issue, taxation without representation is pretty close to the wallets and the hearts of a lot of people as an issue they are concerned about. Apart from that is the issue of fairness.

It is difficult to judge whether or not the government is allowing user fees to pad shrinking budgets and appropriations. I can tell you that people are very concerned about it. I want to illustrate what I mean by reading from a brief which was presented to the finance committee a month or two ago. It comes from the Crop Protection Institute. It says:

Federal departments have very little acumen for accountability and management of cost recovery initiatives, as evidenced by experience with the Pest Management Regulatory Agency (PMRA), whose \$12 million cost recovery target is realizing a \$4.5 million shortfall, as predicted by industry, while the agency's performance and client orientation remain poor.

The cumulative impact of multiple cost recoveries within the Agri-Food value chain (i.e. pesticide registration, food inspection, veterinary drug registration, navigation system usage etc.) stifles this sector's potential to consistently deliver a trade surplus.

The business impact test, while very useful, does not measure the effect of multiple cost recoveries within the interrelationships of a value chain.

While the government has increasingly chosen to have mandatory services paid for through user fees, instead of from consolidated revenues, this switch has not been accompanied by lower tax rates. Thus, businesses subject to user fees have actually had their cost of doing business increased by the government, impacting negatively on their ability to compete globally.

It is pretty obvious when there is a power that is granted to the bureaucracy to go ahead and start to raise user fees, but on the other hand there is no check on that power, no real parliamentary scrutiny. It allows the government to do things that are quite damaging to business. We are very concerned about that. We have seen this continue for some time despite the warnings of the auditor general. Although the government has done some things, it simply has not gone far enough to deal with the problems that industry has pointed to.

Some would argue, as the gentlemen from the Crop Protection Institution does, that user fees put us at a competitive disadvantage. I can tell you this from personal experience, Madam Speaker. There is a meat packing plant, IBP Lakeside, in my home town of Brooks, Alberta. It is having a terrible time contending with large increases in user fees which the government has slapped on them, while trying to remain competitive in what is a global marketplace.

• (1755)

They have to compete with the Americans and others around the world. These user fees make it extraordinarily difficult for them to do this.

It is interesting to note that if the user fees that are paid are combined at all three levels of government, it amounts to about \$23 billion a year in this country, more than Canadians pay toward the hated GST.

I want to conclude by simply pointing out that there really is a trend for the government to use user fees to raise new revenue. I point to the new immigration head tax, \$975. There is a passport fee that was increased from \$35 to \$60, beginning in 1997.

This is interesting. Fisheries Canada started collecting \$15 million in recreational boat licences. In other words, people who did not used to have to worry about that are now going to be paying I think \$15 a boat so that this money can go back into the department, ostensibly for them to increase their surveillance and that sort of thing.

Suffice it to say, without checks, without the ability of Parliament, in this case through a committee to go ahead and look at these sorts of things, it really does amount to taxation without representation. It is \$3.8 billion a year.

I urge my colleagues around the House to seriously consider the objections that are being raised by the business community and by regular people, people who use parks, people who go fishing, about

the unbridled use of user fees as a way for the government to increase its revenues.

I would encourage them to consider this and work with me to encourage the people at public accounts to seriously consider this issue and perhaps actually implement at least part of what we are suggesting.

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, I welcome the opportunity to speak with regard to Bill C-205, presented by the hon. member for Medicine Hat. The member is known for his concern for the well-being of the nation's finances. Let us therefore scrutinize the bill in light of our shared concerns for the proper fiscal management of Canada's public finances in a cost effective delivery of services to Canadians.

Bill C-205 would demand separate parliamentary authorization for the establishment or increase of individual user fees. It would also require that the amount collected by the government as user fees be shown separately in the public accounts. In short, all user fees that are to be introduced, increased, widened in application must be submitted to the House of Commons and have the approval of the House before coming into effect.

This is not all. Before the House passes a resolution authorizing these new increases or widened fees, a committee of the House must have 150 days to review the proposal.

This bill, while attempting to disclose, is itself enmeshed in ambiguities, difficulties and misconceptions. The bill as currently drafted would require that a considerable amount of amendments be made to clarify its application.

For example, the bill's inclusion of departments as fee setting authorities but with the exclusion of individual ministers does not accord with the existing legal authorities for fee setting. Also, the bill's inclusion of crown corporations as fee setting authorities is perhaps much broader than the intent the member for Medicine Hat would like.

First, in the case of crown corporations producing goods and services under commercial and competitive conditions, parliamentary authorization for every price, fee or charge would make reaction to market conditions impossible. It would also be incompatible with the confidentiality a competitive firm needs to maintain an effective presence in the marketplace.

● (1800)

Bill C-205 will seriously encumber crown corporations that compete with private interests. Crown corporations would effectively be paralyzed vis-à-vis the private sector.

Private Members' Business

Let us consider what effects the bill would have on existing user programs within departments and agencies. There are 300 separate categories of fees listed for external user charges in a report prepared by the Treasury Board secretariat. These fees range in scale from charges for firewood at Parks Canada campgrounds to drug certification fees. There may be thousands of changes to fees implemented across government in any one year.

Bill C-205 requires that a separate parliamentary authorization for each one of them would place a large administrative and processing burden on departments, agencies and parliament itself. Delays would result from the provision that a committee would have up to 150 days to consider each fee proposal, subsequent to which the House would have to act before the fee could take effect. This would make the implementation of user programs virtually impossible.

The hon. member for Medicine Hat has taken out his trowel and is prepared to layer curious procedural mortar on the process of cost recovery through user fees. Is the member's bill consistent with cost effective delivery of public services? Does it not undermine the very ideas of a fee for services and a move toward cost recovery?

The user fee concept is not new. Canadians have paid passport fees since the 1800s. The use of user fees to finance the delivery of public sector goods and services is increasing in Canada as it is in other OECD countries. It operates on the principle that those who enjoy, profit or benefit from government services, to the exclusion of the public at large, should be the ones who pay the cost of providing them.

This promotes fairness in the use of tax dollars and discipline in the consumption of services. It also gives users a direct say in the service and how it is delivered. It is cost effective, administratively sound and a fair way to deliver government services.

We are interested in prudent management and the cost effective delivery of goods and services to Canadians. When we came into office in 1993 not only did we face a large \$42.5 billion deficit, high interest rates, increased taxes and record high unemployment. We were also looking at record levels of program spending.

In 1992-93 we were spending \$122.6 billion in program spending. Thanks to the program review and the commitment of ministers, program spending will fall to \$103.5 billion in 1998-99. This will represent only 11.9% of our gross domestic product, the lowest ratio since 1949-50.

We have succeeded in bringing our program spending under control. The deficit at \$42.5 billion in 1993 will be eliminated by 1998-99. We are now debating over what to do with the fiscal dividend we have earned through proper fiscal management, a

Private Members' Business

debate that would have been ridiculous, indeed inapplicable, under the previous government.

The government has shown restraint and discipline while never forgetting the most needy and vulnerable in society. We have managed our affairs effectively while maintaining quality service to Canadians.

• (1805)

Bill C-205 would not contribute to that success. It would indeed threaten it. After almost a decade of mistrust during the previous government, Canadians have a new and better relationship with their federal public institutions. Our public service is working with and for Canadians for a stronger, more prosperous, more dynamic and more secure Canada.

Canadians want effective public institutions and departments that will provide good value for their dollars. We have worked through program review to make programs and agencies responsible for the needs of Canadians. Bill C-205 is blind to the progress we have made so far.

A number of departments, including Agriculture and Agri-Food Canada, Industry Canada and Environment Canada, has been contacted to get their reaction to the bill. All indicated that it would do significant harm to their ability to implement changes to their programs as scheduled under program review, leading to significant delays and compliance needs.

Under Bill C-206 fee setting would become an adversarial political process, with the House committees becoming a target for intensive lobbying from various interest groups.

I conclude by saying that I do not oppose the intent behind the hon. member's bill. I agree, for example, that public accounts should include a better breakdown of tax revenue, but the member's bill is an excessive tool to bring it about.

The intentions of Bill C-205 are unworkable. The basic principles of the bill are incompatible with the effective delivery of programs in departments, agencies and crown corporations which provide goods and services to Canadians on a full or partial cost recovery basis.

I cannot therefore support the bill.

[*Translation*]

Mr. Odina Desrochers (Lotbinière, BQ): Madam Speaker, it is surprising to hear what our colleague opposite had to say. Dealing with transparency, with how our money is spent, is always complicated; it is always a long process. But when the process is to tax people, when the process is to introduce hidden taxes, the government is quick to act.

We have before us today in the House of Commons Bill C-205 introduced by the member for Medicine Hat. In this bill, the Reform member states that this law would provide for parliamentary scrutiny and approval of user fees set by a federal authority and require public disclosure of the amount collected as user fees.

The Bloc Québécois, a party that promotes transparency, is also willing to promote this bill. This initiative by my Reform colleague is in keeping with a recommendation made by the auditor general in his 1993 report, and I would like to quote him. My colleague mentioned this earlier, but I would like to repeat it because sometimes the members opposite have difficulty understanding the facts.

Here is what the auditor general said "We are concerned that it is not easy for Parliament to scrutinize closely user fees as determined by the market and other non-regulatory instruments. There is no government-wide summary of fees charged, of revenues collected and of the authorities under which these fees are set."

This Reform bill addresses this legitimate concern by the auditor general. These user fees are a type of hidden tax that the Minister of Finance approves. Federal agencies are charging fees in an attempt to overcome the cuts that the Liberal government imposed on them.

In fact, these federal agencies implemented these service charges when the Minister of Finance authorized them to do so in 1995. The minister stated at that time that it was appropriate to charge such new fees in order to finance part of the programs and services provided by the federal government.

Who is paying for this new approach? The taxpayer.

I would like to give you several examples of increases to service charges made by agencies under federal authority: a head tax of \$975 for each new immigrant coming to Canada; administration fees for a passport increased from \$35 to \$60.

Another example affects directly families and people who love the outdoors: in 1995-1996, \$35 million were collected in entrance fees paid by users of our lovely national camping sites, and these fees almost doubled in the year 1996-1997, totalling over \$61 million. Today, national camping facilities cost more than private camping facilities.

• (1810)

How can these hidden taxes imposed with the finance minister's blessing be justified when the people of Quebec and Canada are overburdened with taxes as it is? Bill C-205 comes at the right moment to unmask the Liberals' game. Where is this money going? The Minister of Finance did not say anything about that either. Whenever this government has to account to the people, it shirks its responsibility. There is a long list of examples.

One issue of particular concern to Quebeckers is that of harmonising the GST, which costs our taxpayers \$2 billion. In spite of

repeated requests on our part, the Minister of Finance still will not agree to disclose his real motives for denying this legitimate request.

The Minister of Finance repeatedly said that his studies and analyses showed that Quebec was not entitled to this money. In a last-ditch effort to resolve this issue, the leader of our party made a fair and equitable proposal to the two parties involved in this controversy over numbers. The Bloc leader asked that a three-member expert panel look into this issue. The federal government will not agree to this totally democratic and legitimate approach. What is it trying to hide from the public?

The EI fund, with surpluses expected to exceed \$15 billion, is another issue. In the report he tabled in October, the auditor general mentioned that the finance minister should administer the EI fund in a more transparent fashion. The minister's financial statements should show, under a separate account, the amounts paid in and out of the EI fund.

This too would help give credibility to this government. Yet, the finance minister still denies this request. Why? He is afraid of the public finding out how he is playing with the EI fund surpluses.

Who are the losers in this economic debate? The workers, who are heavily penalized by this Liberal government.

With this bill, democracy could make strides. The issue of transparency is front and centre, and that is the first step in stopping this marketing operation the Liberal government launched in this House with the Speech from the Throne. It should be pointed out to the hon. members of this House that, in 1996 alone, these new user fees generated \$3.8 billion in revenue for the federal government, without any form of review being conducted.

The finance minister's game is obvious. This is another source of revenue that looks like a roundabout way of collecting more taxes from the taxpayers. The time has come to put a stop to these hidden taxes. The time has come for the public to be made aware of the use made of this money by the government.

The Bloc Québécois fully supports the principle of Bill C-205, allowing members of Parliament to subject to scrutiny the source of revenue from user fees.

For the reasons stated the bill, namely transparency, responsibility and representation, our party is in favour of Bill C-205.

[English]

Ms. Bev Desjarlais (Churchill, NDP): Madam Speaker, if we were discussing the issue of user fees I am quite sure it would be a different debate, but as we are discussing a private member's bill to ensure parliamentary scrutiny of user fees I want to rise in support of the bill.

Private Members' Business

The user fee act will require scrutiny by the appropriate standing committee of the House of Commons before any user fee may be set or increased. The regulating authority must submit a proposal to the committee before any fee is established or increased.

The report of the committee is subject to the concurrence of the House. If the committee does not report within 150 days, the House may pass a resolution approving, denying or amending the proposed fee or change. The regulating authority is bound by the decision of the House.

The enactment also requires public accounts and other government reports on revenue that identify sources of revenue to identify the amount of revenue from user fees.

The legislation of my colleague from Medicine Hat is designed as a response to the auditor general's comments that parliament needs to scrutinize user fees. There does not exist a government-wide summary of the fees being charged, the revenues raised and the authorities under which they were established. There is a lack of scrutiny.

User fees are more and more present for services which the government provides. Not only are they becoming more abundant but they are becoming higher.

It is easy to show a surplus when services are cut. It is easy to show a surplus when we operate government as pay for service. The government has cut and slashed so much the budgets of departments that they now turn to user fees to make up for the loss. In 1996 the federal bureaucrats picked up \$3.8 billion in user fees for government services, 7% more than in 1995.

• (1815)

User fees have been able to explode without scrutiny. People are affected by these user fees that are imposed on them. They are hitting us from every angle. Ottawa has cut its deficit on the backs of the provinces and the provinces are doing the same on the backs of municipalities, hospitals and school boards. With no government to download onto and under pressure from citizens to hold the line on taxes, local politicians have increasingly turned to user fees. Local governments now raise more than \$9 billion a year in user fees and hospitals another \$3 billion, double what they were pulling in a decade ago.

As a trustee with my school district, I was aware over the years that students had to buy some supplies, wood for carpentry and material for sewing, gym shorts, a calculator, a French verb book. As the years went by the list got longer and longer. Finally there was a public outcry because there were just so many items the students had to purchase on their own. Such is the case with the Government of Canada.

This legislation would be a start. Members in this Parliament would have a chance to represent their constituents' concerns over the government's user fees. They would have a chance to have

Private Members' Business

public debate on user fee increases. We would have a chance to decide if it was fair for Canadians to pay for the government's cuts to departmental budgets. This is why I will be supporting this bill.

Mr. Leon E. Benoit (Lakeland, Ref.): Madam Speaker, I am pleased to speak to Bill C-205 presented by the member for Medicine Hat.

I have heard people say that the member for Medicine Hat should be knighted for his service to the people of Canada performed through this bill. There are others who say he should be ignited. I do not know which it should be but I do appreciate that he has brought this bill forward. It is a very serious topic.

In the time that I have to speak on this bill, I will deal with the user fees and the problems they cause to farmers and those in the agricultural industry. I will focus on that area, although many of my comments could be applied to any other business or industry.

I will begin by referring to the 1993 auditor general's report, which the hon. member for Medicine Hat referred to briefly. It should have been a starting point for the government as it delved into the user fee fiasco it is in now. Second, I will deal with the principles that should guide changes to user fees. Third, I am going to talk about the general concerns that farmers and agribusiness have expressed regarding user fees. And if I have time, I will refer to what particular farm organizations and agriculture processors have said about what user fees are doing to them.

The hon. member for Medicine Hat explained his bill and the impact it would have on the whole issue of user fees. User fees as they have been used by the federal government and other levels of government have become a new way of taxing people. We had something like 36 tax increases by the government in the last Parliament plus the budget promise for a 73% increase in the Canada pension plan premium. And already in this Parliament the same government has made tax increases and sometime this week or next, because closure has been invoked, we will be debating and passing Bill C-2, the increase in Canada pension plan premiums of 73%.

Farmers who manage their businesses are faced with these very real tax increases and the increase in Canada pension plan premiums. Since most farmers own their own businesses and are self-employed, they would face an increase over five years amounting to \$3,200 a year. They have that increase as well as the whole barrage of user fees that affect them both directly and indirectly. I will talk about some of these fees.

• (1820)

Starting with the auditor general's report, the hon. member for Medicine Hat talked a bit about the report. In the 1993 report the auditor general called for the scrutiny of Parliament on user fees.

That is exactly what the hon. member for Medicine Hat is calling for in his private member's bill.

The auditor general stated: "We are concerned that Parliament cannot readily scrutinize the user fees established by contracts and other non-regulatory means". The auditor general said that he was concerned Parliament generally does not have a chance to scrutinize new fees. He went on to say that Parliament really cannot scrutinize user fees established by contracts and other non-regulatory means: "There does not exist a government wide summary of fees being charged and revenues raised by the authorities under which they are established".

He also said that the use of contracts on a broad scale to establish fees needs to include careful consideration of such issues as: how they would affect the parties and that parties be consulted; how Parliament would be given the opportunity to review fees established by contracts; and how users would be assured they are being charged the same price for identical services being used.

The auditor general said that Parliament should scrutinize the fees. He went on to explain that there are many increases in user fees that really are not defined as such. Therefore they are not even guided by the rules as they exist to guide the establishment and the use of user fees, including contracts. The auditor general specifically picked on contracts because we are talking about a sizeable number of dollars being put in place without being passed through Parliament, without the scrutiny of something like a parliamentary committee. The auditor general was not pleased with what had happened to that point and nothing has been done since to improve the situation.

I will talk about what the principles to guide user fees should be. Much of my material comes from what the Canadian Dehydrators Association says the principles for the implementation of user fees should be.

First, the fee must be based on the actual cost of providing the service. They are not necessarily set that way now. Some fees are much higher than the cost of the service being provided.

Second, these services must be provided cost effectively. That is a key point Reform has focused on over the past few years we have been here. We said that in many cases we believe the services are not being provided in a cost effective way and we have to make sure that they are.

Third, administrative costs must be low and the documentation requirements must be there in the operation of the business.

Fourth, there must be no cross-subsidization of services across commodities or regions. This is an important point. We have seen too much of this kind of thing in the past. We have seen too many cases where the costs in one area are being borne for costs that actually should be borne by another sector, another industry or

another part of the country. Cross-subsidization should not be occurring.

Fifth, wherever possible the fees should be directly applied to prevent fee inflation to indirect application through a service provider.

Sixth, there must be a system in place for tracking the overall incidence of fees and its effect on industry with a process for consultation.

Some general concerns have been expressed by farmers and others in the agriculture industry. There are seven or eight of them. I do not know if I will get through them all, but I will see how I do. Some of these concerns have been expressed to me by many different groups. I could go through the list which includes the Ontario Corn Producers and the Canadian Meat Council. Many concerns are expressed about the Pest Management Regulatory Agency and the Marine Services Act.

• (1825)

Someone who is not familiar with what goes on in agriculture might ask how on earth can the fees charged under the Marine Services Act affect farmers. Farmers move products and the agriculture industry moves products through ports and the fees are borne by farmers.

There is the Crop Protection Institute. There are letters from many individuals and representatives of farm groups, of industry groups, and so on. They expressed the common concerns that I would like to put on record here, but I understand from your signal I will not be allowed to, Madam Speaker.

One concern I do want to express is that we cannot look at user fees in isolation. We have to look at them and their cumulative effect on industry. We can look at a whole series of user fees that do impact on any industry in the agricultural sector. There is no agency in government that looks at these total accumulation of fees and the impact on the industry. There is no government agency that looks at the comparison of fees in the other countries Canada competes with.

These are my concerns. I see that my time is up. I look forward to the hon. member for Medicine Hat doing his wrap up on the bill. I am sure he will comment on some points made by the members across the floor.

[*Translation*]

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Madam Speaker, I read Bill C-205 with care and tried to see how it would improve things at the moment for user fees. I must say I am still looking.

What is the intent of this bill? That was my question. All user fees—new, increased or expanded—have to be submitted to the House of Commons.

Private Members' Business

The definition of user fees is too broad. It applies to both the fees established by the governor in council and to all federal agencies, including crown corporations, whether we are talking about user fees for a good, a service, authorization, a permit or a license authorized by Parliament.

To have force of law, user fees must be approved by the House of Commons. Before the House approves them, a committee of the House has 150 days to study the proposed fees. The amounts of money generated by user fees should appear separately in public accounts.

I think this is going too far. In its present form, the bill is, to say the least, weak in form and content. It requires so much reworking, so many amendments, in order to clarify its implementation, that studying it at a later stage in our parliamentary process becomes unrealistic.

The government has made significant progress where user fees are concerned, but Bill C-205 contains just what is needed for chaos and disorder.

Charging user fees is good government. If the intention of the bill is legitimate, however, the reality remains that it would impose a huge burden on our parliamentary process on the one hand, and would make it impossible to operate certain crown corporations and agencies on the other.

This private member's bill would require separate authorization by Parliament to set or increase user fees and would introduce chaos into a system that works well at the present time.

The costs and associated delays associated with this bill would represent a serious threat to all government programs based on user fees.

The bill is so vague that it would apply to commercial prices set by crown corporations, and by so doing would hamper their operations.

• (1830)

In the case of crown corporations producing commercial goods and services, requiring the authority of Parliament for each of these user fees would completely gum up the works.

This bill would also make it impossible to maintain the confidentiality an organization requires in its dealings with clients. The result could be major damage to the point of making it impossible for many crown corporations to operate.

The same might also happen with programs. There are some 300 programs and categories of user fees listed in the Treasury Board Secretariat's report on user fees and many of these categories contain a large number of individual fees. They range from prices for firewood in Parks Canada campgrounds to fees for certifying drugs. There can be thousands of fee changes on a government-wide scale every year.

Private Members' Business

Imagine the administrative burden and the parliamentary bottleneck created by thousands of requests for changes in user fees. Imagine the additional workload for departments, government organizations and crown corporations, as well as for Parliament and parliamentarians.

Imagine, as well, the delays resulting from a clause in the bill authorizing the parliamentary committee to consider a proposed user fee increase for 150 days. And, to top it all off, the House would have to approve the committee's decision or recommendation. This would make it virtually impossible to administer user fee programs.

There is also every indication that departments would find it impossible to conduct the program review in a consistent manner.

Setting user fees would become a complicated exercise within the political process of parliamentary committees, which would become the prime target of intensive lobbying on the part of interest groups affected by user fee proposals.

While we feel it would be impossible to implement the bill, we are not opposed to some of its underlying elements. We agree that public accounts should provide more detailed information on revenues other than taxes. Unfortunately, the scope of the member's bill is too broad to represent only a minor change in public accounts.

We also support the idea of parliamentarians monitoring user fees. The fact is that user fees are mentioned more and more often in the reports on plans and priorities. Moreover, the legislation affecting the industry and health departments now provides that all user fees imposed by a minister must be referred, as part of a permanent process, to a committee of the House.

For these reasons, and for the reasons mentioned by my colleague, I cannot support the bill.

[*English*]

The Acting Speaker (Ms. Thibeault): Does the hon. member for Medicine Hat wish to conclude for five minutes?

Mr. Monte Solberg: Yes, Madam Speaker. I certainly would like to wrap up.

I will address some of the issues that my friends across the way have raised with respect to Bill C-205 and their objections. It has been suggested that because the bill is broad in scope and that it would cover all kinds of agencies and crown corporations that it would make it extraordinarily difficult for the committees to be able to handle all of these things.

I think hon. members across the way are simply raising bogeymen. The fact is that 90% of these user fees would probably pass

through largely unopposed and would be run of the mill decisions essentially rubber stamped. However, there are the 10% that Canadians have raised concerns about. In fact, hon. members across the way will remember very well the huge debate that we had in this country when the government brought in a user fee which was the immigration head tax. That is something that deserves parliamentary scrutiny. It is something that we need to have a discussion about before it is actually implemented.

Sadly, that is the sort of thing that we do not get under the current government.

• (1835)

In the Liberal's election campaign in 1993, I am sure hon. members across the way ran around with the red book. One of the things contained in that red book was how the government was going to empower committees. This would actually give committees something meaningful to do. It would actually allow them to give people some representation effectively when the government is proposing to tax them.

This would probably draw more attention to committees. There is no doubt about that. It would in fact attract people to come and lobby. There is no doubt about that and that is probably good. There will be people lobbying on both sides. It would allow a transparent process so that we could actually have the public allowed to see what is going on with respect to the increases in user fees.

I want to back that up by pointing out what the auditor general said in his 1993 report. He said: "Is the establishment of fees by order less open to abuse? If the regulatory process is followed there is a degree of transparency in how a price is established. If fees are established by contracts the process could be subject unduly to political and administrative considerations."

In other words essentially what the auditor general is saying is that under the current situation where the bureaucracy can effectively contract with those people who use government services and set fees arbitrarily, it is open to political and administrative considerations.

We do not want that type of system in Canada at the end of the 20th century. That is something that belongs in a third world. That opens ourselves up to corruption and those sorts of practices. We do not want to have that in our country. That is why I am arguing strongly so the government can follow through on its election commitments to open up committees, to make them more powerful, to do things that are quite meaningful to people. This would be a wonderful opportunity for the government to do that.

I just want to emphasize again, because this was an objection raised by both speakers on the Liberal side, that 90% of these user

fees would never run into opposition from people on the committee. People are not going to argue about the price of firewood if it looks reasonable. If all of a sudden it jumps by half or 100%, people may start to object. That is probably good.

We need to have that kind of mechanism in committee. We do not have it in the House of Commons. We need to have it at least in committee then ultimately in the House of Commons. Right now those things are allowed to go on unabated and Canadians are paying for these things directly from their pockets.

The hon. member across the way sent me a note saying "I thought the Reform Party supports user fees". We do not have a problem with user fees. We agree with user fees. To us it makes sense that people who use particular services would pay for them and not the general public. What I would think would happen in a situation where everything was working correctly, as the users fees go up the general tax level should go down. That has not happened. Taxes have gone up too. That makes our businesses uncompetitive because they pay higher tax rates and they also pay these user fees.

For all of those reasons and many more I urge my friends across the way to reconsider their objections and work with me to ensure that the people at public accounts do actually start to implement some of the recommendations in Bill C-205.

[Translation]

The Acting Speaker (Ms. Thibeault): Since no other members wish to speak and the motion was not selected as a votable item, the period allocated for the consideration of Private Members' Business has now expired and the item is dropped from the Order Paper.

* * *

[English]

BUSINESS OF THE HOUSE

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Madam Speaker, if you were to seek it, I believe that you would find unanimous consent for the following motion:

That, notwithstanding any standing order or usual procedure, during the present sitting the House may receive a message concerning a royal assent and attend a royal assent after proceedings pursuant to Standing Order 38 have commenced, provided that, if the House has not attended a royal assent by the conclusion of the said proceedings, it shall not adjourn, but the sitting shall be suspended and shall be resumed for the sole purpose of a royal assent and provided that immediately after a royal assent or, if the Speaker receives information that no royal assent is to be granted this day, for the sole purpose of adjourning to the next sitting day.

A note of explanation. This is to suspend the House until we receive royal assent on Bill C-24 regarding Canada Post, after which of course the House will be adjourned.

Adjournment Debate

• (1840)

Meanwhile, the House I believe would also consent to proceeding with what is normally considered the adjournment debate, although technically of course we will not be adjourned so that members can have the benefit of having the adjournment debate now.

I believe you would find unanimous consent for that unusual practice as well, if the House is willing to consent to that which I have just stated.

The Acting Speaker (Ms. Thibeault): Does the hon. member have the unanimous consent of the House?

Some hon. members: Agreed.

(Motion agreed to)

ADJOURNMENT PROCEEDINGS

[English]

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

HEALTH CARE

Mr. Gordon Earle (Halifax West, NDP): Madam Speaker, on October 7 I questioned the Minister of Health regarding concrete action the government needs to take to address the dramatic situation of aboriginal health as highlighted by a recent report from the auditor general.

Health is a matter of great concern for all Canadians. As Tom Irons, fourth vice-chief of the Federation of Saskatchewan Indian Nations, stated: "I firmly believe that no other issue so fundamentally relates to the survival of our people than health".

The 1996 report of the Royal Commission on Aboriginal Peoples refers to the health status of aboriginal people as both a tragedy and a crisis. Health Canada statistics illustrate the extent of this tragedy.

Infant mortality for first nations is 1.7 times higher than the Canadian average. Life expectancy is seven to eight years lower on reserves than anywhere else in Canada. Infectious diseases like tuberculosis are 6.6 times more common among aboriginal peoples. The suicide rate among young people is up to eight times higher than the Canadian average.

