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(HANSARD)

Tuesday, December 9, 1997

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Tuesday, December 9, 1997

The House met at 10 a.m.

Prayers

• (1000)

[*Translation*]

PRIVILEGE

STANDING COMMITTEE ON FINANCE—SPEAKER'S RULING

The Speaker: My colleagues, I am now prepared to rule on the question of privilege raised on Friday, November 28, 1997, by the hon. member for Prince George—Bulkley Valley and on Monday, December 1, 1997 by the hon. member for Markham.

• (1005)

[*English*]

The hon. member for Prince George—Bulkley Valley raised the matter of a premature disclosure and newspaper publication of part of the draft report of the Standing Committee on Finance concerning pre-budget consultations.

The hon. member for Markham also objected to the premature disclosure of the draft report and to the fact that some committee members had been denied access to the draft report until after the occurrence of the leak. The hon. member for Markham further claimed that the delay in providing him with the draft report interfered with his ability to carry out his functions as a committee member in examining the draft and preparing, if necessary, a dissenting opinion.

I thank the hon. members for bringing these matters to the attention of the House. I would also thank the other hon. members who raised points related to these questions for the Chair's consideration.

[*Translation*]

Let me begin by saying that the matter of the premature disclosure of committee documents is one which has been raised on a number of occasions in the past few weeks. The Chair has clearly

set out the principle that committee matters should be raised on the floor of the House as a result of the presentation of a report from the committee concerning them.

[*English*]

There is a further principle related to premature disclosure of committee documents which Speaker Jerome used as the basis for a ruling given on October 22, 1975. No potential breach of in camera proceedings can be taken up without a specific allegation of misconduct directed against particular individuals.

I refer hon. members to citation 877(2) of Beauchesne's, 6th Edition, which clearly states that a complaint concerning premature publication of a committee report is incomplete without reference to the specific source responsible for the disclosure of the report. In consequence, I cannot find that this matter constitutes a *prima facie* breach of privilege at this time.

With respect to the issue concerning the preparation of dissenting opinions, Standing Order 108(1)(a), which gives committees the power to append dissenting or supplementary opinions, is permissive in nature. It is up to each committee to decide whether or not dissenting opinions should be appended to a report and the form that they should take. However, when a committee has taken the decision to permit the appending of such opinions, it is only reasonable that that decision should be reflected in its work plan. Any adjustments to that work plan must be made in a spirit of fairness to all members of the committee. The majority must allow reasonable time for dissenting opinions to be submitted.

Concerning the question of access to draft material by members of a committee, I once again remind members that committees are masters of their own affairs. As such they are free to order their proceedings as they see fit. At the same time, the Chair is troubled by the fact that some members may feel unable to adequately perform their parliamentary duties.

Drafts of committee documents, whether they are prepared by government members or opposition members, should always be made equally accessible to all members. I know that all members value the collegial nature of the work that is carried out by committees of this House. I remind the committee chairs that good working relations require that all members be able to present their views and contribute appropriately to the committee process.

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[Translation]

I would like to thank the hon. members for Prince George—Bulkley Valley and Markham for having brought these matters to the attention of the House.

ROUTINE PROCEEDINGS

• (1010)

[English]

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 five petitions.

* * *

PETITIONS

THE FAMILY

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 riding of Mississauga South.

The petitioners would like to bring 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 our society.

The petitioners also agree with the National Forum on Health in its section on investing that the Income Tax Act does not take into account the real cost of raising children when one provides direct parental care in the home.

The petitioners therefore pray and call upon Parliament to pursue tax initiatives that will eliminate this tax discrimination against families who provide direct parental care to their children in the home.

CRIMINAL CODE

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of people in the riding of Medicine Hat.

People are very concerned that the government is funding groups to consider the removal of section 43 of the Criminal Code. Therefore, the petitioners request Parliament to affirm the duty of parents to responsibly raise their children according to their own conscience and beliefs and to retain section 43 in Canada's Criminal Code as it is currently worded.

[Translation]

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. McClelland): Is it agreed?

Some hon. members: Agreed.

* * *

[English]

WAYS AND MEANS

INCOME TAX ACT

Hon. Ronald J. Duhamel (for the Minister of Finance, Lib.): moved a ways and means motion to amend the Income Tax Act, the Income Tax Application Rules, the Bankruptcy and Insolvency Act, the Canada Pension Plan, the Children's Special Allowances Act, the Companies' Creditors Arrangement Act, the Cultural Property Export and Import Act, the Customs Act, the Customs Tariff, the Employment Insurance Act, the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Conventions Interpretation Act, the Old Age Security Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act, the Western Grain Transition Payments Act and certain acts related to the Income Tax Act, laid upon the table on Monday, December 8, be concurred in.

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

Some hon. members: Agreed.

An hon. member: On division.

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

GOVERNMENT ORDERS

• (1015)

[English]

TELECOMMUNICATIONS ACT

The House proceeded to the consideration of Bill C-17, an act to amend the Telecommunications Act and the Teleglobe Canada Reorganization and Divestiture Act, as reported (with amendment) from the committee.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe you will find unanimous consent for an order that all questions necessary for the disposal of the report stage of Bill C-17 be put at 12 p.m. today, that any divisions requested thereon not be deferred, and that the House proceed to the third reading stage

immediately after completing the report stage, and that all questions to dispose of that stage be put no later than 1.59 p.m. with any division that may be requested deferred until the conclusion of Government Orders this afternoon.

The Acting Speaker (Mr. McClelland): Is there unanimous consent?

Some hon. members: Agreed.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I have a point of order. At this stage of the report, I tabled two amendments that were not approved by the Chair and I would like to make my case before the House. One of these amendments concerns clause 1 and the other concerns clause 8.

I wanted to include a definition of “basic telecommunications services”, as this expression is used for the first time in the Telecommunications Act. There is a definition of “telecommunications services” but not of “basic telecommunications services”. This new expression appears for the first time in Bill C-17.

I wanted to amend clause 8 to include a definition, specifying that this definition also applies to the telecommunications services required by any person who wishes to participate fully in Canadian society. This is not adding anything new to the objectives of the Telecommunications Act as stated in section 7 of the act.

I respectfully submit that my amendments should be accepted as they are required because there is no definition of what constitutes basic telecommunications services and the intent underlying my amendments is in keeping with the objectives of the policy stated in section 7 of the Telecommunications Act.

• (1020)

[English]

The Acting Speaker (Mr. McClelland): For the benefit of hon. members who may not be aware, in a situation such as this the Chair makes a ruling based on whether a motion changes or introduces a new aspect to the legislation.

After consideration with table officers and carefully looking at it, the last three lines which state that it shall ensure that the definition covers the telecommunications services needed by any person who wishes to participate fully in Canadian society do in fact broaden the legislation beyond the scope that was initially considered.

Therefore the Chair rules that the motion is not in order.

[Translation]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I rise on a point of order. The motion included two parts. The first one asked that

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the expression “basic telecommunications services” be defined. I would be surprised if the House said it is not interested in finding out what “basic services” means. I do not think it is the case.

The first part could at least be deemed to be in order, and I would ask for the consent of the House to at least accept that first part, so as to have a definition of what is meant by basic services.

[English]

The Acting Speaker (Mr. McClelland): That was the basis of our conversation. The suggestion of a definition is appropriate. It is the amplification of what the definition should be that the Chair had difficulty with.

If you will give me just a moment, I will confer with table officers and make sure that we do this correctly.

• (1025)

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, on a point of order, I draw your attention to Standing Order 10:

The Speaker shall preserve order and decorum—. No Debate shall be permitted on any such decision, and no such decision shall be subject to an appeal to the House.

I am wondering why we are debating a ruling that you have already given.

The Acting Speaker (Mr. McClelland): The reason we are debating a ruling that has already been made is that in the opinion of the Chair it is the appropriate thing to do.

As a point of clarification for hon. members, the member for Mercier presented a notice of motion which was done legitimately, the way it should be done. The Chair had difficulty with one aspect of the motion.

If the member for Mercier is prepared to remove item (c), then with the concurrence of the House the Chair would be prepared to accept the motion as amended.

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, it has been our experience at one time or another that to negotiate some of these items across the floor of the House without all the pertinent information is rather difficult to say the least.

However, in the spirit of co-operation that already exists on this bill, and I know that an order has already been accepted in terms of putting limitations on the time of debate at report stage, I wonder if there might be a willingness if it is deemed possible by the Chair to resume the debate at report stage. And while we have some resources and officials from the department we could look at the matter raised by the hon. member for Mercier and see if in fact there is a possibility of raising the matter she raised in the first motion which has not been deemed acceptable at this time.

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We will put whatever resources we have out disposal forward and see if there is room to accept the motion being put forward. I wonder if we should not pursue the debate. We are actually taking up some very valuable time on the matter while we are negotiating across the floor of the House.

[*Translation*]

Mrs. Francine Lalonde: Mr. Speaker, I am prepared to remove the third item in the amendment to clause 8 if it is going to facilitate the debate. We could then proceed with Motion No. 1. I agree to remove the third item in the second motion.

[*English*]

The Acting Speaker (Mr. McClelland): The chief government whip has offered to the House a very effective means of doing what we need to do and to make sure all members are aware of the exactly what is going on. If the hon. member for Mercier would make available to other parties the amended version, in concert with the chief government whip, we will get into debate and then revisit this at the appropriate time.

• (1030)

[*Translation*]

Mrs. Francine Lalonde: Mr. Speaker, I rise on a point of order. I thought I heard you say it is the motion on clause 8 that poses a problem in its third part.

Therefore, my understanding is that we can proceed with the amendment to clause 1, since I said I was prepared to remove item (c) dealing with clause 8, because it creates a problem. By the time we get to clause 8, the clerks will have given us their opinion. I do not want to unduly delay the business of the House, and I thank you for your patience.

[*English*]

The Acting Speaker (Mr. McClelland): The difficulty is that the motions are linked. We will proceed, as the Chair originally suggested, with the chief government whip, with representatives of other parties, and then we will come back to it.

SPEAKER'S RULING

The Acting Speaker (Mr. McClelland): There are 15 motions in amendment standing on the notice paper for the report stage of Bill C-17, an act to amend the Telecommunications Act and the Teleglobe Canada Reorganization and Divestiture Act.

The motions will be grouped for debate as follows: Group No. 1, Motions Nos. 1 to 7 and Motion No. 12; Group No. 2, Motion No. 8; Group No. 3, Motions Nos. 9 to 11; Group No. 4, Motion No. 13; and Group No. 5, Motions Nos. 14 and 15.

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

pattern at the time of voting. I shall now propose Motions Nos. 1, 2, 3, 4, 5, 6, 7 and 12 to the House.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, I rise on a point of order. I would ask at this time that we seek unanimous consent of the House to withdraw the Reform motions on the order paper today.

After consultation with the government we feel it would be in order for us to withdraw our motions at this time.

The Acting Speaker (Mr. McClelland): I have been instructed that we do not require unanimous consent. The mover of the motion has asked that those motions be withdrawn. They will be withdrawn.

(Motions Nos. 8, 9, 13, 14 and 15 withdrawn)

• (1035)

[*Translation*]

MOTIONS IN AMENDMENT

Mrs. Francine Lalonde (Mercier, BQ) moved:

Motion No. 1

That Bill C-17, in Clause 3, be amended by replacing lines 3 to 6 on page 2 with the following:

“Commission shall provide telecommunications services except in accordance with a telecommunications service licence.”

Motion No. 2

That Bill C-17, in Clause 3, be amended by replacing lines 8 to 13 on page 2 with the following:

“er shall, except in accordance with a telecommunications service licence, provide telecommunications services that are within a class of telecommunications services specified by the Commission.”

Motion No. 3

That Bill C-17, in Clause 3, be amended by replacing line 15 on page 2 with the following:

“newal or amendment of a”

Motion No. 4

That Bill C-17, in Clause 3, be amended by replacing line 22 on page 2 with the following:

“tion, issue a telecommunica-”

Motion No. 5

That Bill C-17, in Clause 3, be amended by replacing lines 24 and 25 on page 2 with the following:

“(2) The Commission may”

Motion No. 6

That Bill C-17, in Clause 3, be amended by replacing line 28 on page 2 with the following:

“viders or classes of telecom-”

Motion No. 7

That Bill C-17, in Clause 3, be amended by replacing line 4 on page 3 with the following:

“revoke a telecommunications”

Motion No. 12

That Bill C-17, in Clause 7, be amended by replacing lines 13 to 18 on page 5 with the following:

“(b.1) prescribing classes of telecommunications service licences:

(b.2) requiring telecommunications service licensees to publish their licences or otherwise make them available for public inspection;”

She said: Mr. Speaker, when the Bloc Québécois said it was prepared to support the bill, which deprives Teleglobe and Telesat of their monopoly, it did so for two reasons. First, because in the negotiations with the World Trade Organization, Canada insisted that ownership remain primarily Canadian, something which we feel is extremely important. Second, because in its original bill, the government increased its powers and those of the CRTC.

At the time, I made it clear that we felt the minister and the CRTC do not make sufficient use of their powers to protect consumers. At the same time, it is obvious that if neither the minister nor the CRTC have adequate powers, they cannot do anything for consumers. This is why we agreed with the spirit of the bill, in its original form.

Our committee heard officials from several major telecommunications companies currently providing services to Quebec and Canada, but not to the international community. They told us repeatedly that they did not want to be subjected to a licensing regime. They wanted such a licensing regime for international companies that will now be allowed to bring their cable services to Quebec and Canada, but not for them, because it would be too costly.

The committee also heard consumer groups from Quebec and Canada. They told us that, on the contrary, a licensing regime for international and national telecommunications companies at the beginning of this period of deregulation and end of monopolies was the best guarantee that consumers would know what to expect when they got services from one of these major companies.

Consumers are currently facing a difficult situation. Advertising in the telecommunications sector is second to none and consumers do not know what to expect. They do not always know their rights either, and it is not easy to take action, even with the CRTC in place.

• (1040)

Under such conditions, consumer associations said that they would agree with a licensing regime. The CRTC also testified and stated that although it agreed with the first version of the act and with a licensing regime, it was because it was not required to implement a licensing regime for all classes of services, since it could choose and since this regime could contain a number of

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requirements that would even facilitate the application of the Telecommunications Act.

So in fact we did not hear any evidence on this, except perhaps the concerns expressed by companies presently operating in Canada and in Quebec that regulations would become more intrusive, but it seems to us that this concern is contradicted by what the CRTC said when it claimed that, on the contrary, this would make enforcement less intrusive, more simple, and more predictable.

So under such conditions, we did not hear any evidence that can convince us to support the amendment that the government agreed with. I must admit that this may seem strange, but we prefer the spirit of the initial version and this is the reason why, in the case of the clauses that you listed, we have re-established the original intent.

But I would like to add something that I consider extremely important. It is the fact that the field of national and international telecommunications is changing extremely rapidly, both at the technological level and the service delivery level. The population cannot keep up with all these changes. So it is important, even if we think we can foresee what will happen in two years, that the CRTC have this ability to determine the types of licences in a field that is changing so quickly, without having to have the legislation amended.

Therefore, we did not hear any evidence that can convince us to support this amendment. We understand and we respect the objectives of these large corporations, which wanted to limit licensing to international companies, but we think that these companies could understand at any rate that the CRTC took a direction that even the consumers find regrettable and are trying to deal with by stating that their rights must be respected.

It should be remembered, and I will probably repeat this today, that for the consumers, deregulation and competition have resulted in a rapid rise in rates. Consumers are being told that by going forward with deregulation, by not interfering in the market and by opening it to competition, all problems will be solved and it will become a dream world, but they are not quite ready to believe this.

It should be pointed out that when the departments were redesigned in 1993, in fact under former Prime Minister Kim Campbell during her brief period as head of the government, and whose initiatives seem to suit the present government very well, the Department of Industry became of course a department for microeconomic development, but also the department responsible for protecting consumer rights. So we believe that in this respect, the department and the minister should ensure that Canadian companies can develop in a competitive environment, but, more importantly, they should also ensure that this environment does not have a negative effect on consumers.

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So I wish to point out again that the field of telecommunications is changing extremely rapidly. It is an area where international players, through partnerships, mergers, and stock purchases are in fact constantly changing, even if it seems that Canadian features are being kept. Their international image, if I can explain it like this, is constantly changing.

• (1045)

Therefore I cannot understand why the department did not insist and explain to the large corporations that it had not intended to unduly compromise liberalization policies that enhance competition, as long as this competition continues to ensure that the people will receive services that are affordable, accessible and reliable.

In fact, we realize now that reliability is a problem. There have been problems in Quebec, we know that there have been problems elsewhere also, and so the CRTC should be given the means to react differently than with the piecemeal approach it now has. This is what we considered and still consider to be the proper course of action, and we are disappointed that the government has changed its mind on this.

[English]

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order. I would like to move a motion which clarifies the previous motion the House agreed to earlier this day.

Further to the order made earlier, I understand that it is the will of the House that, if any debate on any group of amendments finishes before 12 noon, any division on that group would be postponed until 12 noon and the House would proceed with the subsequent groups.

The Acting Speaker (Mr. McClelland): Is there agreement?

Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): Agreed.

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I appreciate the comments and points that have been brought forward by the member for Mercier.

She has proposed a number of amendments to the licensing provisions basically found in clauses 3 and 7. The substance of the amendments proposed by the Bloc Quebecois are to expand the scope of licensing powers of the CRTC from international services to the wording that existed prior to the amendments and agreed to by the committee, in which the CRTC had broad authority to license both international and domestic providers.

I want to point out that we did have an extensive review of this bill at the Standing Committee on Industry. Every witness spoke on this subject during the committee review. It was the opinion of the committee and the main concerns of the parties that appeared

before the committee that the licensing provision in this bill at this time be limited to international services.

We listened to a number of witnesses express their strong support for the introduction of a licensing regime for international services but express great reservation about the use of the power for domestic services. Others argued for the retention of the broad powers, such as the Bloc with its amendments here today.

As the House knows, with any new regulatory tool there are costs and benefits. With respect to the international services there is clear evidence that such a tool is necessary. While there will be compliance costs, they are small compared to the benefits of making sure that the changes of the Teleglobe monopoly to an international competition is made properly.

We acknowledge that there would be some benefit to have licensing authority for domestic services. However, we already have a fairly well developed regulatory framework. It is not clear on the additional costs and benefits and which one outweighs the other.

We heard very clearly that in its work in telecommunications, which is an environment that changes and advances every day and an environment that we as Canadians need to be leaders in, the CRTC has been moving away from regulating everything to making sure there is competition in that arena.

• (1050)

We listened to all the arguments made in committee. The decision to restrict the power to international service was taken after hearing all of the parties. We believe at this time that it is the right decision. It is most important that we get on with our requirements on adhering to the various telecommunications treaties that we have signed.

I would be against this amendment. I understand very clearly the member's concerns which she has brought forward, but I advise the House that we would be against this amendment.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, I think this is an important circumstance in the list of amendments the hon. member has brought forward. It is important for a couple of key reasons.

The first is that we need to ask ourselves a question as we did in committee concerning the issue of international licensing as opposed to domestic licensing. What really are we trying to accomplish and what is the cost benefit of doing so?

As has been mentioned previously by the hon. member on the other side, numerous presenters at committee expressed concern around adding a new layer of domestic licensing to telecommunications service providers. Yet we could find no clear justification for adding this new level of licensing.

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Today under the CRTC, the Telecommunications Act and the Competition Act, there are already vehicles through which the government can deal with any problems in the industry. These vehicles that currently exist if exercised expediently are all that are needed. To layer a new level of licensing on to business interests in the telecommunications industry which are currently not under a licensing regime is just an expansion of a bureaucracy for no clear benefit. That is what became so evident in the committee.

I believe that is why we stand against these particular amendments put forward by the Bloc member.

We always have to ask and we are going to continue to ask the question, whenever there is some new overlay of regulation or licensing and the cost that is involved in adding the new licensing or administrative overlay, what is the benefit derived for the consumer. Somebody is going to have to pay for this licensing process. Someone is going to have to administer it.

Ultimately we know who that someone is. It is the taxpayer. It may be passed on to industry, but industry just flows that back to the consumer. One way or the other the taxpayer or the consumer funds these new regulatory regimes that are layered on top of the ones that are already there.

That was my concern in committee and it remains my concern. Unless we can demonstrate a very clear payback to the consumer for having these new licensing powers or licensing restrictions placed on players who currently do not have them and have not had them, and there have been no significant problems that cannot be dealt with through existing legislation, then we should not entertain adding a new level of bureaucracy to what is already there.

Even at the international level there is some question as to how long the need for licensing will be there if we are truly moving to global competition. We feel it is a valid question to examine how long we will need the licensing regime at the international level.

In general, my thrust is to let us make the current restrictions and legislation which is there today and surrounds this industry effective, instead of adding on new layers of bureaucracy to try to add new restrictions to the industry. It is already doing quite well without it.

• (1055)

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to rise to debate Bill C-17, which deals with the privatization of Teleglobe Canada. It allows the marketplace to enter into the delivery of telephone call service to our international friends, clients and so on.

I basically want to talk this morning about the fact that we are glad to see the government has agreed this time to open up to competition and to ensure that the free market forces are allowed to play in this particular issue.