These numbers are just the tip of the iceberg. Health and social conditions in aboriginal communities are disastrous and clearly unacceptable under Canadian standards.

The auditor general's report talks of abuses of prescription drugs having caused high dependency and even death among some aboriginal people. We may add to this list the ongoing lack of resources and medical staff in remote communities.

Adjournment Debate

What is our government's response to this crisis? We hear a lot of words, talk of partnership and new programs, but little action. If aboriginal health is a matter of concern for this government, maybe the minister could explain why the federal government is reducing its budget allocation to health services on reserves.

The June 1997 expenditure plan from Health Canada shows a reduction of 2.9% of direct spending on aboriginal health programs between 1995 and 1996. Is the government hoping to improve the situation by reducing already scarce resources? As the auditor general rightly points out, it is necessary to establish a closer relationship between the government and aboriginal administrations in order to put forward solutions that address the specific realities of each community.

Aboriginal peoples have shown great energy and imagination in tackling health and social problems. Projects linking traditional healing practices and medical services have often proven very successful. Collaboration and partnership based on action between governments and aboriginal peoples is the first step toward addressing the dramatic situation in many aboriginal communities.

As the royal commission stated in its final report, this situation is the result of years of abuses and of paternalistic attitude that seriously damaged aboriginal self-esteem and sense of belonging, but transferring programs must not be done in a dump and run style so often employed by this government. It must be done in true collaboration with aboriginal communities to ensure that programs transferred are actually going to improve the health of aboriginal peoples.

Empowering the people involved is an essential step toward healing and creating conditions for a better future. I thus strongly urge the government to act on this and closely examine the royal commission and the auditor general recommendations regarding aboriginal health.

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, it is my pleasure to respond on behalf of the Minister of Health to the member for Halifax West.

I wish to address the concerns which have been raised in the House over the findings of the auditor general's report concerning the delivery of health care services for first nations.

The auditor general says that some first nations people are concerned that Health Canada is taking a dump and run attitude in the transfer of health care programs to first nations.

• (1845)

I assure the House that the transfer initiatives are launched as a response to communities that are ready to assume greater responsibility for health care resources.

It is a process that responds to first nations and will occur at a time and pace of their choosing. There is no pressure on communities to take up the transfer.

Concerns have also been raised in the House over the auditor general's findings with regard to prescription drug misuse among Canadian first nations and the slowness of Health Canada to respond to this problem, which the auditor general says the department has known about for 10 years.

Let me assure the hon. member that for the past 10 years Health Canada has been working to address the problem. The department has installed a comprehensive claim processing system across the country which deals with six million drug claims per year. It ensures that eligible clients receive drug benefits. By the end of the year the department will have installed a point of sale system in all pharmacies that will alert pharmacists to real problems such as harmful drug interaction and patterns that suggests misuse before the client has been given the drug.

In his report the auditor general agrees that this will address many of the problems of prescription drug misuse. In addition, a drug utilization review report has been developed which allows Health Canada to identify potential abuse situations for physicians, pharmacists and clients.

This system ensures that those involved can be alerted and appropriate follow-up action initiated to address situations where abuse is identified. I assure the member—

The Acting Speaker (Ms. Thibeault): The hon. member for Dartmouth.

HUMAN RESOURCES DEVELOPMENT

Ms. Wendy Lill (Dartmouth, NDP): Madam Speaker, today is International Day of Disabled Persons. I would like to revisit the issue I brought to the attention of the House on October 28, on the first anniversary of a federal task force report on persons with disabilities, and that is the growing desperation of the disabled.

I will start by setting the stage for the task force. It was set up after the Minister of Finance eliminated the Canada Assistance Plan and instituted the CHST, no strings attached money to the provinces where health care, education and social services would all be fighting for the same dollars.

The Minister of Human Resources Development stated that he was planning to end federal responsibilities to the disabled and the families caring for them.

In the grand scheme of downloading and devolving, people with disabilities and the families caring for them, my own family included, were facing an anxious and uncertain future in this new world order: reduced resources, reduced protection, and reduced commitment in the areas of health care, education and social services.

The task force held out a ray of hope for all of us that the rights of the disabled would finally be dealt with by the federal government. The task force called for a Canadians with disabilities act. It recommended earmarked funds in existing programs, tax reforms and refundable tax credits. It urged the government to address the extra costs of living with disabilities.

The task force led people to believe that the very real issues of training, education and labour, the life issues of the disabled, would finally be dealt with. One year after it was tabled and where are we? The Liberals have only implemented 8 of the 52 recommendations, and I must say they were the easy ones.

Persons with disabilities and their services are under attack more than ever. The federal government is trying to ram through changes to the Canada Pension Plan Act, which will have the impact of cutting \$1 billion in spending on CPP disability pensions by the year 2005. Disabled widows and widowers will have their combined survivor disability pension benefits reduced. Disability pensions will be harder to get and worth less.

Now with the CHST and cash strapped provinces having the discretion to spend money as they want, services to the disabled are dropping like flies. In the nation's capital there are two accessible taxis available on 24 hours notice. The para-transit service has been cut in half, and it was underfunded to begin with.

• (1850)

How are people supposed to go to work or to the doctor? How are they to visit their mothers? Attendant care is being slashed. People have to fight for the right to have a bath once a week. It is a farce to say that persons with disabilities have the same rights when supports are being withdrawn for them to participate at the most basic level.

What about protection under the law? With the sentence handed down this week on the murder of Tracy Latimer, the disabled believe they were sent an even stronger message, that their lives were somehow not worth as much as others. Tracy Latimer was disabled and she is now no longer with us.

It is time that we all took a very close look at the conditions facing the disabled in Canada. It is time the federal government finally acted on the recommendations of its task force.

On behalf of the disabled I urge the government to appoint a minister responsible for persons with disabilities and to introduce a persons with disabilities act. It is time to safeguard the quality of life for our most vulnerable citizens. Some 4.2 million disabled Canadians and their families are waiting and hoping that these issues will finally be addressed.

Adjournment Debate

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, I am pleased to speak on the subject of national pharmacare.

I would like to inform the House about the government's plans with respect to a national pharmacare program. The National Forum on Health pointed out that Canadians were fortunate to have a world class health care system. Medicare, as we know it, gives universal access to medically necessary hospital services without financial barriers. This system has served us well over the last number of years both in terms of the health of the population and the competitiveness of the Canadian economy.

The national forum told us that we should preserve what we have. It also told us that in order to preserve it we should consider doing a number of things. One of those things was expanding medicare to include other medically necessary services such as home care and drugs.

The federal government intends to pursue the examination of the future directions recommended by the national health forum to serve Canadians. As outlined in the speech from the throne on home care we said that we would take measures to support Canadians by responding to the expanding needs for home care and community care. We will develop a national plan, timetable and fiscal framework for providing Canadians with better access to medically necessary drugs.

This means the federal government recognizes that our country would be better served with an ideal pharmacare and drug system. We can do better with respect to the services provided. We can do better with respect to the use of prescription drugs, compliance and prescribing. We can do better with respect to integrating the health care system and allocating resources among drug therapy, hospital therapy and medical therapy.

Medically necessary prescription medicines are a vital element of health care. They are of relative importance compared with other elements of health care.

HEALTH

Mr. Greg Thompson (Charlotte, PC): Madam Speaker, I questioned the Minister of Health on October 1 with regard to the promise on pharmacare in the Liberal red book.

In the question to the Minister of Health I alluded to the election campaign and the promise to introduce a pharmacare program for all Canadians. I proceeded to quote from the red book two and I will quote now from page 75 of the Liberal election platform:

We will work with our provincial partners to ensure that all Canadians have access to medically necessary drugs within the public health care system. The federal government has a role to play in bringing together provincial and territorial partners and a range of other interests to develop a national plan and timetable for introducing prescription drugs into the medicare system.

Adjournment Debate

I guess the only response the minister could make was that he would consult with his provincial counterparts. That is not good enough. I contend it was an election promise simply for the purpose of getting elected. The minister and the Liberal government had no idea of how to implement such a program. I have lots of evidence to back me up on this, that it was nothing more than election rhetoric. The cost of doing so is astronomical, is well beyond the present government's ability to pay.

• (1855)

Presently in Canada we spend \$10.8 billion annually on drugs. Out of that \$10.8 billion about \$5 billion is for prescription drugs. So the question is, how will the government come up with \$5 billion, knowing full well that there are financial restraints on the government.

It did not stop there. When the present minister was first appointed to cabinet in his new role as health minister, I guess he could not resist the idea of going back at it. I quote from the *Ottawa Citizen* of June 12 which states: "Canada's new health minister promised yesterday to preserve medicare and perhaps even expand it with universal pharmacare and home care programs". That was long before he had the opportunity to realize what he had said and what he would have to do, again because of the cost.

The Minister of Health has found out and he comes back to it in every single answer in the House with regard to the pharmacare program that he has to consult with the provinces. Indeed he would have to consult with the provinces because there is a hodge-podge of programs across this country provincially with regard to pharmacare and none of them are the same. In other words we have 10 provinces and every one of them has a different policy with regard to pharmacare. Some provinces have a very good system of pharmacare for seniors and some provinces do not. Some provinces have a pharmacare program for people below a certain level of income.

The point I am making is that the minister and the government had no idea what they were promising in 1997 with regard to the pharmacare program.

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, medically necessary prescription medicines are a vital element of Canada's health care system. They have increased in relative importance compared to other health care sectors. Look at what we can accomplish today with drugs that before had to be dealt with through surgery or worse yet, had no treatment available. I am thinking here of the advances we have made in substantially reducing the need for ulcer surgery and the advances we have made in treating mental illness.

It is time for us to start talking about how we are going to ensure that Canadians will have access to health care. We are now just beginning this dialogue.

The federal government does not have a ready made national pharmacare program cooked up in Ottawa's back rooms. The Canadian health care system is a partnership and the federal government will be exploring a national approach to pharmacare in true collaboration with the provinces and territories. A new federal-provincial-territorial working group is beginning a process. Stakeholders must also be involved in the dialogue.

As part of the new health transition fund, \$150 million over three years was announced in the last budget, the Minister of Health will be co-hosting a national conference on pharmacare with the Minister of Health for Saskatchewan. This will be an important step in our discussions on a national approach to pharmacare.

The development of a national approach to pharmacare will be collaborative. It will not happen overnight. It will not be done by the federal government alone. It is must be done—

The Acting Speaker (Ms. Thibeault): The hon. member for Waterloo—Wellington.

TRADE

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, I was somewhat surprised recently when United States President Bill Clinton was unsuccessful in getting backing from Congress to give him a so-called fast track authority to negotiate expansion of the North American Free Trade Agreement. I wondered where that left Canada.

• (1900)

[Translation]

The federal government worked tremendously hard to ensure that the Canadian economy continues to have solid foundations.

[English]

Accordingly, I believe that Canada must be diligent in ensuring that we follow our own agenda to further trade liberalization in the Americas. There is tremendous trade potential in this hemisphere for Canada. It is important that with the global economy becoming more and more interconnected that we do not watch from the sidelines.

Rather, we need to pursue with vigour trade agreements and investment co-operation agreements which will be beneficial to Canada and to all Canadians.

Will the parliamentary secretary outline precisely what Canada intends to do to continue to seek trade agreements with countries in our hemisphere?

Mr. Julian Reed (Parliamentary Secretary to Minister for International Trade, Lib.): Madam Speaker, while we are naturally very disappointed in this recent development, I assure the House it is not going to slow us down one minute. We will continue to

pursue our trade liberalization agenda in Latin America with or without a fast track in place in the U.S.

By the year 2000 this area will have a population of nearly 500 million and a gross domestic product of \$2 trillion. Canadian business representatives are bullish on the region.

The achievement of more open markets through the free trade area of the Americans, as we call it now the FTAA, remains a top priority. Fast track is not a technical requirement for the negotiations to begin. It is, however, a signal of U.S. commitment that many FTAA countries are looking for.

We understand that the U.S. administration intends to resume its effort to obtain approval for fast track in the new year. We hope for a successful result in time for the Santiago meeting.

Complementing the FTAA, Canada is also proceeding with our trade dialogue with the Mercosur group of countries, Argentina, Brazil, Paraguay and Uruguay. Canada's annual exports to this market are about \$1.5 billion and Canadian investment there has reached \$6 billion. We hope to put in place a framework for our trade and investment relations with Mercosur during the upcoming Team Canada visit to the region.

In January, as my hon. friend knows, the prime minister will lead a Team Canada mission to Mexico, Brazil, Argentina and Chile. These three initiatives are aimed at expanding the links Canada has already established with key partners in our region.

SUSPENSION OF SITTING

The Acting Speaker (Ms. Thibeault): Pursuant to order made earlier, the motion to adjourn the House is deemed withdrawn and the sitting is suspended to the call of the Chair.

(The sitting of the House was suspended at 7.03 p.m.)

• (2215)

SITTING RESUMED

The House resumed at 10.15 p.m.

MESSAGE FROM THE SENATE

The Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this

Royal Assent

House that the Senate has passed the following bill: Bill C-24, an act to provide for the resumption and continuation of postal services.

THE ROYAL ASSENT

[English]

The Deputy Speaker: Order, please. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

December 3, 1997

Mr. Speaker:

I have the honour to inform you that the right honourable Antonio Lamer, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 3rd day of December, 1997 at 10.15 p.m., for the purpose of giving royal assent to a bill.

Your humble and obedient servant,

Judith A. LaRocque
Secretary to the Governor General

A message was delivered by the Usher of the Black Rod as follows:

Mr. Speaker, The Honourable Deputy to the Governor General desires the immediate attendance of his honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

And being returned:

The Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-24, an act to provide for the resumption and continuation of postal services—Chapter No. 34.

Pursuant to order made earlier this day, 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 10.27 p.m.)

CONTENTS

Wednesday, December 3, 1997

STATEMENTS BY MEMBERS

Disabled Persons	
Mrs. Kraft Sloan	2643
Seaforth Highlanders	
Mr. Cummins	2643
Child Poverty	
Ms. Carroll	2643
International Day of Disabled Persons	
Mrs. Dalphond-Guiral	2643
Standing Committee on Finance	
Mr. Bevilacqua	2644
Land Mines	
Ms. Augustine	2644
Gun Control	
Mr. Pankiw	2644
Violence Against Women	
Ms. Jennings	2644
Quebec's Partition	
Mrs. Gagnon	2645
The Late Michel Bélanger	
Ms. Folco	2645
Francophones Outside Quebec	
Mr. Godin (Acadie—Bathurst)	2645
Disabled Persons	
Mr. Epp	2645
Brandon, Manitoba	
Mr. Borotsik	2646
Member for Abitibi	
Mr. Brien	2646

ORAL QUESTION PERIOD

The Economy	
Mr. Manning	2646
Mr. Gray	2646
Mr. Manning	2646
Mr. Gray	2646
Mr. Manning	2646
Mr. Gray	2646
Mr. Solberg	2647
Mr. Gray	2647
Mr. Solberg	2647
Mr. Gray	2647
Canadian Francophonie	
Mr. Plamondon	2647
Ms. Copps	2647
Mr. Plamondon	2647
Ms. Copps	2647
Mrs. Tremblay	2647
Ms. Copps	2648
Mrs. Tremblay	2648

Mrs. Tremblay	2648
Ms. Copps	2648
Youth	
Ms. McDonough	2648
Mr. Pettigrew	2648
Ms. McDonough	2648
Mr. Pettigrew	2648
Charities	
Mr. Charest	2648
Mr. Charest	2649
Mr. Gray	2649
Mr. Charest	2649
Mr. Gray	2649
Fisheries	
Mr. Lunn	2649
Mr. McWhinney	2649
Mr. Lunn	2649
Mr. Easter	2649
Tainted Blood	
Mrs. Picard	2649
Mr. Rock	2649
Mrs. Picard	2649
Mrs. Picard	2649
Mr. Rock	2650
National Energy Board	
Mr. McNally	2650
Mr. Goodale	2650
Mr. McNally	2650
Mr. Goodale	2650
Research and Development	
Ms. Alarie	2650
Mr. Manley	2650
Ms. Alarie	2650
Mr. Manley	2650
Transport	
Mr. Morrison	2651
Mr. Collette	2651
Mr. Morrison	2651
Mr. Collette	2651
Dairy Industry	
Mr. Sauvageau	2651
Mr. Marchi	2651
The Environment	
Mr. Knutson	2651
Mr. Goodale	2651
National Defence	
Mr. Hanger	2651
Mr. Richardson	2652
Mr. Hanger	2652
Mr. Richardson	2652
Research and Development	
Mr. Axworthy (Saskatoon—Rosetown—Biggar)	2652
Mr. Manley	2652
Mr. Axworthy (Saskatoon—Rosetown—Biggar)	2652

Mr. Manley	2652
Airport Safety	
Mr. Casey	2652
Mr. Collenette	2652
Mr. Casey	2652
Mr. Collenette	2653
Alternative Fuels Act	
Mr. Caccia	2653
Mr. Massé	2653
Supreme Court of Canada	
Mr. Forseth	2653
Ms. McLellan	2653
Algeria	
Mr. Turp	2653
Mr. Kilgour	2653
Immigration	
Mr. Earle	2653
Ms. Robillard	2653
Northern Development	
Mr. Keddy	2654
Mrs. Stewart (Brant)	2654
Small Business	
Ms. Leung	2654
Mr. Duhamel	2654
Presence in Gallery	
The Speaker	2654
Privilege	
Decorum in the House of Commons	
Mr. St-Julien	2654
Mr. St-Julien	2655
The Speaker	2655
Minister of Fisheries and Oceans	
Mr. Matthews	2655
The Speaker	2655
Points of Order	
Decorum in the House of Commons	
Mr. Brien	2655
The Speaker	2655
Mr. Brien	2656
Comments during Question Period	
Mr. McNally	2656
ROUTINE PROCEEDINGS	
Decorum in the House of Commons	
Mr. Bergeron	2656
Mr. Plamondon	2656
Mr. Kilger	2657
Mr. Bergeron	2657
Minister of Fisheries and Oceans	
Mr. Bernier	2657
ROUTINE PROCEEDINGS	
Order in Council Appointments	
Mr. Adams	2657
Government Response to Petitions	
Mr. Adams	2657

Committees of the House	
Canadian Heritage	
Mr. Lincoln	2657
Petitions	
Taxation	
Mr. Szabo	2657
Pensions	
Ms. Wasylycia-Leis	2658
National Highway System	
Mr. Calder	2658
Public Nudity	
Mr. Calder	2658
Pensions	
Ms. Desjarlais	2658
Young Offenders	
Mrs. Ur	2658
Pensions	
Mr. Proctor	2658
Questions on the Order Paper	
Mr. Adams	2658
Ms. Wasylycia-Leis	2658
Mr. Adams	2659
Motions for Papers	
Mr. Adams	2659

GOVERNMENT ORDERS

Canada Marine Act	
Bill C-9. Report stage	2659
Speaker's Ruling	
The Deputy Speaker	2659
Mr. Kilger	2659
Motions in Amendment	
Mr. Keyes	2659
Motion No. 21	2659
Mr. Guimond	2660
Mr. Morrison	2660
Motions Nos. 1, 2, 3 and 12	2660
Mr. Guimond	2660
Mr. Collenette	2660
Mr. Morrison	2662
Mr. Guimond	2662
Mr. Casey	2664
Ms. Desjarlais	2664
Mr. Crête	2665
Mr. Bailey	2666
Mr. Thompson (Charlotte)	2667
Mr. Mercier	2668
Mr. Keyes	2669
Mr. Thompson (Charlotte)	2670
Mr. Keyes	2670
(Divisions deemed demanded and deferred)	2671
Mr. Collenette	2671
Motions Nos. 4, 10, 11 and 20	2671
Mr. Keyes	2671
Mr. Morrison	2672
Mr. Keyes	2672
(Divisions deemed demanded and deferred)	2673
Mr. Morrison	2673
Motions Nos. 5 to 9, 13 to 17	2673
Mr. Thompson (Charlotte)	2674
Mr. Harris	2674
Mr. Thompson (Charlotte)	2674

Mr. Keyes	2675
Mr. Casey	2676
Mr. Guimond	2677
(Divisions deemed demanded and deferred)	2677
Mr. Guimond	2677
Motion No. 18	2677
Mr. Collenette	2677
Motion No. 19	2677
Mr. Morrison	2679
Mr. Guimond	2679
Mr. Casey	2680
Ms. Desjarlais	2680
Mr. Anders	2680
Ms. Desjarlais	2680
Mr. Keyes	2681
Mr. Bailey	2681
(Recorded divisions deemed demanded and deferred)	2681

PRIVATE MEMBERS' BUSINESS

User Fee Act	
Bill C-205. Second reading	2681
Mr. Solberg	2681
Mr. Jackson	2683
Mr. Desrochers	2684
Ms. Desjarlais	2685
Mr. Benoit	2686
Mr. Discepola	2687
Mr. Solberg	2688

Business of the House	
Mr. Boudria	2689
Motion	2689
(Motion agreed to)	2689

ADJOURNMENT PROCEEDINGS

Health Care	
Mr. Earle	2689
Mr. Jackson	2690

Human Resources Development	
Ms. Lill	2690
Mr. Jackson	2691

Health	
Mr. Thompson (Charlotte)	2691
Mr. Jackson	2692

Trade	
Mr. Myers	2692
Mr. Reed	2692

Suspension of Sitting	
(The sitting of the House was suspended at 7.03 p.m.)	2693

Sitting Resumed	
The House resumed at 10.15 p.m.	2693

Message from the Senate	
The Deputy Speaker	2693

THE ROYAL ASSENT

The Deputy Speaker	2693
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HOUSE OF COMMONS

Wednesday, December 3, 1997

The House met at 2 p.m.

Prayers

• (1400)

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

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

STATEMENTS BY MEMBERS

[English]

DISABLED PERSONS

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, today is International Day of Disabled Persons. Since the United Nations Decade of Disabled Persons ended in 1992, we have become a more enlightened society.

We have removed barriers in many of our buildings to make them more accessible and functional for people with disabilities. We have heightened public awareness and acceptance that access is a right and everyone's responsibility.

This government provided \$168 million to the vocational rehabilitation of disabled persons program. As well, the Government of Canada is contributing an additional \$100 million for Canadians with disabilities. This includes the new \$30 million opportunities fund that will help people with disabilities to find jobs.

The litmus test of Canadians' commitment to equality and equity is meaningful social and economic participation.

* * *

SEAFORTH HIGHLANDERS

Mr. John Cummins (Delta—South Richmond, Ref.): Mr. Speaker, the Seaforth Highlanders, a Vancouver based regiment, was asked to be ready to act as the honour guard at last week's APEC conference in Vancouver. At the last minute they were told

to keep their uniforms in their lockers because they did not look Canadian enough.

• (1405)

It was a stupid decision, equivalent to flying in Atlantic salmon to serve to guests in B.C., or the premier of P.E.I. because the Prime Minister wanted to introduce his foreign guests to a provincial premier.

The government did not question the looks of the Seaforth Highlanders before sending them to war. Nor did it ask Seaforth veteran Smokey Smith to change his uniform before pinning a Victoria Cross on his chest.

The Vancouver based Seaforth Highlanders have a long and proud history as a Canadian regiment. To suggest in any way that they are not representative of their country is an unspeakable insult.

The Prime Minister's decision to bypass the Seaforth Highlanders is shameful and disgusting. I ask that he apologize to the Seaforth Highlanders today.

* * *

CHILD POVERTY

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, over the six year period between 1989 and 1995, the incidence of child poverty in Canada has increased by 58%. The number of children living below the poverty line is 1.5 million with a staggering 500,000 in Ontario alone.

Regardless of whether one accepts the low income cutoff or poverty line set by Stats Canada, there are some facts we should all note. The average poor family of three in Ontario lives 35% below the poverty line, on an annual income of \$17,000. This is in dramatic contrast to the average income of \$60,000 for all families with children in Ontario.

Aside from the obvious human costs, unless we quickly develop a concerted effort to combat this problem, there will be economic costs to pay through the education system, the health care system and indeed perhaps the correctional system.

* * *

[Translation]

INTERNATIONAL DAY OF DISABLED PERSONS

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, today, on the International Day of Disabled Persons, the

S. O. 31

Quebec National Assembly made the official proclamation of the Quebec Week of Disabled Persons. For one week, we will focus on our fellow citizens who live each and every day with diminished autonomy.

With their tenacity, courage and skills, these men and women who deserve our full admiration have made names for themselves in the world of culture and sport, as well as in professional, social and community involvement.

In the coming days, let us take time to examine our share of responsibility in improving their quality of life. We can, without a doubt, use as a guide for our reflections the theme of the Quebec week: Access is independence; everyone gains from it.

Guaranteeing access is a collective obligation. Independence is a precious gift, but each of us knows what a fragile gift it is. May the week of the disabled raise our awareness of that reality.

* * *

[English]

STANDING COMMITTEE ON FINANCE

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Mr. Speaker, the House of Commons Standing Committee on Finance travelled across the country to engage Canadians in a national dialogue about building a strong economy and a strong society.

Canadians approached this consultation with an understanding that economic growth and fiscal success are not ends in themselves, but rather a means to improve the quality of life for all Canadians.

Canadians want balance, not just a balanced budget, but balance in government policy, in its goals and its results. Canadians want balance between the security offered by debt reduction and the benefits of investing in people, technology and research and development.

Canadians firmly believe that health, education and pensions are not just line items on a balance sheet but rather an expression of our core values. Canadians want to leave future generations a legacy of expanding opportunities and security rather than one of high taxes and escalating debt.

Canadians have demanded accountability from the government as well as responsibility from themselves.

In our report entitled *Keeping the Balance, Security and Opportunity for Canadians*, we have tried to respond with the substance our fellow citizens demand, as well as a budget plan.

LAND MINES

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, this is a historic day in Canadian foreign policy. I join with all my colleagues in Parliament in welcoming to Ottawa the many distinguished guests who are gathered for the treaty signing conference and the Mine Action Forum.

Not only are we witnesses to the historic signing of the convention and the prohibition of the use, stockpiling, production and transfer of anti-personnel mines and their destruction, we have made history. We have ensured that the new international norm against anti-personnel mines is fundamentally encoded in a legally binding treaty.

● (1410)

We have participated in a remarkable global effort. I take this opportunity to commend not only our Minister of Foreign Affairs but also all those NGOs that have participated in this remarkable occasion.

* * *

GUN CONTROL

Mr. Jim Pankiw (Saskatoon—Humboldt, Ref.): Mr. Speaker, last year the former justice minister who is currently the Minister of Health said that only the police and the military should be allowed to have guns. Two months ago the Minister of Foreign Affairs said that he would like to establish an international treaty to register, control and restrict the use of small arms. Last month the Deputy Prime Minister said that he favoured the development of an instrument to ban firearms throughout the world.

Do you see a pattern here? It is obvious. Beginning with Bill C-68 this Liberal government is committed to the elimination of firearm ownership in Canada. It is wholeheartedly dedicated to harassing law-abiding gun owners and confiscating their property. Registration then confiscation. That is the motto of these Liberals. Shame on the Liberal government for trampling on the property rights of Canadians.

* * *

[Translation]

VIOLENCE AGAINST WOMEN

Ms. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, Canadians will be honouring the memory of the 14 young women who lost their lives in 1989 at the hands of a stranger at Montreal's Ecole polytechnique, just because they were female.

Every year, December 6 marks the National Day of Remembrance and Action on Violence Against Women, to ensure that no one ever forgets this tragic moment in our history.

According to Statistics Canada, half of the women in Canada have been the victim of at least one act of physical or sexual violence after the age of 16. Behind each statistic is someone's

mother, sister or daughter, someone just like any of the 14 young women whose memory we will be honouring on December 6.

Violence continues. We will, however, use this day to remind ourselves that the efforts of all Canadian men and women are required if the attitudes that perpetuate violence and prevent women from attaining full equality in our society are to be changed.

* * *

QUEBEC'S PARTITION

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the debate on the partition of a sovereign Quebec is getting people worked up, particularly since the partitionists have the official support of the Prime Minister and the Minister of Intergovernmental Affairs.

Let us not beat about the bush. A debate at this point is irresponsible and puts the extremists in the spotlight. Both the Bloc Québécois and the Parti Québécois categorically reject those advocating violence to achieve their political goals, like Raymond Villeneuve and his extremist movement.

However, the federalist camp has its fair share of extremists too. Jim MacKenzie, an acknowledged partitionist, is raising a fuss and threatening municipal officials with guerrilla tactics if they do not support his proposals for hacking up a sovereign Quebec.