The Acting Speaker (Mr. McClelland): With the greatest respect to the hon. member for St. Albert, we are debating Motions Nos. 1 to 7 and Motion No. 12. We have quite a number to go through. Perhaps if we have debate of a more general nature, it might be left to the end to ensure that we have an opportunity to debate the motions.

I would ask hon. members to confine their remarks to the motions that are being debated rather than to have them too general in nature at this point.

Mr. John Williams: Mr. Speaker, I hate to enter into debate with the Chair, but we seem to have some new rules coming along here where we are to be specific to the amendments being proposed and which are on the table today at this particular moment, rather than perhaps speaking on a more general issue.

I would ask the Chair to clarify if this is a new rule that is being imposed upon members, in essence to curtail the debate to the amendments and amendments only.

The Acting Speaker (Mr. McClelland): Hon. members, if this is a new rule, then it is a new rule that should have been here long ago.

We are debating Motions Nos. 1 to 7 and Motion No. 12. When we get into third reading then we can have a general debate. Right now at this moment we are debating Motions Nos. 1 to 7 and Motion No. 12. We will go on to Motions Nos. 8, 9 to 11, 13, then 14 and 15. If there is any time left over, then we will get into debate of a more general nature.

Mr. John Williams: Mr. Speaker, perhaps you may rule me out of order as I continue with my speech. I will continue on the basis I had originally intended, on the path that I had set out on, which is to talk more about the fundamentals since I will not be around this afternoon in order to deal with the more—

The Acting Speaker (Mr. McClelland): With the greatest of respect to the member for St. Albert, it is not the Chair's problem that the member will not be here later today for the debate on third reading.

On debate on Motions Nos. 1 to 7.

Mr. John Williams: Mr. Speaker, I rise on a point of order. Are you saying that you are ruling my speech out of order?

The Acting Speaker (Mr. McClelland): The member for St. Albert is out of order.

Debate on Motions Nos. 1 to 7 and 12. Is the House ready for the question on Motions Nos. 1 to 7 and 12?

Some hon. members: Question.

The Acting Speaker (Mr. McClelland): The question is on Motion No. 1.

Is it the pleasure of the House to adopt the motion?

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Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. McClelland): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. McClelland): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. McClelland): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. McClelland): The recorded division on the proposed motion stands deferred.

The recorded division will also apply to Motions Nos. 2, 3, 4, 5, 6, 7 and 12.

• (1100)

Motion No. 8 will not be proceeded with.

We will proceed to Group No. 3, Motions Nos. 10 and 11. Motion No. 9 will not be proceeded with. We are now debating Motions Nos. 10 and 11.

Hon. Gilbert Normand (for the Ministry of Industry) moved:

Motion No. 10

That Bill C-17, in Clause 6, be amended by replacing lines 30 to 33 on page 3 with the following:

“46.1 The Commission may, if it determines that to do so would facilitate the interoperation of Canadian telecommunications networks,

(a) administer”

[*Translation*]

Mrs. Francine Lalonde: Mr. Speaker, on a point of order. I ask that Motion No. 11 be withdrawn.

The Acting Speaker (Mr. McClelland): Is it agreed?

Some hon. members: Agreed.

[*English*]

The Acting Speaker (Mr. McClelland): Accordingly, Motion No. 11 will be withdrawn. If the hon. member for Mercier would like to amend Motion No. 10, she would have the right to do so in debate.

We are now debating Motion 10. Group No. 3 no longer includes Motion Nos. 9 or 11. It is exclusively Motion No. 10.

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, this section had a lot of debate in the Standing Committee on Industry. When we were doing some rewriting we had second thoughts, that what appeared in writing was not exactly what we meant. Following the committee we had discussions with as many of the groups as possible to make sure that what we had in writing was exactly what we had agreed on in committee.

Therefore this amendment is being brought forward to reflect what we had thought the decisions were by the committee.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, as I said earlier, I ask that Motion No. 11 be withdrawn and made into an amendment to Motion No. 10, which would read as follows:

46.1 The Commission may, if it determines that to do so would facilitate the interoperation of Canadian telecommunications networks and is consistent with the public interest,

I move this amendment because, during debate in committee—

• (1105)

[*English*]

The Acting Speaker (Mr. McClelland): It is necessary that the hon. member for Mercier make her amendment in writing and submit the amendment at the table.

[*Translation*]

Mrs. Francine Lalonde: Mr. Speaker, I now wish to speak to Motion No. 10, while my colleague writes out this amendment, which uses the same wording as Motion No. 11.

On the substance, this new provision is, in fact, an amendment to the wording in the initial bill. But it is not merely technical. Once again, consumers told us that, with the termination of monopolies over national service—that is what we are talking about, we are no longer talking about international service—there are problems with 9-1-1 service. There are problems with telephone directories. There are problems with companies deciding to transfer subscribers to another company with no warning.

There is therefore a need to ensure what is known technically as interoperation. But it is not just a question of interoperation of cables, whether they are fibre-optic or whatever. It is a question of services. Consumers are saying that what is needed is not just to facilitate interoperation, but to ensure a continued focus on public interest.

If we look at all the other clauses that give this clause meaning, what we see is that the CRTC will have authority to delegate to others, to a third party. In order to ensure that this third party does not focus solely on efficiency, on reducing costs to a minimum, but that it also focuses on public interest, this must be spelled out. Otherwise, if it had not been spelled out that it was for the purpose of facilitating interoperation, it could have been said that in any event there was provision for it in the spirit of the law.

If, in taking this approach, we want to address public interest, the CRTC must be given the mandate, in this particular clause, of ensuring that there is a continued focus on public interest in the way the CRTC will manage or transfer to third parties this responsibility of administering databases. This is extremely important. There can be secrecy surrounding databases: looking after directories, operating a 9-1-1 service, or other services not yet available. It is extremely important that public interest be included.

I urge my colleagues, from all parties in the House, to support this amendment, which adds something not to the CRTC's spirit but to its mandate in these particular cases. These are cases affecting ordinary citizens. There is the need to look out for the public interest.

It seems to me that there is no reason to object. On the contrary, it seems to me that it would even be to the political advantage of all my colleagues to say that, in this particular instance, where we are naturally ensuring the best competition between businesses, we are not, at the same time, forgetting about members of the public, who are faced with the new situation of having to deal with several companies providing local, long distance and now international services. They may well be receiving sales pitches in three different areas. There will perhaps be problems with 9-1-1 service, with directories, with databases and other services.

I urge my colleagues from all parties in the House to speak if they wish, but to be sure to support this amendment, which I think is essential.

• (1110)

The signal to liberalize, if, of course, it presumes we recognize that the economy is changing, is an extremely bad one unless accompanied by a greater interest in defending consumers, because these large companies exist only because of consumers; they are service companies. We must therefore ensure that, in the upheaval surrounding the termination of monopolies, consumers at least can count on their interests not being abandoned.

Therefore I move:

That Motion No. 10 be amended by adding after the word "networks" the following:

"and is consistent with the public interest,"

[*English*]

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, we will certainly be interested to review the amendment put forward by the hon. member from the Bloc. I think it is an interesting concept and we will be giving it full consideration.

I am particularly appreciative of the opportunity to speak to this amendment which has come forward.

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The impact of this part of the bill is very significant. The concern which many of the presenters at the industry committee had pertained to this section of the proposed legislation.

Prior to this amendment the proposed legislation gave new, broad sweeping administrative powers to the CRTC which some witnesses referred to as a blank cheque or as being open ended.

To quote from the proposed legislation, prior to the amendment, at subclause 46.1 of clause 6:

(1) The Commission may administer

(a) numbering resources—

And it goes on to define what that means. It continues:

(b) any other activities that the governor in council may prescribe that are related to the provision of telecommunications services by Canadian carriers.

That was how the subclause read prior to the amendment. At that stage the commission could administer any other activity related to the provision of telecommunications services.

It is not too surprising that so many witnesses saw this as being a blank cheque to the regulator. This is an open door to more regulation, not at all consistent with Reform's longstanding call for less government interference and less micro management of the telecommunications marketplace by the CRTC.

In fact, it is not consistent with the minister's statement concerning this legislation in the House on November 4 when he referred to this legislation as a step forward in the government's strategy to promote competition, innovation and growth in Canada's telecommunications industry. He also stated that the objective of the legislation was to free Canada's telecommunications and information technology sectors to be competitive, dynamic industries.

We should all take note that the majority of witnesses to the industry committee were also concerned about these broad sweeping powers being given to the regulator. This kind of thing, where regulators can change the rules at any time in the middle of the game, chases players away. It does not attract them. The business interests in the telecommunications industry are no different and that was made abundantly clear to the industry committee.

This is not to cast aspersions on the hardworking individuals currently charged with the task of carrying out the regulations, it is simply a recognition of the nature of bureaucracies.

It is inherently easier for them to grow than to shrink and the open ended approach to the legislation, without this amendment, provided a whole new growth opportunity to the CRTC, a bureaucracy which in our view is already far too extensive.

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• (1115)

How does the amendment to clause 6 paragraph 46.1 address this point? The amendment serves to clarify and define the new administrative powers of the CRTC. I would have liked, though, to see it go even further in clarifying its administrative powers. However the amendment is a move in the right direction.

The restriction applied is that the CRTC may only consider using its new administrative powers when it can clearly be demonstrated that it would “facilitate the interoperation of Canadian telecommunications networks”.

Telecommunications advancements have driven the changes we are all witnessing in this industry. Competition has driven down prices, rewarded efficiency and stimulated new markets and innovation. Some practices which were acceptable in the past are no longer practical. Some common services carried out by the incumbent telephone companies may be better administered by a third party which serves all the Canadian telecommunications network of common Canadian carriers.

Long distance and local switch network competition creates a valid argument for a neutral third party to administer things like the North American numbering plan, which will manage the assignment and portability of area codes and telephone numbers. In other areas is the need for a third party to administer funding mechanisms by which long distance revenues of the various carriers contribute to the support of local switch network service.

It has been suggested that some portion of common administrative functions concerning 911 or directory services might also some day be included as part of the third party administrative functions.

These administrative third parties, if and when they are created, will be under the regulatory oversight of the CRTC. Therefore the amendment constrains the commission to only getting involved in administrative functions which will clearly serve to facilitate some common aspect of network interoperability per the kinds of examples given. This is better than the wide open “any other activities” wording of the unamended version of the legislation.

I point out to the government, the CRTC and the industry another constraint which is applicable to the amendment. Section 7 of the Telecommunication Act deals with Canadian telecommunications policy. Item (f) in this section requires that the policy must foster increased reliance on market forces for the provision of telecommunications services and ensure that regulation where required is efficient and effective.

These new administrative bodies must be designed with management processes that reward efficiency and effectiveness. This is doubly important to the industry as well because the legislation in

clause 6, section 46.4, allows for those performing these delegated administrative functions on behalf of the industry to charge the industry participants for the services provided.

Ultimately, though, we recognize that these costs would be passed on to the consumer, which further underlines the commission’s responsibility to build in competitive business models rather than government oriented models for those entities which perform the common telecommunications network functions. It would reward those who increase the quality of service for lower cost rather than those who would have bureaucracy grow and always spend the budget plus a bit more.

In summary, the amendment constrains the open ended blank cheque which concerned us and the industry when the minister first put forward the legislation. It constrains the administrative powers of the CRTC and delegates it to only those areas which can demonstrably be shown to facilitate interoperation of the Canadian telecommunications network to move from a monopolistic environment to a more open ended and competitive model. Therefore I will be recommending that we support this amendment.

• (1120)

The Acting Speaker (Mr. McClelland): Before we resume debate on Motion No. 10 we have the amendment of the hon. member for Mercier.

Mr. John Williams: Mr. Speaker, I rise on a point of order. Are we debating the amendment or Motion No. 10 which is the original amendment?

The Acting Speaker (Mr. McClelland): We are debating the original motion and the amendment is on the floor. We are now debating the amendment. Because the amendment amends the original motion, the Chair will be fairly generous in its interpretation of relevance for the benefit of members who wish to speak.

* * *

BUSINESS OF THE HOUSE

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I rise on a point of order on a totally different subject.

I think you would find consent in the House to propose the following motion to compensate for the fact that earlier this week the late show was cancelled and a number of people were deprived of an opportunity to make their statements and receive a further response. With the consent of the House I would like to move:

That on Tuesday, December 9, and Wednesday, December 10, proceedings pursuant to Standing Order 38 shall last for not more than 42 minutes in order to permit discussion of seven items.

The Acting Speaker (Mr. McClelland): Is there consent?

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Some hon. members: Agreed.

(Motion agreed to)

* * *

TELECOMMUNICATIONS ACT

The House resumed consideration of Bill C-17, an act to amend the Telecommunications Act and the Teleglobe Canada Reorganization and Divestiture Act, as reported (with amendment) from the committee; of Motion No. 10; and of the amendment.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am glad to hear you will allow a bit of latitude on relevance. I was a little dismayed that you ruled the speech I was giving before out of order before you had an opportunity to hear it.

However, I will talk about Motion No. 10 and the amendment. As the member for Calgary Centre pointed out, the commission has wide-ranging powers regarding the administration of databases, information, numbering resources, et cetera, and can make any order with respect to these databases. Mr. Speaker, as you will understand, I am talking about Motion No. 10 as amended—

The Acting Speaker (Mr. McClelland): The Chair must make it absolutely clear that the motion has not yet been amended. There are motions in amendment which have yet to be voted on. It is incorrect to suggest that the motion has been amended.

We are talking about Motion No. 10 and the amendment. It was pointed out by the table officer that I should make that clear.

Mr. John Williams: Mr. Speaker, I still do not have it exactly clear. I have heard that the member for Mercier has moved a motion to amend the amendment. I am not exactly sure when the amendment will be before the House. I am wondering why we are talking about the main motion when we know an amendment is coming forward to change it. We have not decided whether the amendment will go forward. It leaves us in a bit of an awkward position, I am sure you will agree, Mr. Speaker.

● (1125)

The Acting Speaker (Mr. McClelland): We are debating the group. Because the group encompasses everything within it, we can be sufficiently broad in context that it will allow the hon. member for St. Albert to wax eloquent for at least another seven minutes.

Mr. John Williams: I appreciate that clarification, Mr. Speaker.

Motion No. 10 gives the CRTC wide latitude and almost unlimited powers, if not unlimited powers, regarding the regulation of these issues.

I want to make a point on the question of accountability. Who holds the CRTC accountable? Being a quasi-judicial body we all know that it is not accountable to anybody other than its members who sit at the government's pleasure and can be replaced if it is felt that they are not fulfilling their obligations in a manner the government would deem appropriate.

We saw that last week when the chairman of the Canada Labour Relations Board was deemed to be participating in bad behaviour and now the government has taken action to remove him from his position.

Accountability is the issue. Motion No. 10 talks about giving a group of unknown, unelected and unaccountable people complete and absolute authority over matters that have great importance to Canadians as they conduct modern ways of communicating through telephone and so on.

Accountability is near and dear to my heart. I think of what happened, for example, in NavCan. The federal government, in its wisdom or lack thereof, decided that it would create an organization. We thought it was privatization. It was called privatization by the government. When we looked at the situation we learned that it was nothing close to privatization in any way, shape or form. Basically it was government by another format, government without accountability. That is exactly what we have in Motion No. 10. The CRTC has government without accountability.

Again, if I can use NavCan as an example, the government set up that organization on an uncompetitive basis. I give the Minister of Industry some credit, because Teleglobe has now been privatized and is allowed to operate in a competitive environment. NavCan was one of the bumbles by the Department of Transport which decided that privatization did not mean competition. As a result we see an organization with none of the constrictions of having to live up to a competitive environment. In fact it has been given a monopoly in perpetuity.

Those types of decisions being made by government are totally inappropriate. I am glad to see that the same has not happened here.

I also look at NavCan and see that the competitive environment does not apply because it has been given a perpetual monopoly. I wonder what kinds of accountability have been put in place. Unfortunately I see none.

In Motion No. 10 we are seeing much of the same thing. There is very little in the way of accountability. When we take a look at NavCan we find out there are no shareholders because it is a not for profit organization. It has no shareholders to be accountable to.

Who is on the board of directors? The airlines and the players are on the board, but they are accountable to someone other than the people who have to pay. The Canadian travelling public is being taxed to pay for the navigation service and has absolutely no say

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whatsoever in the decision making of the organization. We have no say in the decision making of the CRTC in Motion No. 10. Therein lies the relevance of the argument that sometimes accountability is very important in this country. Accountability is very important in democracy.

• (1130)

The government is giving the CRTC these wide ranging powers, and I quoted them earlier, to determine any matter and make any order with respect to databases. It is pretty far ranging. It is this need for more accountability that I think has got to be inherent in the process as the government looks at alternative service deliveries, this being one in Teleglobe Canada.

The idea of privatization of the organization I think is very good. That is where we are moving in this interconnected world in which we live. We need to open up the business which the government has been in for so many years and has become stifled with over-regulation and stifled with bureaucratic administration. It is more than time to take these issues and allow the competitive forces to winnow out the waste, mismanagement and the inefficiencies to ensure that the Canadian public are given the best opportunities, the best service and the best quality at the best price. That can never happen within government.

While we continue to give organizations such as the CRTC these wide ranging, unfettered powers which allow them the entire scope to dictate, enforce and impose their own vision of what they think the market wants, I sometimes have a great deal of difficulty agreeing with that.

I listened to the amendment put forth by the member for Mercier which says that it has to be consistent with the benefits of the Canadian public or words to that effect. I understand that it puts some constraint on the CRTC. I think the motion therefore is well deserving of its merit. It is time that we brought some of these organizations to account.

The fundamental debate of accountability is growing today. People are wrestling with how we can build that in to ensure that the government's programs and decisions truly reflect what the public wants and are not ossified in a situation where we are stuck with yesterday's decisions even though the opportunities and technology allow for far better ways to provide the same service to the general public.

That is what I am concerned about. I used to be a small business person and service, quality and price were always important to my clientele. As far as I am aware, these things are important to every Canadian who wants better service and better quality at less price, if that is at all possible.

I am concerned about this blanket sweeping authority that we are giving to the CRTC in Motion No. 10. It is time that we try to rein in these commissions which have been given this blanket authority to ensure that they are accountable also in some way, shape or

form. They have to listen to people. They have an obligation to ensure that they are effective in the way that they do their business.

That is what I am saying about accountability. It is all pervasive. It is time that we looked at ways to ensure that the CRTC and other organizations meet the public demand.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I am pleased to stand and discuss a couple of the amendments in this debate that really are of concern to us as Progressive Conservatives. I will speak later at length on the bill but I want to address the two amendments in particular that we are concerned about. The first one was addressed by the previous speaker. We share the same concerns about power given to the CRTC and other regulatory bodies and also to the governor in council.

Our concern about the first amendment we were to deal with was the proposed licensing for all carriers. The committee heard many witnesses who argued that this was an additional and unnecessary burden placed on the national industry which was already functioning well without it. Again, more burden, more paperwork, and it contradicts the whole purpose of the bill which is to privatize, commercialize and decentralize.

• (1135)

We will now move on to the second amendment about the governor in council which in the original bill was allowed to prescribe changes in any area as it relates to the provision of telecommunication services—

The Acting Speaker (Mr. McClelland): With apologies to the hon. member, I have already asked other members to stick to the amendment that is being debated right now, which is No. 10.

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I would like to make some comments on the remarks made by the previous speaker. I understand that the member for St. Albert always wishes to discredit various tribunals and legislative bodies that we have in the country. However, we heard very clearly from the users, the stakeholders, the people who will be involved in reducing or eliminating the monopoly of Teleglobe Canada.

It is important to know the rules for having a level playing field. Although I understand his objective, I do not think it was relevant to the debate.

Another item is the amendment to the motion which states that in the public interest, each of the bodies or tribunals that we have set up, whether it is for telecommunications or other sectors across Canada, part of their mandate is to act in the public interest.

My concern with the amendment to the motion would be to call into question if the public interest should be held in this motion only and not in the rest of the act. As I stated earlier, each one of the administrative bodies are there to act in the public interest. My

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concern would be that the perception is given that the CRTC does not act in the public interest.

I do not think that the hon. member for Mercier meant that. However, it could be implied that the concern is for the public interest only in that section. Therefore, I have a great concern that the comment is made only in that section. Maybe we need to make sure and to reconfirm administrative acts and tribunals so that it is very clear that it is being done in the public interest.

I was a little unsure about the point made by the member from the Conservative Party. I think we have gone beyond the points he was trying to make. Therefore, I cannot respond.

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I am pleased to make a few contributions to the amendment to the government amendment made by the member for Mercier.

Basically, the purpose of that amendment is to ensure that when the CRTC carries out its operations that it does so in a way which will facilitate the interoperation of Canadian telecommunications networks and also acts in the public interest. We plainly have an ideological dispute in place as to the function of regulation and of operating markets and how we make sure that markets operate in the public interest.

Generally, markets will operate in the public interest. However, in other instances they will not and as a government and as a people we have to be prepared to ensure that markets which allocate resources and products in our community and in the country do so in a way which is in harmony with the public interest.

• (1140)

There is no sense in having an economy that works contrary to the public interest. One of the problems of the position taken by the speaker on behalf of the Reform Party, the member for St. Albert, of course, is that he would permit ideology to dictate common sense. We surely cannot in any sensible debate allow theory that does not work to apply to a situation in a way that would be contrary to the public interest.

I think what we have is a situation in which Teleglobe and indeed the telecommunications industry as a whole have exciting opportunities both here at home and abroad. It will be faced with important challenges as the world market is opened up and the Canadian market is further opened.

It is everybody's hope that Teleglobe survives, thrives, does well and creates more jobs in Canada and more profits that will of course be taxable in Canada and indeed provides a good service to

not only Canadian users of telephones, indeed almost every Canadian, but also is competitive in the world economy.

In the context of that and in the context of moving into what is uncharted territory, we have to ensure that the Canadian public interest is also protected.

I take the point of the Parliamentary Secretary to the Minister of Industry that we should ensure that all regulation be in the public interest. Of course, that is true. However, I do not think it hurts to remind us that when we do regulate, when we do have an overseeing of agency which is designed to ensure that the industry in question being regulated is in fact operating in the public interest, it does not hurt us to be reminded that that agency should function in that way.

Indeed, flowing again from the comments of the member for St. Albert, his views seem to be that regulation is never in the public interest. If only for him we might have an amendment which reminds Canadians that we have the public interest at heart when we look at making sure that markets work.

In the instance that markets work effectively for Canadians, then we can leave them alone. We perhaps do not need to regulate very much the market for the buying and selling of bicycles. When we are dealing with something of this sort, we do have to ensure that Canadians are protected. That is the purpose behind this amendment, and I support it.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, I will be speaking to the amendment to Motion No. 10 which deals with the addition of the public interest phraseology into the amendment.

I applaud the member from the Bloc in bringing this forward. I think it is an interesting initiative and in general I support the idea that we need to make sure these quasi-judicial bodies like the CRTC are in fact operating in the public interest.

I think she has some legitimate concerns to question whether or not they actually are. I am not sure that this is the best way to deal with that concern, but I do applaud her for bringing it forward.

Why I share her concern regarding whether the CRTC is actually operating in the public interest is not so much really with the telecommunications side, but I certainly do share her concern in general when it applies to the CRTC on the broadcast side.

For example, we have a decision coming out of the CRTC in the next week or two where again they will be ruling on the ability for single faith channels to be broadcast within Canada. Whereas just recently they did approve a Playboy channel to be broadcast in Canada, they are eliminating single faith channels from being broadcast in Canada, continually turning down that decision.

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It will be very interesting to see if the CRTC will actually allow those Canadians who are pursuing this kind of broadcast channel to be allowed to have access to that.

This is the kind of accountability that I believe the member for St. Albert was calling for, accountable back to the people.

• (1145)

To say that we are always operating in the public interest, as per the member's motion here, I think that can be demonstrated to not always be the case by these quasi-judicial bodies. People who are part of the public need to have some input into the process to say what is in their best interest. It seems to be that there has been some disconnection from the public interest as expressed by the public and what is actually happening here. I hope that we see some change from the CRTC particularly having to do with the broadcast side of it.

Yes, we do need to make sure that the public interest is part of the CRTC's mandate. I concur with the member from the other side though that by adding the public interest in this clause you would tend to want to add the public interest to every single clause in the entire act. I would think it should be implied that the CRTC is acting in the public interest throughout the act. To put it in one section and not have it in all the others tends to suggest that the other sections are not acting in the public interest.

I would suggest that maybe this is not the best way to approach it but I do concur with the member's intent. Beyond just adding the words "public interest", what we really need and for a long time what this party has been calling for is a complete review of how the CRTC exercises its decisions that are in the public interest. There is some substantial breakdown there that needs to be dealt with on behalf of Canadians.

That is what we are primarily calling for in relation to this motion on the floor today. Again, I applaud the member but I think this might not be the best approach. We would call for a comprehensive review of the CRTC's mandate.

The Acting Speaker (Mr. McClelland): I understand the hon. member for Mercier has already spoken to this group of motions, but the Chair will accept the member for Mercier speaking again because the amendment to the motion was made at the conclusion of the member's dissertation.

The hon. member for Mercier.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I do not want to waste the House's time, but simply to respond to some of the arguments I have heard to the effect that inclusion of the public interest in this clause might suggest that it does not apply elsewhere.

I would like to simply point out that, when the government amendment states "if it determines that to do so would facilitate the interoperation of Canadian television networks", I believe that "facilitating the interoperation of Canadian television networks" is also a general mandate of the CRTC. Yet they take the trouble to mention facilitating interoperation.

Since a specific mandate is given, which is one of the seven elements of the Canadian telecommunications strategy, I find—and I believe there are a number of us that do—that it is not enough to state that interoperation must be facilitated, in areas affecting services to individuals in a changing world of communications. It is also important to look after the public interest.

If there is a risk to the public interest, there is also one for interoperation. We do not want to suggest that, elsewhere, it is not necessary to facilitate interoperation of networks.

I believe that this amendment is fully justified and I would appreciate it if the government side were also concerned about the public interest.

• (1150)

Mr. René Laurin: Mr. Speaker, I would like to bring to the attention of the Chair that an amendment was submitted by the hon. member for Mercier, which was moved to the end of the debate for a decision as to whether you would accept it or not. The amendment addressed inclusion of a definition of basic services.

You appeared to say just now that, if the hon. member for Mercier removed the last part of her resolution, you were prepared to accept it. I would ask you therefore to follow up on that, please, because the hon. member has agreed to remove the last part of her resolution.

[*English*]

The Acting Speaker (Mr. McClelland): I thank the hon. member for Joliette for bringing that to the attention of the Chair.

The motion which was originally put by the member for Mercier included three parts. There was some discussion as to whether or not the motion would be deemed acceptable if it were amended by the member to remove the third part. To do so we would have had to have had agreement of all hon. members because the motion was changed for technical reasons. That agreement was not forthcoming. Therefore the motion was out of order. The previous ruling that the motion was out of order will not be changed. The motion remains out of order.

[*Translation*]

Mr. René Laurin: With all due respect, Mr. Speaker, I do not believe that the House has been asked to consent on acceptance or refusal of the motion. I do not believe that it was done at that time.

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If, in your opinion, it has not been done, I would request, through you, the consent of the House so that this motion may be moved.

[*English*]

The Acting Speaker (Mr. McClelland): The Chair was at that time trying to accommodate the member for Mercier on the motion. For the Chair to be able to accommodate the amendment would have required the consent of all parties. That consent was not forthcoming. Therefore the Chair is not able to accept the motion. The motion is out of order. That is the end of it.

Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. McClelland): The question is on the amendment to Motion No. 10.

Is it the pleasure of the House to adopt the amendment?

On a point of order the hon. member for Calgary Centre.

Mr. Eric Lowther: Mr. Speaker, on behalf of some members here, I want to make it very clear that we know exactly what we are voting on. If I may do so for clarification, it is my understanding that at this point we are voting on the amendment proposed by the Bloc to Motion No. 10 but not on Motion 10 itself. Is that correct?

The Acting Speaker (Mr. McClelland): That is correct.

• (1155)

Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. McClelland): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. McClelland): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. McClelland): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. McClelland): A recorded division on the amendment to Motion No. 10 stands deferred.

For the benefit of members of the House, because motions were withdrawn by those who presented them, Group No. 4 which consists of Motion No. 13, and Group No. 5 which consists of Motions Nos. 14 and 15, have been withdrawn and will not be dealt with.

The House will now proceed to the taking of the deferred recorded divisions.

SUSPENSION OF SITTING

Ms. Marlene Catterall: Mr. Speaker, there are only a few minutes left until noon. May I suggest that we suspend the sitting of the House until noon and that you call the question at that time.

The Acting Speaker (Mr. McClelland): Is that agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): Accordingly, the House is suspended until 12 noon.

(The sitting of the House was suspended at 11.53 a.m.)

SITTING RESUMED

The House resumed at 12 p.m.

The Acting Speaker (Mr. McClelland): The House will now proceed to the taking of the deferred recorded divisions at the report stage of the bill.

Call in the members.

• (1220)

Before the taking of the vote:

The Speaker: The question is on Motion No. 1. A vote on this motion also applies to Motions Nos. 2 to 7 inclusive and Motion No. 12.

• (1230)

(The House divided on Motion No. 1, which was negated on the following division:)

(Division No. 61)

YEAS

Members

Alarie	Bachand (Saint-Jean)
Bellehumeur	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Chrétien (Frontenac—Mégantic)
Brien	Dalphond-Guiral
Crête	Debien
de Savoye	Dubé (Lévis)
Desrochers	Fournier
Dumas	Gauthier
Gagnon	Godin (Châteauguay)
Girard-Bujold	Guimond
Guay	Laurin
Lalonde	Lefebvre
Lebel	Marchand
Marceau	Mercier
Ménard	Picard (Drummond)
Perron	Rocheleau
Plamondon	St-Hilaire
Sauvageau	Turp—37
Tremblay (Lac-Saint-Jean)	

NAYS

Members

Ablonczy	Adams
Alcock	Anders
Anderson	Assad
Assadourian	Augustine
Axworthy (Saskatoon—Rosetown—Biggar)	Axworthy (Winnipeg South Centre)

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Bachand (Richmond—Arthabaska)	Bailey	Proud	Provenzano
Baker	Bakopanos	Ramsay	Redman
Barnes	Bélair	Reed	Reynolds
Bélanger	Bellemare	Richardson	Riis
Bennett	Benoit	Ritz	Robillard
Bernier (Tobique—Mactaquac)	Bertrand	Robinson	Rock
Bevilacqua	Blaikie	Saada	Schmidt
Blondin-Andrew	Bonin	Scott (Fredericton)	Scott (Skeena)
Bonwick	Borotsik	Serré	Shepherd
Boudria	Borotsik	Solberg	Speller
Breitkreuz (Yorkton—Melville)	Bradshaw	St. Denis	Steckle
Bulte	Bryden	Stewart (Brant)	Stinson
Cadman	Byrne	St-Jacques	St-Julien
Caplan	Calder	Stoffer	Strahl
Casson	Casey	Szabo	Telegdi
Cauchon	Catterall	Thibeault	Thompson (Charlotte)
Chan	Chamberlain	Thompson (Wild Rose)	Torsney
Chatters	Charbonneau	Ur	Valeri
Clouthier	Chrétien (Saint-Maurice)	Vanclief	Vautour
Cohen	Coderre	Vellacott	Wasylcia-Leis
Comuzzi	Collenette	Whelan	White (Langley—Abbotsford)
Cullen	Copps	White (North Vancouver)	Wilfert
Desjarlais	Davies	Williams	Wood—216
Dhaliwal	De Villers		
Discepola	Dion		
Doyle	Dockrill		
Drouin	Dromisky		
Duhamel	Dubé (Madawaska—Restigouche)	Bigras	Copps
Earle	Duncan	Loubier	Stewart (Northumberland)
Eggleton	Easter	Tremblay (Rimouski—Mitis)	Volpe
Epp	Elley		
Folco	Finlay		
Forsyth	Fontana		
Gagliano	Fry		
Goldring	Galloway		
Graham	Gouk		
Grewal	Gray (Windsor West)		
Grose	Grey (Edmonton North)		
Harb	Guarnieri		
Hart	Hardy		
Hill (Macleod)	Harvey		
Hilstrom	Hill (Prince George—Peace River)		
Hubbard	Hoeppner		
Jackson	Iftody		
Jennings	Jaffer		
Jordan	Johnston		
Kenney (Calgary-Sud-Est)	Keddy (South Shore)		
Kilger (Stormont—Dundas)	Keys		
Konrad	Kilgour (Edmonton Southeast)		
Lastewka	Kraft Sloan		
Lee	Lavigne		
Lill	Leung		
Lowther	Longfield		
MacAulay	Lunn		
Mahoney	MacKay (Pictou—Antigonish—Guysborough)		
Maloney	Malhi		
Manley	Mancini		
Mark	Manning		
Martin (Esquimalt—Juan de Fuca)	Marleau		
Massé	Martin (Winnipeg Centre)		
Mayfield	Matthews		
McDonough	McCormick		
McKay (Scarborough East)	McGuire		
McNally	McLellan (Edmonton West)		
McWhinney	McTeague		
Mifflin	Meredith		
Mills (Red Deer)	Mills (Broadview—Greenwood)		
Mitchell	Minna		
Murray	Muise		
Nault	Myers		
Nystrom	Normand		
O'Brien (Labrador)	Obhrai		
O'Reilly	O'Brien (London—Fanshawe)		
Pankiw	Pagtakhan		
Parrish	Paradis		
Peric	Patry		
Pettigrew	Peterson		
Pickard (Kent—Essex)	Phinney		
Power	Pillitteri		
Price	Pratt		
	Proctor		

PAIRED MEMBERS

Bigras	Copps
Loubier	Stewart (Northumberland)
Tremblay (Rimouski—Mitis)	Volpe

The Speaker: I declare Motion No. 1 lost. I therefore declare Motions Nos. 2, 3, 4, 5, 6, 7 and 12 defeated.

The next question is on the amendment to Motion No. 10.

[*Translation*]

Mr. Bob Kilger: Mr. Speaker, you will find unanimous consent for the members who voted on the preceding motion to be recorded as voting on the motion currently before the House, with the Liberal members voting no.

[*English*]

The Speaker: Is there unanimous consent?

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present vote no to this amendment.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, the members of the Bloc will vote in favour of this motion.

[*English*]

Mrs. Michelle Dockrill: Mr. Speaker, New Democratic Party will be voting yes to this amendment.

[*Translation*]

Mr. André Harvey: Mr. Speaker, the members of the Conservative Party vote no on this motion.

[*English*]

(The House divided on the amendment, which was negated on the following division:)

*Government Orders**(Division No. 62)*

YEAS

Members

Alarie	Axworthy (Saskatoon—Rosetown—Biggar)
Bachand (Saint-Jean)	Bellehumeur
Bergeron	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Blaikie
Brien	Chrétien (Frontenac—Mégantic)
Crête	Dalphond-Guiral
Davies	de Savoye
Debien	Desjarlais
Desrochers	Dockrill
Dubé (Lévis)	Dumas
Earle	Fournier
Gagnon	Gauthier
Girard-Bujold	Godin (Châteauguay)
Guay	Guimond
Hardy	Lalonde
Laurin	Lebel
Lefebvre	Lill
Mancini	Marceau
Marchand	Martin (Winnipeg Centre)
McDonough	Ménard
Mercier	Nystrom
Perron	Picard (Drummond)
Plamondon	Proctor
Riis	Robinson
Rocheleau	Sauvageau
St-Hilaire	Stoffer
Tremblay (Lac-Saint-Jean)	Turp
Vautour	Wasylycia-Leis—55

NAYS

Members

Ablonczy	Adams
Alcock	Anders
Anderson	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Bachand (Richmond—Arthabaska)
Bailey	Baker
Bakopanos	Barnes
Bélaïr	Bélangier
Bellemare	Bennett
Benoit	Bernier (Tobique—Mactaquac)
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Bonwick	Borotsik
Boudria	Bradshaw
Breitkreuz (Yorkton—Melville)	Bryden
Bulte	Byrne
Cadman	Calder
Caplan	Casey
Casson	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Chatters	Chrétien (Saint-Maurice)
Clouthier	Coderre
Cohen	Collenette
Comuzzi	Copps
Cullen	DeVillers
Dhaliwal	Dion
Discepola	Doyle
Dromisky	Drouin
Dubé (Madawaska—Restigouche)	Duhamel
Duncan	Easter
Eggleton	Elley
Epp	Finlay
Folco	Fontana
Forsyth	Fry
Gagliano	Galloway
Goldring	Gouk
Graham	Gray (Windsor West)
Grewal	Grey (Edmonton North)
Grose	Guarnieri

Harb	Hart
Harvey	Hill (Macleod)
Hill (Prince George—Peace River)	Hilstrom
Hoepfner	Hubbard
Iftody	Jackson
Jaffer	Jennings
Johnston	Jones
Jordan	Keddy (South Shore)
Kenney (Calgary-Sud-Est)	Keys
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Konrad	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Longfield	Lowther
Lunn	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Mahoney
Malhi	Maloney
Manley	Manning
Mark	Marleau
Martin (Esquimalt—Juan de Fuca)	Massé
Matthews	Mayfield
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McNally	McTeague
McWhinney	Meredith
Miffin	Mills (Broadview—Greenwood)
Mills (Red Deer)	Minna
Mitchell	Muise
Murray	Myers
Nault	Normand
Obhrai	O'Brien (Labrador)
O'Brien (London—Fanshawe)	O'Reilly
Pagtakhan	Pankiw
Paradis	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Kent—Essex)
Pillitteri	Power
Pratt	Price
Proud	Provenzano
Ramsay	Redman
Reed	Reynolds
Richardson	Ritz
Robillard	Rock
Saada	Schmidt
Scott (Fredericton)	Scott (Skeena)
Serré	Shepherd
Solberg	Speller
St. Denis	Steckle
Stewart (Brant)	Stinson
St-Jacques	St-Julien
Strahl	Szabo
Telegdi	Thibeault
Thompson (Charlotte)	Thompson (Wild Rose)
Torsney	Ur
Valeri	Vanclief
Vellacott	Whelan
White (Langley—Abbotsford)	White (North Vancouver)
Wilfert	Williams
Wood—199	

PAIRED MEMBERS

Bigras	Copps
Loubier	Stewart (Northumberland)
Tremblay (Rimouski—Mitis)	Volpe

The Speaker: I declare the amendment to Motion No. 10 lost.

The next question is on Motion No. 10.

Government Orders

Mr. Bob Kilger: Mr. Speaker, I propose you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

The Speaker: Is there unanimous consent?

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present will vote yes on this motion.

• (1235)

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, the members of the Bloc Québécois will oppose this motion.

[*English*]

Mrs. Michelle Dockrill: Mr. Speaker, the New Democratic Party will be voting no on this motion.

[*Translation*]

Mr. André Harvey: Mr. Speaker, the members of our party will vote in favour of this motion.

[*English*]

(The House divided on Motion No. 10, which was agreed to on the following division:)

(Division No. 63)

YEAS

Members

Ablonczy	Adams
Alcock	Anders
Anderson	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Bachand (Richmond—Arthabaska)
Bailey	Baker
Bakopanos	Barnes
Bélair	Bélanger
Bellemare	Bennett
Benoit	Bernier (Tobique—Mactaquac)
Bertrand	Bevilacqua
Blondin-Andrew	Bonin
Bonwick	Borotsik
Boudria	Bradshaw
Breitkreuz (Yorkton—Melville)	Bryden
Bulte	Byrne
Cadman	Calder
Caplan	Casey
Casson	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Chatters	Chrétien (Saint-Maurice)
Clouthier	Coderre
Cohen	Collenette
Comuzzi	Copps
Cullen	DeVillers
Dhaliwal	Dion
Discepolo	Doyle
Dromisky	Drouin
Dubé (Madawaska—Restigouche)	Duhamel
Duncan	Easter
Eggleton	Elley
Epp	Finlay
Folco	Fontana
Forseth	Fry
Gagliano	Galloway
Goldring	Gouk
Graham	Gray (Windsor West)
Grewal	Grey (Edmonton North)
Grose	Guarnieri
Harb	Hart
Harvey	Hill (Macleod)
Hill (Prince George—Peace River)	Hilstrom
Hoepfner	Hubbard

Iftody	Jackson
Jaffer	Jennings
Johnston	Jones
Jordan	Keddy (South Shore)
Kenney (Calgary-Sud-Est)	Keyes
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Konrad	Kraft Sloan
Lastewka	Lavigne
Lee	Leung
Longfield	Lowther
Lunn	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Mahoney
Malhi	Maloney
Manley	Manning
Mark	Marleau
Martin (Esquimalt—Juan de Fuca)	Massé
Matthews	Mayfield
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McNally	McTeague
McWhinney	Meredith
Miffin	Mills (Broadview—Greenwood)
Mills (Red Deer)	Minna
Mitchell	Muise
Murray	Myers
Nault	Normand
Obhrai	O'Brien (Labrador)
O'Brien (London—Fanshawe)	O'Reilly
Pagtakhan	Pankiw
Paradis	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pickard (Kent—Essex)
Pillitteri	Power
Pratt	Price
Proud	Provenzano
Ramsay	Redman
Reed	Reynolds
Richardson	Ritz
Robillard	Rock
Saada	Schmidt
Scott (Fredericton)	Scott (Skeena)
Serré	Shepherd
Solberg	Speller
St. Denis	Steele
Stewart (Brant)	Stinson
St-Jacques	St-Julien
Strahl	Szabo
Telegdi	Thibeault
Thompson (Charlotte)	Thompson (Wild Rose)
Torsney	Ur
Valeri	Vanclief
Vellacott	Whelan
White (Langley—Abbotsford)	White (North Vancouver)
Wilfert	Williams
Wood—199	

NAYS

Members

Alarie	Axworthy (Saskatoon—Rosetown—Biggar)
Bachand (Saint-Jean)	Bellehumeur
Bergeron	Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok)	Blaikie
Brien	Chrétien (Frontenac—Mégantic)
Crête	Dalphond-Guiral
Davies	de Savoye
Debien	Desjarlais
Desrochers	Dockrill
Dubé (Lévis)	Dumas
Earle	Fournier
Gagnon	Gauthier
Girard-Bujold	Godin (Châteauguay)
Guay	Guimond
Hardy	Lalonde
Laurin	Lebel
Lefebvre	