The debate on Quebec's political future was much healthier when federalist extremists were not officially sanctioned by the Liberal government. What are the Liberals waiting for to dissociate themselves publicly from the partitionist movement?

* * *

THE LATE MICHEL BÉLANGER

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, we were distressed to learn yesterday of the death of Michel Bélanger, who finally lost his long battle with an incurable illness.

Mr. Bélanger is one of the great Quebecers devoted to the service of their country with a vision of the future that arose from a knowledge and a great understanding of the history of Quebec and Canada.

Universally respected in the worlds of business and politics, Mr. Bélanger was always keen to contribute to the workings of government. He also wanted to ensure that our society continued to evolve as it had, because it was clear to him that Quebec was meant to be within Canada.

We are all aware of Mr. Bélanger's contribution from the start of the Quiet Revolution in Quebec to the present. In both the public and private sectors he acted with vision, wisdom and reason.

Canada has lost a formidable ally and builder. Our condolences—

S. O. 31

The Speaker: I am sorry to interrupt the hon. member. The hon. member for Acadie—Bathurst.

* * *

FRANCOPHONES OUTSIDE QUEBEC

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the 1996 census figures on linguistic profile show a 2% increase in the assimilation rate of francophones in Canada over the last five years. This trend towards assimilation of francophones is unacceptable.

• (1415)

I am a proud Acadian from New Brunswick. I am therefore really concerned when I see Acadians leaving their communities because there are no jobs and heading for anglophone urban centres where the risks of assimilation are greater.

It is the responsibility of this government to invest in our francophone communities outside Quebec. Creating jobs also creates vibrant communities where young people can work and contribute to the continued development of the French language and culture where they were born and grew up.

The federal government's budget cuts to the network of cultural associations and institutions, and to Radio-Canada are contributing to the disappearance of French in Canada. It is time this government stopped cutting and began investing in francophone communities outside Quebec.

* * *

[English]

DISABLED PERSONS

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, this is the week when we pay special attention to those among us who have the challenges of living with physical disabilities.

Most of us do not think very often of the blessing of health we enjoy, but it is important to be especially considerate of those who are not so blessed.

I think today of my sister who has lived with cerebral palsy all her life. I think of my friend Rudy, who, though younger than I, is totally disabled with Parkinson's disease and confined to his wheelchair. I think of Mark who faces the daily challenges of living with multiple sclerosis.

When we want to get up to go to a different place in the room, we just get up and go without even thinking of it. These people and thousands of others do not have this priceless privilege. They are locked into the limitations of their bodies.

Our thoughts are with them today, our friends who live so courageously from day to day.

*Oral Questions***BRANDON, MANITOBA**

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, members of the House will probably be getting a bit tired of my good news Brandon stories about the Canada Games and the Olympic curling trials, but once again I rise to congratulate the community of Brandon in southwestern Manitoba on yesterday's announcement.

Yesterday Maple Leaf Foods announced that it will develop a new world class hog processing plant in the city of Brandon. The capital investment will be \$112 million and initial employment will be 1,150 new jobs.

The investment in the plant is a key component of Maple Leaf's ability to compete globally. The CEO of Maple Leaf Foods said the plant will be a model operation worldwide, making it the best processing plant in the world.

I thank the many people who made this possible: Maple Leaf Foods, the province of Manitoba, the city council of the city of Brandon, and especially the economic development officer, Mr. Don Allan.

* * *

[Translation]

MEMBER FOR ABITIBI

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, yesterday the House of Commons was witness to a disgraceful display, to say the least, during the special postal debate.

In a fit of hot-headedness, the member for Abitibi challenged an individual in the public gallery to a fist fight. Not content with verbally abusing a member of the public, the member went so far as to remove his jacket in an attempt to goad him into a fight.

Such behaviour is unworthy of—

Some hon. members: Oh, oh.

The Speaker: We will now proceed to Oral Question Period. The leader of the official opposition.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, these days a lot of cabinet ministers are cooling their heels in the waiting room of the finance department. They are lining up to make their pitch for spending any fiscal surplus.

We can just picture the heritage minister making a pitch for free flag poles, the justice minister looking for a few more million to hand out on airbus suits, and so forth. They have spending plans galore.

Which ministers, if any, are arguing not for spending increases but for debt reduction and for tax relief?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, all the matters raised by the Leader of the Opposition are on the minds of ministers.

We are striving to create the right balance in the best interest of Canadians between eliminating the deficit, debt reduction and helping Canadians lead better lives, something the Reform Party does not seem to be interested in.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, spending ideas are on the minds of ministers; spend the surplus on \$700 lunches for bureaucrats.

The industry department is looking at how to hand grants to friends of the government. Environment wants to spend money on a way to harness the wind power of the Minister of Natural Resources.

However Canadians have other priorities. We have a \$600 billion federal debt and we have the highest personal income taxes in the G-7.

• (1420)

Will the Department of Finance make debt retirement and tax relief its number one—

The Speaker: The hon. Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I can assure you the fixing up of Stornoway to change it from a bingo hall—

Some hon. members: Hear, hear.

The Speaker: The hon. Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, we want to know how much debt reduction and tax relief Canadians can expect. In particular Canadians want to know when they can expect tax relief and how much they can expect.

The government is supposedly good at setting targets. The Prime Minister claims to have a target for CO₂ emissions. In fact he had three of them in the last three weeks. If the government has a target for cutting CO₂ emissions to 1990 levels by the year 2007, will it commit to reducing tax levels to 1990 levels by the year 2007?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, to finish my last answer, the government will not be helping the leader of the Reform Party to fix up Stornoway for his domain.

We have already given billions of dollars of tax relief through the last budget. I am sure we are very much in line with the interest of Canadians for a balanced approach to tax relief, debt reduction and living better lives, whether one is a poor Canadian or a

Oral Questions

Canadian wanting better health. I look forward to the next budget which will confirm how we are operating in the best interest of all Canadians.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, as we learned in yesterday's brawl in cabinet over new spending initiatives not a cent of the debt has been paid down. There has not even been a hint of real tax relief.

Canadians are demanding debt reduction. They are demanding that their taxes be lowered.

Why are the ministers involved in a WWF spending match and ignoring the real demands of Canadians for debt reduction and tax relief?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, why is the Reform Party ignoring the desire of Canadians to help poor children, to have better health care, to have better innovation, and to have better research and development?

Why is the Reform Party thinking of nothing else but debt reduction, rather than our balanced approach, which will help Canadians live better lives and continue the success we have had, contrary to the suggestions of Reform for a better fiscal balance for our federal government and all Canadians?

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, when will the government figure out that raising taxes forever does not help impoverished children?

Yesterday the auditor general told us how the industry department spent a whopping \$143,000 on its latest job creating scheme. That was \$143,000 for a \$30,000 a year job.

How many billions does the government plan on wasting before Canadians get real debt reduction and real tax relief? How long do they have to wait?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, my hon. friend forgets that the government has not raised tax rates and in fact has brought about a number of tax reductions. It has brought about millions of dollars of tax reductions since coming into office.

I do not know why the hon. member does not want to support this and continues to talk about something that is not accurate. He claims that we have been raising tax rates when we have not.

We are very conscious of the need to have a balanced approach. We are interested in tax reductions. We are interested in balancing our debt situation, but we want to help Canadians have better lives, unlike the Reform Party—

• (1425)

[Translation]

CANADIAN FRANCOPHONIE

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, Statistics Canada's most recent figures show a net decline of the francophone population in Canada.

In light of this finding, the Fédération des communautés francophones et acadienne is calling for a firm and proactive commitment by the federal and provincial governments to ensure that French-speaking people can survive and flourish in this country.

What is the heritage minister's reaction to the appeal made by the federation?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, we must not mislead the House by saying that there is a net decline. Indeed, it is not a net decline but an increase.

But the increase in numbers is too small and this is why, in recent years, we have been working on a new policy. As members know, we have a five-year plan for the development of minority languages. The plan, due to end next year, will be extended, along with several new elements, not only to provide French education, but also to maintain French language institutions, which should please francophone communities all across Canada.

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, the lack of political will on the part of the provinces with English speaking majorities is a determining factor in the current decline of francophone communities in Canada.

What will the Minister of Heritage do to shake the apathy of the English speaking provinces, which has consequences such as the enormous problems experienced by the Montfort hospital, in Ontario?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, if the hon. member is saying that the English speaking provinces are responsible for the decline, I must tell him that the decline is even worse in Quebec. What does this say about the Quebec government?

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, whatever the minister may say, it is obvious that her department's budget for francophones outside Quebec has been reduced considerably.

It was \$28 million in 1995 and it will be \$21 million in 1999, a decrease of 20%. Funds for the ACFO have been reduced by 10% and those for francophones in Saskatchewan have been cut in half. Examples like this can be found across Canada.

Oral Questions

Does the heritage minister believe that it is by cutting essential funds for the francophone and Acadian communities that she will help them solve their assimilation problem?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am amazed, because once again, the numbers quoted by the member opposite are wrong.

Indeed, the five-year program we have implemented to support minority languages, that is the French language outside Quebec and the English language in Quebec, provides for \$900 million over five years.

If the member wishes to talk about numbers, there is no doubt that these reveal a willingness to go forward. That is why my cabinet colleagues have assured me that there will be an increase in these numbers in the next five-year plan to be announced at the beginning of next year.

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, it is indeed unfortunate that the rules prevent me from showing a document, because we would see who is lying in this House.

Some hon. members: Oh, oh!

The Speaker: I would ask the member to be very careful in her choice of words.

Mrs. Suzanne Tremblay: Will the minister admit at least that it is certainly not by taking money that is supposed to be used to help francophones outside Quebec and by giving it instead to Option Canada that she is going to solve the assimilation problem?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, the member opposite claims to be interested in French Canadians outside Quebec. I would like to quote what she said on September 30 about French Canadians.

She said "As a French Canadian, I am a second class citizen. As a Quebecker, I am a first class citizen." That is the difference. If French Canadians want support, they should not go see the member for Rimouski who calls French Canadians second class citizens. This is outrageous.

* * *

[English]

YOUTH

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the minister responsible for Canada's youth.

There are 400,000 young people in Canada today with no job prospects. That is 400,000 youths facing squeegee futures.

• (1430)

In the U.K. leaders have put their political futures on the line with Target 2000, a program with specific targets and timetables that promises 250,000 new jobs, real jobs for young people.

Do the minister responsible for youth and her colleagues have the courage to do the same?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it does not take very much courage on our part to actually have the kind of commitment that we as a government have had.

We have announced a youth employment strategy which is a very good program; youth internship Canada and youth services Canada. We are helping about 110,000 young Canadians a year with our present strategy.

When we look at the extraordinary results we are having with this strategy we realize that we have developed the right tools to help youth with the transition from school to work.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, why does the minister not tell Canadians the truth, that there are 14,000 more youth unemployed since the day that youth strategy program was launched?

The prime minister meets in Ottawa next week with the provincial and territorial leaders. Will the minister ensure that the prime minister goes to that meeting and makes it into something more than a photo op? Will he push the prime minister to show genuine leadership by taking to the meeting a comprehensive youth employment strategy with precise targets and timetables and come away from the meeting with our own target 2000 plan for Canada's youth?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the leader of the NDP has her numbers completely wrong.

Youth employment has risen; 31,400 more youth employed in the last three months. That is as a result of our strategy.

I will not need to push the prime minister to do his job at the next conference. I know the prime minister is very preoccupied and concerned with the situation of youth unemployment and he wants to talk partnership with the provinces. This is an issue so important that we want to address it as partners with the provinces and the private sector because this is a national problem.

* * *

CHARITIES

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, earlier in the day I gave notice to the prime minister of a question I wanted to raise today in question period.

Oral Questions

In the aftermath of this postal strike I know this will not interest the Reform Party but I will ask the question. The seasonal fund-raising—

Some hon. members: Oh, oh.

The Speaker: I ask the hon. member for Sherbrooke to put the question please.

Hon. Jean J. Charest: Mr. Speaker, because of the postal strike, the seasonal fund-raising activities of many Canadian charities have been seriously jeopardized because of this dispute, charities that rely extensively on the year end campaigns to fund everything from meals on wheels to medical research.

I ask the Deputy Prime Minister today whether or not the government would consent to extending the period for credible charitable donations to the end of January—

The Speaker: The hon. Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I want to thank the leader of the Conservative Party for having giving us notice of this question late this morning. As soon as we received notice we asked officials in finance and national revenue to begin looking into the matter.

I have not received an answer as yet but I or the Minister of Finance will get back to him as soon as possible. I thank him for giving us the opportunity to look into this issue.

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, I want to assure the government of our support for this initiative, and that of all members of this House except the Reform Party, which clearly would not.

While we are on the issue of expenditures, could the government explain to us the logic that allows it to dispute and have some discussion about spending new taxpayer money? If there is new taxpayer money to be spent, why is it not offering Canadians a tax reduction instead?

• (1435)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, because the Reform Party abandoned the approach it claimed it was coming into the last Parliament with, a courteous and constructive approach to Parliament, it is now spending more time hooting and hollering unnecessarily. Frankly, I did not hear my hon. friend's question. If the Speaker would allow him to repeat I would attempt to give him an answer.

* * *

FISHERIES

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, the minister of fisheries in Washington just announced that if there

is no deal with the U.S. by the start of the next fishing season he might have to cut Canadian quotas by 40% to 50% for the 1998 northern B.C. fishery.

When is the government going to stand up for Canadians and British Columbians and fight for us? The minister is down in the United States giving our quotas to the Americans. When is he going to stand up and do something?

Mr. Ted McWhinney (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, we are engaged in a diplomatic bilateral process with the United States. We are expecting it to terminate shortly. It is an obligation under international law to conduct and complete in good faith those negotiations. We will leave any speculation as to what we might do after the event until the process is completed.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, let me tell members about the diplomatic process this government is engaged in. The minister of fisheries is down in Washington right now announcing that if there is no deal he is cutting Canadian quotas by 40% to 50%.

Who is this government standing up for, Canadians or Americans? Which is it? When is the government going to get on its feet and do something for Canada?

Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the minister of fisheries is making no such announcement. The minister of fisheries has been in Washington a number of times and across several states trying to establish an agreement that will protect Canadian fisheries interests.

If the member would not be trying to make the political rhetoric he is he could be helpful to us in terms of encouraging the Americans to come on side and reach an agreement with us.

* * *

[Translation]

TAINTED BLOOD

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the Quebec National Assembly unanimously passed a motion urging the federal and provincial governments to consider establishing as soon as possible a compensation plan for the victims who received contaminated blood or blood products, including those infected with hepatitis C.

How will the Minister of Health respond to this urgent request?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I am pleased to see that the National Assembly has now adopted the position I myself had taken upon receiving Justice Krever's report, which is that it is better to avoid spending a decade in court over these issues. It is better to hold, with the provinces and territories,

Oral Questions

consultations to deal with the recommendation made by Justice Krever.

I hope therefore to soon have the opportunity of having discussions with Mr. Rochon and the other ministers.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, can the minister give us the assurance that this potential compensation plan will apply not only to primary victims but also to secondary victims?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the whole question of victims' compensation will be discussed among provincial, territorial and federal ministers. As I said, I hope discussions will be held soon.

* * *

[English]

NATIONAL ENERGY BOARD

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, the abuse of expense accounts is not limited to Ted Weatherill. Access to information documents reveal that Ken Vollman, the vice-chair of the National Energy Board, charged taxpayers a whopping \$26,000 for just one trip to Halifax. Perhaps he was on his way to Paris for lunch with Ted.

• (1440)

Will the government undertake to investigate the free spending of this appointee?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the National Energy Board is one of the most distinguished regulatory agencies in this country.

There has been nothing drawn to my attention that indicates any irregularity whatsoever. Because an hon. member has inquired, I too will inquire, but there is nothing on the record that is known to me that would justify that kind of slur.

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, it is in the public accounts and Mr. Vollman's expenses are twice that of other members on the board.

Under Treasury Board guidelines, it would have worked out for his hotel and per diem to be about \$10,000. He spent \$26,000. We are wondering where the cash is.

Will Canadian taxpayers have to wait six months before the minister takes action against Vollman, or has this government learned its lesson from the Weatherill fiasco?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, inquiries by members of Parliament with respect to particular spending items are perfectly legitimate and the government should inquire into those items when they are raised.

However, I think it is going far beyond the bounds of reason and fair play for the hon. member to leave that kind of slur on the record without providing the official even an opportunity to respond.

* * *

[Translation]

RESEARCH AND DEVELOPMENT

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, my question is for the Minister of Industry.

After several years of cuts to the research and development sector, the government tried to save face in its latest budget by announcing the establishment of the Canada Foundation for Innovation, with an \$800 million budget over a five-year period.

Since the foundation has now been in place for ten months, how can the minister explain that the foundation's board of directors just met for the first time?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I think the establishment of the Canada Foundation for Innovation is the single most important initiative of the federal government's research and development program in the last 20 years or so.

I should also point out to the hon. member that the board members have already met. They appointed directors and so did the government. They are now ready to begin their work, less than 10 months after the announcement was made in the budget.

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, the auditor general deplores the fact that the foundation is not required to submit to Parliament an annual report on how it uses this \$800 million.

Will the minister agree to have the foundation report its results to Parliament on a regular basis, so that taxpayers know whether or not they are getting their money's worth?

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I would like to point out that the foundation is a body independent of the government. The majority of its members are not appointed by the government.

However, I think I can assure the member that the foundation will be very proud to make known to all Canadians the successes

that will undoubtedly flow from investments in research and development at Canadian universities and research hospitals.

* * *

TRANSPORT

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, there are millions of Canadians who cannot afford to travel by Challenger jet at Christmas or any other time.

They are understandably outraged that a group of busy little bureaucrats is sitting there poised to kill the discount and charter air businesses in this country, the only way that travel is affordable to average folks.

Yesterday the transport minister brushed my question aside, and so I will ask him again will he make his bureaucrats back off and tell them—

The Speaker: The hon. Minister of Transport.

Hon. David M. Collette (Minister of Transport, Lib.): Mr. Speaker, I welcome the hon. member's question and welcome the point of emphasizing not only to him but to the Canadian public that there has been no change in the government's policy with respect to air charters. There is no change in regulations.

There has been no change in the enforcement. There is a process by the Canadian Transportation Agency to consult with stakeholders on future regulations that, even if they did come to me, would have to be approved by cabinet. Let us not alarm Canadians.

• (1445)

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, it looks like the hon. minister is not singing off of the same song sheet as his bureaucrats.

Yesterday in the Toronto *Star* he was reported as having said exactly what he said here today, but the bureaucrats do not say the same thing. Who is right? Who are we to believe here, the bureaucrats or the minister who is supposed to be in charge?

Hon. David M. Collette (Minister of Transport, Lib.): Mr. Speaker, despite all the mischievous rhetoric of the hon. member, I can assure him that there has been no change in the policy, no change in the regulations, no change in enforcement.

When he has a view on these particular matters, he should let the Canadian Transportation Agency know his feelings and they will be taken into account, as will the feelings of all the stakeholders. Not one Canadian is going to be affected this Christmas. Not one Canadian is going to be affected until regulations are approved by the Government of Canada and that is not forthcoming at this time.

Oral Questions

[Translation]

DAIRY INDUSTRY

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, my question is for the Minister for International Trade.

The minister pledged to conduct an in-depth review of the urgent demand made by the dairy industry regarding imports of oil, butter and sugar mixtures.

What can the minister tell dairy producers, who no longer want to be hurt by these imports, and who are urging him to take quick action?

[English]

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, as I mentioned to the member's colleague last week, obviously our department is working very closely with the stakeholders, the industries and clearly the industry knows the care and the priority that the government attaches to the issue.

* * *

THE ENVIRONMENT

Mr. Gar Knutson (Elgin—Middlesex—London, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

Global attention is now focused on the conference under way in Kyoto, Japan where countries search for the right formula to reduce greenhouse gas emissions to protect the global environment.

How can Canada be putting forward a position that does not have the support of all provinces? What is the minister doing to gain the co-operation of all Canadians in meeting our goals?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, all provinces are invited to take part in developing the Canadian implementation plan from Kyoto. The Government of Canada has stressed no unreasonable share of the burden for any region or sector, no carbon tax, deeper commitments by the private sector, greater energy efficiency, more renewable and alternative sources of energy, a powerful focus on research and development and the maximum use of international flexibility provisions. All of that is 100% consistent with what the provinces have suggested.

* * *

NATIONAL DEFENCE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, it is our understanding that all of the Trenton based search and rescue helicopters have been out of service over the days of November 21 to the 27. Half of Canada's population is actually serviced by that particular rescue team.

Oral Questions

My question to the government is, what would the government have done were there to be a disaster in central Canada during that time?

Mr. John Richardson (Parliamentary Secretary to Minister of National Defence, Lib.): Mr. Speaker, I welcome the question but it is hypothetical in nature and I am not prepared to answer a hypothetical question.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Parliamentary Secretary to the Minister of National Defence should talk to some of the helicopter pilots and he will find out the truth.

This government has told Canadians that the long delay in replacing search and rescue helicopters would not adversely affect search and rescue capabilities. The reality is obviously somewhat different and the parliamentary secretary and the Minister of National Defence seem to be out of the loop, all because of a cynical election promise in 1993.

I ask the government again, if there had been a disaster in central Canada last week how would the victims—

The Speaker: That is a hypothetical question. If the parliamentary secretary wants to answer it, he may.

Mr. John Richardson (Parliamentary Secretary to Minister of National Defence, Lib.): No, Mr. Speaker.

* * *

• (1450)

RESEARCH AND DEVELOPMENT

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, my question is for the Minister of Industry. All the experts agree that Canada suffers from a serious innovation gap. We simply do not spend enough money on R and D. Of the top 14 countries, only Italy's record is worse than ours.

The minister has been a minister for five years so he must be pretty embarrassed by this. Would he tell us on a scale of one to fourteen just how embarrassed he is by this?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the question regarding Canada's innovation gap is a very important one and I thank the member for raising it.

We all agree that greater emphasis needs to be put on encouraging performance of research and development, in particular in the private sector. That is why we created the Canada Foundation for Innovation. That is why we renewed the networks of centres of excellence and made that a permanent program. That is why we promised in the red book an increased amount of funding for IRAP, and that is why as we move forward from here, we will continue to

protect intellectual property, a key component in ensuring that research is done in the private sector.

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, we know why we are thirteenth out of fourteen and why so many Canadians have lost job opportunities and seen their wages decline. The OECD says that we will spend 10% less next year on R and D over this year and the president of Memorial University says that we are acting like a third world country when it comes to R and D.

Maybe the minister can tell us when he decided that Canada should not play in the big leagues.

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I am sorry the hon. member puts his own country down to that extent. Even today at the Westin Hotel in Ottawa we are seeing a demonstration of Canadian technology which is world leading in removing mines from dangerous places across the world.

We are leading the world in space exploration. We are leading the world in regional aircraft. We are leading the world in environmental technology, in particular in relation to water. We are leading the world again and again. As we go forward from here with the commitment that the government has, together with the private sector and our universities, we will lead the world.

* * *

AIRPORT SAFETY

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, my question is for the Minister of Transport. On November 25 the Senate transportation committee heard testimony that NavCan is not even maintaining its minimum level of air traffic controllers at almost all the airports in Canada. This obviously creates a very dangerous situation and puts lives at risk. Will the minister immediately instruct NavCan to bring every airport up to the minimum level of air traffic controller staffing, a level NavCan sets for itself?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, the whole point of establishing Nav Canada as a not for profit agency was to remove it from the day to day operations of the government, but we do oversee safety. The Department of Transport is convinced that over the past year Nav Canada has provided a seamless service to Canadians that is safe and secure. This is something that the managers at Nav Canada pride themselves upon. I would ask the hon. member not to alarm people unduly. Nav Canada has this matter well in hand and the matter is being looked after.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I have a problem with that. I understand that at this moment Vancouver has 27 air traffic controllers available. NavCan set the minimum standard at 36 air traffic controllers. This is extremely dangerous. This is a 25% shortfall. It means that a lot of air traffic controllers have to work overtime up to 10 times a month.

Again, will the minister instruct NavCan to simply accept its own minimum standards for air traffic controllers? Will he tell NavCan to hire air traffic controllers to bring staffing up to its own minimum staffing standards?

Hon. David M. Collette (Minister of Transport, Lib.): Mr. Speaker, the managers at Nav Canada are well aware of what the standards are and what the minimum level of service is. They are meeting that level of service and they are doing it extremely well. I would ask the hon. member perhaps not to implicate himself in management-labour negotiations or disagreements here in the House of Commons.

* * *

ALTERNATIVE FUELS ACT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, because of the Alternative Fuels Act, the President of the Treasury Board must ensure that all federal bodies operate vehicles that run on alternative fuels which in turn will reduce greenhouse gas emissions. What progress has been made in converting Government of Canada vehicles to fuels that are less damaging to the environment?

• (1455)

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, at present we already assist departments in analysing their fleet to determine when it is cost effective to purchase and operate alternatively fueled vehicles.

In April 1996 we established a demonstration project of 120 vehicles to showcase the capabilities of alternative fuels.

In general, we provide better fleet management now, focusing on greater efficiency, in order to reduce fuel consumption and emissions.

* * *

SUPREME COURT OF CANADA

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, there is a vacancy in the Supreme Court of Canada soon to be filled. The justice minister has said in the House that there is merit in broadening the consultation process for candidate selection.

There is not a lot of public confidence in the justice system, so will the government advise Canadians how the next supreme court appointment will be put through more appropriate public examination?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I have said on numerous occasions in the House, I believe the appointment

Oral Questions

process we have in this country has guaranteed 130 years of highly qualified jurists who have served in the Supreme Court of Canada.

What I have also said is that in my developing a list of qualified applicants for a position with the Supreme Court of Canada, I am willing to consult with any and all Canadians who are interested. Therefore, I would encourage the hon. member, other members of his party and other Canadians interested in this appointment to contact me directly.

* * *

[Translation]

ALGERIA

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

Following on its condemnation of the rampant terrorism in Algeria, a delegation of European parliamentarians has announced its intention to travel there in order to assess the human rights situation and make recommendations.

How does the minister see Canada supporting this undertaking by the European parliamentarians?

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, Canadians are very concerned by the situation in Algeria. The minister mentioned to me yesterday that there will be a delegation of Canadian parliamentarians. As yet undetermined is who will be part of that delegation and under what terms.

I thank the hon. member for his question.

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[English]

IMMIGRATION

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, the auditor general's report states that this government does not quickly grant Canada's protection to refugee claimants who genuinely need it.

The Liberal head tax presents a huge barrier to many of those refugees and families who genuinely need access to Canada. The so-called success of the loans program does not take into account all of those who do not even apply, and the reduction in applications since the implementation of the tax underscores this.

Will the government join with every other country in the world and remove this offensive tax?

[Translation]

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, it is worthwhile pointing out to start with that there is no comment in the auditor general's report on the fee charged to immigrants and refugees for the right to settle in Canada.

Privilege

I must say in this connection that, according to our studies, we have penalized no one wishing to settle in this country, because we have set up a system of loans accessible to everyone who cannot make the payment themselves, a system that is working very well.

* * *

[*English*]**NORTHERN DEVELOPMENT**

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Diamonds are said to be a girl's best friend. However, I am not sure that diamonds will end up being this minister's best friend.

Diamond mining in the Northwest Territories of Canada is an extremely valuable new industry. Can the minister guarantee the House that the jobs in the sorting and the grading sector of this new industry will remain in the Northwest Territories of Canada and not be lost to some offshore cartel?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, we are extremely proud of the new diamond mines that are being opened in the far north. Indeed, it is a great addition to the economy of the north and for all of Canada.

We have a working committee which has representatives from the federal government and the territorial government focusing on this new and burgeoning aspect of our economy. I look forward to the continuing advice from that committee and to ensuring that Canada does indeed benefit from this great new asset.

* * *

• (1500)

SMALL BUSINESS

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, my question is for the Secretary of State for Western Economic Diversification.

The federal government has stated the importance of small business focusing on the needs of rural Canada. How are those issues being addressed in western Canada?

Hon. Ronald J. Duhamel (Secretary of State (Science, Research and Development)(Western Economic Diversification), Lib.): Monsieur le Président, il y a plusieurs programmes qui fonctionnent bien.

One of the better programs is the community futures development program. In the last fiscal year it provided over 2,000 loans, created more than 6,000 jobs and provided information on loans, counselling and business plans to over 250,000 western Canadians.

This is a loans program which is operated by local people, many of whom are volunteers. And Mr. Speaker, it works.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw to the attention of members the presence in our gallery of the Hon. Alexander Downer, MP, Minister of Foreign Affairs of Canberra, Australia.