Government Orders

Lill
Marceau
Martin (Winnipeg Centre)
Ménard
Nystrom
Picard (Drummond)
Proctor
Robinson
Sauvageau
Stoffer
Turp
Wasylycia-Leis—55

Mancini
Marchand
McDonough
Mercier
Perron
Plamondon
Riis
Rocheleau
St-Hilaire
Tremblay (Lac-Saint-Jean)
Vautour

Bellehumeur
Bennett
Bergeron
Îles-de-la-Madeleine—Pabok
Bertrand
Blondin-Andrew
Bonwick
Boudria
Breitkreuz (Yorkton—Melville)
Bryden
Byrne
Calder
Casey
Catterall
Chamberlain
Charbonneau
Chrétien (Frontenac—Mégantic)
Clouthier
Cohen
Comuzzi
Crête
Dalphond-Guiral
Debien
DeVillers
Dion
Doyle
Drouin
Dubé (Madawaska—Restigouche)
Dumas
Easter
Elley
Finlay
Fontana
Fournier
Gagliano
Galloway
Girard-Bujold
Goldring
Graham
Grewal
Grose
Guay
Harb
Harvey
Hill (Prince George—Peace River)
Hoepfner
Iftody
Jaffer
Johnston
Jordan
Kenney (Calgary-Sud-Est)
Kilger (Stormont—Dundas)
Konrad
Lalonde
Laurin
Lebel
Lefebvre
Longfield
Lunn
MacKay (Pictou—Antigonish—Guysborough)
Malhi
Manley
Marceau
Mark
Martin (Esquimalt—Juan de Fuca)
Matthews
McCormick
McKay (Scarborough East)
McNally
McWhinney
Mercier
Mifflin
Mills (Red Deer)
Mitchell
Murray
Nault
Obhrai
O'Brien (London—Fanshawe)
Pagtakhan Pankiw

Bellemare
Benoit
Bernier (Bonaventure—Gaspé—
Bernier (Tobique—Mactaquac)
Bevilacqua
Bonin
Borotsik
Bradshaw
Brien
Bulte
Cadman
Caplan
Casson
Cauchon
Chan
Chatters
Chrétien (Saint-Maurice)
Coderre
Collenette
Coppes
Cullen
de Savoye
Desrochers
Dhaliwal
Discepola
Dromisky
Dubé (Lévis)
Duhamel
Duncan
Eggleton
Epp
Folco
Forseth
Fry
Gagnon
Gauthier
Godin (Châteauguay)
Gouk
Gray (Windsor West)
Grey (Edmonton North)
Guarnieri
Guimond
Hart
Hill (MacLeod)
Hilstrom
Hubbard
Jackson
Jennings
Jones
Keddy (South Shore)
Keys
Kilgour (Edmonton Southeast)
Kraft Sloan
Lastewka
Lavigne
Lee
Leung
Lowther
MacAulay
Mahoney
Maloney
Manning
Marchand
Marleau
Massé
Mayfield
McGuire
McLellan (Edmonton West)
McTeague
Ménard
Meredith
Mills (Broadview—Greenwood)
Minna
Muise
Myers
Normand
O'Brien (Labrador)
O'Reilly
Paradis

PAIRED MEMBERS

Bigras
Loubier
Tremblay (Rimouski—Mitis)

Coppes
Stewart (Northumberland)
Volpe

The Speaker: I declare Motion No. 10 carried.

Hon. John Manley (Minister of Industry, Lib.) moved that the bill be concurred in.

[*Translation*]

Mr. Bob Kilger: Mr. Speaker, you will find unanimous support for the members who voted on the previous motion to be recorded as voting on the motion now before the House, with the Liberal members voting yes.

[*English*]

The Speaker: Is there unanimous consent?

Mr. Chuck Strahl: Mr. Speaker, the government in waiting over here would like to vote yes to this motion.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, the members of the Bloc Québécois will vote in favour of this bill.

[*English*]

Mrs. Michelle Dockrill: Mr. Speaker, NDP members will be voting no.

[*Translation*]

Mr. André Harvey: Mr. Speaker, the members of our party will vote in favour of this motion.

[*English*]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 64)

YEAS

Members

Ablonczy
Alarie
Anders
Assad
Augustine
Bachand (Richmond—Arthabaska)
Bailey
Bakopanos
Bélair

Adams
Alcock
Anderson
Assadourian
Axworthy (Winnipeg South Centre)
Bachand (Saint-Jean)
Baker
Barnes
Bélanger

Government Orders

Parrish	Patry
Peric	Perron
Peterson	Pettigrew
Phinney	Picard (Drummond)
Pickard (Kent—Essex)	Pillitteri
Plamondon	Power
Pratt	Price
Proud	Provenzano
Ramsay	Redman
Reed	Reynolds
Richardson	Ritz
Robillard	Rocheleau
Rock	Saada
Sauvageau	Schmidt
Scott (Fredericton)	Scott (Skeena)
Serré	Shepherd
Solberg	Speller
St. Denis	Steckle
Stewart (Brant)	St-Hilaire
Stinson	St-Jacques
St-Julien	Strahl
Szabo	Telegdi
Thibeault	Thompson (Charlotte)
Thompson (Wild Rose)	Torsney
Tremblay (Lac-Saint-Jean)	Turp
Ur	Valeri
Vanclief	Vellacott
Whelan	White (Langley—Abbotsford)
White (North Vancouver)	Wilfert
Williams	Wood—236

● (1240)

Telecommunications are the nerve impulses of the global economy in the emerging information society. Information of all sorts from all areas span the globe in a matter of seconds.

Changes in communications over the last number of years have been very rapid. No nation can survive without it. No nation can hope to compete in the global economy without the most up to date telecommunications systems.

The telecommunications sector is vital to the Canadian economy. It is the key to our international competitiveness and an important source of high quality jobs.

Not only did employment in telecommunications increase 15% between 1994-95 but the sector also generated revenues of some \$22 billion. The sector accounts for over 145,000 high quality jobs and 3.4% of the GDP. It will be our key growth sector in the economy of the next century.

Much of that growth is due to the liberalization in domestic telecommunications that began some 13 years ago and has already greatly benefited Canadians and Canadian telecommunications companies.

The liberalization began with the licensing of competitive cellular telephone service in 1984. It moved forward with the privatization of Teleglobe in 1987 and Telesat in 1992. It advanced again with the introduction of long distance competition in 1992 and the passage of the new Telecommunications Act in 1993.

In a little over a decade, Canada has moved from a highly regulated telecommunications environment to one where competition can flourish.

Over the past three and a half years this government has continued to remove barriers to competition within Canada, modernizing the legislative framework that governs information and communication technologies.

This liberalization can serve as a model for countries that have yet to make the transition from monopoly to competition based services. It has equipped Canada with one of the world's most competitive policy frameworks as well as an independent telecommunications regulator.

It has also stimulated the development of new products and services, more consumer choice, increased economic growth and job creation, considering the licensing of new wireless services, personal communications services in 1995 and local multipoint communications services in 1996.

We saw a launch of Canada's first local multipoint communications systems site just last spring. LMCS is a wireless broad band system capable of carrying basic and advanced communications services.

NAYS

Members

Axworthy (Saskatoon—Rosetown—Biggar)	Blaikie
Davies	Desjarlais
Dockrill	Earle
Hardy	Lill
Mancini	Martin (Winnipeg Centre)
McDonough	Nystrom
Proctor	Riis
Robinson	Stoffer
Vautour	Wasylcia-Leis—18

PAIRED MEMBERS

Bigras	Copps
Loubier	Stewart (Northumberland)
Tremblay (Rimouski—Mitis)	Volpe

The Speaker: I declare the motion carried. When shall the bill be read a third time? By leave, now?

Some hon. members: Agreed.

Hon. John Manley moved that the bill be read the third time and passed.

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, Bill C-17 has had a lot of debate in committee.

Government Orders

It will enable Canadians to take full advantage of the information highway and offers a wide array of multimedia services. It will soon provide Canadian consumers with a competitive alternative to existing cable and telephone services.

The companies providing LMCS expect to invest over \$1 billion and create 8,000 jobs within the next five years. Few would argue that the liberalization of basic telecommunications services has benefited Canadians but Canada is not the only nation moving to liberalize its telecommunications industry.

• (1245)

In fact, we are part of a world-wide trend. The bill now before the House extends the liberalization begun in our domestic telecommunications industry to the international arena. It clears the way for the implementation of an agreement that Canada concluded last February, the GATS agreement on basic telecommunications.

Many of the changes can be implemented administratively. Others require legislation. The bill provides the legal framework needed to implement the changes that require legislation.

I want to acknowledge the contribution to this bill by the House Standing Committee on Industry. This process resulted in amendments which improve a good bill. I must compliment all of the participants for their forthright and direct debate on putting their points forward and assisting in moulding this bill into the bill that is before the House today.

The government consulted extensively with industry and the provinces before negotiating the agreement and numerous witnesses voiced their opinions during the committee's review. The agreement eliminates many restrictions in the international telecommunications industry, liberalizing trade and investment. It covers basic telecommunications services, which include voice and data but not broadcasting.

Under the agreement, Canada committed to eliminating monopolies in the two areas still closed to competition: overseas telephone service and fixed satellite services. The bill therefore amends the Telecommunications Act and the Teleglobe Canada Reorganization and Divestiture Act.

Teleglobe's monopoly will end October 1, 1998. Telesat's monopoly will end March 1, 2000. Canada also agreed to remove foreign ownership restrictions in satellite earth stations and the landing of international submarine cables. This agreement will benefit both Canadian telecommunications companies and consumers.

Telecommunications companies will benefit through greater access to important markets. For example, the agreement gives Canadian companies full access to the U.S. market in basic

telecommunications services. The use of reciprocity tests by the U.S. Federal Communications Commission will be severely curtailed.

Canadian companies will be able to invest up to 100% in telecommunications firms in many foreign markets. Canadian companies will also gain new access to the markets of developing nations. Another benefit is access to the WTO dispute settlement process which provides the safeguards needed to ensure that countries live up to their commitments.

The provision of telecommunications services will be governed by clear rules and disputes between WTO members will be resolved in a timely manner through this effective and timely process.

This bill also strengthens our ability to keep pace with a rapidly changing telecommunications environment. The CRTC will ensure that international telecommunications carriers are licensed according to Canadian rules and regulations in a manner that is consistent with WTO rules so as to ensure a level playing field for all market participants.

Just as domestic liberalization of telecommunications has benefited Canadians and Canadian telecommunications companies, we can expect to see similar benefits arising from the GATS agreement. The agreement is expected eventually to result in less expensive international long distance telephone rates as competition increases in the overseas long distance market.

It will also stimulate telecommunications investment around the world, generating new opportunities for Canadian telecommunications service providers and equipment manufacturers. Not only will Canadian telecommunications companies be able to compete for a piece of the international telecommunications pie, but the pie will get bigger.

This will produce more jobs and economic growth for Canada and support a strong, innovative domestic telecommunications sector, one that will deliver more and better services to Canadians at lower costs.

• (1250)

Two areas of concern for Canada were not affected by this agreement. Canada took an explicit reservation to allow us to maintain our current overall foreign investment regulations in telecommunications. This investment regime has seen major foreign firms such as AT&T and Sprint make significant investments in Canadian firms while ensuring that they remain Canadian owned and controlled. In addition, Canada has no ownership restrictions for resellers which compares well with the current situation in Japan, Europe and the United States.

Canadian culture is also protected as the agreement does not cover broadcasting, which continues to be covered by the Broad-

Government Orders

casting Act. One of the reasons broadcasting was excluded was to ensure the protection of Canadian culture.

The GATS agreement on basic telecommunications follows closely on the Information Technology Agreement which liberalized trade and information technology equipment. Under that agreement, 40 governments agreed to phase out all tariffs on computers, software, telecom products and semiconductors beginning July 1, 1997 and eliminate them by the year 2000. These 40 economies account for 85% of the world's annual \$500 billion U.S. trade in IT products.

Information technology plays a key role in our economy. These products are the building blocks of most industrial and business processes. Canadian users of information technology products are expected to benefit as tariff barriers fall. Together these two agreements provide a springboard for economic growth and development in the next century. They cover international business worth over a trillion dollars U.S. Their combined effect will spur telecommunications investments around the world, increasing opportunities for Canadian telecommunications service providers and equipment manufacturers.

Not only are they good for Canadians and Canadian companies, they contribute to international development by making information products and telecommunications services more affordable. Canada's open and competitive telecommunications market has produced highly competitive Canadian companies which are well prepared to take advantage of the new business opportunities created by these agreements. This is essential for Canada's continued competitiveness and economic health because, as much as we have accomplished, other countries are challenging us.

New communications and information technologies are remaking the world around us. If we do not want Canada to be left behind, we have to prepare ourselves for the new reality. Canada has long been a world leader in providing its citizens with access to broadcasting and basic telecommunication services, such as the telephone. In fact, we have virtually universal access to these core networks and services, with safeguards to ensure that Canadians retain access to these services in a competitive environment.

The combined forces of technology and trade liberalization are opening new frontiers, creating challenges that we can barely imagine. The opportunities are there for Canada to seize, but only if we move decisively and quickly to take advantage of them.

Canada will benefit as a result of the GATS agreement. I urge the House to move on this bill which is needed to implement the agreement with all due speed. I thank my fellow colleagues for their great contribution in debate, in committee and in this House to make sure that this bill gets passed.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, I welcome the opportunity to speak to Bill C-17 as it enters its final stage in this House.

• (1255)

On the whole, I believe the bill makes some positive changes within the telecommunications industry, both within Canada and internationally.

I appreciate that within the industry committee specific changes were made to the legislation which allowed for some key improvements that were badly needed.

Before I speak to the specifics of the legislation, I believe it would be wise to paint the context within which this legislation fits. By doing this we will be better able to understand its significance.

It is no longer news to say we are in the information age or the information revolution. Alvin Toffler, in his book "The Third Wave", 15 years ago foresaw the forces thrusting us into the information age. I would suggest that we have only just entered it.

The advances in information technologies, both in computing and telecommunications, will continue to reshape our work, our social structures and generally our lives for some years to come.

Today we have just begun to experience the impacts of the information age. We are still developing new coping and information processing norms.

Some examples are that we no longer telephone a place to reach a person. Increasingly we simply call the person and connect directly with him or her. This can happen anywhere in North America. In fact, it can happen in most places in the world.

Voice and data mailboxes have removed time dependency on conversation. Magazines have gone from 10 national magazines to hundreds, if not thousands, on news, sports and specialty issues. Television has gone from a two to five channel universe to a 200 to 500 channel universe.

The numbers of those accessing the Internet is growing exponentially. With new information comes new ideas and in turn new data information packages result. Globally we are overwhelmed with information inputs.

I heard some years back that an engineer who graduates today from a four-year undergraduate program will be required to complete his degree effectively three more times in a 30 year career just to stay current.

I also remember a statistic of some years back that if you took all the information in the world today and assembled it, 20 years from today it would amount to 3% of the total.

The opportunities in this information age and information explosion are as significant as the social pressures it produces. The

information age is transforming our world. Truly, it is a global phenomenon.

The ability to move information around the globe at the speed of light is improving daily. The digitization of voice, data and raw broadcast information, combined with fibre, wireless and satellite transmission technologies, multiplexing and compression techniques are making government policy shaped in the monopolistic earlier days of telephony and broadcast increasingly obsolete.

Government protectionist policies which attempt to stop or contain information at the border are becoming increasingly ineffective. Attempts by governments such as ours to continue to separate telecommunications information from broadcast information will become increasingly ludicrous.

As telecom and broadcast technologies converge through digitization, common transmission and delivery media, the ability to separate legislation for broadcast bits of data from telecommunications bits of data in transmission and delivery facilities will become unworkable.

Thankfully, Canadian technology in telecommunications and broadcast is state of the art in the world. We have the opportunity to benefit from our product expertise like few other nations in the world. A strong, proactive, Canadian pursuit of global markets is the best line of defence for Canadian sovereignty at home when compared to the old protectionist approach.

It is within these realities that we are considering the modest changes proposed by Bill C-17. The primary purpose of Bill C-17 is to allow for the gradual winding down of the monopoly positions held by Teleglobe and Telesat. This will allow others to legally carry long distance telephone traffic into and out of Canada. Conversely, as part of the World Trade Organization and the GATT agreements, it will allow Canadian companies to more fully participate in international long distance markets.

• (1300)

The bill simply keeps us in the game and is more of a cautious, follow the leader approach than anything demonstrating a longer term vision.

The Reform Party has long been committed to increased competition in the telecommunications industries. We support the move to an open marketplace which is not hindered by the expense and overhead of undue government interference.

In general the legislation is improved by the committee process and the amendment today moves the industry in the right direction.

Even though 69 countries representing 90% of the current international long distance market signed on to the WTO agreement, Bill C-17 still calls for new international licensing which

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basically is there to protect Canadian incumbents from the new international players who may choose to provide service to Canadians.

Conversely, these international entities will also place protective licensing regimes in their own countries. Therefore we do not have true global competition but rather mutually agreeable licensing regimes between countries, usually intended to protect incumbent carriers in each country. The consumer would be better served where true reciprocity and open participation existed rather than international licensing.

Technological advancements may eclipse licensing requirements and render them obsolete within a few years anyway. Even though I believe a sunset clause, which would provide an opportunity to review the licensing regime through reciprocal international agreements some time in the future, would send a stimulating signal to Canadian industry to be competitively aggressive at home and abroad, this would in turn serve to strengthen the companies and better serve the Canadian consumer in the long run.

Unfortunately the government would not consider the inclusion of a sunset clause. Thankfully though, due to the work done in the industry committee, the licensing regime is now restricted only to international long distance carriers rather than a new licensing regime for both domestic and international service providers as called for in the original legislation.

A second component of the proposed legislation applies more to the domestic market operation than to the international long distance marketplace. The change I am referring to is the new administrative oversight powers granted to the CRTC by the legislation.

Let me make it clear that the Reform Party supports the efficient operation of the marketplace and a regulatory environment that promotes competition. Thus, with the competition in the domestic long distance market and the development of competition in the local switched network market, the allowance for some measure of third party administrative function for common network interoperability makes some sense.

For example, it makes sense that a third party administration of the North American telephone numbering program rather than the incumbent telephone companies be responsible for this activity. There will likely be other administrative entities established to address other network interoperability concerns.

The CRTC is given the power to establish and oversee these entities. Clearly the refinement to the original legislation which allows for broad new sweeping powers to the CRTC has been addressed and the administrative powers are now restricted to issues of network interoperability. Without this change we could not have supported the bill.

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Even with the restricted administrative powers granted to the CRTC by the legislation, we would encourage the government to do the following. First, it should hold to its stated preference for less regulation and only entertain administration functions on behalf of the industry when the industry calls for the administrative body to take on the work.

Second, consistent with section 7 of the Telecommunications Act, it should set a management structure in place which rewards efficiency and cost effectiveness for any administrative body that is established.

• (1305)

Third, it should ensure as per the legislation that the costs of the administrative functions are borne by the industry and not the taxpayer. This should be done on a pay for services basis by participating industry players.

The end of the Teleglobe monopoly will not only allow competition from abroad to place downward pressure on overseas callings but will enable Canadian companies to enter the huge global marketplace, which is estimated to be worth \$800 billion as compared to our \$18 billion domestically. The legislation will result in the end of the Teleglobe monopoly.

The bill originally called for a domestic and international licensing regime. In committee Reform pushed hard to limit the licensing regime to international telecommunications services so we would not see the reregulation of domestic services. These changes were made in committee.

We also pushed hard to limit the blank cheque powers granted to the CRTC in the original bill. The clauses in question were amended to better define the CRTC powers so they are not expanded from the current jurisdiction but can only delegate necessary functions to facilitate the interoperation of the Canadian telecommunications network.

The bill is a step in the right direction in so far as it promotes competition and partially removes outdated foreign ownership restrictions that date back to the protectionist world of old. However, more work could be done in eliminating the foreign ownership restrictions for Canadian telecommunications carriers.

While positive to an extent the bill is not far sighted in terms of where the telecommunications industry is going but is catching up to today's realities. Increased globalization will soon cause additional pressures on our domestic telecommunications policy. It is too bad Bill C-17 does not look further ahead.

Bill C-17, though imperfect, should be passed for the benefits it brings forth, which will enable the Canadian industry to better prepare for an ever changing marketplace.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, at the time of second reading, the Bloc announced its support for the bill, which, need I point out, puts an end to the monopoly enjoyed by the international telecommunications carrier Teleglobe and to Telesat's monopoly over Canadian satellites.

We did so because in its initial bill, the government increased the powers of the minister and the CRTC in international telecommunications now that restrictions have been lifted and it took the opportunity to dust off the Telecommunications Act in the light of the new conditions of this lifting of restrictions in the domestic market.

Between second reading, report stage and third reading the government yielded. Despite some concerns and reservations we will support the bill. Since the end of Teleglobe's monopoly was announced some time ago and the company itself, whose head office is in Montreal, sought the end of its monopoly, we will support the bill at third reading, although we have many concerns.