Some hon. members: Hear, hear.

The Speaker: I have received written notice of two questions of privilege and I have two points of order. I will take them in this order. I will hear from the hon. member for Abitibi and the hon. member for Burin—St. Georges. Then I will hear from the hon. member for Témiscamingue and the hon. member for Dewdney—Alouette.

* * *

[*Translation*]**PRIVILEGE**

DECORUM IN THE HOUSE OF COMMONS

Mr. Guy St-Julien (Abitibi, Lib.): Mr. Speaker, last night, during a vote here in the House of Commons, two members of the Bloc Québécois indicated to me verbally and by pointing that I should turn around, after I had voted, and look at the opposition visitors' gallery behind me.

I did so and saw two people. One gestured rudely at me and then made another gesture beckoning me to a fight.

• (1505)

During the day I twice intervened in the debate on Bill C-24. My interventions were specifically directed at the people of Abitibi and postal workers.

I will not challenge a union's right to try to protect and promote its members' interests. Last night I told the NDP member for Acadie—Bathurst that I would be intervening today.

My union experience told me I was dealing with two CUPW negotiators, invited by a political party. It is regrettable that because of these gestures—

Some hon. members: Oh, oh.

The Speaker: Dear colleagues, I am unable to hear the question of privilege. I would like to hear the question of privilege. The hon. member for Abitibi has the floor.

Mr. Guy St-Julien: Mr. Speaker, my immediate reaction to the negotiator's actions was to take off my jacket. It is too bad about the union negotiator's colleague, who said and did nothing and got blamed. I am sorry.

In conclusion, I forgive the CUPW negotiator—

Some hon. members: Oh, oh.

An hon. member: *You've got some nerve.*

Mr. Guy St-Julien:—for his gestures at my person. Here in the House of Commons we are accustomed to hard-hitting exchanges, but we must treat our political adversaries with respect and dignity.

Some hon. members: Oh, oh.

Mr. Guy St-Julien: I apologize to both national negotiators and, if I have offended certain colleagues opposite, I am sorry.

Mrs. Suzanne Tremblay: You're late.

An hon. member: That is a statement, Mr. Speaker.

The Speaker: I thank my colleagues.

My dear colleague, that is not a question of privilege. The hon. member for Burin—St. George's has the floor.

[*English*]

MINISTER OF FISHERIES AND OCEANS

Mr. Bill Matthews (Burin—St. George's, PC): Mr. Speaker, I rise on a question of privilege regarding media reports which I have already sent to you. This refers to the Minister of Fisheries and Oceans who is quoted in Canadian Press reports which have been published in several papers referring to possible recommendations from the fisheries and oceans committee. The minister said he would look at them first to see if they are intellectually coherent and not just simply for headline purposes.

As a member of the fisheries and oceans committee, naturally I take issue with the minister's prejudgment of the work of the committee. More importantly I suggest that they constitute an attempt to intimidate the members of the committee, particularly the Liberal members of the committee who form a majority.

The fisheries and oceans committee has just finished a tour of Atlantic Canada and parts of Quebec, having had 15 meetings out and about the country and having seen about 4,000 people. I take exception to what the minister said.

Although these statements were made outside of this House, the authorities are clear that any action outside the House which attempts to molest or intimidate members can constitute a contempt of the House even though the events complained about occurred outside this House. There is a longstanding assertion of the privileges of the House against conduct which tends to obstruct members in the execution of their parliamentary duties.

Mr. Speaker, I would like to refer you to the 22nd edition of Erskine May, page 127, which clearly states that analogous to molestation of members on account of their behaviour in Parliament are speeches and writings reflecting upon their conduct as

Points of Order

members. As a matter of fact, as far back as February 26, 1702 the House of Commons resolved that to print or publish libels reflecting upon any member of the House for or relating to his service therein was a high violation of the rights and privileges of the House and the member.

So, Mr. Speaker, I submit to Your Honour that the minister of fisheries—

The Speaker: I do thank the hon. member for bringing up the point. He was kind enough to give me written notice and also send along the article wherein the allegation takes place that he is being intimidated.

• (1510)

I have ruled that this is not a question of privilege. It could be that the member would have a grievance of some sort. I would encourage all hon. members to be very judicious in their choice of words inside and outside the House.

* * *

[*Translation*]

POINTS OF ORDER

DECORUM IN THE HOUSE OF COMMONS

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I rise on a point of order.

Standing Order 16 of the House of Commons provides that:

16.(1) When the Speaker is putting a question, no Member shall enter, walk out of or across the House—

and now we get to the part that is of particular interest to me:

—or make any noise or disturbance.

I would like to correct a number of facts that were just mentioned by the member for Abitibi. Yesterday evening, when we were voting on Bill C-24 at report stage, we witnessed a rather disgraceful scene on the part of a member of this House.

A verbal confrontation took place between a member of Parliament and a spectator in the public gallery. The hon. member even took his jacket off, as he admitted earlier, and challenged the spectator to fight with him. This is totally unacceptable and it is an insult to our whole institution.

[*English*]

The Speaker: Colleagues, I think what the hon. member is referring to is an incident that took place in the House which is regrettable. The hon. members from what I can understand had a joust of words. We have that every day in the House of Commons.

The hon. member for Abitibi on a question of privilege, which I judged not to be a question of privilege, apologized to the House for any actions that he has taken. If this is a continuation of what I

Routine Proceedings

judged not to be a question of privilege, then I think it should end here, unless the hon. member has something more that he wants to add. At the end of it all, I think what we want here is decorum in the House.

I will permit the hon. member to terminate with a very few words because I would like to move on to the other point of order.

[*Translation*]

Mr. Pierre Brien: Mr. Speaker, I quoted Standing Order 16, which deals with the decorum that must prevail.

It seems to me that, in such a deplorable situation, because we did not get the same interpretation of the comments made by the member for Abitibi, it would be normal for the hon. member to apologize, or for the Chair to call him to order.

In this particular case, the member apologized to postal workers, but offered no apologies to the House and to our institution. I would like to see him do just that.

Some hon. members: Hear, hear.

• (1515)

The Speaker: Dear colleagues, I will read the blues again.

[*English*]

The hon. member for Abitibi has said that he apologized not only to members in the gallery but also to the House.

An hon. member: No, he didn't.

The Speaker: I beg you, my colleagues, that I am not in a debate with you. I am here to hopefully see to it that there is normal discourse in the House. We cannot have that when we are shouting in the House.

The hon. member has apologized to whoever was in the gallery. The hon. member has apologized in my view to whoever in the House has taken offence. I take that as an apology.

I will revisit the blues and, if necessary, I will come back to the House, but at this time this point of order is over.

COMMENTS DURING QUESTION PERIOD

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, my point of order arises out of comments made by the Minister of Natural Resources in question period. She seemed to be unaware of spending details with reference to Mr. Kenneth Vollman, vice-chair of the National Energy Board.

It is important to get this information into the public arena as it is taxpayers' dollars that are being spent on these expenditures. I

would like to table the document that details the information for the minister.

The Speaker: The hon. member can deposit the document with the unanimous consent of the House. He wants to table a document. Does he have unanimous consent of the House?

Some hon. members: No.

The Speaker: There is not unanimous consent.

ROUTINE PROCEEDINGS

[*Translation*]

DECORUM IN THE HOUSE OF COMMONS

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I rise on the same point of order raised by my colleague from Témiscamingue. I wonder if it might not have been appropriate under the circumstances to immediately call to order the hon. member for Abitibi for pulling off his jacket. That in itself constitutes a breach of the proper dress code for this House—

The Speaker: My colleague, sometimes things happen pretty fast in this place, in the House of Commons. I do not know what I would have done, but one of my colleagues was in the Chair and did for the best in the circumstances.

I would ask all hon. members to conduct themselves honorably. After all, we are the parliamentarians of Canada. As the hon. member said, this kind of attitude is not acceptable in the House of Commons, and all members are requested to refrain from doing such things. We should not even exchange certain words, which are a tad too strong.

I would ask that the hon. members please choose their words more carefully. And the same goes for their actions. I would like to leave it at that. I think the point has been discussed enough, my colleague.

Mr. Louis Plamondon (Richelieu, BQ): On a point of order, Mr. Speaker.

The Speaker: Does it pertain to another matter? Is it a new point of order? I am putting the question directly to the hon. member for Richelieu. In a word: is this a new point of order?

Mr. Louis Plamondon: Mr. Speaker, the matter can be settled easily. In all good faith I would just like to tell the Chair that I believe the hon. member for Abitibi, by nodding, in fact apologized. This confirms that he apologized to the House. The hon. member could now nod to confirm and that would settle the matter.

Is the member apologizing? Yes?

• (1520)

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, the longstanding traditions of this House call for, perhaps demand, but at the very least call for respect for the Chair in refraining from questioning a decision by the Speaker once one has been made. I trust members will adhere to this parliamentary tradition, which is worthy of all those who are part of it.

The Speaker: Is there another point of order?

Mr. Stéphane Bergeron: Mr. Speaker, I rise on a point of order concerning the hon. government whip's intervention.

The Speaker: Come now, this is turning into a debate. I will allow the hon. whip to say a few words but I want that to be the end of it. We have work to do here.

Mr. Stéphane Bergeron: Mr. Speaker, the hon. government whip has referred to the long British parliamentary tradition in this House, and rightly so. That tradition calls for respect of the Speaker's decisions, and I agree.

That tradition does, however, also call for decorum in this House. We are here to exchange ideas, but when a member invites someone else to come to blows—

The Speaker: Point made and accepted. It is not acceptable to see these little squabbles between anybody. Now, that is that for the moment.

MINISTER OF FISHERIES AND OCEANS

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, I thank the Chair for recognizing me. It is not about the points just raised, but about the point raised by the member for Burin—St. George's.

I realize that the Chair has made its decision, but for the information of the House and of the public, the question raised by the Conservative member for Burin-St. George's concerned allegations by the Minister of Fisheries and Oceans regarding the work of the standing committee, and the fact that this could hamper us in our parliamentary work.

I would like the Chair to remind the House and the listening public that the House of Commons Standing Committee on Fisheries and Oceans is a body duly created by the House, by you, Mr. Speaker. The Standing Committee on Fisheries and Oceans is accordingly completely free to do the work it wishes. At no time may allegations by ministers made in or outside the House influence this work. Am I correct?

The Speaker: The short answer is yes.

Routine Proceedings

ROUTINE PROCEEDINGS

[English]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1) these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to 10 petitions.

* * *

COMMITTEES OF THE HOUSE

CANADIAN HERITAGE

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Canadian Heritage.

[Translation]

Pursuant to its mandate under Standing Order 108(2), our committee studied the topic of the Canadian television and cable production fund.

On the strength of these and other observations, the committee recommends as follows:

[English]

That the Government of Canada maintain its level of funding for the Canada Television and Cable Production Fund at least at the 1997 level.

* * *

• (1525)

PETITIONS

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition from a number of Canadians, including some from my own riding of Mississauga South.

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to society.

Routine Proceedings

The petitioners would also like to point out that they concur with the report of the National Forum on Health in terms of its recommendation that we should be investing more in our children, particularly since the Income Tax Act does not fairly take into account the real costs of raising children.

The petitioners therefore pray and call upon parliament to pursue tax initiatives to assist families that choose to provide direct parental care to preschool children.

PENSIONS

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, pursuant to Standing Order 36 I am pleased and honoured to present a petition on behalf of constituents of Winnipeg North Centre and other Manitobans who are very concerned about Canada's retirement system.

They are worried about changes in the works that are being discussed. They petition the government to rescind Bill C-2 and to establish a national review of the retirement income system in Canada to ensure the adequacy of Canada's retirement system today and tomorrow.

NATIONAL HIGHWAY SYSTEM

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, pursuant to Standing Order 36 I have the honour to present three petitions today.

The first petition asks parliament to urge the government to upgrade the national highway system in conjunction with the provinces.

PUBLIC NUDITY

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, the second petition asks parliament to clarify the Criminal Code to ensure that public displays of nudity cannot be considered an infringement of an individual's freedom of expression.

The third one asks parliament to enact legislation to prevent women from appearing topless in public.

PENSIONS

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition on behalf of the citizens of Manitoba, asking that Bill C-2 be rescinded.

It imposes massive CPP premium hikes while reducing benefits, changes the CPP financial arrangement to provide a payoff for Bay Street brokers and bankers, ultimately sends Canadian investment dollars out the country, and reduces employment.

YOUNG OFFENDERS

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present

a petition signed by nearly 500 constituents from Appin, Melbourne, Mount Brydges, Glencoe, Parkhill and Strathroy after a series of break-ins and auto thefts in their communities.

The petitioners urge the government to lower the age limit for young offenders, to strengthen the penalties and to publish the names of convicted young offenders in their local newspapers.

PENSIONS

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, in conjunction with my colleagues from Manitoba who have spoken to the matter this afternoon, I am pleased to present a petition pursuant to Standing Order 36 on the Canada pension plan.

It is signed by a number of people from the prairie region who are interested in supporting a publicly administered universal pension plan which ensures that all Canadians, not just the wealthy, can look forward to a secure retirement.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 23 will be answered today

[Text]

Question No. 23—**Mr. Jean-Guy Chrétien (Frontenac—Mégaric):**

With regard to the recent reopening of the Cassiar asbestos mine in British Columbia, can the government (a) state what its involvement was; (b) indicate how much the government contributed; (c) indicate which government programs were used; (d) indicate the amounts contributed under each program; (e) specify the conditions of any loan or loans, including the interest rate and duration; and (f) indicate which departments were involved in this reopening?

Hon. Ralph E. Goodale (Minister of National Resources and Minister responsible for the Canadian Wheat Board, Lib.): The Cassiar asbestos mine in British Columbia has not been reopened. The project mentioned is in fact a pilot project to reprocess waste from the old mine.

The Cassiar pilot project went into service on October 19, 1997 and is producing only for test purposes. To date, there has been no industrial production.

The pilot project is financed entirely by the private sector. Natural Resources Canada has not been involved in any way in the opening of the Cassiar pilot plant.

[English]

Mr. Peter Adams: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I rise on a point of order.

Just before we grant leave for all questions to stand, could the parliamentary secretary explain why it is taking so long to get an answer to Question No. 14? The question was tabled on September 23, which means it is well beyond the 45 days the rules allow for the government to reply.

• (1530)

The question seeks to find out whether the government has honoured the commitment made by the former minister of health a year ago to spend \$10 million on education and other programs to reduce youth smoking. I am concerned at the delay in making this information public and wonder if my colleague, the parliamentary secretary to the government House leader, could undertake to ensure that the response is quickly forthcoming.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have some information on the progress of questions which are as yet unanswered. I would be glad to see if in fact I can give the member opposite some information immediately.

Failing that, I will follow up on this question and see that it is answered as quickly as possible.

The Deputy Speaker: Is it agreed that the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that the notices of motion for the production of papers be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA MARINE ACT

The House proceeded to the consideration of Bill C-9, an act for making the system of Canadian ports competitive, efficient and commercially oriented, providing for the establishing of port authorities and the divesting of certain harbours and ports, for the commercialization of the St. Lawrence seaway and ferry services and other matters related to maritime trade and transport and amending the Pilotage Act and amending and repealing other acts

as a consequence, as reported (with amendment) from the committee.

SPEAKER'S RULING

The Deputy Speaker: There are 20 motions in amendment standing on the Notice Paper for the report stage of Bill C-9.

The motions will be grouped for debate as follows:

[*Translation*]

Group No. 1: Motions Nos. 1, 2, 3 and 12.

[*English*]

Group No. 2: Motions Nos. 4, 10, 11 and 20.

Group No. 3: Motions Nos. 5 to 9 and 13 to 17.

[*Translation*]

Group No. 4: Motions Nos. 18 and 19.

[*English*]

The voting patterns for the motions within each group are available at the table. The Chair will remind the House of each pattern during the time of voting.

I should advise hon. members and draw to their attention the fact that the French text of Motion No. 13, as printed in the Notice Paper, is incorrect. A corrected version is available at the table.

The chief government whip on a point of order.

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, there have been consultations among all parties and I believe you will find unanimous consent for an order of the House that would deem all amendments which have been found in order at the report stage of Bill C-9 to have been read by the Chair and to have been duly moved and seconded, and to further provide that when there is no further debate the amendments will be deemed to have been put and a recorded division requested.

In any case, no later than 5.30 p.m. today all questions necessary to complete the report stage will be deemed to have been put, divisions requested and deferred until the conclusion of the consideration of Government Orders tomorrow.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

MOTIONS IN AMENDMENT

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I rise on a point of order. I have had discussions with my colleagues in all parties opposite and I believe you will find there is unanimous consent to waive notice and introduce a technical amendment as follows:

That Bill C-9 be amended by replacing line 34 on page 16 with the following: "tions made under paragraph 27(1)(e)".

I will be making copies of this technical amendment available at the table immediately. I thank in advance members opposite for their co-operation.

Government Orders

The Deputy Speaker: Does the hon. Parliamentary Secretary to the Minister of Transport have the unanimous consent of the House to propose the amendment?

Some hon. members: Agreed.

• (1535)

[*Translation*]

The Deputy Speaker: The House has heard the proposal, without agreement on the amendment at the moment. Can the hon. member move it and include it in the motion proposed by the Parliamentary Secretary to the Leader of the Government in the House of Commons and can the amendment be the subject of debate this afternoon with the other amendments proposed?

Some hon. members: Agreed.

Mr. Michel Guimond: Mr. Speaker, on a point of order. For clarification purposes, could you tell this House the number of this motion and the group it will be presented in?

The Deputy Speaker: The Chair will do so as soon as possible. We have to look at the amendment now that it has been presented, and I will tell the House soon which group it belongs to and it will be available at the Table for all to see.

Mr. Michel Guimond: Mr. Speaker, on the same point, I do not want to be overly procedural, but am I to understand that it will certainly not be included in discussing Group No. 1, which will be discussed immediately?

The Deputy Speaker: The answer is no. We can now begin with Group No. 1.

[*English*]

Mr. Lee Morrison: Mr. Speaker, as a point of clarification, I was of the impression that in spite of this agreement we would first speak briefly to the legislation and then speak to the amendments. You are asking us to speak to the amendments first.

The Deputy Speaker: This is the report stage of the bill. It is for the purpose of discussing amendments to the legislation. If the hon. member wishes to debate the bill he can do so on third reading, but at report stage we do proceed with speeches of 10 minutes duration on groups of amendments. We are now on Group No. 1. I understand the amendment proposed by the parliamentary secretary will not be included in Group No. 1 so we are safe to start on that if the House is ready. We will be debating Motions Nos. 1, 2, 3 and 12.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ) moved:

Motion No. 1

That Bill C-9, in Clause 8, be amended by replacing line 9 on page 6 with the following:

“(ii) one individual appointed by each of the”

Motion No. 2

That Bill C-9, in Clause 12, be amended by adding after line 7 on page 11 the following:

“(3.1) For the purposes of subsection (3) the Minister may fix the limits of a port that is to be managed by a port authority.”

Motion No. 3

That Bill C-9, in Clause 14, be amended by replacing lines 7 to 9 on page 13 with the following:

“users.”

Motion No. 12

That Bill C-9, in Clause 48, be amended by replacing line 32 on page 29 with the following:

“matters and zoning by-laws that apply to neighbouring lands.”

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I am pleased to participate in the debate at report stage on this bill which has been so long in the making. Transport Canada has implemented a comprehensive strategy of change over the last few years, commercializing many activities, streamlining regulations, reducing or eliminating subsidies and cutting departmental overhead and expenditures.

I believe the government has demonstrated leadership in attaining national goals and in nurturing national programs and institutions within the framework of the Canada marine act. The first group of amendments before us will go a long way to achieving a number of objectives.

First, marine infrastructure and services will respond to user needs. Second, excess marine infrastructure and services will be rationalized or transferred to more efficient local management in an orderly way. Third, the operation of marine infrastructure and services will be managed on commercial principles wherever possible by commercial entities with a minimum of overhead costs and red tape and the maximum user say.

Fourth, the federal framework of legislation, regulation and administration will be simplified and streamlined while maintaining our high standards of safety. Fifth, marine infrastructure and services will continue to be provided for remote communities in a manner that will preserve a national presence in such communities. Sixth, overall levels of subsidization, direct and indirect, will be significantly reduced or eliminated.

These amendments will go a long way to ensuring that local autonomy will be increased in order to reduce costs and allow ports to better serve their customers.

The federal role in ports as a result of this bill will be more clearly focused on the ports of greatest importance to Canada's domestic and international trade and to those that provide marine service to meet the basic needs of the various remote communities.

We are providing representation on the board of directors to allow increased involvement in port management by business and local interests. The bill has provided for a majority of the new port boards to be nominated after consultation with users. We believe this acknowledges that it is the users who must pay for marine facilities and services.

[*Translation*]

At transport committee hearings, we were told that boards of directors could be strengthened by making provision for members with a more diverse combination of qualifications.

• (1540)

We agreed with this point and amended the bill accordingly so that the three levels of government have this latitude when appointing board members.

Changes made in committee will allow provinces and municipalities to appoint to boards of directors members with the necessary qualifications to represent a broad range of local interests, not just business interests.

This increased flexibility, along with the advice that will be supplied by port users, will make it possible to ensure that boards of directors include members with a diverse combination of knowledge and qualifications.

[*English*]

This new port authority will have powers relating to shipping, navigation, transportation of passengers and goods, the handling and storage of goods as well as other activities that are deemed in the letters patent to be necessary to support the port operations.

In the letters patent there will be a full description of the lands that will make up the port limits. I think that is extremely important in the whole context of land management.

The bill does require port authorities to develop a land use plan within 12 months of receiving its letters patent, and at least 60 days before the plan is to come into effect the port must advertise in the local media and obtain public input before it finalizes its plan.

Unlike the past practice at many ports, Bill C-9 makes it very clear that Canada port authorities must develop their land use plans in consultation with the local community. That is extremely important right across the country. I want to take an aside here and underscore to my friends in Toronto this is indeed the aim of this bill. It is now in the bill if it passes. I think that would go a long way to ensuring local interests in Toronto that local planning concerns will be taken into account by the new port authority.

We have also heard a concern from members of the Standing Committee on Transport that a direct provision was needed to ensure that port plans are co-ordinated with other land use regimes.

Government Orders

[*Translation*]

I am pleased to note that my hon. colleague, the member for Beauport—Montmorency—Orléans, moved an acceptable amendment in this regard, an amendment that members on this side of the House will be happy to support.

Accordingly, when a port's board of directors develops its land use plan, it is supposed to harmonize its decisions, in so far as possible, with users and with the restrictions applying to property adjacent to port boundaries.

[*English*]

The vital interests of the public at large, the users of the port, the local businesses and communities and the various interest governments are addressed at two levels in the bill. The procedure for the nomination and appointment of port authority directors offers the conventional assurance that the decisions of a port authority start with people who have professional qualifications and who enjoy the basic confidence of the many constituencies.

The second level of institutional control is of prime importance. We believe that feedback will come from the strict new disclosure requirements for a port authority. The director's actions will be reviewable in a practical way and they will be held accountable through various mechanisms such as annual reports, periodic reviews and annual public meetings.

[*Translation*]

This is the kind of reform our port authorities want, and we are very pleased to be going ahead in this direction. I strongly urge members to support this bill.

[*English*]

The Canada marine act will help to prepare Canada for the global competitiveness of the 21st century, to ensure a strong continued federal presence in our ports and will serve as a valuable tool in the continued strengthening of our economy and the creation of jobs and growth.

I thank the hon. members who have taken part in the debate thus far, especially the members of the standing committee who have worked in a collegial way to deal with the concerns of this bill. It is the second time round for the House within this calendar year. As people know, the earlier Bill C-44 did not pass the Senate before the election was called. We brought back in the same bill that was passed in the House last year. This was an important feature that my colleagues, especially in the opposition, insisted on.

We have made some modifications. We have made some real progress in certain areas. I mentioned Toronto a few minutes ago. We have also been able to resolve some of the matters pertaining to the Hamilton Harbour Commission and Hamilton, of course, is

Government Orders

included in the schedule as a CPA. I think this shows how all of us working together can overcome various difficulties.

• (1545)

In that particular case, we had to wait until certain matters resolved themselves between the counsel in Hamilton and the Harbour Commission. They look like they are on their way to resolution. It seems only appropriate to include Hamilton in the bill.

I exhort my hon. colleagues to allow this bill to go forward. It is a good day for Canada, the Canadian marine industry and, hopefully, in the other place, we will address their concerns which they did not have an opportunity to address earlier this year.

The Deputy Speaker: Before debate resumes, I am reluctant to interrupt at this moment but I should advise the House that the motion proposed by the Parliamentary Secretary to the Minister of Transport and admitted on unanimous consent a few moments ago will be in Group No. 2 and will be voted on separately. Resuming debate.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, I will speak only very briefly on Bill C-9 as it was reported from committee.

This is a flawed bill. It had a lot of promise. The foundation and the framework are excellent, reflecting a lot of diligent effort in the last Parliament.

Unfortunately, the builders lacked finishing skills. The final construction has a leaky roof and rather ill-fitting doors. There are no real excuses for the deficiencies in this bill.

Every member of the standing committee was fully aware of the shortcomings which had been identified by the stakeholders. The standing committee, rather than addressing the problems in the legislation, simply rolled over and played dead.

Dozens of innocuous government housekeeping and drafting amendments were passed but let us for a moment consider what could have been.

The most common complaint against the bill is its provision for a federal levy on the gross revenues of each port authority at a rate to be arbitrarily fixed by the minister.

Can members imagine entering into a royalty agreement with a property owner and telling him to set his own price, based on what he felt he could afford to pay? Imagine, moreover, that the same owner would also be leasing property to your competitors and would be free to set different rates for them, again at his discretion. That is precisely the situation in which the various port authorities will find themselves under this legislation.

Changes requested by shipping companies, stevedoring firms, unions and producers were never seriously considered. In the end, at the crack of the parliamentary secretary's whip, the advice of

departmental bureaucrats prevailed over the wishes of the people who have to live with the legislation.

Not only did the government members fail to respond to stakeholders, but they lined up solidly to vote down every single amendment presented by opposition members on behalf of the stakeholders.

A motion to levy a charge based on clearly defined net revenues at an equal percentage rate for all port authorities was rejected by all Liberals present.

Second, an amendment requested not only by unions but by shipping associations to guarantee a union representative on each board of directors was rejected by the Liberals and, rather curiously I thought, by the sole NDP member of the committee.

The presence of a union member at the executive level could have had far-reaching effects on the maintenance of labour peace on the waterfront.

Nowadays, labour relations do not just involve wage disputes, especially at the waterfront. A lot of disputes revolve around policy decisions and an atmosphere of mutually beneficial co-operation would go a long way to maintaining future labour peace.

Third and finally, one of the most galling Liberal responses was the rejection of amendments that would have weakened pilotage monopolies, especially on the St. Lawrence. Our proposals would have made it easier for the captains of Canadian vessels routinely plying the same waters to be certified to pilot their own vessels.

Under the terms of the motion, applicants for pilotage certificates would have had only to prove their competence and knowledge of the waters in order to be certified.

St. Lawrence pilotage is widely acknowledged to be one of the worst examples of pork-barrel politics and union featherbedding in the world. A few hundred people with incomes from \$80,000 to \$180,000 for nine months of work are holding the entire inland shipping industry hostage. The estimated cost of excess pilotage to grain shippers alone is about \$4 million annually.

• (1550)

In refusing to accept the proposed amendments, the Liberals demonstrated that they care more about a small legislated monopoly in central Canada than they care about the interest of 50,000 prairie farmers.

I will be introducing proposed amendments to this bill. At that time I would like to speak not about what we did not get in committee, but things we hope to get here, things that could be done to make this a better bill.

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I would first off like to thank the Minister of Transport for having indicated his support for an amendment

Government Orders

submitted by the Bloc Québécois and I would also like to thank the government for having kept pilotage mandatory in Canada.

In this vein, I will not repeat the remarks made by my Reform colleague. I invite him to come in the next referendum campaign and brag about Canada's beauty as I do the rounds on the Île d'Orléans, and then we will see about his credibility.

Clause 4 sets out as one of the objectives of Bill C-9 to provide a high level of autonomy for local port management. This method of operation will permit more manoeuvring room in the use of property managed by these new administrations. For most ports, the manoeuvring room provided in the legislation is justifiable.

However, there are certain special situations in which integration of port functions into the community is more complex. The legislation as written could prevent certain necessary adjustments.

In the port of Quebec City, for example, there might be some concern over the use made of the manoeuvring room in a port located at the heart of a metropolitan region, whose main city, Quebec City, has been designated a world heritage site. In this case, a conflict in usage has already arisen in certain areas currently managed by the port of Quebec City.

Is it unthinkable for a special interest group, which the federal Minister of Transport will continue to appoint, and which are often friends of the government, to have more power than elected municipal officials, who, however, are accountable to the public for maintaining the area.

We contend, therefore, that the bill must be amended so that special situations, like that of the Quebec City region, are given special solutions. The increased flexibility we are seeking in our amendments is necessary for the following reasons.

First, we must discuss the limits of the areas managed by local port authorities. This is the thrust of one of our amendments.

Second, we should provide for the possibility of submitting authorized usage to municipal zoning when letters patent are drawn up. This is our Motion No. 12, and the government, through its minister, has indicated that it will support our amendment.

Third, there should be greater flexibility in the make up of the board of directors. We will come back to that.

Let us talk first off about the geographic limits of port administrations. I said it was important the geographic limits of a port administration be approved by the community the port operates in. In this regard, the legislation must provide that the municipal zoning bylaws are to be respected by the port authorities. This is

the intent of our Motion No. 12, which the government will support.

• (1555)

Next, I would like to discuss our Motion No. 2. It states, and I quote:

“(3.1) For the purposes of subsection (3) the Minister may fix the limits of a port that is to be managed by a port authority.”

The rationale behind this motion focuses on the possibility of excluding from the limits of a port a part of the area which is used for other than marine trade and transport. Let me explain.

There is one part of the port of Quebec which is called the baie de Beauport. There is a boating association called l'Association nautique de la baie de Beauport, which is recreational and touristic in nature. The bay is a regional recreation and tourism facility used by people from all over the Greater Quebec region. This zone ought, therefore, not to be included in the limits of the port, since its use is not solely for shipping. It is used for recreation and tourism.

The government still has until 5.30 p.m. tomorrow to think about it before the vote, but we respectfully submit that the government will need to give some thought to approving not only our Motion No. 12 but also our Motion No. 2.

Continuing now along the same lines, I would like to look at the composition of the port authority. There is a problem in the current wording of this bill because it is set out that a single municipality will represent the others on the local port authority. What is to be done, then, when several municipalities are affected by port operations? We know this often leads to more complex problems for community integration.

We submit that community representation ought to be stronger in order to offset the purely commercial aspects of port activities. A conflict of interest might, moreover, arise between the various municipalities where certain aspects of port activities are concerned. In that case, given that a number of municipal interests may be affected, we submit in our Motion No. 1 that each municipality adjacent to the port should be able to have its point of view heard, so that each of the municipal administrations involved has a say.

The purpose of Motion No. 1 is therefore to make provision for a representative from each of the municipalities concerned and not just from one municipality speaking on behalf of the others.

In conclusion, I would like to take a few minutes to explain Motion No. 3. First I will read clause 14(1)(d):

The Governor in Council appoints the remaining individuals nominated by the Minister in consultation with users selected by the Minister or the classes of users mentioned in the letters patent.

Government Orders

We humbly submit that the bill should be amended to reflect our Motion No. 3 so that it is the users themselves who choose the people who will represent them on the local port authority's board of directors, and so that it is not left to the minister, as it is now, to make partisan appointments. In the case of airports, users were asked to say whom they would like to see on their local airport authority's board of directors. Why was the same scenario not used for the privatization of ports?

To a certain extent, this is what we are criticizing, what we often see in Canada. On the one hand, the government is privatizing. On the other hand, the government is pulling out, sometimes leaving facilities in poor shape, but not providing an adequate budget to make the required technical improvements. The government is privatizing but still retaining authority for appointing directors.

• (1600)

Unfortunately I am running short of time, but I could name many friends of the government in office who are appointed all the time. This has been just as true under the present Liberal government as it was in the time of the Conservatives. That is why we said in the last two election campaigns that Conservatives and Liberals were one and the same.

Once again, I ask the parliamentary secretary, who is a responsible member and who handled this issue well on the transport committee, to examine our amendments. As can be seen, our shopping list is not terribly long. We wanted to focus on the key points.

In closing, I would ask the House to give positive consideration to this first group of amendments moved by the members of the Bloc Québécois, which I proudly represent.

[*English*]

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, it is certainly a pleasure to speak on this bill today.

I have but one little problem with it and that is that I was not here in the last Parliament. My constituents decided to give me a little vacation and while I was home for three and a half years, the transport committee of the House of Commons researched this particular bill for approximately a year and a half.

In our case, it was really thrown at us and we did not have a lot of chance to review it. We were denied the opportunity to hear witnesses other than the minister and his officials. Therefore, I feel that the committee and Parliament were let down quite a bit. However, we are going to address these motions in Group No. 1 today.

As much as we understand the thought and the purpose behind this motion, we are going to vote against Motion No. 1. In some ways we feel that it makes sense, but on the other hand it would

allow an unlimited number of directors to be appointed to the CPA boards. We think that would be a mistake. It already has a large number of members and many of the ports have asked for smaller boards, not bigger boards. With this amendment to the bill, it would allow for a much larger board.

We are also going to vote against Motion No. 2 because we feel that it will prevent port authorities from expanding, using their own resources. It will deny them the ability to grow if a port authority is successful and is able to grow. There have been some very exciting examples of this lately. However, this motion would deny them the right to continue to grow. It reduces flexibility and creates an impedance against growth for successful port authorities.

It basically says: "The minister may fix the limits of a port that is to be managed by the port authority". That really would restrict imaginative, successful, viable port authorities.

It was interesting to hear that the airport authority in Vancouver recently get a contract to build and manage an airport in another country on another continent.

Motion No. 3, from the member for Beauport—Montmorency—Orléans, I am pleased to say we are going to vote yes on this one. We feel that this is a much better idea than the original one. It creates flexibility and removes politics from the board. The way it is established now there is opportunity for patronization and politics to be involved. This removes some of that and we support it. It is much more efficient and certainly is in line with the streamlining objective of the whole bill, to make it efficient and put control in the hands of the users and the people in the ports. This amendment goes a long way toward that.

Motion No. 12. I am going to vote against this motion. Again it changes the situation quite a bit concerning the property and the limits "matters and zoning by-laws that apply to neighbouring lands".

• (1605)

We feel this is far too vague in that local and neighbouring municipalities could change bylaws and therefore affect what goes on in the port authorities. The port authority may establish a certain fashion of operation based on the bylaws that are in place now in the neighbouring municipality or jurisdiction and then all of a sudden, if that jurisdiction were to change its bylaws, it could cause the port authority to have to make substantial and profound changes in the way it operates.

We feel that this amendment is too vague. It gives too much control to the neighbouring jurisdictions. We do not support this motion.

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, there is no question with regard to Bill C-9 that new members of the transport committee were not given the opportunity to interview new

Government Orders

witnesses. We did, however, have access to an extensive amount of considerations that were done in the previous Parliament.

We also had time to have discussions with the stakeholders, including people within the marine industry and union members. Therefore, I can quite confidently say that contrary to the hon. member's belief that the unions were not given the opportunity to be represented on the board and shocked that that position would not be supported by myself, it is interesting to note that the unions did not ask for representation on those boards. I also accepted the explanation of the member across that they were not restricted. If their local municipalities or the authorities in question wanted to have someone on the board, they certainly had the opportunity to do that.

I do not make any bones about my background. I come from a very strong labour background and I do not make any bones about that. I am comfortable with my position within the labour unions. They know I am there acting on their best behalf and that I am not going to show up tomorrow suggesting back to work legislation.

In putting that point straight, I would like to comment on the motions. I will be recommending support of Motion No. 1. All the municipalities that have a stake in the ports should have the opportunity for representation. We will have far greater viability of the ports and a lot better working relationship within those communities if they have that opportunity. I will therefore certainly be supporting and recommending the support of Motion No. 1.

I will be recommending support to all of the motions in this group. It is important that the limits of the ports be clearly set out so that a year down the road we are not questioning what should be happening to this port or that port or whether one is having more opportunity than the other. Therefore, I would also recommend that one.

There is no question that Motion No. 3 will lead, I hope, to less patronage. It seems to be a common problem with appointments through the governing body. If we could have representation, if the appointments were suggested by the users, then there would be less chance of that. I would strongly urge the government to move on that motion as well.

Motion No. 12 in regard to the zoning bylaws, the clause already calls for taking into account the relevant social, economic and environmental matters. I was quite surprised that the member from the Conservative caucus would suggest that the concerns of the municipalities in the area should not be an overall guiding factor and their wishes with regard to zoning should not be considered. To suggest that just because a port is there it should have the municipalities to ransom for years to come and not allow municipalities to readjust their zoning is just not acceptable to me.

I will be recommending support for all these motions.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I would like to remind you that the bill we are debating is an improved version of the former Bill C-44, improved in several points I believe. This is a bill which requires our uninterrupted attention.

No one can be opposed to the fact that it was important to decentralize port administration in order to make it more efficient, closer to the communities.

• (1610)

At the same time, we must be sure that decisions on this bill and each clause in this bill respect this. There have been some improvements to date, not sufficient in my opinion for a vote in favour of it. There are some interesting things in it nevertheless.

A balance must be struck in the amendments. In Bill C-44 there was already the acceptance of port development according to regional socio-economic characteristics. I think that was a move in the right direction.

I would like to draw attention of the House to the question of the port limits determined by the minister taking recreational and tourist considerations into account. To give an example, adjacent to the port of Cacouna there is a Canada Wildlife Service bird conservation reserve. When the ports are handed over, the group that takes over the port must ensure that the status of the adjacent lands is clearly established so as not to buy something and then have problems with the neighbours afterward. The amendment and the bill must therefore be clear. That is the reason behind the proposed amendment.

It is also important for zoning bylaws. With the handover of local port facilities, it will be increasingly important for zoning regulations to be respected by those who inherit those facilities. Municipal authorities, the grassroots, will have more say in the matter. Care must therefore be taken that nothing is omitted from the bill and that the legislation is clear.

I will also take this opportunity to draw the attention of the parliamentary secretary and the minister to the fact that these principles must be respected in the daily business of privatizing ports. I have an example that unfortunately is giving us pause right now.

In the port of Rivière-du-Loup, which is a port for ferries crossing between Rivière-du-Loup and Saint-Siméon, steps were taken to privatize the port, but unfortunately, at the same time, a letter was received from a regional director telling us that, effective the summer of 1998, dredging will be discontinued in the port of Rivière-du-Loup, meaning that in the short term the ferry service can no longer be maintained.

Government Orders

I think that the government, which I believe is acting in good faith in Bill C-9 and which really wants to see ports handed over, should in a case like that put a hold on the operations of its regional director and ensure that privatization can proceed under favourable conditions, which would encourage those wishing to acquire facilities to do so.

It should not be forgotten that the investments in the port of Rivière-du-Loup are not a gift to the region. An economic impact study revealed that this crossing generated \$25 million. Over \$3 million in taxes are paid to the two levels of government.

So when \$300,000 or \$400,000 is spent dredging the port of Rivière-du-Loup, this is only a partial return on the money that goes to the federal government through the increased economic impact generated by crossing users. I think it would be a good idea for the department to be sure that its actions are in keeping with the principles of the legislation in this regard.

I would like to point out that situations vary considerably from one site to another. In my riding alone, there are three different ferries. There is one covering a kilometre and a half between Saint-Juste-du-Lac and Notre-Dame-du-Lac. Another runs between Rivière-du-Loup and Saint-Siméon. There is a third between Trois-Pistoles and Les Escoumins. Each case is different, and the federal government must consider local realities when it meets with communities in the process of divesting.

Management of the ferry in Rivière-du-Loup is by contract, but the ferry belongs to the Société des traversiers du Québec. In Trois-Pistoles, the ferry is privately owned. The ferry at Saint-Juste-du-Lac operates within the lake, as the name indicates. So the sorts of management differ considerably, and the sites do not all have the same financial and economic capacity.

I hope the directors and the people implementing the bill will be openminded enough to permit the divesting of ports and for them to become the tools of economic development for all these areas of activity.

• (1615)

In conclusion, I think the Bloc has done its part in analyzing this bill in a highly professional manner. It has presented some very constructive amendments in order to make this the best legislation possible.

If the government had been still more precise in indicating how much money it can put into the handover, perhaps we might at the end of the day have been able to vote in favour of the bill. The Bloc Québécois amendments on the table, however, in this group and the others, are pertinent. They will improve the bill and I trust that the government will, as my predecessor said in his speech, take the time to look at them thoroughly and do as they did for the one they have already accepted, which is to reconsider their position so that

when the amendments are voted on they can be integrated into the bill. That will result in a more worthwhile piece of legislation.

We are now in the final stages of examining this bill, which is today at the report stage. We will probably get to the third reading on Friday. That is when the question will have to be asked. This bill will govern the federal government's divesting operations for the next 10, 15 or 20 years. If Quebec becomes sovereign, the transfers will take place in accordance with the contents of this bill.

What is needed, therefore, is for there to be the most solid legislation possible in place, legislation which will make it possible to fulfil the initial objectives and will also add efficiency to one sector, maritime transport, which Quebec for a long time could not get under its jurisdiction. Now, in its exchanges with Quebec, the federal government must ensure that the wishes of Quebec are respected, so that if, for example, a network of ports is created, the economic objectives of Quebec can be respected in the process.

We have before us, nevertheless, a bill aimed at ensuring decentralization. Let us look at how it can be done under the best possible conditions.

[*English*]

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, we have before us Bill C-9, the Canada Marine Act which is long overdue as we turn the pages into a new century. We are not quarrelling with that. I want to commend the member for Cypress Hills—Grasslands for the tremendous amount of effort he has put into this bill.

I want to make a few comments about the modernization of the ports. Canadians from the Atlantic to the Pacific realize this is a modernization of the way in which we will operate in the new century.

I have some quarrels with one area however. I particularly do not like the number of appointments that are going to be made available. It seems that this is a possible flaw in the bill in that it could be offset by the number in the harbour authority in having other people come on to the authority.

I would like to mention to the hon. member for Churchill that when we put forth the idea of the union people being included on the port authority, the argument was that they were never themselves asked to become a part of the port authority. If we look at Motion No. 1, we will also see that the hon. member was in favour of supporting that motion, so the same thing goes for the municipal authorities. They were not named either but they can be asked to make their presence on the board.

If we look at Motion No. 1, this clause seems like it unjustifiably inflates the boards of some port authorities and therefore could possibly have an imbalance on the people who serve on a given board. For that reason I think this is a bad motion. We will be opposing this motion because it would render them unbalanced in favour of municipal governments. This bill is not designed to

favour municipal governments. It is designed to favour the operation of the harbour boards in co-operation with the municipal governments where the harbour is located. As a result of that I cannot support Motion No. 1.

• (1620)

Regarding Motion No. 2, it seems that this is redundant since the granting of letters patent will deal with the existing port authorities. Those things will vary even within the same province. It may vary between Port Alberni and so on. It seems to me that this somehow limits the growth. I do not think Bill C-9 is designed to limit the growth of the port authorities, or curtail the economic advantages they may have. Rather, the bill I believe is designed, and it certainly has been a long time in the making, to strengthen the economic viability of each port.

Motion No. 3 in actually talking of users, the term “users” as such is not adequately defined anywhere in the bill. I just thought users were people in the business world availing themselves of the use of the port. Whether that needs further definition I do not know but I do not think it is necessary.

Regarding Motion No. 12, I really feel that the motion put forth by my hon. colleague would unduly restrain, shackle or hamper the activities of port authorities. Again I want to make sure that the port authorities would have the opportunity to take advantage of the talented people who sit on the boards, the inputs from the various people, and that the port authority grows.

For the first four amendments under Group No. 1, while I do not doubt that they were put forward with very good intentions, I do not think we can support them. I think they are hampering the general welfare and somehow dampening the purpose of Bill C-9.

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, I wanted to actually speak on Motion No. 1 regarding the make-up of the port authority boards. There is a port back home I want to mention. I hope the parliamentary secretary will have some patience here because I will come back to the motion.

This has to do with Bayside port, which is a small port on the St. Croix River, an international body of tidal waters. It is one of the few profitable ports in Canada. In fact last year that little port made a profit for the Government of Canada of about half a million dollars. It is blessed with deep water, close access to U.S. markets and so on and so forth. It is ideally situated, if you wish, and blessed with a good geography.

The reason I am concerned about this port in terms of privatization is simply that there is a group out of New York and New Jersey that wants to take over this port. All members on both sides of the House have to be concerned about this because the group that wants to take over this port is a large conglomerate from the United

Government Orders

States. They are actually in the sand and gravel or aggregate business. They are big, extremely big.

The reason we are concerned in New Brunswick is that the aggregate business in the United States is controlled by a group of families. In fact, the shipping of aggregate is controlled by a group of families who are notorious, and many people refer to them as organized crime. It is an industry that is practically impossible for a Canadian company to break into. The only way to get into the aggregate business if you want to ship into New York or New Jersey is to be owned by the Americans. The Americans have set their sights on taking over this port.

I know the parliamentary secretary will find this very interesting. On May 20, 1997—and as the minister just said a few minutes ago, the legislation died on the Order Paper and obviously was not passed before the last election—these people from New Jersey had a plan to take over the port.

• (1625)

Now this is interesting. Please hon. parliamentary secretary listen very intently to this. They hired two former members of Parliament as consultants to expedite the transfer of that port into the hands of these Americans. The two former members of Parliament, one of them being Paul Zed, the other Doug Young, a former minister of transport, were hired to lobby the federal government to allow the transfer of that port into their hands. Not only did they attempt to get the port into their hands, in doing so they presented a 40 page document to the province of New Brunswick to assist them in expediting the transfer of the port into their hands.

We know that they hired two former members of Parliament to assist them, but they did not stop there. They hired a former member of the New Brunswick legislature and a former cabinet minister from the province of New Brunswick to assist them on the provincial side.

An hon. member: What party was he from?

Mr. Greg Thompson: It was obviously the Liberal Party. He is a former minister in Mr. McKenna's government. The name of that individual is Mr. Al Lacey.

They vehemently denied that they had a secret plan to take over the port. In discussions with the premier of the province of New Brunswick in early August this year, he denied flatly to me as a member of Parliament that this group out of New Jersey and New York had any design on taking over the Bayside port. He had to eat his words two days later when this document was secretly released to me. The Atlantic television network actually aired this nationwide, when one of the consultants was lying through his teeth in

Government Orders

regard to the intent of these individuals out of New York and New Jersey.

On speaking to the department of economic development yesterday, the owner of this particular group, an individual by the name of Randy Waterman, has all doors of government open to him. Why? Because they are hiring the best consultants they know how. That is done with the aid of a lot of money, to get through the doors of the ministers here and the ministers back in New Brunswick.

That is why this bill is flawed. It does not allow the citizens of the province of New Brunswick or any other province in this country protection from unwanted residents of the United States, United States businessmen coming here and taking over our ports.

The group is no slouch when it comes to doing business. This group is a multilayered group of companies. Here are some of the companies which Mr. Randy Waterman is involved with: New York Sand and Gravel, Amboy Aggregates, McCormick Aggregates, McCormick Materials. They have also set up a dummy corporation in New Brunswick called Charlotte County Ports. Does this not sound much better, Charlotte County Ports? Everyone would believe it is a home grown company, only to find out that it is 100% owned by these characters out of New York and New Jersey.

It does not end there. Bayside Materials Handling Inc. is another company they set up as a front for their New York-New Jersey operation. It does not end there. When they pay their bills they do not pay them through any of these companies. They pay them through a company called Trapp Hill Holdings.

The interesting thing is you never speak to anyone on the telephone that represents these companies in New York and New Jersey. They will not correspond with a member of Parliament. They will not correspond with anyone. They are silent. Who speaks on their behalf? Mr. Doug Young and Mr. Paul Zed, former members of Parliament who sat on that side of the House. That tells us how far they have infiltrated the levels of government in this country when they can hire former members of Parliament and transport ministers to carry their case forward to the federal government.

The present transport minister is being petitioned or lobbied at this very moment to reduce all shipping fees. Not only to reduce all shipping fees but to eliminate them completely so this company out of New York and New Jersey can compete with its nearest competitors in the marketplace in the United States of America. It is absolutely ludicrous to think the government would entertain doing that.

• (1630)

I spoke yesterday with the regional manager in Nova Scotia. He told me that they approached the government to eliminate the fees

so they could compete with their closest competitor, a company named Martin Marietta from the United States, that was working out of Canso, Nova Scotia. Again it is an American company, and a Canadian company cannot export into the United States unless and until it controls either the shipping lines or the companies on the New York-New Jersey harbourfront.

These companies have been under investigation for 15 years by the FBI, and these characters over there are entertaining doing business with them? The province of New Brunswick goes haywire when we try to talk sense about these companies.

Who is being paid off? Who would have access to the premier of New Brunswick tomorrow on a moment's notice? I do not think I would. Who else in the House would? If we were to hire the best lobbyist in New Brunswick, a lobbyist who is intimately connected with the province, we would have access to its premier and to the minister of economic development who wants to be the premier of New Brunswick.

It is critically important if the legislation goes through that the make-up of these boards has the clout to keep such people out of Canada. We still have to exercise a degree of independence in terms of our economy and how we build it. We do not need these types of people in Canada. We do not want these people taking over our ports. That is why we have to beef up the legislation. We must ensure that individuals with the big dollars cannot come up from the south to take us over.

I hope to speak later to the same issue.

[*Translation*]

The Deputy Speaker: Order, please. 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 Halifax West, health care; the hon. member for Dartmouth, human resources development; the hon. member for Waterloo-Wellington, trade; the hon. member for Charlotte, health.

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Mr. Speaker, we do in fact support the principle of the legislation to privatize the administration of ports in Canada. We support it because, up to now, these ports were managed by a federal agency. We are sure, given the management of these ports in recent years, that they will be better off not managed by a federal agency, and I congratulate the government warmly for having the humility to understand this in introducing this legislation.

We therefore support the principle of the legislation, but we have amendments, because we feel it needs improving in certain important areas. I am thinking specifically of clause 8. It provides that certain ports may be managed by local authorities. The principle is obviously an excellent one, and the conditions the government is

setting for transferring management of the port to a local authority are reasonable.

They include the port's having a certain financial autonomy, a link to major roads and rail lines, and so forth. That all makes good sense.

• (1635)

The problem is that the vendor or transferor, before transferring the property, should return it to good condition, especially when requiring that it be financially autonomous.

As a result of the, shall we say, less than favourable management of these ports in recent years, some of them are in need of major repairs. There are 324 ports in Canada and the paltry sum of \$125 million is all that has been set aside for this operation. We will try, through our amendments, to have this amount increased.

Still on the topic of ports, we were not in the least surprised to learn in this bill that the federal government wants to divest itself of all financial responsibility. It will no longer pay anything towards port administration. I said that this did not surprise us in the least and, without wanting to jump to any conclusions, we even think that unloading this financial burden may have been one of the reasons for introducing this bill.

When one intends to stop paying, it is not normal to want to keep calling the shots. A look at clause 14 concerning the composition of boards of directors makes it clear that Ottawa intends to retain control of these ports through third parties.

What does clause 14 say?

14.(1) The directors of a port authority shall be appointed as follows:

(a) the Governor in Council appoints one individual nominated by the Minister;

(b) the municipalities—

(c) the province or provinces—

(d) the Governor in Council appoints the remaining individuals nominated by the Minister in consultation with users—

When you consider that between seven and eleven directors will be appointed, three of them not by Ottawa, the fact remains that the majority of seats will still be subject to government appointment, even if the government says it is going to consult, yes, consult local authorities. We propose that, instead of consultation, appointments be direct and unconditional.

To date, the St. Lawrence Seaway has cost the public \$7 billion and brings in \$70 million annually. I do not think there are many private corporations that would be happy with a return as low as 1% on their investment, and yet that is the return generated by the seaway.

The concern regarding the profitability of the seaway, which we should be looking at, is the reduced traffic on the seaway. We think

Government Orders

things will only get worse given that Saskatchewan grain en route to Germany goes through Vancouver and the Panama canal rather than via Thunder Bay and the seaway, which would seem to be the more logical route geographically. Similarly, grain going to Russia is sent to Vladivostok, which is a bit odd, because it is in Siberia.

So there is some inconsistency, which may come from a conflict in rates between the railway and the seaway, and which will be of concern to the new administrators, if the seaway is to recover its life and vigour.

That summarizes our positions on this first series of amendments being debated today. We support the principle of the bill, on the condition that the major amendments we are proposing are approved by this House, which I encourage it to do.

[English]

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, it was not my intention to rise on this grouping but something was said this afternoon that I think needs some clarification.

• (1640)

To begin with, I dare say that Bill C-9 has been refined with consultation and consensus from all stakeholders. It has been refined like no bill I have ever seen in my nine years in this place. As some will recall, it was Bill C-44 in the last parliament.

I will deal with the last item first, the very strong words of the hon. member for Charlotte who discussed the great port of Bayside. It is a great port. I agree wholeheartedly with the hon. member. He understands his constituency well. That wharf is in excellent shape and is capable of handling all the shipping interests in that port.

The hon. member spoke of individuals like the hon. Doug Young, once a minister of the crown in this place, and Mr. Paul Zed, a distinguished member who served his time here as a parliamentary secretary. These gentlemen are involved in a lobby organization and are doing their thing in the private sector. I say good for them.

However the hon. member for Charlotte must understand that if they are doing work for individuals it has nothing to do with whatever the government is proposing to do with Bayside and what will eventually develop for Bayside as a divested port.

It must be made clear that the port of Bayside is having discussions with the Government of Canada through what is called the Bayside Port Steering Committee Inc., which is made up of local users of the port of Bayside. They are currently, with all due diligence, putting together negotiations with Transport Canada to transfer the port to the discretion of the government at the end of the day.

Government Orders

If the hon. member has any names of any individuals or any municipalities that want to come forward to offer their representations to the government, the minister or the Ministry of Transport, they will be given equal opportunity to be heard on the matter of having Bayside divested to them under a negotiated deal. Let them come forward. We welcome everyone's participation in the process.

Just to clarify as well for the hon. member for Charlotte, the Bayside port steering committee again is made up of local users in the area and is chaired by Mr. Fred Nicholson. He is a gentleman who clearly has nothing to do with the allegations the hon. member put forward today, along with the very strong descriptions of the individuals he put forward.

The hon. member referred to Mr. Waterman. He is an American, as I understand it. He wants to develop the lands adjacent to the port for aggregate. I stand to be corrected, but Mr. Waterman has no interest in running a port. He wants the stone next door to the port.

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, I rise on a point of order. I have a document which disproves that.

The Deputy Speaker: Order, please. The hon. member has to listen to the debate. He may disagree with what the parliamentary secretary is saying, but it appears the parliamentary secretary may have disagreed with what he said.

With all respect to the hon. member, we are not on points of order during his speech. This is a debate and people do have different opinions, and I think we might hear them out.

Mr. Stan Keyes: Mr. Speaker, if the hon. member has some information he would like to give me to clarify the issue, I would be more than willing to receive it because it would be useful in the overall agenda.

I stress to the hon. member that it is not the intention of the government, the minister or the Ministry of Transport to take one offer from one group or one individual and say there is your port.

There are many aspects to the dual track of port divestiture the government proceeded with many months ago that allow for representation not just from one but from many and all who want to come forward to take the opportunity to buy a port.

• (1645)

Beyond that I want to quickly address amendments Nos. 1, 2 and 3. I believe the minister has already addressed amendment No. 12 in this group, so I will not touch on that again. He was very thorough in his examination of No. 12.

Motion No. 1, from the member for Beauport—Montmorency—Orléans, proposes that the number of directors of a port authority could be increased by additional municipal appointments.

Right back to 1995 the national marine policy clearly stated that we are trying to put these ports on a commercial footing. That means that we want to put the user representatives on the board with the majority. We do not need government representatives on a committee that is running a port. That is not the idea of either the national marine policy of 1995 or Bill C-9. We want it commercialized. In order to do that, we need to have the majority of users on a board from the user representatives list that is supplied by the minister.

It is important that if we get into a constituency in British Columbia, I believe it is North Fraser, there are eight or nine municipalities bordering the waterway of the defined port. Members can imagine if we are going to construct a board of seven members because we do not want one too much bigger than seven. We have a choice of seven, nine or eleven. On what was supposed to be a board of seven there will be eight municipal representatives and four users. Boy, that is a lot of government representation. I do not think anybody in this place wants to see all that government representation on a board with the fiduciary responsibility of running a corporation to make a port successful. We do not want to see that, so unfortunately we will not be support Motion No. 1.