• (1310)

Fortunately, to reach this point, the government, and we will encourage it to continue on the same path, had some difficulties, which we must acknowledge, in negotiations with the World Trade Organization. It continues to insist on a majority of Canadian ownership of national telecommunications, although the majority has shrunk and can be circumvented in many ways through corporate ownership with the majority of shares of Canadian companies owned by American or other foreign companies.

However, I will take the opportunity to express my concerns and tell you that I and the Bloc will use all the means at our disposal to ensure that Canada does not let itself slide down the slippery slope to total deregulation.

I should say right off that the Bloc Quebec sorely regrets Quebec's lack of powers in the fields of communications and telecommunications. The Supreme Court dashed all our hopes, although history shows that Quebec was at the forefront in the late 1930s.

However, since we have no direct powers, we cannot act directly. I would also say that perhaps we are even more concerned about what the Telecommunications Act calls Canadian sovereignty, because it is unfortunately through this that Quebec sovereignty can be protected.

I have heard optimistic speeches on the liberalization of telecommunications, the impact of deregulation and our confidence in our large corporations. I admire large corporations like Teleglobe and Nortel, and their entrepreneurial spirit, but at the same time I do not want to overlook the fact that Canada is dwarfed by the United States and that, as dynamic and promising as it may be,

Teleglobe remains a minor player on the North American and international markets. Teleglobe is undoubtedly a dynamic company, but this does not mean nothing can go wrong.

The telecommunications market is expanding, if not booming. And what we are going through in this area is similar to what was experienced during the industrial revolution at the turn of the century. In such a booming market, there can be fierce competition but it cannot last because large corporations have this natural tendency to try to make a deal one way or another and try to make it legal.

Bear in mind that the first consumer actions in response to the industrial revolution were aimed at preventing trusts, at preventing collusion between big companies. I am not saying this is wrong. There is no right or wrong in economics, only market forces. And market forces are ruthless. If you want to be part of the game, you have to be in the game. But when the market in question is a public services market, the lawmaker cannot assume that consumers will be well served by competition and—

• (1315)

[English]

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, I rise on a point of order. If this bill is really important to the government, I think the least that we could expect is quorum. I think if you look, the government does not have quorum.

And the count having been taken:

The Acting Speaker (Mr. McClelland): Resuming debate.

[Translation]

Mrs. Francine Lalonde: Mr. Speaker, I thank my hon. colleague for his intent, although I must say this threw me off a bit.

I was saying that the first actions taken by consumers in the early 1900s were against trusts, against this kind of collusion between large corporations. It is not that they are bad; they are part of the market and are striving to be the strongest possible. When the market in question is a public services market and one as important as the telecommunications market, the government must maintain if not increase its power to ensure—and I quote a portion of section 7 of the Canadian Telecommunications Act and I reiterate that I would very much like it to be Quebec telecommunications—that this Telecommunications Act is essential to protect the sovereignty of Canada.

We ought therefore to be extremely vigilant. The remarks I have heard about reviewing the role of the CRTC are cause for concern. Of course, there are aspects of the commission that may seem irksome. One may not agree with its direction, but the fact remains that it plays a crucial role.

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In spite of the concerns I will outline, the Bloc Québécois will support Bill C-17. While we support this bill, it must be pointed out that full liberalization of international telecommunications will represent a major challenge, for Teleglobe in particular. Let me tell you that this is an area where employees fear for their jobs. The government may have guaranteed that the head office would remain in Montreal and guaranteed the pension fund, but employees fear for their jobs.

I can say that, for the longest time, Teleglobe, which is considered a flagship of the telecommunications industry in Canada, was a publicly owned corporation, a public service fully owned by the government. As such, it made several major discoveries. Its engineering team was renowned. Naturally, privatization opened new doors, but it should be pointed out that it was a flagship telecommunications corporation and that it become one when it was a crown corporation.

Our concerns have to do with the proposed amendments to the Telecommunications Act, and the lot of consumers in particular. With this bill, the government does more than give Teleglobe its freedom, so to speak, or put an end to a monopoly. It is a freedom not without risk, but it is the choice of the company and of the government. It is a choice that was difficult not to make, given the international context and the negotiations at the World Trade Organization.

• (1320)

But, in the original draft, the government also seized the opportunity to review the powers granted to the CRTC and give it the additional power to issue licences, according to various classes, to all telecommunications service providers. However, somewhere along the line, at committee stage, the government withdrew the power it wanted to give the CRTC. It did so because major national telecommunications companies, such as Bell and AT&T, came and expressed concern that we were trying to do too much. They said that the CRTC already had all the necessary powers, that it was not good to pile layer upon layer of regulations, and that things were fine the way they were. I also heard the CRTC representative say that even if the CRTC had the power to require licences in respect of each class, it did not mean that such power would be used from the very beginning.

It seemed to us to make real sense to have the CRTC hold this power, should relations between national telecommunications businesses, telephone companies and consumers deteriorate. Also, it might be felt that the problems were too enormous, and that the resellers who, until now, were not subject to the regulations, were assuming a major role. So, it was a good idea to have the CRTC retain the power to require licenses from companies interested in providing local and long distance telephone services.

The good thing with licenses is that consumers know exactly what to expect. Currently, the situation is very confusing for consumers. Telephone services have become essential services. Since people have not given up their telephone services in spite of

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the rate increases, it can be said that such services are now truly essential. A person living on their own, aged 70 or 80—or 56—and whose family is not nearby, even if they are not ill, but all the more so if they are, views a telephone with its 9-1-1 and 4-1-1 numbers as absolutely essential.

What we have observed, and what consumers have told us—and this was the Consumers' Association of Canada and the Association des consommateurs du Québec—was that they first became aware of the termination of monopolies, of so-called liberalization and the benefits of competition, when they were charged higher rates for basic residential services, which had tended to drop. That, then, is a real concern.

In Bill C-17, the government has a provision, which we support and on which we commend it as well, which is the clause allowing the creation of a fund to which all providers must contribute and which will make it possible to ensure basic telephone services.

• (1325)

But there is a snag, a big one that I have tried to remedy, which is that basic telephone service is not defined in Bill C-17 or in the Telecommunications Act, and this poses a problem.

Just as, under the circumstances, I want Teleglobe to be happy with the conditions imposed on it for competing in the international market and going to the U.S., so it is important that private consumers, those relying on the telephone as an essential service, not be powerless when faced with rate increases and scaled-down basic services. This is why I wanted to see the CRTC at least obliged to define basic service. As I was unable to achieve that here, I will try elsewhere.

There will have to be a debate at the CRTC on what constitutes basic telephone services, because this affects ordinary private citizens, who are now lost among the benefits of competition, all the expensive advertising they receive for various local, long-distance and, probably soon, international telephone services.

What I am saying is that it seems to me that this gives the Minister of Industry—not only he is the Minister of Industry but, with the reform of that department, he is also responsible for administering the Consumer Protection Act—additional obligations. In addition to being able to issue orders in council aimed at the CRTC in order to promote competition, the minister can also use such orders to strike a balance between liberalization, services to consumers and the cost of these services.

In fact, consumer representatives told us in committee that the only effects of competition they have seen so far are increases in core services. I will give you a concrete example: the increase in monthly local telephone rates, for each city, in 1992—I will start with Montreal—was \$13.70. The rate today with the increase

allowed is \$21.30. This is a rather large increase. The proposed increase is \$22 effective January 1, 1998 and \$27 by the year 2002.

What we have been told by the CRTC is that consumers are to be compensated for such increases through lower long distance rates. What consumer associations and other institutions told us—and I asked a question about this in committee, but I did not receive a satisfactory answer—is that to qualify for a reduction in long distance rates, they must first spend \$40 on such calls. This will not benefit the people who have the greatest needs and whose income is the lowest. It is true that this benefits large users and companies, but the small consumer, the ordinary citizen with a low income who needs this service has to be protected. This is our role here in the House of Commons.

Liberalization is fine, but it should not be at any cost and under any conditions. This is what we have to be careful about. This is why during this Parliament you will certainly see me rise, as long as I am my party's critic in this area, to speak not only about business development, which is very important, about the creation of companies, small and medium-size, which is also very important, but also to speak for the consumer. It is only by doing this that we can create the conditions required for a humane society, where many people are already being excluded and where the gap between the rich and the poor is getting wider. This is the reality created by the latest cuts in services. This is the reality created by the initiatives to reduce the deficit. It is not the people who are better off who paid for the fight against the deficit, it is the people who could afford it the least. They are the ones who paid for the effort to reduce the deficit. They made a major contribution. And now, they are paying again because of the liberalization of the economy and of services.

• (1330)

Consumer associations pointed out another issue, and it is in relation to this that I was disappointed that my amendment was not accepted by the government. Consumer associations representatives stated that it was important that core services be defined. I have already spoken of this and will come back to it, but they also say, and it is important, that where services like 9-1-1, information, telephone directories and other data are concerned, where reliability and confidentiality are concerned, it will be important from now on in this telephone service in which there are no longer just monopolies on which conditions can be imposed, for there to be neutral organizations under the supervision of the CRTC which can continue to look after the interests of consumers.

I greatly regret that, while the government has maintained such things as 9-1-1, directories and numbering, it has not agreed to include the point that this must not only facilitate interoperation—which, it seems to me was already part of its mandate under the seven major principles in clause 7 on telecommunications—but also ensure that the public interest be served. It is important to state this because the CRTC has received orders from the government

that competitiveness must be ensured, yes, but not to the detriment of the consumer. This is why, in the case of these services which have to be managed effectively, that is to say properly and efficiently, or in other words at the best cost, the public interest must also be served.

Consumers were also concerned that resellers be regulated, as well as national service distributors. The fact that the CRTC has had its licensing power removed takes one part of its leverage away from it. As for the question whether, with the new definition of telecommunications, telecommunicator and telecommunications service provider, resellers are covered, I have been told they are. At least the CRTC has one point of leverage left, but it will have to operate on a piecemeal basis, instead of making clear from the start the conditions under which these businesses may operate.

I will point out to you, moreover, that the only reseller we heard said it was totally in agreement with the licensing power, which was aimed precisely at establishing normal rules of competition.

As for customer protection, there is one aspect on which I touched in my speech on second reading, and will touch upon again here, the protection of confidential information. The CRTC is mandated to ensure confidentiality, and that is fortunate. But does it have the means to do so? That is another matter. I wish to take advantage of this opportunity to point out that the fact that Canada does not have legislation to protect personal and confidential information makes it an unreliable partner for other countries which have such legislation, despite its boast of being good in a number of fields.

• (1335)

So, perhaps you know that the European Union, which has adopted such protection, and which exchanges confidential information with countries it is sure will protect the information, can make such exchanges only with Quebec, because Canada does not have legislation to protect confidential information.

You know right away that I am going to say Quebec has the best legislation in North America, and I am proud of it. I hope the federal government will establish such legislation for interprovincial matters, without putting its big feet into Quebec's jurisdiction. That could be done by making Quebec's and doubtless other provinces' legislation effective in a number of areas, but I want to point out that there is a real problem, as a representative of the consumers' association pointed out to the committee.

This person indicated that people have complained of problems they had with telephone companies exchanging subscriber lists. That does not make a whole lot of sense, but that is what they are doing. It should be stopped. These people complained to the Quebec consumer protection office and were told it was a federal matter. There is a real problem. We know subscriber lists are

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exchanged just as we know—and it is a small part—about very powerful telecommunications networks.

I went to visit Teleglobe and I was flabbergasted. They are advanced, they are effective, and they are good but, at the same time, I can see how invasive of individuals' private lives the information they have could be if it were used by just anyone. There is a definite risk if anyone can do as they wish in this area of jurisdiction.

I will conclude by again lamenting that Quebec does not have jurisdiction over either communications or telecommunications, although this does not come within the purview of the House. The telecommunications revolution now under way will, in a few years, mean that the information highway will soon be much more than just a means of voice or data communication, but will also play a major role in the communication of culture. As McLuhan used to say, the medium is the message.

When the technical platform becomes identified with the message, then for a people such as the Quebec people, who have a culture to protect in North America, the fact of having no jurisdiction over communications, in the broader sense which takes in telecommunications, is extremely dangerous.

I could go on at some length about how I find this regrettable. I am going to come back to it as often as I can, but I will take this opportunity to say, in order to capture the public's attention, that this telecommunications and communications revolution is as important as the industrial revolution. We do not even see clearly the full impact of the bill being passed today. I do not believe anyone who tells me they know exactly what the impact will be.

• (1340)

This is also true of those in the business sector. Technology is evolving so fast, and this technology affects privacy, ownership and economic, social and cultural development. So, in this regard, I will always want to be more cautious than not, and I think that that is the role of lawmakers.

[*English*]

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, it is a pleasure to rise to debate Bill C-17. I feel like I am in a time warp. Perhaps it is *deja vu* all over again, only backwards. I remember sitting here years ago when the government members formed the opposition. They opposed measures like this. Now that they are in government they are supporting them.

Many of these measures were originally proposed and instigated by the Progressive Conservative government 10 years ago. At that time Liberals were vehemently opposed to them. The Teleglobe divestiture bill was introduced in March 1987 and the Liberals voted against it. They said it was an awful thing, it would hurt

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Canada, it was bad for Canada, we cannot have free trade of this sort of thing.

In December 1991 a bill was introduced to privatize Telesat Canada. Again the Liberals voted against it. They said it was a terrible thing, we need all this protection.

The telecommunications bill was introduced in 1993 and again the Liberals opposed it.

All the aspects of the bill we are debating today enhance and endorse the proposals we made in 1987, 1991 and 1993. They go even further than we went. It is another example of a flip-flop, a change of direction on behalf of the Liberals who opposed the GST so strongly and then all of a sudden adopted it as their own. They love it. They want it. They have tried to expand it and they have tried to foist it on the provinces.

We all know the Liberals stood in the House hour after hour, night after night, pounding the table against free trade. Now they have enhanced, endorsed and expanded it. They want to expand it even further.

The next thing we will see happen, I predict, is the EH-101 helicopter position which we adopted. We ordered the helicopters and the Liberals cancelled them. It will be really interesting to see what decision they come up with. Certainly the search and rescue people and the people in our military want the EH-101 helicopters. That was a decision made by us and changed by the Liberals. It will be interesting to see if the Liberals again follow the Conservative lead. They have certainly established a consistent pattern of following that lead. They can say what they like, but actions speak louder than words, and their actions truly say we endorse Conservative policies and love them and think they are great.

I am pleased to join the debate on Bill C-17. From the outset I would like to say that because it was our idea in the first place and because we support the general thrust of it and the fact that it makes the business much more competitive and viable, we are going to support the bill. The Conservative Party will be voting in favour of it.

Bill C-17 implements many of the commitments made by Canada under the agreement on basic telecommunications to the general agreement on trade and services, which again is a form of free trade that was opposed by the Liberals when in opposition. When we are back there in a few more years we will probably be doing the same thing again.

This agreement was negotiated among 68 nations. It liberalizes international trade in basic telecommunications. It enhances freer trade in the telecommunications sector and it opens opportunities for Canadian businesses. It makes it more competitive which will bring down the price for consumers. Everyone wins with this bill.

Under the terms of the agreement, Canada is committed to end the carrier monopolies and to remove certain restrictions on foreign ownership. In return, the other signatory countries will open up their markets to us. Our companies, which have proven to be very competitive in this field, will be able to compete in other countries which they are now locked out of.

Obviously this is good for Canada. That is why Progressive Conservatives support the bill.

There were a few concerns which we had. Fortunately the Minister of Industry made some amendments after hearing testimony from the users and the people in the industry. Appropriate amendments were made, and we even supported them.

The first amendment which we were really concerned with dealt with licensing only for international carriers. Bill C-17 originally proposed licensing for all carriers.

• (1345)

However, the committee had many witnesses argue that this is an additional and unnecessary burden placed on a national industry which was already functioning well without it and contradicts the whole bill. We believe this will continue to be the case even under the terms of this new bill and, therefore, licensing for national carriers would be unnecessary.

The second major amendment put forward deals with clause 46.1(b) where the governor in council may prescribe changes in any area that is related to the provision of telecommunication services by Canadian carriers. Witnesses again came before the committee and argued that this would provide the commission with powers well beyond the intent of the legislation and far beyond what they needed.

The amendment now in place deletes that clause altogether and it proposes a more specific description of the powers of the commission to be placed in the preamble to limit their power and leave the decision making up to the users and the people affected.

These major amendments were primarily industry driven and we support them. We believe they offer a greater degree of freedom for the industry to compete and there is now much less regulatory burden than originally proposed, while maintaining adequate protection for consumers.

We have also believed this industry would thrive under a framework we established when we were the Progressive Conservative government and authorized the Telecommunications Act and privatized Telesat and Teleglobe in the first place. The proof today is in the success we have witnessed in this growth industry. Certainly Canada is one of the major leaders in the whole world in this sector and has been able to access these markets and foreign

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markets through these approaches. Our industry has already taken on the telecommunications world.

We are confident they will succeed and consumers will benefit from the competitive pricing in both national and international services.

When the Minister of Industry spoke on this bill during second reading on November 4, 1997 he said "The purpose of Bill C-17 is to pursue the liberalization of Canadian telecommunications which started more than 10 years ago and has already benefited Canadians and Canadian telecommunications companies". That was really nice praise from the Liberal Minister of Industry for the Progressive Conservatives who initiated this whole process in the first place. Certainly it is encouraging for us to see the Liberal government adopt and proceed with them and even take them further than we did.

That ends my remarks. We will be supporting this bill. We approve of it in principle and we approve of it in particular.

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I rise today to participate in the debate on Bill C-17, an act to amend the Telecommunications Act and the Teleglobe Canada Reorganization and Divestiture Act.

We know that as part of its WTO and GATS basic telecommunications commitments, Canada agreed to substantially liberalize its international services market. These commitments include, among other things, ending Teleglobe Canada's monopoly on overseas traffic next October 1 and removing traffic routing rules for all international services by December 31, 1999. Bill C-17 is the legislation that puts these commitments into legal effect.

I would like to begin today by saying a few words about Teleglobe Canada. Most of us will know that Teleglobe Canada provides international telecommunications services for Canadians by routing calls to and from approximately 240 countries and territories. The fiscal year 1996 was a year of unprecedented growth for Teleglobe as a global provider of overseas telecommunications services.

Teleglobe has announced that it has reached major milestones in its international development and in the expansion of its customer base. This was achieved through—and I think we all agree—intensive sales records, geographic expansion, new product launches and the optimization of Teleglobe's global network.

As a result of all this, in 1996 traffic and earnings for Teleglobe increased substantially and its market capitalization doubled. In addition, Teleglobe International has established its presence as a network operator in three of the largest long distance markets in the world: the U.S., Germany and the U.K. I am sure that in 1998 we

will see Teleglobe continue its U.S. expansion and develop new traffic sources in Europe, Asia and Latin America.

Teleglobe, as we know, views this legislation and the liberalization of this market as extremely positive for both consumers and industry participants since it believes it will stimulate further innovation and demand for international services. This is in the context of Teleglobe losing its monopoly and being thrown fully into what is now a very, very competitive international market.

● (1350)

Teleglobe is clearly poised for the new business opportunities that are resulting from this continuing trend. Teleglobe is indeed a company of which Canadians should be proud. It has been made clear this is a company that is not simply content with just surviving in the global economy. It wants to lead the field of telecommunications, and this enthusiastic, positive and optimistic message comes through loud and clear from Teleglobe.

I will comment on how important this positive approach is as we in Canada go about building a first class economy capable of taking on and beating the world and yet at the same time maintaining a desirable level of social cohesion and community. This of course is not an easy task. I come at this question fresh from our experiences in my home province and in the belief that what has happened in Saskatchewan under the NDP government of Premier Romanow presents useful lessons to Canada as a whole.

I will relate a few words about how we might more effectively co-ordinate our economy as we move into this new global environment, or not so new global environment now. The economy of one small prairie province is not the Canadian economy. But a province that went from the brink of bankruptcy to the first balanced budget in Canada, which has had consistently the lowest unemployment rate in the country and leads Canada's economic indicators across the board must have done something right.

It started from the premise that at heart society represents a commitment by those in it to share in the future together, shared opportunity and shared responsibility. This has always been the Canadian way and must—without being Pollyannaish—be our guide as we strive to build a modern world class economy in Canada, as we strive to prepare to meet the economic challenges of the new millennium and to tackle the social and economic challenges of injustice and inefficiency, of mass unemployment and poverty.

This must be done in an increasingly integrated global market, not by turning the clock back, not by evading the changes that have taken place in the global economy or even by just tolerating them, but by understanding, mastering and exploiting them to our advantage, by taking charge of change and making it work for all

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of us and by ensuring Canadians are equipped to prosper with change.

This question could be merely rhetorical but what should we be doing differently? What will work? It is of critical importance for our national mindset for us all to be outward looking, optimistic and confident. An important part of becoming world leaders is the confidence that we can do it, but we have to keep raising the bar and clearing it. Teleglobe is a good example of that approach.

Here is what Saskatchewan did which is entirely in keeping with what the new labour government in Britain has done and indeed with what social democrats all over the world have done. It is a partnership process driven by the belief that we are all in this together, this being the task of building a world class economy and we being governments, business, labour, communities, educational institutions, aboriginal peoples, all of us. No more sterile debates about public purses, private market versus state, employer versus employee, regulation or deregulation, them and us.

What has happened in Saskatchewan? As I say, I recommend this approach to the federal government. Stakeholders in partnership discussed and mapped out a vision, a future for that economy, not a plan but rather a direction and a set of goals based on identified strengths and weaknesses. These goals included job creation targets and what the economy should look like in 10 years.

Through the same partnership process came the identification of what was needed in order to get there, how to strengthen our strengths and address our weaknesses. Once again on partnership, assigning who could best do what was needed: government, private sector, educational institutions, et cetera. It has been a process of vision and tasks to attain that vision crafted in partnership, and it has worked.

Yogi Berra, the famous baseball wit said "if you don't know where you're going, you might end up somewhere else". I would recommend this partnership approach, which is in place in all successful economies around the world, to the industry minister and to the federal government. We need not just consultation but real partnership so we know where we are going and how we are going to get there.

There is a fair bit to do as we know. Canada's wealth creating base is not large enough. Our levels of investment in skills are insufficient and we have a significant innovation gap. We all know only too well the crushing consequences of poverty and unemployment and underemployment as examples. If governments cannot solve these problems alone, then neither can the private sector, nor can any of the stakeholders alone.

A modern and effective economic approach needs to provide the framework in which these challenges can be met and conquered and to build the partnerships necessary for success. It is time to

break out of the past and address today's and tomorrow's questions with contemporary answers.

• (1355)

The federal government has a critically important activist role in this regard, activist but different from in the past. We must continue to ensure that we have the very best of opportunities for Canadians in terms of job opportunities and the very best opportunities for those who create those jobs in our economy, the private sector.

While I believe that the market economy is the best mechanism generally for allocating the vast majority of resources and markets and, therefore, can and do work in the public interest, I do not think that in all circumstances they guarantee it. Here is a good example. The market economy is in the public interest, but the public interest is not satisfied just by having a market economy.

There are public policy goals that the market cannot achieve. We all know that: education, health care, regional policy. The trick of course is to ensure that government intervention works to better achieve its purpose than with the market actions alone.

This legislation is an example. While Canada has liberalized its telecommunications market, there is still clearly a need for rules to ensure an orderly marketplace and to ensure that the objectives of the Telecommunications Act continue.

I think it is fair to say that WTO and the GATS agreement and the accompanying liberalization of Canada's international telecommunications services market will actually result in the entry of many more companies, both domestic and foreign, into the already competitive Canada-U.S. market and Canada-overseas market.

Our concern here is that these developments, along with the long-term downward trend and long-distance carriage council, make it increasingly possible for companies to circumvent Canadian telecommunications policy and therefore we need to ensure that we guard against that.

I think it is fair to say that some of the clauses in the bill, clauses 1, 3 and 7, would give the CRTC authority to introduce the licensing regime to ensure that our telecommunications policies are respected and for acting competitive safeguards to be put in place to prevent operators from exploiting differences and the different degrees that market openness exists between countries to gain an unfair advantage.

Let me conclude in the minute that I have left to indicate that Bill C-17 flowed from a number of free trade agreements and free trade type agreements that it puts into place to the commitments that Canada made in those deals.

These are agreements that ignore critically important issues such as the environment and labour standards and the protection of social programs, all very serious concerns to all Canadians. As a result, we seem not to have learned very much from these activities as these circumstances that are in the MAI show. That being said—

The Speaker: My colleagues, it being 1.57 p.m. pursuant to order made earlier today, it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of the third reading stage of the bill now before the House. The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: My colleagues, pursuant to order made earlier today, the recorded division stands deferred until later this day at the expiry of the time provided for government orders.

It being 2 p.m., we will proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

VOLUNTEERS

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, Alexis De Tocqueville once wrote that volunteerism is the foundation of the civil society. I am happy to report to the House that the spirit of volunteerism is alive and well in Winnipeg South.

• (1400)

Last month I attended two receptions for volunteers at the Dakota and Greendale community clubs. Without these volunteers who quietly go about running the community centres without adulation or acclaim, there would be no hockey, no soccer, no baseball, no dance, no recreational activities for seniors.

I believe, as Jeremy Rifkin and many others do, that volunteers such as the ones from the Greendale and Dakota community clubs

serve as a third pillar which complements the role of government and the private sector in our society.

At this festive time of the year it is appropriate to recognize the efforts of those who make things a little better for others. So, to the many civic-minded volunteers who undertake work of such importance to the quality of life in my riding, I simply want to say thank you.

* * *

TELECARE

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, I rise today to pay homage to the Stratford and district Telecare organization.

Since 1979 Telecare has been a source of comfort for those in the Stratford area who are in a personal crisis. Highly trained volunteers provide a 24 hour a day, non-judgmental, caring, listening service for the lonely, distressed and suicidal. They also give reassurance calls to those who need them, enhancing their ability to remain independent in their own homes.

[Translation]

On behalf of the whole community, I would like to thank the 75 or more volunteers who devote their time to helping their fellow citizens.

[English]

On behalf of the community, I wish to thank the 75-plus volunteers who generously give their time for the well-being of others.

* * *

KIMBERLEY JUNIOR DYNAMITERS

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, 20 years ago the Kimberley Senior Dynamiters won the Allan Cup. Today the Kimberley Junior Dynamiters are carrying on the tradition by breaking the longstanding record of 27 wins in a row which was previously set by the Kitchener Rangers. Twenty-eight wins in a row for the Kimberley Junior Dynamiters.

New coach Tim Tisdale has taken the Dynamiters from worst to first in just two years. His assistant coach is Jerry Banks.

My constituency boasts a proud history of world class hockey players. Rob and Scott Neidermeyer, Tom Rennie, Jim Hiller, Don and Bob Murdok, Jason Marshall, John Klemm, Glen Cochrane, Frank, Danny, Derrick and Cory Spring, Jason Weimer, Dave Schtchnard, Steve Yzerman, Mike McBain, Joel Savage, Jay McNeill, Xavier Majic, Shane Churla, Bill Lindsay, Randy Petruk, Craig Stahl and Bruce Holoway are just a few that members might recognize.

The Creston Valley Thunder are to be congratulated for their victory as Kimberley's 29th opponent. This is the kind of hockey that makes all Canadians proud.

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[Translation]

PHILIPPE BOISCLAIR

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, Philippe Boisclair, a young man of 17 from Saint-Agapit de Lotbinière, is presently going through a unique experience.

In fact, since last September, he is attending one of the United World Colleges, an organization chaired by Nelson Mandela. He is our first student to be admitted into such a college.

Philippe is a born communicator and is participating in this international program so that he can have contacts with teachers and students throughout the world. The people of the riding of Lotbinière are proud to have such a young man who is making a difference internationally.

As the member for Lotbinière, I encourage young people to seek such experiences, because they are the ones who will be leading Quebec society tomorrow.

* * *

ALGERIA

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, I have the privilege to inform this House that last weekend, when they gathered in Quebec City for their biennial convention, the 700 delegates of the Liberal Party of Canada, Quebec Section, unani- mously adopted a resolution calling for peace in Algeria.

This resolution was proposed by Liberal supporters from the riding of Laval West, which I have the honour to represent in this House.

Canada plays a leading role in the world for the protection of democracy and of human rights. It is important that this House support international initiatives aiming at stopping these mas- sacres.

Algeria is Canada's main economic partner in Africa. This serious problem has to be raised as quickly as possible before the proper authorities in the United Nations and the European Parlia- ment so that these massacres will stop.

* * *

[English]

PARLIAMENTARY INTERNS FOOD DRIVE

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, approximately 120,000 people in the Ottawa region live below the poverty line and around 30,000 of them receive food assistance every month. Nearly half of those receiving food are children.

● (1405)

To help some of those in need during the holiday season, the parliamentary interns with the support of the Canadian Bankers Association have decided to organize a food drive. The food drive will take place between December 8 and 12. Boxes will be placed for the collection of non-perishable foods in five locations: the offices of the hon. members for Notre-Dame-de-Grâce—Lachine, Lac-Saint-Louis, Hillsborough, Calgary Southeast and Halifax West.

The parliamentary interns are also going to visit our offices for a reminder and to collect food or money for the food bank. We invite everybody working on the Hill to be generous. Many families count on our support.

* * *

GOVERNMENT SPENDING

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, it has been said that giving money and power to government is like giving whiskey and car keys to teenage boys.

Three decades of Liberal and Tory governments intoxicated from swilling the taxpayers' hard earned money, carousing from one spending program to the next has left Canadians with a painful debt hangover.

While it appears that the Liberals have at last sworn off the stuff at least for now, Canadians know that their dependency problem has not been licked. At the very next opportunity they will sneak off to some dark corner of the budget, knock the top off a bottle of taxpayers' green and succumb to the stupor of fiscal inebriation.

Canadians know that a return to such substance abuse endangers the health of the country. They will not accept their government falling off the wagon. That is why at the next federal election they are going to send these tax and spend Liberals into paroxysms of withdrawal for an extended stay at the nearest fiscal detox centre and elect a sober Reform government.

* * *

FAMILY VIOLENCE

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, as I reflect on the words of the hon. Margaret Norrie-McCain from the memorial service for the 14 young women murdered in Montreal, it is clear that we must now acknowledge Marc Lepine as a victim of violence himself.

Mrs. McCain has made an urgent plea. The American model of more jails and more police will not address the most important cause of the Montreal massacre.

The catastrophic impact of family violence on children's emo- tional development and self-esteem is now well documented. We must do more in support of the important work of people like Dr. Paul Steinhauer of Voices for Children and Dr. Fraser Mustard and

Mrs. McCain in the establishment of such places like Beatrice House, which will provide real and holistic solutions for protecting children from family violence.

My colleague, the member for Moncton, was co-chair of the Crime Prevention Council where it was made clear that crime prevention must begin with preventing the genesis of criminals who, upon examination, almost always have come from violent homes.

* * *

[Translation]

CHILD POVERTY

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Mr. Speaker, there is cause for concern because this morning, the Canadian Council on Social Development revealed that the number of children living in poverty is constantly increasing, even if unemployment is down slightly.

Contrary to all the negative stereotypes we are familiar with, poverty does not strike only people who are on welfare or who are jobless, but also workers with a low income.

Of even greater concern is the report's conclusion that the gap between the rich and the poor is increasing. Canada's record in this area is dismal because it is sixth among the ten most industrialized nations, considering that the income of the wealthiest 20% of the population is seven times greater than the income of the poorest 20%.

The federal government wants us to believe that the \$850 million in support for poor children will compensate the billions of dollars that it took from their parents by cutting social transfers and employment insurance.

* * *

[English]

CANADIAN MARCONI COMPANY

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, on Friday I was pleased to announce a \$1.1 million investment in the Canadian Marconi Company of Kanata through the Technology Partnerships Canada program. The repayable investment will be used by CMC to develop a display control unit for the United States Army's medical evacuation helicopter the Black Hawk.

Not only will this cutting edge technology create 20 new jobs, maintain 15 existing jobs and generate \$47 million in export sales, it will also open the door to new opportunities by enabling CMC to become a prominent avionics integrator.

Congratulations to the Canadian Marconi Company and the federal government for proving once again that building partner-

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ships between government and the private sector can only increase Canada's competitiveness in the knowledge based economy.

* * *

IMPAIRED DRIVING

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the festive season is upon us and with it the sad reality that party goers may get behind the wheel of their car drunk, endangering their lives and the lives of their passengers and innocent Canadians.

● (1410)

In Ontario alcohol related offences jumped 22% in the first week of the police holiday RIDE program over the same period last year. In just one week 146 people were charged with drinking and driving.

Impaired driving is the largest single criminal cause of death in this country. Every six hours someone is killed by a drunk driver and yet nothing has been done at the federal level to address this serious problem.

MADD Canada has repeatedly made demands for changes to the Criminal Code in an effort to deter drinking and driving and protect the lives of innocent Canadians. To date their demands have fallen on deaf ears.

As a result, provinces such as Alberta and Ontario, not the federal government, are leading the way to make those who drive while impaired face stiffer penalties.

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[Translation]

CANADIAN FOUNDATION FOR INNOVATION

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, they tell me that today there was a smile on the face of the statue of Maurice Duplessis in front of the Quebec National Assembly.

Why is that? Because the separatist government has decided to resort to a method worthy of the Duplessis era, namely to cut off universities and research centres if they receive funding from the Government of Canada, the Canadian Foundation for Innovation in particular.

That is the latest bright idea of the Bloc's head office in Quebec City, where they had run out of ideas for stirring up the Government of Canada. So here we are, back to the old dark days in Quebec.

University administrators are, understandably, not comfortable with the situation. Researchers do not like separatist politicians trying to make political hay at their expense. The federal program was, moreover, created in keeping with the rules and meets community concerns.

Because of the challenges of research and the strong competition in this area of activity, Canada is forced to step up its efforts to create a comfortable niche for itself. Quebec must not push the

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sector of high technology and innovation aside. Another fine opportunity for the development of Quebec has been lost by the separatists.

* * *

[English]

GEORGE PINLAC, JR.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, on July 9, 1995, 15 year old George James Pinlac was at Winnipeg Beach with friends when he heard cries for help from a young boy who was trying to retrieve a beach ball from outside the roped area.

Noting that the victim had trouble staying afloat, George immediately dropped what he was doing and swam to his rescue. As George attempted to grab hold, the panicked boy clutched him by the neck and forced him under the water. Tragically both George and the other teenager drowned.

On December 5 this year, George's selfless act of courage was honoured as the Governor General presented his parents, George Senior and Felicidad Pinlac of Winnipeg, with a posthumous medal of bravery.

Just as the whole community mourned when young George was lost, we all watched with admiration as his proud parents were honoured with this moving tribute. George Pinlac Jr. forfeited his own life to help another. His lasting legacy will be his rare and uncommon bravery.

* * *

[Translation]

CAMPAIGN FUNDS

Mr. Guy St-Julien (Abitibi, Lib.): Mr. Speaker, in yesterday's *Journal de Montréal*, in an article over the byline of Martin Leclerc, we read:

Interesting news—six Bloc members have deviated from the party line.

Last spring, no fewer than six Bloc MPs did not respect "the great heritage of René Lévesque" and deviated from their party line by accepting campaign contributions from companies.

In the 1997 elections, the hon. member for Drummond accepted several thousand dollars from a number of companies, including Cascades, which contributed \$5,000 to her campaign fund.

Corporate donations are not illegal federally, but the Bloc has always maintained that it would prefer to adhere to the Quebec legislation on private donations.

The Bloc has, moreover, taken care not to reveal that five more of its Quebec MPs violated the spirit of the Quebec legislation by receiving several thousand dollars from businesses in 1997.

[English]

HARVEY SMITH

Mr. Bill Matthews (Burin—St. George's, PC): Mr. Speaker, Harvey Smith is just 16 years old and already he has earned a place in the Newfoundland history books under the category of scholars.

The level three student at St. Bernard's All Grade School in St. Bernard's, Newfoundland will be off to Trinity College, Cambridge, England next September with a three year \$90,000 scholarship. He won the Canadian Cambridge Scholarship last month beating out more than 450 other top Canadian undergraduate students in a rigorous test.

Harvey Smith is the first Newfoundlander to win this prestigious scholarship. He is also the youngest to win it and the first from a regular public school.

This is not the first award Harvey Smith has received for his amazing scholastic skills. Recently the Department of National Defence brought him to Ottawa to the Peacekeeping Monument where they launched a book Harvey had written entitled *Siad*. It earned Harvey the Prism award, designed to encourage young Canadians to write and national defence had 15,000 copies of the book printed for distribution to schools throughout Canada.

At Cambridge, Harvey will study biochemistry and molecular biology and hopes to one day contribute to a Canadian team of researchers in developing a cure for cancer.

* * *

• (1415)

ONTARIO

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, excuse me while I take one minute to be provincial.

The premier of Ontario is proving daily that balancing a budget and instituting tax cuts at the same time creates chaos and doublespeak.

Later this week I will be delivering thousands of individual petitions, addressed to His Excellency the Governor General, calling for an election in Ontario now. When something like Bill 160, ominously called the education quality improvement act, takes \$1.6 billion out of education and this is called an improvement, something has to give. In this case parents will give: money for pencils, books, school equipment, bussing. The list goes on and on.

If well educated people represent our future, someone should advise Mr. Harris that education does not improve when the system is fiscally dead.

*Oral Questions***ORAL QUESTION PERIOD***[English]***KYOTO**

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Kyoto conference wraps up tomorrow and delegates will be finalizing details on an accord that can dramatically affect Canadians for years. The prime minister said he would sign this deal and be legally bound by it.

I have a very specific question to the prime minister about the costs of complying with the Kyoto deal. Did the federal government commission studies estimating the impact of this deal on jobs, taxes and economic growth and, if so, will the prime minister make those studies public?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, nations are meeting in Kyoto at this moment to face one of the most difficult problems the world is facing at this time, climate change. There are very important negotiations among developed and developing nations at this time.

We have submitted a proposition that is a very reasonable one and we hope that we will obtain many of the points that have been made. But at this time it has not concluded and in terms of costs, we will have to face the same situation as our competitors because if we have an agreement, it will be signed by everybody and everybody will have to contribute.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the prime minister did not answer my question. He does not want to talk about the costs of the emission levels he is committing to in Kyoto because he is afraid of the public reaction to those costs. We know that reducing emission levels to the Liberal level could reduce Canada's economic growth rates by 2% to 3%.

So instead of these evasive answers, I ask the prime minister again will he present this House with the economic studies which his government must have done before setting those Kyoto targets?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when the Leader of the Opposition talks about 2% or 3% of growth, some have suggested that and it is over a period of 15 to 20 years. We have to look at the other side of the coin as well.

Canada can be very innovative. We can develop new technology and we can turn it to the advantage of Canada if we get the system of points. For example, if we export natural gas to the United States and other nations we could earn points. Because we can produce non-polluting elements of energy, Canada will be better off and in a more competitive position than others.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, this is all very interesting, but we are asking where is the study that backs up or verifies what the prime minister is saying.

I can understand the government's wanting to hide from this question. It is afraid of the impacts with the Canadian public if it finds out the costs involved in this deal.

I ask the prime minister again will he provide this House with the economic studies of the impact on jobs and economic growth of what he is committing to in Kyoto?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Leader of the Opposition would like for us to give a prediction, a very exact prediction, or perhaps a change of 2% in GDP over 20 years when this year we will probably do 1% more than predicted at the beginning of the year.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, this kind of nonsense is just absurd when the prime minister thinks that the Canadian public is going to be paying more out of its pockets.

• (1420)

We know that major decisions like the Kyoto deal have to go through a very detailed economic analysis before cabinet makes a decision on them.

For example, the iron and steel industries will suffer huge losses. That means thousands of families will have to move long distances and try to find new jobs.

Where is the study that talks about the cost of Kyoto? Why are the prime minister and the government keeping the bad news such a secret?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if we produce steel in Canada with the Kyoto deal we will have exactly the same challenge as the Americans who produce steel with the Kyoto deal, the same challenge as the Japanese who produce steel with the Kyoto deal and other countries which produce steel with the Kyoto deal.

We have an international obligation to ensure that the globe survives this crisis.

We have a policy. They just want to protect a little sector of one industry in Canada.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I would remind the prime minister that the United States is certainly at a different latitude than Canada. He may not have paid attention to that.

This government is keeping the cost of Kyoto silent to Canadians. Literally tens of thousands of jobs will be destroyed: 12,000 perhaps in the coal industry, 56,000 perhaps in the oil and gas sector. These are people. These are not just numbers or some little sector the prime minister is talking about.

Oral Questions

Where is the study that proves these sad stories? What is with the secrecy of this government?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, she is throwing figures in the air which are based on nothing.

Canada is a country which will respect its international obligations. We will not be a Parliament that does not accept its responsibilities around the world. If the Americans, the Japanese, the Europeans and the world sign, Canada will sign.

* * *

[Translation]

TRANSFER PAYMENTS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, all the finance ministers are united in calling on Ottawa to compensate the provinces for the transfer payments cut by the federal government to reduce its deficit before introducing new programs in provincial areas of jurisdiction.

Does the prime minister, who says he is always looking for consensus, not think that he should respect the consensus expressed by the finance ministers and compensate the provinces for lost transfer payments in the areas of health, education and social services before rushing into any new spending?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the government's responsibility was to ensure that Canada's fiscal house was in order.

We have cut transfer payments, but this year we have restored the cash component to \$12.5 billion, as recommended by the national forum on health, because this is the level necessary for a good system in Canada.

When we made cuts, we did so in everyone's best interests. That is why provincial governments are now saving hundreds of millions of dollars in interest on their debt. It is because we have succeeded in lowering interest rates below U.S. rates.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, what the prime minister is telling us is that, instead of cutting \$48.4 billion, he will cut \$41.7 billion. That reminds me of something I read in the newspaper recently.

A thief was sentenced by a court for having stolen \$48 out of the pocket of an honest citizen. Even though he gave him back \$6 a little later, the judge still found him guilty.

I ask the prime minister whether he is not doing the same thing with the provinces right now.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the total transferred by the federal government to provincial governments, in particular to the Government of Quebec, represents a large part of Quebec's budget. That is how our system

works. There are certain provinces that do not receive transfer payments, but because Quebec's revenue is lower than that of other provinces, it benefits from the transfer payment system. It receives large payments, and these payments have continued to go up since 1993.