We will also not be supporting Motion No. 2 because, quite frankly, it is redundant. The minister already has the authority to specify the extent of property to be included within a port. That can be found under subclauses 8.2(c), (d) and (e).

Finally, on Motion No. 3, we cannot support it because the minister is going to have to exercise some responsibility on who is going to put forward the names for a board. Imagine if it was left just to the user to present the list and then it automatically became the representation on the board. What if the users got together and decided, jokingly, heaven forbid, they would all be lawyers. Do we want all lawyers running a port? Probably not.

An hon. member: You have a couple over there.

Mr. Stan Keyes: I am not a lawyer, but I have a lot of respect for most lawyers. Mr. Speaker is a lawyer and I respect the Speaker.

However, we cannot support this particular motion. We need an acceptable mix of knowledge and expertise on a board. That can happen if there is a preview of the list of names. That list of names should not be sheltered to just four. The names will come forward from the users and then the minister will make the selection from those names presented on the list in order to make the mix work well for a particular port.

I look forward to debating the next three groups of motions, if we ever get to them.

The Deputy Speaker: Pursuant to the order made earlier, the divisions on the proposed motions are deemed to have been demanded and deferred.

(Divisions deemed demanded and deferred)

The Deputy Speaker: The next group is Group No. 2, Motions Nos. 4, 10, 11 and 20, and 21, being the one introduced earlier today. Debate.

Hon. David M. Collette (Minister of Transport, Lib.) moved:

Motion No. 4

That Bill C-9, in Clause 31, be amended

(a) by replacing line 14 on page 22 with the following:

“(3) Subject to subsection (4), a port authority may not mortgage.”

(b) by replacing lines 18 to 26 on page 22 with the following:

“revenues of that property.

(4) A port authority may, if authorized in the letters patent, create a security interest in fixtures on federal real property to the same extent as Her Majesty could create such an interest and may, instead of Her Majesty, execute and deliver the documents required for that purpose.

(5) For the purposes of subsections (3) and (4), “security interest” means an interest in or charge on property or fixtures mentioned in those subsections to secure the discharge of an obligation or liability of the port authority.

(6) A grant under subsection (4) may be effected by any instrument by which an interest in real property may be granted by a private person under the laws in force in the province in which the federal real property or fixtures are situated.”

Motion No. 10

That Bill C-9, in Clause 45, be amended by adding after line 38 on page 28 the following:

“(3.1) The port authority may exercise the powers under subsection (3) to the same extent as Her Majesty could exercise those powers and may, instead of Her Majesty, execute and deliver the documents required for that purpose.”

Motion No. 11

That Bill C-9, in Clause 46, be amended

a) by replacing lines 3 to 7 on page 29 with the following:

“property that it manages but it may

(a) without the issuance of supplementary letters patent, grant road allowances or easements, rights of way or licences for utilities, services or access; and

(b) to the extent authorized in the letters patent,

(i) exchange federal real property for other real property of comparable market value subject to the issuance of supplementary letters patent that describe the other real property as federal real property, and

(ii) dispose of fixtures on federal real property.

Government Orders

(1.1) The port authority may exercise the powers under paragraph (1)(a) or (b) to the same extent as Her Majesty could exercise those powers and may, instead of Her Majesty, execute and deliver the documents required for that purpose.”

(b) by replacing, in the French version, lines 21 to 25 on page 29 with the following:

“(3) Les concessions peuvent être faites par un acte qui, en vertu des lois de la province de situation de l'immeuble fédéral, peut servir à faire des concessions entre sujets de droit privé.”

Motion No. 20

That Bill C-9 be amended by adding after line 2 on page 98 the following:

“195.1 Section 589 of the Act is replaced by the following:

589. All fines recovered under this Part shall be paid over to the Receiver General and shall form part of the Consolidated Revenue Fund.”

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, who was it that coined the phrase, it is like déjà vu all over again. In the last Parliament it was called Bill C-44 and today we know it as Bill C-9. It is with a great deal of privilege that I speak to the report stage amendments of the Canada Marine Act.

This bill fills the 1995 national marine policy to commercialize and strengthen Canada's marine sector.

• (1650)

What I would like to do is provide my colleagues opposite and on this side of the House with an overview of the subjects covered in the bill. The proposed act makes it easier for ports to operate according to business principles. It enables the Minister of Transport to commercialize the operations of the seaway. It improves the way pilotage authorities operate.

I want to take a moment and thank the members opposite, in particular the member for Beauport—Montmorency—Orléans, for his praise and congratulations on the work we have done in regard to pilotage authorities. However, not all the work has been completed there as is evident in the bill.

Part I of the bill establishes a new form of port corporation and it is going to be called a Canada port authority. The basic principles for the port authority operations are that they will not have to have recourse to the federal treasury other than for emergency relief. They will be incorporated or continued by letters patent. They will be non-share capital corporations, must recover costs from fees charged and must comply with corporate governing provisions that we have brought into the bill, some of which come from the Canada Business Corporations Act.

In line with these principles, the powers of the port authority include commercial freedom to price its services, the powers of a natural person for the purpose of operating a port, authority to borrow on open markets but, with regard to federal real property,

Government Orders

the port authority may only secure loans by pledging revenue streams and movable fixtures and not federal land.

Within this group of motions the government seeks to clarify and simplify some of the procedures for transactions that involve crown lands. We are also clearing up any defective section reference relating to the Canada Shipping Act.

Generally, port authorities will also be agents of the crown allowing them to pay grants in lieu of taxes. In some cases, municipalities never received this before. Agent status reinforces the port community from provincial taxation and regulation. This is necessary to allow our major ports to remain competitive in a global environment. Ports will not be able to borrow as agents and will have to convince commercial lenders of the merits of their proposed investments. The crown will not back up port loans.

Bill C-9 strikes a balance also by limiting the crown's exposure to actions taken where the port is an agent. This gives the ports the autonomy they need to operate on a commercial basis without unduly exposing the crown to future liabilities.

Part II of the act requires the repeal of the Public Harbours and Ports Facilities Act. It then provides the minister with various options for the administration of ports remaining in the federal system. This ties into the 1995 national marine policy decision regarding the transfer of port facilities that do not play a national role.

It set up a new streamlined regulatory regime for any remaining public ports similar to that for the new port authorities.

Part II also requires that the minister report to Parliament each year on the divestitures that took place during that year.

Part III of the act sets out a new framework for management of the Canadian portions of the St. Lawrence Seaway. The minister may use agreements to assign the management of part or all of the seaway to a not for profit corporation or to any other person. An agreement may include management of the operation of the seaway, transfer of assets, et cetera.

The existing seaway authority may be dissolved by governor in council at an appropriate date to allow such agreements to proceed. The government will retain ownership of the seaway property and regulatory control over navigation in the seaway.

Part VII of the bill provides a more commercial environment for the operation of our pilotage authorities. It allows pilotage tariffs to take effect after expiry of a 30-day notice. If there are objections, any reviews of tariff increases by the Canadian Transportation Agency generally must be done within 120 days or less. The borrowing limits for pilotage authorities are to be set by the governor in council.

The bill states that no appropriations can be made from the government to pilotage authorities except in respect of emergencies. The chairman of the pilotage authority will be part time or full time and appointed by governor in council in consultation with the users and the authority.

The bill also requires that there will be a ministerial review of various functions of the pilotage authorities in consultation with both the authorities and the users. The review will be completed in a one year period after the provision for the review comes into force.

The remainder of the bill provides a review of the whole act in the fifth year and it receives royal assent.

● (1655)

No matter how finely tuned we have managed to construct this bill over the last close to three years, it is clear that it is not the end of the day and a review is there built in to ensure that if there are any further refinements, they will be made. It provides for a regime for enforcement of regulations established pursuant to the bill.

It has been almost three years in the works with, as I say again, much consensus building on the part of all of the stakeholders involved.

I urge all hon. members in this House to support Bill C-9.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, Motions Nos. 4, 10, 11 and 20 are essentially housekeeping amendments. That being the case and in view of the agreement which we made to limit debate here, I would seek unanimous consent of the House to put Group 2 immediately and proceed to the following motions which are of much more substance. We only have half an hour left.

The Deputy Speaker: Is there unanimous consent to proceed as suggested by the hon. member for Cypress Hills—Grasslands?

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, the hon. member for Charlotte is not confined to speaking to this grouping. If he wants to make his remarks, he can make it in the next grouping. I am sure the House will be permissible for that.

If the hon. member for Charlotte wants to agree to the proposal put forward by the member for the Reform, he can speak at the third grouping.

The Deputy Speaker: The question is: Is their consent to proceed now with Group 3?

Some hon. members: Agreed.

The Deputy Speaker: Then the questions on Motions Nos. 4, 10, 11, 20 and 21 are deemed to have been put, a division demanded and deferred.

(Divisions deemed demanded and deferred)

The Deputy Speaker: The debate now will proceed on Group 3, Motions Nos. 5, 6, 7, 8, 9, 13, 14, 15, 16 and 17. The motions are deemed to have been moved, seconded and read.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.) moved:

Motion No. 5

That Bill C-9, in Clause 38, be amended by adding after line 15 on page 25 the following:

“(1.1) A port authority shall establish a code of conduct and system of practices respecting avoidance of conflict of interest by its directors and officers.”

Motion No. 6

That Bill C-9, in Clause 41, be amended by replacing line 4 on page 26 with the following:

“referred to in subsections 38(1) and (1.1) were, in the”

Motion No. 7

That Bill C-9, in Clause 41, be amended by adding after line 11 on page 26 the following:

“(2.1) An examiner shall be a person appointed by the Minister from suitable persons in the office of the Auditor General of Canada or the Department of Justice.”

Motion No. 8

That Bill C-9, in Clause 41, be amended by replacing lines 24 to 25 on page 26 with the following:

“about the plan, the matter shall be referred to the Canadian Transportation Agency and the Agency shall make a final determination with respect to it and shall report its determination to the Standing Committee of the House of Commons appointed to deal with matters relating to Transportation.”

Motion No. 9

That Bill C-9 be amended by deleting clause 43.

Motion No. 13

That Bill C-9, in Clause 85, be amended by adding after line 8 on page 54 the following:

“(1.1) A not-for-profit corporation shall, in respect of its operation of the Seaway establish a code of conduct and system of practices respecting avoidance of conflict of interest by its directors and officers.”

Motion No. 14

That Bill C-9, in Clause 87, be amended by replacing lines 29 to 30 on page 54 with the following:

“tems and practices referred to in subsections 85(1) and (1.1) were, in the period under examination”

Motion No. 15

That Bill C-9, in Clause 87, be amended by adding after line 36 on page 54 the following:

Government Orders

“(2.1) An examiner shall be a person appointed by the Minister from suitable persons in the office of the Auditor General of Canada or the Department of Justice.”

Motion No. 16

That Bill C-9, in Clause 87, be amended by replacing line 3 on page 55 with the following:

“shall be referred to the Canadian Transportation Agency and the Agency shall make a final determination with respect to it and shall report its determination to the Standing Committee of the House of Commons appointed to deal with matters relating to Transportation.”

Motion No. 17

That Bill C-9 be amended by deleting Clause 89.

He said: Mr. Speaker, I thank the House for its courtesy in speeding things up here.

When I spoke earlier today I was looking at things which have already happened, things which I thought might have been improved in the bill. Now I would like to speak specifically to the 10 related motions which Reform has on the order paper and which call for greater transparency and accountability in the commercialization of the ports and the St. Lawrence Seaway.

Unlike the amendments which we introduced in committee, these amendments are not stakeholder driven. Instead, they reflect the dedication of our party to the principle of public accountability of public institutions.

This new bill will do away with Ports Canada which is known fondly by its friends and admirers as “Pork Canada”. While we have the opportunity, let’s build some safeguards into the new regime.

These amendments I am going to pair as I speak because they are mirror amendments relating to port authorities and to the seaway. For example, Motions Nos. 5 and 13 say basically the same thing, but because of the nature of the bill we had to write amendments to apply to the two situations.

These address the problem of conflict of interest. Hopefully, they will avoid situations such as the one that developed when NavCan was created. I recall that the government’s financial adviser on privatization slid laterally into work for NavCan before the financial adviser’s contract had even expired. Incredibly, Transport Canada made no objection to this clear conflict. This is the type of thing we would like to avoid.

Motions Nos. 7 and 15 would tighten up section 87 which provides for an outside audit every five years. Notwithstanding that five years is an inordinately long time between examinations, we will accept that. The amendment proposes that the outside examiner be totally independent of the Minister of Transport and that the person or persons come from the office of the auditor general or from the Department of Justice. These departments have the

Government Orders

experience and the background to enable them to spot problems and avoid repetition of mistakes.

• (1700)

Motions Nos. 8 and 16 would remove the power of the minister to adjudicate between the special examiner and a port authority's audit committee.

One of the objectives of commercialization is to remove the minister from the decision making process. This is what the bill is about. If there is a problem with an audit, an arm's length organization, and we are suggesting the Canadian Transportation Agency, should be the adjudicator. Its determination would then be reported to the transport committee. Ideally it should be the transport committee itself that would act as adjudicator but since our parliamentary committees as constituted are quite toothless, the CTA has proposed to be the referee.

Finally, Motions Nos. 9 and 17 are merely consequential to the other eight motions. They simply remove the power of the minister to interfere in the selection of auditors with respect to port authorities or the seaway.

Because everyone was courteous and allowed me to get this on the record, I will relinquish the remainder of my time.

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, I want to point out a couple of things to the parliamentary secretary in terms of accountability and that would be referring to Motion No. 5.

It is interesting to note and can members believe that the company of which I was speaking, the American company out of the New York-New Jersey area, has representation on the steering committee that is charged with overseeing the orderly transition from a public facility to a private facility. Would this not be comparable to putting the fox in charge of the chicken coop in a sense? Think about it. This Randy Waterman from New York-New Jersey who owns a series of layered companies involved in the aggregate business has his own paid representative on that board.

This is not just an ordinary employee who sits on that board representing Randy Waterman, McCormick Aggregates, McCormick Materials, Bayside Materials Handling, Charlotte County Ports, New York Sand and Gravel, Amboy Aggregates. This is not just an ordinary employee. He is a fellow by the name of Al Lacey.

Who is Al Lacey? Al Lacey owns Lacey and Associates. Al Lacey is a former minister of economic development in the province of New Brunswick. The consummate insider.

An hon. member: What party?

Mr. Greg Thompson: What party? That was the Liberal Party spelled with a large L. He is in daily consultation with Mr. Paul Zed, former Liberal member of Parliament who was defeated in

the last election. Mr. Paul Zed is in business with Mr. Doug Young, the former minister of transport.

Think about this. Would there be a possible conflict of interest? Doug Young, the former minister of transport charged with the overseeing of this bill. He was the minister who introduced the very bill that we were talking about in the last Parliament. He was the minister. Now he is being paid by these interests out of New Jersey to represent them in overseeing the orderly transition—they call it orderly transition—from a public facility to a private facility. Here we have this group of insiders all being paid by Mr. Randy Waterman to ensure that they gain control of that port.

The parliamentary secretary was given the wrong information and that is why I interjected quite vigorously on a point of order. I know I was ruled correctly by you, Mr. Speaker, that it was not a legitimate point of order but this is legitimate. This is the very document in my hands, 40 pages in length, that details page by page with the numbers there to present their case to the province of New Brunswick and the federal government why this port should be given to them. The name of the document is "Bayside Port Acquisition and Development Proposal".

• (1705)

Acquisition. If we look in any dictionary, acquisition means assuming ownership, taking ownership. They want to take ownership of that port. I have a document here which the government denied existed for a number of weeks until finally the document was leaked to yours truly. That is why the make-up and integrity of that board is so important.

The parliamentary secretary did mention an individual by the name of Fred Nicholson. Fred Nicholson is an honourable man. He is a lawyer. He is a very bright individual. I want to point this out—

Mr. Dick Harris: Mr. Speaker, I rise on a point of order. I think it is a rule of this House that props should not be used during a speech.

The Deputy Speaker: The hon. member is absolutely correct. I had cautioned the hon. member for Charlotte. I wagged my finger at him when he started waving the document, but since he was simply turning pages I thought he was looking for something in it he might quote from and I did not get up and chastise him. I would not want to chastise the hon. member and he would not want that either. So I know he will not want to use props. I invite him to continue his remarks without any aids.

Mr. Greg Thompson: Mr. Speaker, I apologize for putting that document forward in the sense of a prop but I was leafing through it.

I wanted to make a point with regard to Mr. Nicholson. He is an honourable man. He is representing the community well. He does a

Government Orders

fine job, as do a number of the individuals that make up that body. There is no question about that.

The point I am making is that the very people who have designs on taking over that port have representation on the board, the steering committee, which is absolutely bizarre. Hence the chicken coop and the fox scenario. That is exactly what it is.

It does not end there. In this document when I did make it public when it was leaked to me—I am not going to use it as a prop, Mr. Speaker, but only to pick some of the numbers out of it because it is important to note. In this document which is 42 pages in length the proponents of this project, in other words the people from New York and New Jersey who want to take over the port, no less than 14 times in this document do they mention that unless and until they are given absolute control of the port and the waiving of all fees, they could not possibly proceed with their project.

The parliamentary secretary is partially right in the sense that the aggregate project does not involve his department as much as it would the province of New Brunswick or the department of economic development. But the point we make is that some of the properties in which they want to do this piece of business are actually owned by the Government of Canada. I think there is an obligation to ensure that there is an orderly transition with regard to who takes over those properties and what they are going to be used for.

As I mentioned before, that particular company because its nearest competitor is Martin Marietta, an American owned company out of Canso, Nova Scotia, is saying that it has to have all federal wharfage fees waived. Can you believe it, Mr. Speaker? The company says that all fees have to be waived in order to make the project a success in order for it to be able to compete with its nearest competitor which again is an American company.

• (1710)

It is absolutely bizarre that the federal government would even entertain the waiving of any fees associated with setting up an American company in Canada. It is absolutely ludicrous that it would entertain doing that.

Going back to the motion in question, the integrity of that board and the responsibility of the board and the steering committee is very critical to the success of this bill. Unless we have top quality people with no interest in assuming ownership of a port that is to be transferred from the public sector to the private sector, unless we have that orderly transition, we will all be in trouble. What it does is it opens up the door for individuals like the New York and New Jersey individuals to come up here with bags full of money and find that they get their way. This is terribly wrong.

I support the strengthening of anything in the bill that will tighten the loopholes on the membership of that steering committee which will eventually determine who will own the port.

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I want to make it clear to the hon. member for Charlotte that there are several other parties, including Charlotte County Ports Inc., that have expressed interest in the possibility of assuming ownership of the port of Bayside.

I suppose the true test of the allegations the member for Charlotte made here today under the protection of the House of Commons would be if he would leave this place through those doors and repeat his story outside. Given what he said and some of the pretty tough language in his descriptions of some of the individuals involved, I am not a lawyer but I would probably caution him on leaving this place and saying outside of this place some of the things he said.

Let us get on with some of the concerns the hon. member for Charlotte and the hon. member from the Reform Party have in regard to governance and accountability of the port authorities under Bill C-9.

As the Minister of Transport has said, the federal government will give leadership in attaining national goals and in nurturing national programs and institutions.

Canada port authorities are specifically identified as strategic links in both national and international transportation and logistic chains. Crown agency status emphasizes that we are not seeking to privatize ports but to constitute port authorities as important instruments of federal public policy while at the same time providing for their increased commercialization.

We have made sure that port boards will be responsive to user concerns. We do this without losing sight of their accountability to the wider communities at the municipal, provincial or federal levels.

To foster good management, the bill gives a framework that guides port boards without frustrating day to day decision making, including such features as a code of conduct and provision for a periodic special examination. CPAs are to have a public code of conduct for directors, officers and employees designed to prevent real and perceived conflicts of interest. I trust that would make the hon. member for the Reform Party more satisfied that what is included in this bill does protect and is designed to prevent real and perceived conflicts of interest.

The code is expected to stipulate that prior to accepting an appointment to the board of directors, every director to be shall notify the CPA board of directors in writing of any business activity which would pose an actual, potential or perceived conflict of interest. Another point that the member for Charlotte might want to recognize.

Government Orders

Where the particulars of a given transaction or changing circumstances create a future conflict of interest, the code will place a director under a similar obligation to make full, immediate and written disclosure to the other directors and to refrain from participating in any related discussions or decisions of the board.

Some of the other controls that apply to the ports include the letters patent and any changes to them must be approved by the government.

• (1715)

Ports cannot dispose of federal land. Agent status will be limited to core port activities. Non-core activities will not receive agent status. The government will have to approve which non-core activities a port may undertake.

Ports will not be able to borrow as agents. They will have to convince commercial lenders of the merits of their proposed investments. The crown will not back up port loans. Borrowing limits will be established for each port. Ports will be directly responsible for any breach of duty or a contractual obligation to a third party.

The crown will specify through regulations the extent of insurance a port must carry. The Minister of Transport will specify the maximum terms of leases. We have put measures into the bill to protect the crown from liabilities of the ports and to ensure they are accountable.

Perhaps the most important accountability mechanism stems from the fact that ports will have to raise their financing in the private sector. Port development aspirations will be subjected to ordinary measures of commercial risk. The law ensures that with few exceptions appropriations cannot be made for port deficits. This means they have to be more efficient than they are today and that the government will not cover their liabilities.

Canada port authorities will have a high degree of transparency through rigorous disclosure to the public. Bill C-9 requires each port authority to provide for the following: a public annual and financial report, a public annual audit, a public land use plan, an annual general meeting open to the public at which directors and senior officers are available to answer questions from the public, disclosure of remuneration and expenses of board members, and details of port operating expenses.

The Reform's idea of a special examination quite often gets confused with the need for an annual financial audit while each procedure makes a report on the total operations. The financial audit answers these questions. Did the port follow the rules? Do the records provide a full and fair disclosure of how the port was run?

In a special examination, as suggested by a member of the Reform Party, different questions are asked. Does the port have the

right set of rules? Do its procedures and reporting systems help the port in meeting its true obligations, or should they be changed?

In Bill C-9 the minister plays a key role in fine tuning port objectives through the letters patent and other procedures. This means that a special examination will be important to the minister in considering periodic changes to the letters patent in response to evolving conditions.

Port authorities are also covered under the Access to Information Act which further strengthens their accountability to all stakeholders. In addition we have taken measures to ensure that ports do not borrow in their own name and not in the name of the crown to emphasize to lenders that the crown does not stand behind these obligations.

These are appropriate arrangements to support the commercialization of our ports. I thank members opposite for their participation in this stage of the bill and in this block of amendments.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I would like to comment on Group No. 3.

I add my support to the hon. member for Charlotte. I am not as familiar with the issue as he is but I have to ask myself a question. If a company has a good and viable project that makes sense to the community and everybody involved, why does it have to hire a former provincial minister of economic development to support it? Why does it have to hire a former member of Parliament to support it? Even more so, is it right to hire a former minister of transport who actually drafted and developed the legislation? Why does it have to hire that team? As a fellow said to me the other day, it does not pass the smell test right off the bat.

Motion No. 5 seems to be a reasonable request. In part it reads:

—A port authority shall establish a code of conduct and system of practices—

This only makes sense. It is in line with all organizations that establish standards. Even the ISO 9000 sets up a system of practices and standards and a code of conduct, which is only appropriate. We agree. It is more accountable and we support it.

• (1720)

Motion No. 6 updates clause 41 to include subsections 38(1) and (1.1). It only makes sense. It goes along with clause 41 and we support it.

Motion No. 7 states in part:

—An examiner shall be a person appointed by the Minister from suitable persons in the office of the Auditor General—

This again makes sense to us. It assures credibility. It ensures the examination will be done properly. It removes the potential of political influence from the position. We agree the examiner should be appointed by the minister from suitable persons in the office of the Auditor General of Canada or the Department of Justice.

Government Orders

We are against Motion No. 8. It seems to make the system far more cumbersome and difficult to handle. It makes it less efficient and contradicts the whole purpose of streamlining the act.

We are against Motion No. 9. It eliminates the auditor as far as we can tell. It does not make sense to us to eliminate the auditor function. We think it is appropriate to leave the auditor in place.

Basically that is our position on those motions. Now I will move to Motion No. 13 and onward.

Motion No. 13 states in part:

—A not-for-profit corporation shall, in respect of its operation of the Seaway establish a code of conduct and system of practices—

That is exactly the same theory and purpose as the former amendment with regard to a code of conduct and a system of practices. We agree with Motion No. 13. It is very reasonable and we support it.

Motion No. 14 is linked to Motion No. 13. If we support Motion No. 13 we pretty much have to support Motion No. 14.

Motion No. 15 states in part:

—An examiner shall be a person appointed by the Minister from suitable persons—

That is much the same. It is a good position. It is appropriate. We will be supporting it.

Motion No. 16 states in part:

“shall be referred to the Canadian Transportation Agency and the Agency shall make a final determination with respect to it and shall report its determination to the Standing Committee—

We say no to this motion. It is very cumbersome. It is far less efficient. Again it contradicts the purpose of the bill, which is to commercialize the exercise, make it more efficient and put the decisions into the hands of the users. We are against Motion No. 16.

Motion No. 17 would delete clause 89. We are against this motion. Clause 89 allows the minister to change the auditors if he feels it appropriate, and we support that. We think that clause should remain so we will be voting no to this amendment.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, it will soon be 5.30 p.m. I would ask you to seek unanimous consent for each party to have five minutes to speak to the motions in Group No. 4.

[*English*]

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

Some hon. members: Question.

The Deputy Speaker: The motions in Group No. 3 are deemed to have been put, divisions demanded and deferred.

(Divisions deemed demanded and deferred)

The Deputy Speaker: Group No. 4, Motions Nos. 18 and 19, is the next group of motions.

Is there unanimous consent for the proposal of the hon. member for Beauport—Montmorency—Orléans that each party have five minutes starting now to speak to Group No. 4?

Some hon. members: Agreed.

The Deputy Speaker: The motions in Group No. 4 are deemed to have been moved, seconded, and read by the Chair.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ) moved:

Motion No. 18

That Bill C-9 be amended by adding after line 15, on page 77, the following:

“133.1 (1) For greater certainty, on the continuance of a harbour commission under section 10 as a port authority, on the continuance of a local port corporation under section 12 as a port authority or, on the coming into force of an agreement entered into under subsection 80(5) with the St-Lawrence Seaway Authority, any person who, at the time of the coming into force of those sections or subsection was employed by one of those bodies and remains employed, may, if that person was a contributor under the Public Service Superannuation Act, elect to remain subject to the terms of the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and the regulations made under those Acts.”

(2) The Governor in Council may make regulations for carrying out the purposes of subsection (1).”

Hon. David M. Collenette (Minister of Transport, Lib.) moved:

Motion No. 19

That Bill C-9 be amended by

(a) replacing the heading before line 1 on page 79 with the following:

“Comparable Employee Benefits”

(b) adding after line 8 on page 79 the following:

“138.2 A person who has entered into an agreement under subsection 80(5) and every port authority shall take all reasonable steps to negotiate with the President of the Treasury Board a pension transfer agreement in accordance with section 40.2 of the Public Service Superannuation Act in respect of employees referred to in paragraph 130(b), 132(b) or 135(1)(b), as the case may be.

138.3 For the purposes of sections 138.4 to 138.6, “employee benefits” includes coverage and benefits in respect of employer-sponsored pension plans and of life, income protection, health care and dental care insurance plans.

Government Orders

138.4 A person who has entered into an agreement under subsection 80(5) shall, in respect of an employee referred to in paragraph 130(b), provide employee benefits that

(a) begin on the day of the transfer under paragraph 80(6)(f) or, if there is transitional coverage provided in respect of the person under section 40.1 of the Public Service Superannuation Act, on the expiry of the period of transitional coverage;

(b) are comparable to the employee benefits of the employee immediately before the transfer under paragraph 80(6)(f) and at a rate of contribution by the employee not greater than the rate that was applicable in respect of the employee immediately before that transfer; and

(c) end on the day on which an agreement to the contrary comes into force between the person and the bargaining agent representing the employee or, in the case of an unrepresented employee, the person and the employee.

138.5 A port authority shall, in respect of an employee referred to in paragraph 132(b), provide employee benefits that

(a) begin on the day on which the port authority is continued under subsection 12(1) or, if there is transitional coverage provided in respect of the port authority under section 40.1 of the Public Service Superannuation Act, on the expiry of the period of transitional coverage;

(b) are comparable to the employee benefits of the employee immediately before ceasing to be an employee of the local port corporation and at a rate of contribution by the employee not greater than the rate that was applicable in respect of the employee immediately before ceasing to be an employee of the local port corporation; and

(c) end on the day on which an agreement to the contrary comes into force between the port authority and the bargaining agent representing the employee or, in the case of an unrepresented employee, the port authority and the employee.