* * *

POVERTY

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, since this government came to power in 1993, its main decisions have been to cut over \$11 billion in education, in health and in social assistance, and over \$3 billion a year in the unemployment insurance program. These are all policies that are having a cruel effect on the poorest in our society.

• (1425)

My question is for the prime minister. How can this government justify its continued attack against the poor and how long does it intend to maintain this policy?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have cut much less than what the member is saying here and we have restored the government's financial stability. That is why we have succeeded, with these programs, in creating the proper environment that has allowed, since this government came to power, unemployment to drop from 11.4% in January 1994 to 9% today and to put our country's finances on the best footing in the western world.

This is good for everyone, and especially the poor because they will have greater opportunities, since Canada is in better shape than before.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, at a time when food banks cannot meet the demand during this Christmas season, the Minister of Human Resources Development, as the technocrat that he is, refuses to recognize the devastating effects of his employment insurance program.

What words will we have to use to make the government understand that there are people who will have nothing on the table at Christmas because they were excluded from employment insurance by the Minister of Human Resources Development and reduced to poverty by this government?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the system that we have implemented is a system which, far from being condemned all over the world as being inefficient and damaging to the economy, is now a system which, on the contrary, helps people return to the labour market.

We have increased to \$2.7 billion the funding for initiatives to help people return to the labour market. What the people are requesting are not only passive measures and initiatives to support

income. What people want are jobs, and this is what the government wants to give them.

* * *

[English]

SOCIAL PROGRAMS

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

Reuse, reduce and recycle are not normally fundamentals of Liberal economics. Yesterday the finance minister reused one of his old decisions. He tried to reuse it to fool Canadians into believing he is investing new money in health and social programs.

Today we invite the prime minister to practice the remaining *r* principles. Will he reduce the \$2.4 billion in social transfer cuts he has made this year and will he recycle his worn out red book promises into something Canadians can use?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what the Minister of Finance did is restore the cash transfer payments to the provinces to the level recommended by the forum on health. It stated that if we restored the \$12.5 billion in transfer payments it would be enough to operate these programs. This is exactly what we have done.

We cut when we needed to cut and now that we are doing better we have restored the \$12.5 billion in cash transfers to the provinces. Now that the economy is performing well, the provinces are making more money because the tax points are producing more—

The Speaker: The hon. member for Halifax.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, there are no new dollars and no more cash and the prime minister knows it. Despite all his comforting words and his soothing reassurances, report after report shows that our children are at greater risk, slipping deeper and deeper into poverty.

Is the prime minister ready to stop the double talk? Is he ready to go to the first ministers conference with specific proposals to help our kids? Is he ready to show them the money, new money?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am proposing to put \$850 million into tax credits for children next year. We want to make sure that the money the provinces are spending now on child poverty is maintained in the same program because we do not want this money lost in the shuffle. There will be \$850 million next year and another \$850 million before the end of our term.

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, the least we can say is the prime minister has a lot of nerve telling the provincial governments he does not want the money to be lost in the shuffle after he guaranteed funding for health care and cut it by 35%.

Oral Questions

Yesterday his ministers of finance and health played a practical joke on provincial governments with their smoke and mirrors show.

● (1430)

Could the prime minister confirm today the real fact that seven out of ten provinces over the next six years will see a net reduction in cash transfers?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there is a formula that when tax points increase there is less need for cash transfers. At this time we did what was proposed in a document called "Let the Future Begin" at page 25 where it stated "A Jean Charest government will restore the level of the cash portion of the—"

The Speaker: The hon. member for Sherbrooke.

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, Canadians will be happy to know that after pursuing many of our past ideas he has now decided to pursue our new ones.

Will the prime minister take up, on behalf of Canadians, the offer of the provinces to enter into a partnership on standards and delivery of health care services? He will find ideas for a Canadian covenant in "Let the Future Begin". Will he put that idea on the table at the first ministers conference?

[Translation]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this week, we are meeting with representatives of the provincial governments in order to hold discussions aimed at forging a partnership so as to guarantee mobility and provide Canadians with social programs which are as equivalent as possible, regardless of what part of the country they are in. That is what we are doing. That is why we are organizing a conference on Friday to address child poverty and other social programs, as announced in my letter to the premiers last week.

* * *

[English]

KYOTO

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the government is ignoring our questions. The government is proposing—

Some hon. members: Oh, oh.

Mr. Monte Solberg: Mr. Speaker, government members may think it is a joke when tens of thousands of people will possibly lose their jobs because of the Kyoto accord. Obviously the government must have done some internal studies to determine the impact of the Kyoto accord on the Canadian economy.

Oral Questions

My question is for the prime minister once again. Where are those internal studies? How many jobs will be lost? How high will gas prices rise?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, let us sign the treaty. We said that there would be a cost over a period of 20 years, but there will be a much bigger cost if we are irresponsible and do not face the challenges facing the world today.

The member should meet, as I have met, some leaders of island countries who are afraid that in the next 50 years their countries will disappear under water.

They do not want to look at facts. They just want to protect the interests that they have with people who gave them money to come here.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, thousands of Canadian jobs are at stake. The Liberals say that the economic cost of not implementing the Kyoto deal will be higher than not going ahead with it.

If they do not know how much the Kyoto deal will cost in the first place, how can they say it is less expensive than not implementing the Kyoto deal?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I should explain to the people across the floor that it will be an international agreement. If there is a cost, and I say there will be a cost, it will be exactly the same cost to every nation signing on the dotted line.

We are already in a better position than the Americans because we are relatively better than they are. If we accept to do exactly as they are doing, we will finish better than they will because we are already ahead of them. Our competitive position will not be impaired by the Kyoto deal.

* * *

● (1435)

[Translation]

EMPLOYMENT INSURANCE

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, yesterday the Minister of Human Resources Development was boasting that women were the primary beneficiaries of his employment insurance reform.

One might say the minister is living on another planet. Women's groups have criticized this reform, which is leaving them poorer.

Will the minister recognize that while an additional 500,000 people, primarily women, are contributing to employment insurance, women, we learned from his department, are receiving \$300 million less than last year in benefits?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, women have received a large proportion of these benefits. The system was changed specifically

to help the very large number of women working part time, who in a system of weeks worked were not covered, whereas they are on the basis of hours worked.

Could the hon. member tell us that there is a family income supplement to help those with children and that 67% of the supplement goes to women on employment insurance? These measures in our employment insurance reform are very favourable to women.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, can the minister deny that the women who choose to look after their children and subsequently return to the labour market after being away for two years have to work between 30% and 117% more hours in order to be entitled to the same benefits as regular benefit recipients? Will he acknowledge that?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, earlier the opposition was describing me as a technocrat. I have to say that I am not enough of a technocrat yet to understand the percentages of the percentages the member was referring to.

Some hon. members: Oh, oh.

Mr. Michel Guimond: He is not at all concerned about women.

Hon. Pierre S. Pettigrew: What I can say is that for the first time—

Mr. Michel Gauthier: He is nothing but a technocrat.

Mrs. Monique Guay: He could care less about women.

The Speaker: Order, please. The Minister of Human Resources Development.

Hon. Pierre S. Pettigrew: Mr. Speaker, for the first time since our reform of employment insurance, women leaving the labour market to care for their children will have access to active re-employment benefits to help them a whole lot more.

* * *

[English]

KYOTO

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the prime minister just said that the costs of implementing the Kyoto treaty would be exactly the same for every nation. That cannot possibly be. Those costs are dependent on the size and the energy intensity of each economy.

On what study did the prime minister base his assertion that the costs of implementing Kyoto would be exactly the same for every country?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, everybody will have to be at the same level. At the moment the Americans will have to cut 12 points to get to zero. Perhaps I should have said we have to cut 9 points. No, I was wrong. It will

be easier for Canada to go to zero than it will be for the Americans because we are in a better position than they are.

Every country will have to make a contribution. Nobody can escape. Nobody can go back to the proposition that the earth is flat. It is round and everything we do affects the others. We have to live with that reality, which is why we are in Kyoto. We have invited the provinces to be there—

The Speaker: The hon. member for Calgary Southwest.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, this is unbelievable. In the past the prime minister asked the House to believe some pretty unbelievable things, but surely he is not asking Canadians to believe that his government made a commitment to this international deal without studying the economic impacts on Canada. He cannot be asking us to believe that.

Where is the study on which he is basing these assertions about the cost of the Kyoto deal?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, a few years ago at the meeting in Rio Canada made a commitment to be at the 1990 level by the year 2000. The leader of the Progressive Conservative Party was there. It made a commitment.

We are asking Canadians to have the level that is projected for the year 2000, by 2007 or 2008. The cost is less than what was committed to some years ago in Rio. I recognize, as did the government of the day, that it is an important problem for every country.

* * *

• (1440)

[Translation]

FRANCE-QUEBEC AGREEMENT ON SUPPORT PAYMENTS

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. I wonder if the Minister of Intergovernmental Affairs cares more about women. No fewer than 200 Quebec women are without support payments because Ottawa still has not approved the draft agreement between France and Quebec on this subject.

In accordance with the principle of extending Quebec's jurisdiction, will Ottawa finally see reason and stop standing in the way of an agreement between France and Quebec on this subject?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, we want Quebec to be covered under the Canada-France convention. We suggested very simple changes to Quebec in order to resolve the matter. Unfortunately, the Government of Quebec does not want to see the matter resolved. It does not want a

convention. It does recognize we are responsible for the Canada-France agreement under the terms of the umbrella arrangements. I am certainly prepared to negotiate with the Government of Quebec, but it refuses to negotiate.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, Quebec cannot be party to an agreement between Canada and France when it has already negotiated an international agreement with France.

Does the minister not realize that his radical position goes against the position taken by the previous federal government and the Quebec Liberal Party and the resolution unanimously endorsed by the Quebec National Assembly?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, the facts are simply that we negotiated an agreement on social matters with the Government of France. The Government of Quebec absolutely refused to be part of any consultation in arriving at the accord.

The French government said clearly that any agreement between a province and the Government of France must come under that accord, and the Quebec government refuses to have it come under that accord.

Frankly the Government of Quebec is simply trying to make another case, another argument for separatism, when it does not apply because it is a province of Canada.

* * *

KYOTO

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, Canadians cannot believe what they are hearing from the prime minister today. Virtually every major economic think tank in the country projected serious economic costs to all Canadians if we sign on to legally binding emissions limits in the Kyoto deal.

Could the prime minister, instead of avoiding the question again, tell the House whether or not his government has projected the possible economic ramifications of the Kyoto deal? Has it done a study? If so, where is it and will he table it today?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am replying to the same question. Almost every party in the House has a position on this. Only the Reform Party, as I said last week, has no policy on that. It just has its interests.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, partisan rhetoric like that may have been fine four weeks ago, but right now our delegation is in Kyoto making decisions that will affect the economic livelihood of hundreds of thousands of Canadian families. The government has a responsibility to tell us what the consequences will be.

Oral Questions

Will it do that and stop reflecting the responsibility to the opposition when it belongs to the government? What are the costs of the Kyoto deal? How many people will lose their jobs?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, two weeks ago all the provincial governments and the federal government met. Everybody agreed that we should have a target of going to the 1990 level by the year 2010. At the same time they said—

Some hon. members: Oh, oh.

The Speaker: Colleagues, it is getting as difficult for me to hear the answers as I know it is for you.

* * *

• (1445)

[Translation]

SPORTS AND CULTURAL EVENTS

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, by dragging its feet on the issue of tobacco sponsorship, the government is killing sports and cultural events in Canada, particularly in Quebec. What a mess.

Instead of wasting its time pondering the various options without ever making a decision, should the minister not do like the European Union and impose an eight-year moratorium to give the organizers of these events time to reorganize?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, we made a commitment, we are working to fulfil it and we will do so, but it is a complex issue. Some legal considerations must be taken into account, and we must comply with the Constitution.

We will take action when we are ready to do so, not when instructed by tobacco companies.

* * *

CANADA FOUNDATION FOR INNOVATION

Ms. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I could have torn off my clothes when I heard about the PQ government's threat to cut funding to universities and research centres that receive subsidies from the Canada Foundation for Innovation.

However, like a good Liberal, I refrained from doing so. Instead, I will put a question to the Minister of Industry: How will he reassure the universities and researchers who are being threatened and blackmailed by the PQ government?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I hope the hon. member will not tear off her clothes.

This is yet another example of the Quebec government's bickering. The PQ is trying to prevent Quebec researchers from doing

innovative work in their province. The federal government has a tradition of subsidizing research and development in universities and research centres. We now have the most important foundation—

The Speaker: The hon. member for Okanagan—Coquihalla.

* * *

[English]

KYOTO

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, Canadians have a reasonable question when it comes to the Kyoto deal. Single moms would like to know how much more it is going to cost them at the gas pump to put gas in their car. Families that are trying to put bread on the table want to know how much it is going to cost their family.

Surely the government did an economic study on the impact of Kyoto. Can the Prime Minister tell us now where is the study and can he produce it today?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have replied many times to this question. I do not have to repeat it all the time. It is evident that this party has no position at all on the environment. It is well noted by all the parties and by the people of Canada that they do not care much about the environment. We do.

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, we do care and we believe there must be a balance between the environment and economic stability in this country.

What we are asking is a very simple question. How did the government base its planning on the Kyoto deal? It has had three, four, five positions now. Does it have an economic study or not?

Right Hon. Jean Chrétien (Prime Minister, Lib.): We have discussed that with the provinces. All the provincial governments and the federal government have agreed that something has to be done, that we have to meet the level of 1990 sooner or later. It was agreed. In Canada there is only a little gang that does not believe we have to meet that commitment and I am looking at them.

* * *

POVERTY

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, my question is for the Prime Minister.

Today another report portrays the tragedy of a million and a half Canadian children living in poverty.

• (1450)

Last week it was food bank usage that doubled. The week before it was child poverty that had increased 58%. They all say that the child benefit is woefully inadequate.

Oral Questions

In negotiations with ministers, will the Prime Minister commit to real targets to eliminate poverty and provide the resources to meet those targets?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I commend the Canadian Council on Social Development for the report it tabled this morning. Its information is always very useful to the government.

The member is wrong when she says that every one of those reports condemned the government. Last week Campaign 2000 indicated that the national child benefit which we were setting up was exactly the way we should be working. The Government of Canada is working on income through the child tax credit. The provinces will be delivering programs in services, \$1.7 billion over the next few years. That is quite a bit.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the minister has clearly not heard what those reports are saying.

Will he at least recognize the disastrous performance of the government's youth employment strategy. Since the strategy was announced in 1996, 26,000 fewer young people are working. Instead of defending a failed strategy, will the minister put an effective plan for jobs for young people together now?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, we have just had the best six months and youth unemployment declined to 16.1%. This is the best we have had in 10 years.

Our youth employment strategy is working. Tomorrow I will be working with the Career Edge people to make sure that the private sector people do their part as well. The provinces also want to do their share. Things are going well. We are addressing it as a societal problem because they are the best educated we have ever produced.

[Translation]

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, the government is the only party in this House not to recognize poverty as an emergency.

My question is for the prime minister. Until recently, Canada had always shown great compassion for the underprivileged. But with the reduction in transfer payments to the provinces and the tightening up of requirements for employment insurance, there is an increasing number of poor people.

Should the government not be turning once again to basic needs, to what must be done to find clothing, food and shelter for the

poorest Canadians? When will the government support the organizations that are trying to deal with these urgent needs?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, poverty in Canada is a great concern to us and we are fighting against it. In fact, my colleagues, the Minister of Health and the Minister of Finance, announced yesterday \$1.5 billion more at the community level.

Last year, my colleague at the Department of Health provided \$100 million more for the Child Community Action Program. Much money has been invested in the national child benefit. We realize that more has to be done. We realize that poverty is a tremendous problem here, and we are taking appropriate action.

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, I must admit that this is not easy to understand.

This government was elected on promises, including that it would scrap everything, scrap free trade, scrap the GST, scrap the helicopter deal, which, until now, has cost us close to \$1 billion in delays, and even to scrap the country with Plan B plus.

What is the minister doing to fight suffering? Can the minister tell us how much money his government has provided for down-to-earth things like soup kitchens?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, we have implemented several very important tax credits over the last several years, and, through these credits, we have encouraged a large number of players in the private sector who are associated with volunteer organizations.

In addition to encouraging and supporting soup kitchens through the partnerships that we have with volunteer organizations, we are seeking to create an environment for the economy, and this of course is not understood by our friends from the Conservative Party because of the extremely bad management that prevailed under them. We had to overcome a deficit of \$42 billion. I think that too many Canadians are still having a difficult time, but there are better days ahead.

* * *

• (1455)

TRADE

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister for International Trade.

Some international economists have warned that the recent crisis in the Asian markets could have a negative impact on foreign companies doing business in that part of the world. Why is it that we are attempting to get countries in the Asia-Pacific to open their markets if it will have negative consequences for Canadian firms?

Oral Questions

Mr. Julian Reed (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I thank my hon. colleague for his very insightful question. It demonstrates that he understands that what happens in other parts of the world affects Canada. That is why we are in Kyoto. That is why we are pursuing trade liberalization around the world. We are not going to let a temporary blip in the economies of other countries deter us from pursuing that as far as we possibly can.

Canada is part of the world now and it is time the opposition parties recognized that.

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KYOTO

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Prime Minister has steadfastly refused today to provide the House with the studies on which his government has based the economic impacts of Kyoto. We can only assume, therefore, that there are no studies, that the government actually went ahead and made these commitments on emission levels without a study of the economic impacts.

Just so we are crystal clear, is the Prime Minister saying that the government has no study on the economic impacts of the Kyoto deal?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have looked at all the aspects of the preoccupation of the Leader of the Opposition. I said that there will be some figures. A lot of figures were used.

The Leader of the Opposition mentioned 3% of GDP over a period of 20 years. In reality, there will be a lot more fluctuation in GDP predictions over two or three years. We had to face the reality that this is a global problem. What is important is to make sure that Canada is not in an unfavourable position—

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*[Translation]***PAY EQUITY**

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, the Treasury Board President has obviously learned his negotiating skills from the minister responsible for Canada Post. Exaggerating union demands, discrediting union leaders, and blaming union members for the breakdown in negotiations are quite the bargaining techniques.

In the pay equity issue, why is the Treasury Board President walking away from the bargaining table and blaming the unions for the fact that a settlement has not been reached, instead of negotiating in good faith?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I must say that I was sorry to see that the union has more than doubled the amount of its pay equity demands; it has gone from the

\$2 billion they first mentioned to \$5.3 billion. I think this is clear evidence of the union's bad faith.

It is clear they do not want to negotiate and I think that, unfortunately, for the good of employees, it would be much better if the offer were submitted to them directly. I have challenged the union to put our offer to their employees so that they could vote on it.

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*[English]***HUMAN RIGHTS**

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, tomorrow is international human rights day. However, there is little to celebrate after this government's shameful performance at the APEC summit last month.

We learned this week that Musqueam Chief Gail Sparrow's address to APEC representatives was cancelled at the last minute, not because of the length of her speech as government officials stated, but because of her intention to raise the human rights question.

Will the Prime Minister come clean and apologize for the government's blatant and unjustified censorship of Chief Sparrow's speech?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is important to note that the APEC leaders' meeting, in recognition of the important role which our aboriginal community has played in Canada, was held at the Museum of Anthropology, which is one of Canada's finest exhibitions.

Furthermore, Chief Sparrow was given the opportunity to meet every single APEC leader directly and personally and talk to them, an honour afforded only to the Prime Minister himself. She was given the distinction of being able to meet and talk directly with all APEC leaders.

* * *

● (1500)

SHIP BUILDING

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Minister of Industry.

A few weeks ago, the minister asked me for some information from the ship-building industry that he could review before looking at a ship building policy.

My question is for this wonderful, handsome minister. Has he had an opportunity to review this information and will he now look at a ship building policy?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I find myself confused. I thought at first the question was for the Minister of Industry.

Government Orders

We have looked very carefully at all the suggestions but I have yet to consult my colleagues on them. I point out to the hon. member, as I have done privately as well, that the tax breaks constitute a subsidy, that special tax rules constitute a form of subsidy, and that we are endeavouring in each industrial sector to create sectors that are competitive and therefore able to win in international markets without subsidies.

GOVERNMENT ORDERS

[English]

CANADA CO-OPERATIVES ACT

Hon. John Manley (Minister of Industry, Lib.) moved that Bill C-5, an act respecting co-operatives, be read the third time and passed.

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, it is a pleasure for me to speak to third reading of Bill C-5, respecting the Canada Co-operatives Act.

The House will recall that second reading debate was on the principles of the bill. I use the term debate very loosely because, as it turned out, every party had something good to say about Bill C-5 and it won the support of both sides of the House.

An hon. member: Especially the NDP.

Mr. Walt Lastewka: My colleague says "Especially the NDP". I am glad he is with us.

This support was continued in committee. I thank members of the Standing Committee on Industry for their work in preparing the bill for third reading.

• (1505)

The bill has three overall objectives. The first is to revitalize corporate governance rules in relation to co-operatives. It does this by providing access to modern corporate tools that other businesses already have through framework legislation such as the Canada Business Corporations Act, the Bank Act or the Co-operative Credit Associations Act which governs financial co-ops.