138.6 A port authority shall, in respect of an employee referred to in paragraph 135(1)(b), provide employee benefits that

(a) begin on the day on which the port authority is deemed to be incorporated under subsection 12(1) or, if there is transitional coverage provided in respect of the port authority under section 40.1 of the Public Service Superannuation Act, on the expiry of the period of transitional coverage;

(b) are comparable to the employee benefits of the employee immediately before ceasing to be an employee of the Canada Ports Corporation and at a rate of contribution by the employee not greater than the rate that was applicable in respect of the employee immediately before ceasing to be an employee of the Canada Ports Corporation; and

(c) end on the day on which an agreement to the contrary comes into force between the port authority and the bargaining agent representing the employee or, in the case of an unrepresented employee, the port authority and the employee."

[*Translation*]

He said: Mr. Speaker, I am very pleased to take part in the debate on the fourth group of amendments.

In drafting the Canada Shipping Act, the government has made human resources a priority. It has made an effort to ensure that all affected employees, whether unionized or not, would be treated

fairly and it made sure the Canada Labour Code would be rigorously adhered to at all stages, in both the spirit and the letter.

• (1725)

In Bill C-9, the government has taken the position that employees of federal organizations which will be commercialized, divested or sold will be covered under comparable replacement pension arrangements. This is thoroughly consistent with past practices.

[*English*]

Under Bill C-9 the government has taken the position that employees of a federal organization which will be commercialized, divested or sold will be covered under comparable replacement pension arrangements. This is thoroughly consistent with past practices.

For example, recently transport employees at major airports have been offered comparable pension plan coverage to that of the public service plan. Similar arrangements were made for employees affected by the transfer of air navigation services to NavCan. The transfer provided employees with a parallel pension plan where employees were no worse off as a result of their move out of the public service.

By adding employment related provisions to its agreements with these new employers, the government has been able to exert direct influence to ensure that employees have been treated fairly with regard to offers of employment and replacement benefit packages.

[*Translation*]

During the Standing Committee on Transportation's examination of Bill C-9, an additional amendment was adopted to guarantee that ports employees will be able to take advantage of the transitional provisions recently established in the Public Service Superannuation Act on an equal footing with the seaway employees.

When Treasury Board has given its approval to this new clause, affected employees will be able to continue to participate in the federal pension plan for a time after divesting, so as to allow the new employer time to create, register and implement a new pension plan.

[*English*]

There may be some discussion today about whether or not transferred employees should continue to be covered under the government's superannuation plan, but I point out that some of my colleagues may propose that, when transferring to a new retirement plan, affected employees should be able to transfer their accumulated benefits.

I am pleased to say the government has responded to many of the concerns raised to date on the issue of superannuation benefits to

transferred employees. Motion No. 19 in fact proposes to amend the bill so that it covers all employees transferred to a number of different situations: the seaway, a not for profit corporation, a former local port corporation, and former non-corporate ports which are the divisional ports managed by Canada Ports Corporation.

Harbour commissions are the only group not included in this list. They are not affected by these questions because of existing coverage under their private benefit plans.

Motion No. 19 will ensure that new employers will have to offer benefits that are comparable to what the employees had immediately before the new employer took over and keep the comparable benefits in place unless the employer and the employees mutually agree to change them.

It will also set in place contribution rates that are not higher than what was paid by the employees immediately before they were taken over by the new employer. They will also begin their benefit plans when they take over the employees or immediately after any transitional coverage under federal plans. Finally they will take all reasonable steps to negotiate a pension transfer agreement with the Treasury Board.

The government has moved a long way toward meeting some of the objectives of my colleagues on the other side. We cannot, for reasons stated, move all the way to accommodate them but I think we have made our best effort in the spirit of co-operation to get the bill through.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, in committee all opposition parties pressed the government side to ensure that the superannuation benefits of federal employees transferred over to the public ports and not just port authorities would be protected. Instead, the government with Motion No. 19, as near as I can determine from what I have read, merely clarifies and solidifies the rights of government employees moving to port authorities but does nothing at all for employees moving into the public ports.

These employees, some with 10 or 15 years of service, will be left out in the cold. They have fallen through the cracks. Their pensions are not portable and the bill literally leaves them hung out to dry.

• (1730)

They are not great in numbers but nevertheless these are real people. Some consideration should have been given to them.

Motion No. 18 really has the same deficiency. It does not relate to people transferring into the public ports. However, as I read that motion, it is a bit over generous to employees transferring to port

Government Orders

authorities. To some extent it negates the intent of commercialization which was to get the government out of the business of ports.

I think on one hand there are the employees of public ports who are not going to be cared for at all. On the other hand, with either Motion No. 18 or 19, fair enough, the port authority people are being looked after. Motion No. 18 looks after them so well that we will not support it. We will support Motion No. 19 but I am extremely disappointed that the government only did half the job.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Madam Speaker, in committee, I asked the Minister of Transport to stand up to his colleague, the Treasury Board President, and tell him that employees of local port authorities, employees of the St. Lawrence seaway, contrary to what was done in the case of the airports and Nav Canada, would continue to belong to a crown corporation. With this in mind, I asked the Minister of Transport to really reaffirm his role as leader and say that Treasury Board officials would not be the ones to decide that these employees would be out of the pension plan.

Contrary to what my Reform colleague has just said, it is clear in the amendment in Motion No. 18 moved by the Bloc Québécois, and it is worth taking the trouble to read, that:

—any person who, at the time of the coming into force of those sections or subsection was employed by one of those bodies and remains employed, may, if that person was a contributor under the Public Service Superannuation Act, elect to remain subject to the terms of the Public Service Superannuation Act—

Our amendment makes this an obligation and allows employees to continue to belong to the government pension plan. The same reasoning as that used in the case of the airports and Nav Canada cannot be applied.

I respectfully submit that, when the minister tells us that employees will continue to be covered by a comparable pension plan, it is true that they will continue to be covered, but employees of these local port authorities are losing an important bargaining tool. Allow me to explain.

If a port's board of directors has a salary mass of \$500,000 to divide among employees in the next collective agreement, the pie can only be cut into so many pieces. If, at the bargaining table, the port's finance director says that, under the legislation, this amendment, the government has obliged him to maintain a comparable pension plan.

I am not an actuary, but after 18 years in labour relations, I am well aware that maintaining a comparable pension plan for a group of 50 employees, such as in the port of Grande-Anse, in the Saguenay, or in the port of Quebec City, involves a different actuarial cost than allowing them to continue to belong to the government pension plan. The finance director for the port of Quebec City is therefore going to tell employees that he has

Government Orders

\$500,000 for improving working conditions in that particular year. If I maintain your pension plan, because you are just a small group, it will cost \$400,000. There will only be \$100,000 left to increase death benefits, annual leave and salaries”.

• (1735)

This is why, if our amendment to Motion No. 18 is not accepted, I predict that workers in Canadian ports will lose their negotiating power and the possibility to improve, in a dignified manner, through negotiations, their working conditions. As for the comparable pension plan, the cost involved in the case of a small group of employees will not be the same as would otherwise be the case.

So, Motion No. 19 moved by the government does not satisfy us. It is not because we oppose maintaining the right of workers, but because we feel our Motion No. 18 would have been absolutely fair by providing a fair chance to negotiations and to employees to improve their conditions of employment, instead of being part of a comparable pension plan.

[English]

Mr. Bill Casey (Cumberland—Colchester, PC): Madam Speaker, I rise on the last group of motions. I am little troubled. Perhaps I misunderstood. At committee several of us proposed amendments on the superannuation transfer between the harbour commissions to private corporations or to harbour authorities, that the superannuation benefits would be extended to all those employees of harbour commissions and ports that had them, that they would be supplied even on a temporary basis until such time as appropriate alternatives could be found.

Several members made amendments which would perform that and I thought we had been assured by the parliamentary secretary that they would be submitting an amendment that would address that need to make sure all employees had some continuation of superannuation benefits.

According to this, it applies only to Canada Port Authority employees, Motion No. 19.

Motion No. 18 is the same kind of motion, addressing the same issue. We prefer Motion No. 19. However, we understood that it would apply to all employees, not just to Canada Port Authority employees. I may have misunderstood that in committee but we did vote based on the assurances of the parliamentary secretary that there would be an alternative to the superannuation amendments that several of us put in.

Motion No. 20 is nice and simple and we agree that all fines recovered under this part should be paid over to the receiver general and form part of the consolidated revenue fund.

Ms. Bev Desjarlais (Churchill, NDP): Madam Speaker, in discussion of the marine act at the standing committee, it was acknowledged that there had been lengthy discussions in the

previous Parliament and it was also understood that the affected groups were, overall, satisfied with the changes that had been made to the marine act.

In recognition of that and of their request that we not rehash the whole process and that we try to move the bill along, I believe the standing committee worked in that effort. The major area that came up for discussion, as we are being made aware, was to ensure that employees of Canada Ports continued with some kind of superannuation or pension benefits comparable to what they had.

I had a real treat of being in Churchill the day after the signing took place and the port was turned over to another company. I realized that Canada Ports really had not given two cents worth of its time with regard to its employees. There had been little or no discussion with the employees. The employees were given forms with which they were basically signing away their rights to any file or complaints they had under the human rights code. It was actually very disgraceful to see that approach taken with the employees.

What also happened with those employees is there was not a comparable plan in place.

• (1740)

I have a letter that was given to one of those employees with regard to the three months pay for the perceived difference in superannuation and RRSPs. The letter states that the money that person would have received, in that perceived difference, the money that person would get, would be put toward that person's earnings. Therefore, that person would be denied a length of time in which to claim unemployment. That person could not even take that money and invest it in something that would be there for retirement. It then went toward insurable earnings. So that person did not have even that difference of money that was recognized. That person would not even be allowed to use it for retirement.

Mr. Rob Anders (Calgary West, Ref.): Madam Speaker, I rise on a point of order. Pursuant to the special motion of the government whip which was adopted unanimously at the beginning of this debate, all questions should be deemed put no later than 5.30 p.m. today.

The Acting Speaker (Ms. Thibeault): I must advise the hon. member that there was unanimous consent to go on with the debate with five minutes for each party represented. The hon. member for Churchill is the last member to speak.

Ms. Bev Desjarlais: Madam Speaker, further to discussion with Canada Ports employees, all the opposition parties and even some Liberal members recognized the real need to ensure employee benefits and pensions were continued. We are going through a major change here. I hope this is not something that will happen every day or every decade where employees who work for the Government of Canada are being told their jobs will no longer be

there, that they are due to retire in five years and will not have the income or pension benefits they have planned for retirement.

It was hoped that the government would come up with a clause that would recognize this is a major change and that employees would be given the opportunity to continue with those same benefits. That is not to say that new employees may have had something different. Those employees who had planned their retirement based on that plan should have had the opportunity to continue.

This situation will not affect only Canada Ports. It is coming up in Atomic Energy Canada as those types of corporations are turned over. The issue will keep coming back. I suggest that we all look at the possibility of ensuring there is something for those employees so they are not five years to retirement without the funds they thought were available.

I will be supporting Motion No. 18 because I believe it is more encompassing. I put that motion forward at committee and I thank the hon. member for Beauport—Montmorency—Orléans resubmitting it.

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Madam Speaker, I rise on a point of order. I understand that the unanimous consent that was arrived at 10 minutes ago allowed for each party to have five minutes to speak. I also understand that the hon. member for the Reform Party spoke for just three minutes and we would not object to another two minutes being allowed for another member in that party. We have no objection.

The Acting Speaker (Ms. Thibeault): The hon. member for Souris—Moose Mountain.

• (1745)

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Madam Speaker, I will just sum up and get some clarification and hopefully some clarification for anyone who may be reading the results of this debate.

The hon. minister mentioned that in this transferring from the one authority or one paycheque to another that these people would be no worse off. Those were the terms that he used. May I present this to the hon. minister. If someone is being transferred to the new authority and they do so with 20 years experience, will that 20 years experience count with the new authority so that if the pension age is with 30 years of service, that would be the same number of years which qualified that individual for full pension?

That has not been made clear and I think that should be made clear because that is valuable information for the people who are waiting for the new port authorities to be established.

The second thing is in Motion No. 19, which is a motion which was raised by the government—and I will be very quick—there is a

Private Members' Business

statement there that says that this excludes the port authorities, but this is another issue and I am wondering how the government is going to deal with that other issue.

Those are my two points.

[*Translation*]

The Acting Speaker (Ms. Thibeault): Pursuant to order adopted earlier today, all the questions on the motions at report stage are deemed to have been put and a recorded division is deemed to have been demanded. Therefore, the recorded divisions stand deferred until Thursday, December 4, 1997, at the end of government orders.

(Recorded divisions deemed demanded and deferred)

The Acting Speaker (Ms. Thibeault): It being 5:46 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

USER FEE ACT

Mr. Monte Solberg (Medicine Hat, Ref.) moved that Bill C-205, an act to provide for parliamentary scrutiny and approval of user fees set by federal authority and to require public disclosure of the amount collected as user fees, be read the second time and referred to a committee.

He said: Madam Speaker, I am pleased to finally be able to stand and speak in favour of this bill that I have introduced, Bill C-205, the user fee act.

I will start by quoting from the auditor general's report from 1993. He said:

We are concerned that Parliament cannot readily scrutinize the user fees established by contracts and other non-regulatory means. There does not exist a government-wide summary of the fees being charged, the revenues raised and the authorities under which they are established.

He went on to say:

We have recommended that the Treasury Board review and report to Parliament on the adequacy of the current legislative and administrative framework for establishing user fees, and provide Parliament with government-wide summary information on fees being charged.

This is an important issue to many Canadians around the country. In 1996 user fees raised about \$3.8 billion for the government coffers without absolutely any parliamentary scrutiny. We believe that that is taxation without representation. Pretty clearly, others feel the same way.

Private Members' Business

I sit on the finance committee and I can tell you we had a number of representations from different groups, a lot of agricultural-type groups who came before us to complain specifically about how easy it is for the government and the bureaucracy to start to raise user fees, again without really very much scrutiny, with very little regard for the impact it is having on the various sectors of the economy.

• (1750)

If you look back over the history of this issue, one of the things you come to suspect very quickly is that the government is really using user fees to simply tax people more. It is a way for the government to come up with more revenue and not necessarily just for cost recovery.

It is interesting that in the February 1995 federal budget the finance minister sent bureaucrats in search of \$600 million in new revenue in a program he called cost recovery. This should cause us to be pretty suspicious. The government was in a terrible pinch in 1995. The finance minister ordered his bureaucrats to collect \$600 million from the hides of people who were doing business with the government. That is being done through user fees.

The intended purpose of this bill is to fulfil concerns raised by the auditor general in his 1993 report. Essentially it would require scrutiny by the appropriate standing committee of the House of Commons before any user fee is set or increased. The regulating authority, that being an agency or department, would be required to submit a proposal to the committee for review before any user fee is established or increased.

Madam Speaker, I might ask that you to give me a signal when I have used up about eight minutes of time. Then I will wrap up fairly quickly thereafter to allow my colleague to say a few words.

We believe beyond the issue of accountability, which is obviously an important issue, taxation without representation is pretty close to the wallets and the hearts of a lot of people as an issue they are concerned about. Apart from that is the issue of fairness.

It is difficult to judge whether or not the government is allowing user fees to pad shrinking budgets and appropriations. I can tell you that people are very concerned about it. I want to illustrate what I mean by reading from a brief which was presented to the finance committee a month or two ago. It comes from the Crop Protection Institute. It says:

Federal departments have very little acumen for accountability and management of cost recovery initiatives, as evidenced by experience with the Pest Management Regulatory Agency (PMRA), whose \$12 million cost recovery target is realizing a \$4.5 million shortfall, as predicted by industry, while the agency's performance and client orientation remain poor.

The cumulative impact of multiple cost recoveries within the Agri-Food value chain (i.e. pesticide registration, food inspection, veterinary drug registration, navigation system usage etc.) stifles this sector's potential to consistently deliver a trade surplus.

The business impact test, while very useful, does not measure the effect of multiple cost recoveries within the interrelationships of a value chain.

While the government has increasingly chosen to have mandatory services paid for through user fees, instead of from consolidated revenues, this switch has not been accompanied by lower tax rates. Thus, businesses subject to user fees have actually had their cost of doing business increased by the government, impacting negatively on their ability to compete globally.

It is pretty obvious when there is a power that is granted to the bureaucracy to go ahead and start to raise user fees, but on the other hand there is no check on that power, no real parliamentary scrutiny. It allows the government to do things that are quite damaging to business. We are very concerned about that. We have seen this continue for some time despite the warnings of the auditor general. Although the government has done some things, it simply has not gone far enough to deal with the problems that industry has pointed to.

Some would argue, as the gentlemen from the Crop Protection Institution does, that user fees put us at a competitive disadvantage. I can tell you this from personal experience, Madam Speaker. There is a meat packing plant, IBP Lakeside, in my home town of Brooks, Alberta. It is having a terrible time contending with large increases in user fees which the government has slapped on them, while trying to remain competitive in what is a global marketplace.

• (1755)

They have to compete with the Americans and others around the world. These user fees make it extraordinarily difficult for them to do this.

It is interesting to note that if the user fees that are paid are combined at all three levels of government, it amounts to about \$23 billion a year in this country, more than Canadians pay toward the hated GST.

I want to conclude by simply pointing out that there really is a trend for the government to use user fees to raise new revenue. I point to the new immigration head tax, \$975. There is a passport fee that was increased from \$35 to \$60, beginning in 1997.

This is interesting. Fisheries Canada started collecting \$15 million in recreational boat licences. In other words, people who did not used to have to worry about that are now going to be paying I think \$15 a boat so that this money can go back into the department, ostensibly for them to increase their surveillance and that sort of thing.

Suffice it to say, without checks, without the ability of Parliament, in this case through a committee to go ahead and look at these sorts of things, it really does amount to taxation without representation. It is \$3.8 billion a year.

I urge my colleagues around the House to seriously consider the objections that are being raised by the business community and by regular people, people who use parks, people who go fishing, about

the unbridled use of user fees as a way for the government to increase its revenues.

I would encourage them to consider this and work with me to encourage the people at public accounts to seriously consider this issue and perhaps actually implement at least part of what we are suggesting.

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, I welcome the opportunity to speak with regard to Bill C-205, presented by the hon. member for Medicine Hat. The member is known for his concern for the well-being of the nation's finances. Let us therefore scrutinize the bill in light of our shared concerns for the proper fiscal management of Canada's public finances in a cost effective delivery of services to Canadians.

Bill C-205 would demand separate parliamentary authorization for the establishment or increase of individual user fees. It would also require that the amount collected by the government as user fees be shown separately in the public accounts. In short, all user fees that are to be introduced, increased, widened in application must be submitted to the House of Commons and have the approval of the House before coming into effect.

This is not all. Before the House passes a resolution authorizing these new increases or widened fees, a committee of the House must have 150 days to review the proposal.

This bill, while attempting to disclose, is itself enmeshed in ambiguities, difficulties and misconceptions. The bill as currently drafted would require that a considerable amount of amendments be made to clarify its application.

For example, the bill's inclusion of departments as fee setting authorities but with the exclusion of individual ministers does not accord with the existing legal authorities for fee setting. Also, the bill's inclusion of crown corporations as fee setting authorities is perhaps much broader than the intent the member for Medicine Hat would like.

First, in the case of crown corporations producing goods and services under commercial and competitive conditions, parliamentary authorization for every price, fee or charge would make reaction to market conditions impossible. It would also be incompatible with the confidentiality a competitive firm needs to maintain an effective presence in the marketplace.

● (1800)

Bill C-205 will seriously encumber crown corporations that compete with private interests. Crown corporations would effectively be paralyzed vis-à-vis the private sector.

Private Members' Business

Let us consider what effects the bill would have on existing user programs within departments and agencies. There are 300 separate categories of fees listed for external user charges in a report prepared by the Treasury Board secretariat. These fees range in scale from charges for firewood at Parks Canada campgrounds to drug certification fees. There may be thousands of changes to fees implemented across government in any one year.

Bill C-205 requires that a separate parliamentary authorization for each one of them would place a large administrative and processing burden on departments, agencies and parliament itself. Delays would result from the provision that a committee would have up to 150 days to consider each fee proposal, subsequent to which the House would have to act before the fee could take effect. This would make the implementation of user programs virtually impossible.

The hon. member for Medicine Hat has taken out his trowel and is prepared to layer curious procedural mortar on the process of cost recovery through user fees. Is the member's bill consistent with cost effective delivery of public services? Does it not undermine the very ideas of a fee for services and a move toward cost recovery?

The user fee concept is not new. Canadians have paid passport fees since the 1800s. The use of user fees to finance the delivery of public sector goods and services is increasing in Canada as it is in other OECD countries. It operates on the principle that those who enjoy, profit or benefit from government services, to the exclusion of the public at large, should be the ones who pay the cost of providing them.

This promotes fairness in the use of tax dollars and discipline in the consumption of services. It also gives users a direct say in the service and how it is delivered. It is cost effective, administratively sound and a fair way to deliver government services.

We are interested in prudent management and the cost effective delivery of goods and services to Canadians. When we came into office in 1993 not only did we face a large \$42.5 billion deficit, high interest rates, increased taxes and record high unemployment. We were also looking at record levels of program spending.

In 1992-93 we were spending \$122.6 billion in program spending. Thanks to the program review and the commitment of ministers, program spending will fall to \$103.5 billion in 1998-99. This will represent only 11.9% of our gross domestic product, the lowest ratio since 1949-50.

We have succeeded in bringing our program spending under control. The deficit at \$42.5 billion in 1993 will be eliminated by 1998-99. We are now debating over what to do with the fiscal dividend we have earned through proper fiscal management, a

Private Members' Business

debate that would have been ridiculous, indeed inapplicable, under the previous government.

The government has shown restraint and discipline while never forgetting the most needy and vulnerable in society. We have managed our affairs effectively while maintaining quality service to Canadians.

• (1805)

Bill C-205 would not contribute to that success. It would indeed threaten it. After almost a decade of mistrust during the previous government, Canadians have a new and better relationship with their federal public institutions. Our public service is working with and for Canadians for a stronger, more prosperous, more dynamic and more secure Canada.

Canadians want effective public institutions and departments that will provide good value for their dollars. We have worked through program review to make programs and agencies responsible for the needs of Canadians. Bill C-205 is blind to the progress we have made so far.

A number of departments, including Agriculture and Agri-Food Canada, Industry Canada and Environment Canada, has been contacted to get their reaction to the bill. All indicated that it would do significant harm to their ability to implement changes to their programs as scheduled under program review, leading to significant delays and compliance needs.

Under Bill C-206 fee setting would become an adversarial political process, with the House committees becoming a target for intensive lobbying from various interest groups.

I conclude by saying that I do not oppose the intent behind the hon. member's bill. I agree, for example, that public accounts should include a better breakdown of tax revenue, but the member's bill is an excessive tool to bring it about.

The intentions of Bill C-205 are unworkable. The basic principles of the bill are incompatible with the effective delivery of programs in departments, agencies and crown corporations which provide goods and services to Canadians on a full or partial cost recovery basis.

I cannot therefore support the bill.

[*Translation*]

Mr. Odina Desrochers (Lotbinière, BQ): Madam Speaker, it is surprising to hear what our colleague opposite had to say. Dealing with transparency, with how our money is spent, is always complicated; it is always a long process. But when the process is to tax people, when the process is to introduce hidden taxes, the government is quick to act.

We have before us today in the House of Commons Bill C-205 introduced by the member for Medicine Hat. In this bill, the Reform member states that this law would provide for parliamentary scrutiny and approval of user fees set by a federal authority and require public disclosure of the amount collected as user fees.

The Bloc Québécois, a party that promotes transparency, is also willing to promote this bill. This initiative by my Reform colleague is in keeping with a recommendation made by the auditor general in his 1993 report, and I would like to quote him. My colleague mentioned this earlier, but I would like to repeat it because sometimes the members opposite have difficulty understanding the facts.

Here is what the auditor general said "We are concerned that it is not easy for Parliament to scrutinize closely user fees as determined by the market and other non-regulatory instruments. There is no government-wide summary of fees charged, of revenues collected and of the authorities under which these fees are set."

This Reform bill addresses this legitimate concern by the auditor general. These user fees are a type of hidden tax that the Minister of Finance approves. Federal agencies are charging fees in an attempt to overcome the cuts that the Liberal government imposed on them.

In fact, these federal agencies implemented these service charges when the Minister of Finance authorized them to do so in 1995. The minister stated at that time that it was appropriate to charge such new fees in order to finance part of the programs and services provided by the federal government.

Who is paying for this new approach? The taxpayer.

I would like to give you several examples of increases to service charges made by agencies under federal authority: a head tax of \$975 for each new immigrant coming to Canada; administration fees for a passport increased from \$35 to \$60.

Another example affects directly families and people who love the outdoors: in 1995-1996, \$35 million were collected in entrance fees paid by users of our lovely national camping sites, and these fees almost doubled in the year 1996-1997, totalling over \$61 million. Today, national camping facilities cost more than private camping facilities.

• (1810)

How can these hidden taxes imposed with the finance minister's blessing be justified when the people of Quebec and Canada are overburdened with taxes as it is? Bill C-205 comes at the right moment to unmask the Liberals' game. Where is this money going? The Minister of Finance did not say anything about that either. Whenever this government has to account to the people, it shirks its responsibility. There is a long list of examples.

One issue of particular concern to Quebeckers is that of harmonising the GST, which costs our taxpayers \$2 billion. In spite of

repeated requests on our part, the Minister of Finance still will not agree to disclose his real motives for denying this legitimate request.

The Minister of Finance repeatedly said that his studies and analyses showed that Quebec was not entitled to this money. In a last-ditch effort to resolve this issue, the leader of our party made a fair and equitable proposal to the two parties involved in this controversy over numbers. The Bloc leader asked that a three-member expert panel look into this issue. The federal government will not agree to this totally democratic and legitimate approach. What is it trying to hide from the public?

The EI fund, with surpluses expected to exceed \$15 billion, is another issue. In the report he tabled in October, the auditor general mentioned that the finance minister should administer the EI fund in a more transparent fashion. The minister's financial statements should show, under a separate account, the amounts paid in and out of the EI fund.

This too would help give credibility to this government. Yet, the finance minister still denies this request. Why? He is afraid of the public finding out how he is playing with the EI fund surpluses.

Who are the losers in this economic debate? The workers, who are heavily penalized by this Liberal government.

With this bill, democracy could make strides. The issue of transparency is front and centre, and that is the first step in stopping this marketing operation the Liberal government launched in this House with the Speech from the Throne. It should be pointed out to the hon. members of this House that, in 1996 alone, these new user fees generated \$3.8 billion in revenue for the federal government, without any form of review being conducted.

The finance minister's game is obvious. This is another source of revenue that looks like a roundabout way of collecting more taxes from the taxpayers. The time has come to put a stop to these hidden taxes. The time has come for the public to be made aware of the use made of this money by the government.

The Bloc Québécois fully supports the principle of Bill C-205, allowing members of Parliament to subject to scrutiny the source of revenue from user fees.

For the reasons stated the bill, namely transparency, responsibility and representation, our party is in favour of Bill C-205.

[English]

Ms. Bev Desjarlais (Churchill, NDP): Madam Speaker, if we were discussing the issue of user fees I am quite sure it would be a different debate, but as we are discussing a private member's bill to ensure parliamentary scrutiny of user fees I want to rise in support of the bill.

Private Members' Business

The user fee act will require scrutiny by the appropriate standing committee of the House of Commons before any user fee may be set or increased. The regulating authority must submit a proposal to the committee before any fee is established or increased.

The report of the committee is subject to the concurrence of the House. If the committee does not report within 150 days, the House may pass a resolution approving, denying or amending the proposed fee or change. The regulating authority is bound by the decision of the House.

The enactment also requires public accounts and other government reports on revenue that identify sources of revenue to identify the amount of revenue from user fees.

The legislation of my colleague from Medicine Hat is designed as a response to the auditor general's comments that parliament needs to scrutinize user fees. There does not exist a government-wide summary of the fees being charged, the revenues raised and the authorities under which they were established. There is a lack of scrutiny.

User fees are more and more present for services which the government provides. Not only are they becoming more abundant but they are becoming higher.

It is easy to show a surplus when services are cut. It is easy to show a surplus when we operate government as pay for service. The government has cut and slashed so much the budgets of departments that they now turn to user fees to make up for the loss. In 1996 the federal bureaucrats picked up \$3.8 billion in user fees for government services, 7% more than in 1995.

• (1815)

User fees have been able to explode without scrutiny. People are affected by these user fees that are imposed on them. They are hitting us from every angle. Ottawa has cut its deficit on the backs of the provinces and the provinces are doing the same on the backs of municipalities, hospitals and school boards. With no government to download onto and under pressure from citizens to hold the line on taxes, local politicians have increasingly turned to user fees. Local governments now raise more than \$9 billion a year in user fees and hospitals another \$3 billion, double what they were pulling in a decade ago.

As a trustee with my school district, I was aware over the years that students had to buy some supplies, wood for carpentry and material for sewing, gym shorts, a calculator, a French verb book. As the years went by the list got longer and longer. Finally there was a public outcry because there were just so many items the students had to purchase on their own. Such is the case with the Government of Canada.

This legislation would be a start. Members in this Parliament would have a chance to represent their constituents' concerns over the government's user fees. They would have a chance to have

Private Members' Business

public debate on user fee increases. We would have a chance to decide if it was fair for Canadians to pay for the government's cuts to departmental budgets. This is why I will be supporting this bill.

Mr. Leon E. Benoit (Lakeland, Ref.): Madam Speaker, I am pleased to speak to Bill C-205 presented by the member for Medicine Hat.

I have heard people say that the member for Medicine Hat should be knighted for his service to the people of Canada performed through this bill. There are others who say he should be ignited. I do not know which it should be but I do appreciate that he has brought this bill forward. It is a very serious topic.

In the time that I have to speak on this bill, I will deal with the user fees and the problems they cause to farmers and those in the agricultural industry. I will focus on that area, although many of my comments could be applied to any other business or industry.

I will begin by referring to the 1993 auditor general's report, which the hon. member for Medicine Hat referred to briefly. It should have been a starting point for the government as it delved into the user fee fiasco it is in now. Second, I will deal with the principles that should guide changes to user fees. Third, I am going to talk about the general concerns that farmers and agribusiness have expressed regarding user fees. And if I have time, I will refer to what particular farm organizations and agriculture processors have said about what user fees are doing to them.

The hon. member for Medicine Hat explained his bill and the impact it would have on the whole issue of user fees. User fees as they have been used by the federal government and other levels of government have become a new way of taxing people. We had something like 36 tax increases by the government in the last Parliament plus the budget promise for a 73% increase in the Canada pension plan premium. And already in this Parliament the same government has made tax increases and sometime this week or next, because closure has been invoked, we will be debating and passing Bill C-2, the increase in Canada pension plan premiums of 73%.

Farmers who manage their businesses are faced with these very real tax increases and the increase in Canada pension plan premiums. Since most farmers own their own businesses and are self-employed, they would face an increase over five years amounting to \$3,200 a year. They have that increase as well as the whole barrage of user fees that affect them both directly and indirectly. I will talk about some of these fees.

• (1820)

Starting with the auditor general's report, the hon. member for Medicine Hat talked a bit about the report. In the 1993 report the auditor general called for the scrutiny of Parliament on user fees.

That is exactly what the hon. member for Medicine Hat is calling for in his private member's bill.

The auditor general stated: "We are concerned that Parliament cannot readily scrutinize the user fees established by contracts and other non-regulatory means". The auditor general said that he was concerned Parliament generally does not have a chance to scrutinize new fees. He went on to say that Parliament really cannot scrutinize user fees established by contracts and other non-regulatory means: "There does not exist a government wide summary of fees being charged and revenues raised by the authorities under which they are established".

He also said that the use of contracts on a broad scale to establish fees needs to include careful consideration of such issues as: how they would affect the parties and that parties be consulted; how Parliament would be given the opportunity to review fees established by contracts; and how users would be assured they are being charged the same price for identical services being used.

The auditor general said that Parliament should scrutinize the fees. He went on to explain that there are many increases in user fees that really are not defined as such. Therefore they are not even guided by the rules as they exist to guide the establishment and the use of user fees, including contracts. The auditor general specifically picked on contracts because we are talking about a sizeable number of dollars being put in place without being passed through Parliament, without the scrutiny of something like a parliamentary committee. The auditor general was not pleased with what had happened to that point and nothing has been done since to improve the situation.

I will talk about what the principles to guide user fees should be. Much of my material comes from what the Canadian Dehydrators Association says the principles for the implementation of user fees should be.

First, the fee must be based on the actual cost of providing the service. They are not necessarily set that way now. Some fees are much higher than the cost of the service being provided.

Second, these services must be provided cost effectively. That is a key point Reform has focused on over the past few years we have been here. We said that in many cases we believe the services are not being provided in a cost effective way and we have to make sure that they are.

Third, administrative costs must be low and the documentation requirements must be there in the operation of the business.

Fourth, there must be no cross-subsidization of services across commodities or regions. This is an important point. We have seen too much of this kind of thing in the past. We have seen too many cases where the costs in one area are being borne for costs that actually should be borne by another sector, another industry or

another part of the country. Cross-subsidization should not be occurring.

Fifth, wherever possible the fees should be directly applied to prevent fee inflation to indirect application through a service provider.

Sixth, there must be a system in place for tracking the overall incidence of fees and its effect on industry with a process for consultation.

Some general concerns have been expressed by farmers and others in the agriculture industry. There are seven or eight of them. I do not know if I will get through them all, but I will see how I do. Some of these concerns have been expressed to me by many different groups. I could go through the list which includes the Ontario Corn Producers and the Canadian Meat Council. Many concerns are expressed about the Pest Management Regulatory Agency and the Marine Services Act.

• (1825)

Someone who is not familiar with what goes on in agriculture might ask how on earth can the fees charged under the Marine Services Act affect farmers. Farmers move products and the agriculture industry moves products through ports and the fees are borne by farmers.

There is the Crop Protection Institute. There are letters from many individuals and representatives of farm groups, of industry groups, and so on. They expressed the common concerns that I would like to put on record here, but I understand from your signal I will not be allowed to, Madam Speaker.

One concern I do want to express is that we cannot look at user fees in isolation. We have to look at them and their cumulative effect on industry. We can look at a whole series of user fees that do impact on any industry in the agricultural sector. There is no agency in government that looks at these total accumulation of fees and the impact on the industry. There is no government agency that looks at the comparison of fees in the other countries Canada competes with.

These are my concerns. I see that my time is up. I look forward to the hon. member for Medicine Hat doing his wrap up on the bill. I am sure he will comment on some points made by the members across the floor.

[*Translation*]

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Madam Speaker, I read Bill C-205 with care and tried to see how it would improve things at the moment for user fees. I must say I am still looking.

What is the intent of this bill? That was my question. All user fees—new, increased or expanded—have to be submitted to the House of Commons.

Private Members' Business

The definition of user fees is too broad. It applies to both the fees established by the governor in council and to all federal agencies, including crown corporations, whether we are talking about user fees for a good, a service, authorization, a permit or a license authorized by Parliament.

To have force of law, user fees must be approved by the House of Commons. Before the House approves them, a committee of the House has 150 days to study the proposed fees. The amounts of money generated by user fees should appear separately in public accounts.

I think this is going too far. In its present form, the bill is, to say the least, weak in form and content. It requires so much reworking, so many amendments, in order to clarify its implementation, that studying it at a later stage in our parliamentary process becomes unrealistic.

The government has made significant progress where user fees are concerned, but Bill C-205 contains just what is needed for chaos and disorder.

Charging user fees is good government. If the intention of the bill is legitimate, however, the reality remains that it would impose a huge burden on our parliamentary process on the one hand, and would make it impossible to operate certain crown corporations and agencies on the other.

This private member's bill would require separate authorization by Parliament to set or increase user fees and would introduce chaos into a system that works well at the present time.

The costs and associated delays associated with this bill would represent a serious threat to all government programs based on user fees.

The bill is so vague that it would apply to commercial prices set by crown corporations, and by so doing would hamper their operations.

• (1830)

In the case of crown corporations producing commercial goods and services, requiring the authority of Parliament for each of these user fees would completely gum up the works.

This bill would also make it impossible to maintain the confidentiality an organization requires in its dealings with clients. The result could be major damage to the point of making it impossible for many crown corporations to operate.

The same might also happen with programs. There are some 300 programs and categories of user fees listed in the Treasury Board Secretariat's report on user fees and many of these categories contain a large number of individual fees. They range from prices for firewood in Parks Canada campgrounds to fees for certifying drugs. There can be thousands of fee changes on a government-wide scale every year.

Private Members' Business

Imagine the administrative burden and the parliamentary bottleneck created by thousands of requests for changes in user fees. Imagine the additional workload for departments, government organizations and crown corporations, as well as for Parliament and parliamentarians.

Imagine, as well, the delays resulting from a clause in the bill authorizing the parliamentary committee to consider a proposed user fee increase for 150 days. And, to top it all off, the House would have to approve the committee's decision or recommendation. This would make it virtually impossible to administer user fee programs.

There is also every indication that departments would find it impossible to conduct the program review in a consistent manner.

Setting user fees would become a complicated exercise within the political process of parliamentary committees, which would become the prime target of intensive lobbying on the part of interest groups affected by user fee proposals.

While we feel it would be impossible to implement the bill, we are not opposed to some of its underlying elements. We agree that public accounts should provide more detailed information on revenues other than taxes. Unfortunately, the scope of the member's bill is too broad to represent only a minor change in public accounts.

We also support the idea of parliamentarians monitoring user fees. The fact is that user fees are mentioned more and more often in the reports on plans and priorities. Moreover, the legislation affecting the industry and health departments now provides that all user fees imposed by a minister must be referred, as part of a permanent process, to a committee of the House.

For these reasons, and for the reasons mentioned by my colleague, I cannot support the bill.

[*English*]

The Acting Speaker (Ms. Thibeault): Does the hon. member for Medicine Hat wish to conclude for five minutes?

Mr. Monte Solberg: Yes, Madam Speaker. I certainly would like to wrap up.

I will address some of the issues that my friends across the way have raised with respect to Bill C-205 and their objections. It has been suggested that because the bill is broad in scope and that it would cover all kinds of agencies and crown corporations that it would make it extraordinarily difficult for the committees to be able to handle all of these things.

I think hon. members across the way are simply raising bogeymen. The fact is that 90% of these user fees would probably pass

through largely unopposed and would be run of the mill decisions essentially rubber stamped. However, there are the 10% that Canadians have raised concerns about. In fact, hon. members across the way will remember very well the huge debate that we had in this country when the government brought in a user fee which was the immigration head tax. That is something that deserves parliamentary scrutiny. It is something that we need to have a discussion about before it is actually implemented.

Sadly, that is the sort of thing that we do not get under the current government.

• (1835)

In the Liberal's election campaign in 1993, I am sure hon. members across the way ran around with the red book. One of the things contained in that red book was how the government was going to empower committees. This would actually give committees something meaningful to do. It would actually allow them to give people some representation effectively when the government is proposing to tax them.

This would probably draw more attention to committees. There is no doubt about that. It would in fact attract people to come and lobby. There is no doubt about that and that is probably good. There will be people lobbying on both sides. It would allow a transparent process so that we could actually have the public allowed to see what is going on with respect to the increases in user fees.

I want to back that up by pointing out what the auditor general said in his 1993 report. He said: "Is the establishment of fees by order less open to abuse? If the regulatory process is followed there is a degree of transparency in how a price is established. If fees are established by contracts the process could be subject unduly to political and administrative considerations."

In other words essentially what the auditor general is saying is that under the current situation where the bureaucracy can effectively contract with those people who use government services and set fees arbitrarily, it is open to political and administrative considerations.

We do not want that type of system in Canada at the end of the 20th century. That is something that belongs in a third world. That opens ourselves up to corruption and those sorts of practices. We do not want to have that in our country. That is why I am arguing strongly so the government can follow through on its election commitments to open up committees, to make them more powerful, to do things that are quite meaningful to people. This would be a wonderful opportunity for the government to do that.

I just want to emphasize again, because this was an objection raised by both speakers on the Liberal side, that 90% of these user

fees would never run into opposition from people on the committee. People are not going to argue about the price of firewood if it looks reasonable. If all of a sudden it jumps by half or 100%, people may start to object. That is probably good.

We need to have that kind of mechanism in committee. We do not have it in the House of Commons. We need to have it at least in committee then ultimately in the House of Commons. Right now those things are allowed to go on unabated and Canadians are paying for these things directly from their pockets.

The hon. member across the way sent me a note saying "I thought the Reform Party supports user fees". We do not have a problem with user fees. We agree with user fees. To us it makes sense that people who use particular services would pay for them and not the general public. What I would think would happen in a situation where everything was working correctly, as the users fees go up the general tax level should go down. That has not happened. Taxes have gone up too. That makes our businesses uncompetitive because they pay higher tax rates and they also pay these user fees.

For all of those reasons and many more I urge my friends across the way to reconsider their objections and work with me to ensure that the people at public accounts do actually start to implement some of the recommendations in Bill C-205.

[Translation]

The Acting Speaker (Ms. Thibeault): Since no other members wish to speak and the motion was not selected as a votable item, the period allocated for the consideration of Private Members' Business has now expired and the item is dropped from the Order Paper.

* * *

[English]

BUSINESS OF THE HOUSE

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Madam Speaker, if you were to seek it, I believe that you would find unanimous consent for the following motion:

That, notwithstanding any standing order or usual procedure, during the present sitting the House may receive a message concerning a royal assent and attend a royal assent after proceedings pursuant to Standing Order 38 have commenced, provided that, if the House has not attended a royal assent by the conclusion of the said proceedings, it shall not adjourn, but the sitting shall be suspended and shall be resumed for the sole purpose of a royal assent and provided that immediately after a royal assent or, if the Speaker receives information that no royal assent is to be granted this day, for the sole purpose of adjourning to the next sitting day.

A note of explanation. This is to suspend the House until we receive royal assent on Bill C-24 regarding Canada Post, after which of course the House will be adjourned.

Adjournment Debate

• (1840)

Meanwhile, the House I believe would also consent to proceeding with what is normally considered the adjournment debate, although technically of course we will not be adjourned so that members can have the benefit of having the adjournment debate now.

I believe you would find unanimous consent for that unusual practice as well, if the House is willing to consent to that which I have just stated.

The Acting Speaker (Ms. Thibeault): Does the hon. member have the unanimous consent of the House?

Some hon. members: Agreed.

(Motion agreed to)

ADJOURNMENT PROCEEDINGS

[English]

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

HEALTH CARE

Mr. Gordon Earle (Halifax West, NDP): Madam Speaker, on October 7 I questioned the Minister of Health regarding concrete action the government needs to take to address the dramatic situation of aboriginal health as highlighted by a recent report from the auditor general.

Health is a matter of great concern for all Canadians. As Tom Irons, fourth vice-chief of the Federation of Saskatchewan Indian Nations, stated: "I firmly believe that no other issue so fundamentally relates to the survival of our people than health".

The 1996 report of the Royal Commission on Aboriginal Peoples refers to the health status of aboriginal people as both a tragedy and a crisis. Health Canada statistics illustrate the extent of this tragedy.

Infant mortality for first nations is 1.7 times higher than the Canadian average. Life expectancy is seven to eight years lower on reserves than anywhere else in Canada. Infectious diseases like tuberculosis are 6.6 times more common among aboriginal peoples. The suicide rate among young people is up to eight times higher than the Canadian average.

These numbers are just the tip of the iceberg. Health and social conditions in aboriginal communities are disastrous and clearly unacceptable under Canadian standards.

The auditor general's report talks of abuses of prescription drugs having caused high dependency and even death among some aboriginal people. We may add to this list the ongoing lack of resources and medical staff in remote communities.

Adjournment Debate

What is our government's response to this crisis? We hear a lot of words, talk of partnership and new programs, but little action. If aboriginal health is a matter of concern for this government, maybe the minister could explain why the federal government is reducing its budget allocation to health services on reserves.

The June 1997 expenditure plan from Health Canada shows a reduction of 2.9% of direct spending on aboriginal health programs between 1995 and 1996. Is the government hoping to improve the situation by reducing already scarce resources? As the auditor general rightly points out, it is necessary to establish a closer relationship between the government and aboriginal administrations in order to put forward solutions that address the specific realities of each community.

Aboriginal peoples have shown great energy and imagination in tackling health and social problems. Projects linking traditional healing practices and medical services have often proven very successful. Collaboration and partnership based on action between governments and aboriginal peoples is the first step toward addressing the dramatic situation in many aboriginal communities.

As the royal commission stated in its final report, this situation is the result of years of abuses and of paternalistic attitude that seriously damaged aboriginal self-esteem and sense of belonging, but transferring programs must not be done in a dump and run style so often employed by this government. It must be done in true collaboration with aboriginal communities to ensure that programs transferred are actually going to improve the health of aboriginal peoples.

Empowering the people involved is an essential step toward healing and creating conditions for a better future. I thus strongly urge the government to act on this and closely examine the royal commission and the auditor general recommendations regarding aboriginal health.

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, it is my pleasure to respond on behalf of the Minister of Health to the member for Halifax West.

I wish to address the concerns which have been raised in the House over the findings of the auditor general's report concerning the delivery of health care services for first nations.

The auditor general says that some first nations people are concerned that Health Canada is taking a dump and run attitude in the transfer of health care programs to first nations.

• (1845)

I assure the House that the transfer initiatives are launched as a response to communities that are ready to assume greater responsibility for health care resources.

It is a process that responds to first nations and will occur at a time and pace of their choosing. There is no pressure on communities to take up the transfer.

Concerns have also been raised in the House over the auditor general's findings with regard to prescription drug misuse among Canadian first nations and the slowness of Health Canada to respond to this problem, which the auditor general says the department has known about for 10 years.

Let me assure the hon. member that for the past 10 years Health Canada has been working to address the problem. The department has installed a comprehensive claim processing system across the country which deals with six million drug claims per year. It ensures that eligible clients receive drug benefits. By the end of the year the department will have installed a point of sale system in all pharmacies that will alert pharmacists to real problems such as harmful drug interaction and patterns that suggests misuse before the client has been given the drug.

In his report the auditor general agrees that this will address many of the problems of prescription drug misuse. In addition, a drug utilization review report has been developed which allows Health Canada to identify potential abuse situations for physicians, pharmacists and clients.

This system ensures that those involved can be alerted and appropriate follow-up action initiated to address situations where abuse is identified. I assure the member—

The Acting Speaker (Ms. Thibeault): The hon. member for Dartmouth.

HUMAN RESOURCES DEVELOPMENT

Ms. Wendy Lill (Dartmouth, NDP): Madam Speaker, today is International Day of Disabled Persons. I would like to revisit the issue I brought to the attention of the House on October 28, on the first anniversary of a federal task force report on persons with disabilities, and that is the growing desperation of the disabled.

I will start by setting the stage for the task force. It was set up after the Minister of Finance eliminated the Canada Assistance Plan and instituted the CHST, no strings attached money to the provinces where health care, education and social services would all be fighting for the same dollars.

The Minister of Human Resources Development stated that he was planning to end federal responsibilities to the disabled and the families caring for them.

In the grand scheme of downloading and devolving, people with disabilities and the families caring for them, my own family included, were facing an anxious and uncertain future in this new world order: reduced resources, reduced protection, and reduced commitment in the areas of health care, education and social services.

The task force held out a ray of hope for all of us that the rights of the disabled would finally be dealt with by the federal government. The task force called for a Canadians with disabilities act. It recommended earmarked funds in existing programs, tax reforms and refundable tax credits. It urged the government to address the extra costs of living with disabilities.

The task force led people to believe that the very real issues of training, education and labour, the life issues of the disabled, would finally be dealt with. One year after it was tabled and where are we? The Liberals have only implemented 8 of the 52 recommendations, and I must say they were the easy ones.

Persons with disabilities and their services are under attack more than ever. The federal government is trying to ram through changes to the Canada Pension Plan Act, which will have the impact of cutting \$1 billion in spending on CPP disability pensions by the year 2005. Disabled widows and widowers will have their combined survivor disability pension benefits reduced. Disability pensions will be harder to get and worth less.

Now with the CHST and cash strapped provinces having the discretion to spend money as they want, services to the disabled are dropping like flies. In the nation's capital there are two accessible taxis available on 24 hours notice. The para-transit service has been cut in half, and it was underfunded to begin with.

• (1850)

How are people supposed to go to work or to the doctor? How are they to visit their mothers? Attendant care is being slashed. People have to fight for the right to have a bath once a week. It is a farce to say that persons with disabilities have the same rights when supports are being withdrawn for them to participate at the most basic level.

What about protection under the law? With the sentence handed down this week on the murder of Tracy Latimer, the disabled believe they were sent an even stronger message, that their lives were somehow not worth as much as others. Tracy Latimer was disabled and she is now no longer with us.

It is time that we all took a very close look at the conditions facing the disabled in Canada. It is time the federal government finally acted on the recommendations of its task force.

On behalf of the disabled I urge the government to appoint a minister responsible for persons with disabilities and to introduce a persons with disabilities act. It is time to safeguard the quality of life for our most vulnerable citizens. Some 4.2 million disabled Canadians and their families are waiting and hoping that these issues will finally be addressed.

Adjournment Debate

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, I am pleased to speak on the subject of national pharmacare.

I would like to inform the House about the government's plans with respect to a national pharmacare program. The National Forum on Health pointed out that Canadians were fortunate to have a world class health care system. Medicare, as we know it, gives universal access to medically necessary hospital services without financial barriers. This system has served us well over the last number of years both in terms of the health of the population and the competitiveness of the Canadian economy.

The national forum told us that we should preserve what we have. It also told us that in order to preserve it we should consider doing a number of things. One of those things was expanding medicare to include other medically necessary services such as home care and drugs.

The federal government intends to pursue the examination of the future directions recommended by the national health forum to serve Canadians. As outlined in the speech from the throne on home care we said that we would take measures to support Canadians by responding to the expanding needs for home care and community care. We will develop a national plan, timetable and fiscal framework for providing Canadians with better access to medically necessary drugs.

This means the federal government recognizes that our country would be better served with an ideal pharmacare and drug system. We can do better with respect to the services provided. We can do better with respect to the use of prescription drugs, compliance and prescribing. We can do better with respect to integrating the health care system and allocating resources among drug therapy, hospital therapy and medical therapy.

Medically necessary prescription medicines are a vital element of health care. They are of relative importance compared with other elements of health care.

HEALTH

Mr. Greg Thompson (Charlotte, PC): Madam Speaker, I questioned the Minister of Health on October 1 with regard to the promise on pharmacare in the Liberal red book.

In the question to the Minister of Health I alluded to the election campaign and the promise to introduce a pharmacare program for all Canadians. I proceeded to quote from the red book two and I will quote now from page 75 of the Liberal election platform:

We will work with our provincial partners to ensure that all Canadians have access to medically necessary drugs within the public health care system. The federal government has a role to play in bringing together provincial and territorial partners and a range of other interests to develop a national plan and timetable for introducing prescription drugs into the medicare system.

Adjournment Debate

I guess the only response the minister could make was that he would consult with his provincial counterparts. That is not good enough. I contend it was an election promise simply for the purpose of getting elected. The minister and the Liberal government had no idea of how to implement such a program. I have lots of evidence to back me up on this, that it was nothing more than election rhetoric. The cost of doing so is astronomical, is well beyond the present government's ability to pay.

• (1855)

Presently in Canada we spend \$10.8 billion annually on drugs. Out of that \$10.8 billion about \$5 billion is for prescription drugs. So the question is, how will the government come up with \$5 billion, knowing full well that there are financial restraints on the government.

It did not stop there. When the present minister was first appointed to cabinet in his new role as health minister, I guess he could not resist the idea of going back at it. I quote from the *Ottawa Citizen* of June 12 which states: "Canada's new health minister promised yesterday to preserve medicare and perhaps even expand it with universal pharmacare and home care programs". That was long before he had the opportunity to realize what he had said and what he would have to do, again because of the cost.

The Minister of Health has found out and he comes back to it in every single answer in the House with regard to the pharmacare program that he has to consult with the provinces. Indeed he would have to consult with the provinces because there is a hodge-podge of programs across this country provincially with regard to pharmacare and none of them are the same. In other words we have 10 provinces and every one of them has a different policy with regard to pharmacare. Some provinces have a very good system of pharmacare for seniors and some provinces do not. Some provinces have a pharmacare program for people below a certain level of income.

The point I am making is that the minister and the government had no idea what they were promising in 1997 with regard to the pharmacare program.

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, medically necessary prescription medicines are a vital element of Canada's health care system. They have increased in relative importance compared to other health care sectors. Look at what we can accomplish today with drugs that before had to be dealt with through surgery or worse yet, had no treatment available. I am thinking here of the advances we have made in substantially reducing the need for ulcer surgery and the advances we have made in treating mental illness.

It is time for us to start talking about how we are going to ensure that Canadians will have access to health care. We are now just beginning this dialogue.

The federal government does not have a ready made national pharmacare program cooked up in Ottawa's back rooms. The Canadian health care system is a partnership and the federal government will be exploring a national approach to pharmacare in true collaboration with the provinces and territories. A new federal-provincial-territorial working group is beginning a process. Stakeholders must also be involved in the dialogue.

As part of the new health transition fund, \$150 million over three years was announced in the last budget, the Minister of Health will be co-hosting a national conference on pharmacare with the Minister of Health for Saskatchewan. This will be an important step in our discussions on a national approach to pharmacare.

The development of a national approach to pharmacare will be collaborative. It will not happen overnight. It will not be done by the federal government alone. It is must be done—

The Acting Speaker (Ms. Thibeault): The hon. member for Waterloo—Wellington.

TRADE

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, I was somewhat surprised recently when United States President Bill Clinton was unsuccessful in getting backing from Congress to give him a so-called fast track authority to negotiate expansion of the North American Free Trade Agreement. I wondered where that left Canada.

• (1900)

[Translation]

The federal government worked tremendously hard to ensure that the Canadian economy continues to have solid foundations.

[English]

Accordingly, I believe that Canada must be diligent in ensuring that we follow our own agenda to further trade liberalization in the Americas. There is tremendous trade potential in this hemisphere for Canada. It is important that with the global economy becoming more and more interconnected that we do not watch from the sidelines.

Rather, we need to pursue with vigour trade agreements and investment co-operation agreements which will be beneficial to Canada and to all Canadians.

Will the parliamentary secretary outline precisely what Canada intends to do to continue to seek trade agreements with countries in our hemisphere?

Mr. Julian Reed (Parliamentary Secretary to Minister for International Trade, Lib.): Madam Speaker, while we are naturally very disappointed in this recent development, I assure the House it is not going to slow us down one minute. We will continue to

pursue our trade liberalization agenda in Latin America with or without a fast track in place in the U.S.

By the year 2000 this area will have a population of nearly 500 million and a gross domestic product of \$2 trillion. Canadian business representatives are bullish on the region.

The achievement of more open markets through the free trade area of the Americans, as we call it now the FTAA, remains a top priority. Fast track is not a technical requirement for the negotiations to begin. It is, however, a signal of U.S. commitment that many FTAA countries are looking for.

We understand that the U.S. administration intends to resume its effort to obtain approval for fast track in the new year. We hope for a successful result in time for the Santiago meeting.

Complementing the FTAA, Canada is also proceeding with our trade dialogue with the Mercosur group of countries, Argentina, Brazil, Paraguay and Uruguay. Canada's annual exports to this market are about \$1.5 billion and Canadian investment there has reached \$6 billion. We hope to put in place a framework for our trade and investment relations with Mercosur during the upcoming Team Canada visit to the region.

In January, as my hon. friend knows, the prime minister will lead a Team Canada mission to Mexico, Brazil, Argentina and Chile. These three initiatives are aimed at expanding the links Canada has already established with key partners in our region.

SUSPENSION OF SITTING

The Acting Speaker (Ms. Thibeault): Pursuant to order made earlier, the motion to adjourn the House is deemed withdrawn and the sitting is suspended to the call of the Chair.

(The sitting of the House was suspended at 7.03 p.m.)

• (2215)

SITTING RESUMED

The House resumed at 10.15 p.m.

Royal Assent

MESSAGE FROM THE SENATE

The Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bill: Bill C-24, an act to provide for the resumption and continuation of postal services.

THE ROYAL ASSENT

[English]

A message was delivered by the Usher of the Black Rod as follows:

Mr. Speaker, The Honourable Deputy to the Governor General desires the immediate attendance of his honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

And being returned:

The Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-24, an act to provide for the resumption and continuation of postal services—Chapter No. 34.

The Deputy Speaker: Pursuant to order made earlier this day, 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 10.27 p.m.)