Bill C-5 enables co-operatives to incorporate as a right. This eliminates ministerial discretion as well as the current complex procedures that now govern incorporation of co-ops. It reduces the cost of incorporation for both co-operatives and the government. It places co-operatives and business corporations on the same level playing field.

The bill gives co-operatives the capacity, rights, powers and privileges of a natural person similar to what business corporations now have. Co-operatives no longer have to specify their fundamental purpose in their articles or to abide by the limited list of powers

set out in the current act. This helps co-operatives compete fairly. It simplifies incorporation procedures and clarifies the boundaries within which a co-operative may act.

The bill before us also changes the rules concerning the nomination and the election of directors as well as the duties and liabilities of those directors. For example, the existing act requires a fixed number of directors and specifies there may be no less than three. Bill C-5 gives co-operatives the right to establish the number of directors in their articles although it still specifies there may be no less than three.

The current act requires that a director must be a member of the co-operative. The bill requires that two-thirds of directors must be representatives of the members. This allows more flexibility by the co-operatives to make their own decisions within boundaries.

In today's competitive economy it is important for co-operatives to recruit the best possible people, to serve directors and to help guide co-operatives. These changes were requested by the co-operative sector to help it attract the expertise it required to the board of directors.

Bill C-5 makes the statutory duties and the fiduciary duties of directors of co-operatives consistent with the statutory duties of directors found in other corporate legislation. It provides a due diligence defence for directors in situations where they may be personally liable.

The second overall objective of the bill is to provide co-operatives with new financing opportunities, something the co-operatives were restricted in, in the past.

The co-operatives will be able to compete in capital markets with entities that already have access to equity investment. Under the bill membership shares can be issued with or without par value. This is a change from the existing act where membership shares can only be issued at par.

The bill allows flexibility so co-operatives can choose to maintain traditional co-operative practices such as par value membership shares or to realize a gain through no par value membership shares. This allows the flexibility for co-operatives to decide how they want to operate within the boundaries.

Bill C-5 gives co-ops the ability to issue investment shares to the public. Investment shareholders are given rights and protections similar to those provided under the Canada Business Corporations Act. This gives co-operatives the flexibility they need to raise capital and puts them on a level playing field with other business entities.

• (1510)

For example, although incorporated in the province of Saskatchewan, the Saskatchewan Wheat Pool is now listed on the Toronto Stock Exchange. I remind the House that SaskPool shares have been available for over a year now. The equity investment the

Government Orders

wheat pool has acquired in capital markets has enabled it to embark on a very aggressive and visionary expansion plan.

A third overall objective of Bill C-5 is to strengthen the features that define and distinguish co-operatives. We do not seek to change the principles that have provided the foundation for the co-op movement in Canada. Rather we want to protect the differences between co-ops and business corporations.

Under Bill C-5 co-operatives must satisfy the test of being organized, operated and administered on a co-operative basis before they can incorporate. This incorporation test protects the uniqueness of the co-operative enterprise in Canada.

One of the most fundamental principles of a co-op is that its members control its decisions. Under the bill before us members continue to make the bylaws as they do in the current act. This is different from the Canada Business Corporations Act where directors make the bylaws.

Members have considerable power to restrict the power of directors. They have remedies in cases of acts of corporate oppression and a right of dissent in the face of fundamental changes to the structure of the co-operative. Members have rights to call special meetings and they have rights to make proposals at the meetings.

Let me summarize by saying that three objectives guide the bill before us. First, we want to revitalize corporate governance rules. Second, we want to provide access to new ways for co-ops to raise financing. Third, we want to do all this without compromising the principles of co-operatives. Indeed we want to strengthen their distinctive features.

Bill C-5 strikes a balance among all three of these objectives. It was originally designed by the co-op sector. It has seen a number of improvements, both in consultation with other stakeholders and in committee.

The co-operation of members of the standing committee in terms of hearing from stakeholders, especially stakeholders who helped in designing the bill, and of helping us to proceed with the bill in committee is very important. It preserves the intent and the fundamental foundation of co-ops, yet allows them to participate in the marketplace on a level playing field.

The bill deserves the support of the House. I hope this afternoon we will continue to debate Bill C-5 and to support it to completion.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, I appreciate the opportunity to speak again to Bill C-5, the Canada Co-operatives Act.

As has been mentioned by the hon. member across the way, I concur there was a great deal of co-operation both in committee and with the co-operatives in preparing the bill. The legislation was

prompted by a request from the Canadian Co-Operatives Association to the government to consider specific recommendations which would update current legislative provisions for co-operatives.

What has been an encouraging note for me in this whole process, being relatively a new member of the House, is that I was able to observe an amount of responsiveness on the part of the government to the requests of those involved in the co-operatives industry. Certainly the co-operatives themselves demonstrated some responsiveness with regard to the bill.

• (1515)

What I witnessed there was that the co-operative structure is built around a membership which holds the management of the co-operatives accountable. It was instructive to me and perhaps it will be to this House. The system they use there, where membership puts in place the management and then in turn holds them accountable, is something I would like to speak to a little bit here this afternoon.

The co-operative management and its members realized that their livelihood was at risk if they did not make some changes to how they raise capital and how they are able to compete against other entities in the markets in which they are involved.

Therefore, they moved ahead to seek this change to the legislation which would allow them access to capital, would allow them to change their corporate structure through amalgamation and restructuring for greater efficiencies and for the long term investment community to get involved in co-operatives as well.

It was this foresight that was driven basically by the membership and through the management that opened the door to this legislation.

The encouraging part in all of this is that the change was really driven through accountability back to the membership of the co-ops.

I think what is instructive here for us today is that in many ways there is a parallel that can be drawn between this process and what is going on in Canada today. The people of Canada are in a sense the membership that we report to.

It is interesting that the membership has been calling out for some changes here in this House and in the legislative structure that Canadians have to live within so that they too can survive for the long term and plan effectively for their future.

I am not sure that our management team here, particularly on the other side, is hearing Canadians on some of these critical issues. What I want to refer to briefly, and it ties back to the co-operators bill throughout this talk, is the fact that right now we are facing 16% youth unemployment in Canada. This creates challenges for our young people. As well the current increases to the CPP seem to

Government Orders

almost add to the challenge that our young people have in obtaining jobs with these high payroll taxes.

We are already taxed, as we have heard in this House many times, at the highest level in the G-7 countries. Even with all of this tax, the increases in tax, the new payroll taxes and high unemployment, we still have a debt of \$600 billion. We have heard that the interest is \$43 billion a year.

Just taking more taxes has not kept us out of debt. In fact, we have gone into debt even as taxes have increased. It is not surprising that the membership, the people of Canada, is saying that it is time to make some management changes and change the way that the legislation allows them to plan for their future.

We have had a lengthy discussion about some of the proposals we put on the plate for changes to CPP which to date have not been heard by the party on the other side.

We listened intently to the throne speech, hoping to see what Canadians have been calling for, that is paying down the debt and tax relief.

What we saw primarily was 29 new spending initiatives on the part of this government. No, that is not what the people of Canada are asking for.

I recently commissioned a survey in my riding so that I could stay in touch with my membership or my constituents. It is consistent with what we are finding in some national polling that has been done. I will refer to it briefly.

Less than 1% of the respondents to a survey in my constituency felt that the government should embark on any kind of increased spending program. It was a very small amount. However, 78% of the respondents surveyed want debt retirement as a priority of the government that finds itself in a surplus situation.

• (1520)

Debt retirement was very much number one. We see this in some of the other national surveys that have come out. The remaining respondents, about 22%, wanted tax relief after debt retirement. My constituents do not feel that allowing the government to spend, spend, spend is the choice that should be made at this time. I encourage the finance minister to resist any pressures from within his caucus and party to move to an increased spending program.

My call is consistent with what we have recently heard from the premiers who came to Ottawa, to strongly encourage him to resist the Liberal temptation to fix all our problems with more govern-

ment expenditure. We have had enough of that. It is not the way to solve many of these problems.

In fact, my constituents told me in the recent survey that they are diametrically opposed to the path which this government is intent on following. Eighty-two percent of my respondents, and I think this is consistent with many Canadians across the nation, felt perfectly confident that they can manage and invest their retirement funds better than the CPP investment board and supported the idea of a super RRSP which they would own and which is insulated from government manipulation.

The people in my riding are making the connection that big government results in big tax bills. Given that connection, they do not want big government.

Consistent with this we are finding that Canadians are coming to the realization, as did the members of the co-op, that in order to survive and be strong for the long term, in order to have the best possible opportunities for all Canadians as they enter into the 21st century, there has been enough of the tax and spend approach of the previous two governments. They are saying that taking more from Canadians and giving it to the government and the government taking its administrative overhead portion and then deciding who should get back the revenue is not the way to solve many of the issues facing Canada today.

They are saying that it is time for changes. The priority is, first, pay down the debt and get it under control because our interest charges on that debt are \$43 billion a year. Some studies we have done tell us that interest for one year alone would pay for 4 million young people to go through a four year university degree program.

Another idea that helps us to understand how much the debt is costing at \$43 billion a year is that it is enough money to fund the operation of every hospital in Canada for two years. However, at this time we are trying to sustain a health care system that is at risk.

This tax and spend approach that the co-op membership realized is the same as Canadians are realizing, that it is putting at risk our social programs. It is putting at risk the care and social security programs that we could have for less fortunate Canadians. It is putting at risk much of what we hold dear as Canadians.

In summary, there is a hopeful note in all of this, particularly with this bill. I admit that the updated Canada Cooperatives Act is a good example of how government can respond to the requirements of the private sector. It gives me some hope that it is still possible for government to respond to the voices of individual Canadians who are calling for some common sense in regard to the fiscal management issues of this nation. The Canada Cooperatives Act succeeds in modernizing Canada's co-operative movement by providing it with the financial tools it requires to compete effec-

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tively in the marketplace and remain a vital component of the Canadian economy; in many ways exactly what Canadians are asking for. At the same time, the legislation respects and retains the traditions and the integrity of the co-operative movement in Canada.

• (1525)

I think it is significant that the hon. member across the way gave some of the accolades to the members of the industry who participated so fully in the formulation of this legislation. I believe that is the key.

It is when we hear the people who are going to be affected by the legislation when we shape it, the likelihood of us hitting the target is much more enhanced. On that note I feel that this particular bill is one that I will remember as a positive illustration of how our Canadian government can work for the benefit of both industry and hopefully one day for the citizens of Canada.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am pleased to state, on behalf of the Bloc Québécois, on this third reading that we too will be supporting this bill, which modernizes the Canada Co-operatives Act.

It is important to point out that Quebec has a very strong co-operative movement. Of the 2,973 co-operatives in Quebec, according to the most recent statistics of the Secrétariat aux coopératives, only six are covered by the Canadian legislation. It is important to point this out right at the start, in order to explain that, regardless of certain reservations I and the co-operatives of Quebec may have had at the start, after the work in committee, and because there were negotiations held in complete equality between the Canadian Federation of Co-operatives and the Conseil québécois des coopératives, I am pleased to state that we will be fully supporting this bill, setting aside those reservations and concerns.

Obviously, I need to explain a bit about what I mean when I refer to reservations and concerns. It must be stated that the Canadian Federation of Co-operatives, in creating this process, a process focussed on calling for new legislation from the federal government, has proceeded democratically through consultation, and made its request. The request was granted. The Federation consulted the Quebec co-operatives and finally came to agree with the bill drafted by the government legal specialists.

What the Canadian Co-operative Association was doing was to modernize the Canada Co-operative Act, and this must be said, as others have before me: co-operatives in this world we are living in, especially the big ones, have to compete in the market with the big businesses and multinationals and find themselves obliged to have capital it was hard for them to acquire under previous Canadian legislation, and this was also true of previous Quebec legislation.

• (1530)

The Canadian Co-operative Association wanted its members to have, and some of my colleagues will tell you about this, the means to ensure that this different form of business, a co-operative business, something that is eminently desirable in our society, could survive in a highly competitive environment.

I would like to use third reading of this bill to draw attention to a kerfuffle that occurred when the committee submitted its report to the House. The kerfuffle arose because the government proposed an amendment, which apparently deprived members of the power to permanently replace resigning members of boards of directors. I say apparently because government members noted, after I spoke, that the law clerks had made an error and that, without this amendment, two sentences in the bill would have been contradictory.

I want to point it out, since, because examination in committee was on a consensual basis, I felt obliged at third reading to oppose an amendment by the government that had not been debated, that was not submitted to us and that ran totally counter to the spirit of co-operation. I did my work, but in the end it enabled us to see that the legislation did contain another provision permitting the members to retain their power.

I will now move on to the next stage in my speech, which is to take this opportunity to stress the importance in Quebec of the co-operative movement. It is interesting to note that I am doing so based on the document put together by the Cooperatives Secretariat, which comes under federal jurisdiction. It contains statistics on all Canadian cooperatives in Quebec and the other provinces.

It is very interesting to see that, in Quebec, there are 2,973 associations, including financial cooperatives, the Desjardins co-operatives as we call them at home. In all of Canada, there are 7,870 cooperatives. This means that 38% of all Canadian cooperatives are in Quebec. In terms of membership, there are 6,210,000 coop members in Quebec out of 14 million for Canada as a whole. Here again, Quebec's share exceeds 42%, even though, I repeat, less than 25% of the Canadian population now lives in Quebec.

Cooperatives in Quebec report sales of \$9 billion, which represents slightly more than 25% of the Canadian total. As we know, in western Canada, there are large cooperatives, especially those involved in the production and sale of wheat. In terms of assets, Quebec accounts for \$54 billion or 33%, compared to \$156 billion in the rest of Canada. That too is a very large amount.

In fact, I think it is fair to say—and my hon. colleagues agreed with me—that Quebec is fertile ground for cooperatives. Naturally, a major player is the Mouvement Desjardins, the Desjardins financial cooperative movement, but it is not the only one. There are also other types of cooperatives in Quebec as in the other provinces. It is important to note this. We seldom talk about this

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different yet important aspect of our economy, so let us take this opportunity to do so.

• (1535)

There are 204 consumer cooperatives in Quebec, 76 purchasing cooperatives, 48 marketing cooperatives, 5 fishermen's cooperatives, 96 producers' cooperatives, 1,221 service cooperatives, 1,318 caisses populaires and a few others. Some of these coops have been operating for a long time.

It is important—I would need more time than I have today at the rate at which things are going today—to at least mention that the cooperative movement was instrumental in ensuring Quebec's economic development, especially at a time when the economy was dominated by the United States, Canada and the United Kingdom.

In fact, when we look at today's major Quebec-owned businesses, we notice that two public institutions were instrumental in developing a mixed economy in our province, that is a capitalistic and a co-operative economy. I am referring to the Caisse de dépôt et placement, and to the co-operatives. Among Quebec's major businesses, in addition to financial institutions, we find the Fédérée, which employs 5,000 people, and which plays a key role in food production, consumption and processing. There is also Natrel and others. I will not name them all, but there are quite a few.

I want to say a word about some co-operatives that we seldom talk about. Those found on the island of Montreal are representative. There are co-ops in the education, housing and agri-food sectors. There are also caisses populaires of a different type, such as the Coopérative de consommation des employés d'Hydro-Québec, and the new Coopérative des services télématiques Centre René-Lévesque. There is a co-op that offers Internet servers to all social and community organizations in the Montreal region.

There is a type of co-op that does not get enough publicity, that does not get enough support. Yet, this type of co-op helps "create jobs" in a world where unemployment is rampant, including for professionals and people who have great qualifications. I am referring to workers' co-operatives. All the other co-operatives that I mentioned are co-ops whose members get together to give themselves services, including housing and consumer services, to transform products which they produce, or to have access to an Internet server. However, workers' co-ops are unusual in that their members get together to create work for themselves.

This type of co-op is more difficult to establish, because while its members must act like entrepreneurs and make their businesses succeed by producing, by selling, by developing a market and by being competitive, they are also employees governed by a collective form of management that is different from that of other businesses, including co-ops in which members are the employers but not the employees.

• (1540)

When this type of co-operative is implemented, it allows businesses to get through severe financial difficulties. We are familiar with some in Montreal, and elsewhere in the province, who have survived the depression and increased the number of jobs, major firms such as the printing co-operative Harpel. These co-operatives are a testimony to the fact that it is possible, even in this day and age, to develop a business that is both competitive and profitable, allowing its employees to have a life, allowing them to experience other kinds of labour relations and of management, and allowing the workers who have joined together to create jobs for themselves.

I repeat that we in the Block support this Bill C-5, an Act respecting co-operatives. After discussions between equals, the Conseil québécois des coopératives agreed to support this bill, which affects only six co-operatives in Quebec but may, if they come to operate in several provinces, apply to other co-operatives currently operating only in Quebec.

We are therefore pleased to support this bill, even if the co-operators who called for it know that there are risks in allowing members in co-operatives who are in fact not members but holders of capital, who are providing assistance to the co-operative in competing with other businesses, while at the same time helping themselves through the profits they can earn as a result.

[English]

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I am pleased to rise in this House as a New Democratic Party member to speak at third reading of Bill C-5, an act respecting co-operatives. I am also pleased to see that the legislation enjoys the support of all five parties in the House of Commons, reflecting perhaps that the co-operative spirit is becoming a pan-Canadian value.

I say that because in Saskatchewan the co-operative spirit has been alive and well for a number of generations. As a matter of fact, we in Saskatchewan view the world in a very clear way when it comes to using economic utensils to develop economies and to keep people working.

It is the view of the New Democratic Party that our economy is composed of three engines. There is the engine of government which generates and creates economic activity to a certain extent. There is a second engine of the economy, the private sector, which generates and creates economic activity in jobs and revenues. In Saskatchewan in particular but across this country, the NDP believes, a third engine of economic activity in our economy is the co-operative movement. We feel the co-op approach to life is a very important approach and one that basically allows people to do

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things collectively in a co-operative way that they cannot do individually.

We feel very strongly that Bill C-5 addresses some of the challenges which the co-op movement is now facing, the modernization of co-ops, the modernization of the economy, the more competitive nature of corporations and businesses competing with our co-ops around the country.

• (1545)

The co-op movement is very important when it comes to world trade. We have been involved in very significant things with respect to economic development in this country through co-ops that we normally would not do. The co-op movement has been very significant in the international and global economy. We did not call it the globalization of our economy, but the corporations that were involved and structured as co-ops, like the Saskatchewan Wheat Pool, were actually trading in the international marketplace for decades before the terms globalization and global economy became the catch words of those who wish to do business all over the world.

I am very pleased this afternoon to acknowledge a neighbour of mine in the gallery. He lives on my street. He is visiting Ottawa on business. I am very pleased to see him here because not very often do we get to speak directly to some of our constituents. I am very pleased that he is here. I am not sure if he is impressed or not, but we will see what happens during the course of my remarks.

This co-op bill is one which I think has gone through a very comprehensive process in terms of looking at how we can modernize co-ops, how we can assist them in meeting some of these very significant economic global challenges.

I am pleased to note the co-operative manner in which the needs of the Manitoba and Alberta pools were negotiated with other members of the co-op movement so that a jointly recommended amendment could be proposed in the industry committee at clause by clause and it was basically approved. In addition, there were a further five technical amendments at committee and two more technical amendments at report stage in the House which all parties supported.

Before getting into more of those items, I want to talk very briefly about another example of how important co-ops were in Saskatchewan in particular. That is my example because I represent a constituency in Saskatchewan.

There was a problem a number of years ago with gas pricing and oil pricing and availability of energy in our province. The large oil companies, Imperial Oil and Shell, had the refineries and they were gouging our farmers. They could not get their crops in the

fields and seeded because of the high prices. There was a huge hurdle to farming economically in our province.

In the 1940s a number of people got together and put together about \$40,000. They established Consumers Co-operative Refineries Limited. In essence using resources that they collected in their own neighbourhoods and communities in the province of Saskatchewan, they built from scratch the Consumers Co-operative Refineries which still exists today.

As a matter of fact, the refinery is valued at somewhere around \$1 billion Canadian. It refines about 50,000 barrels of oil on a daily basis. It not only has a refining capacity, but it has an upgrading capacity as well. It can take the very thick crude and upgrade it through a process, and then refine it in a refinery which is right next to it and make all the things that are made from a barrel of oil. Many people do not realize that 10,000 different products can be made from a barrel of oil.

What I am getting at is that the people of Saskatchewan were confronted with the problem of price gouging. They developed a technology among themselves. They collected their own resources and built a refinery to the point now where it is worth a significant amount to our economy. It employs about 250 people annually.

The president of the union is the spouse of my constituency assistant. His name is Bob Johnson. Bob has been president before, but remains president of the union. With his colleagues at the co-op refinery, he contributes significantly to the economy of our province. They are able to do this as a result of significantly strong co-operative principles. I remind members that those principles are based on the fact that individuals can do collectively what they cannot do individually. This is an example that has been very significant in our province.

• (1550)

Another example I want to share with my colleagues in the House of Commons and other people who are watching is that the co-op movement is not dying. It is actually a very strong, vibrant, growing movement not only in Canada but in other parts of the world.

As a matter of fact, I was visiting one of the 37 communities in my constituency, the community of Strasbourg just last spring. At a public meeting there were a number of speakers. One of the speakers was from the co-op college at the University of Saskatchewan in Saskatoon. There was a slide show. It was about the new economic approach in the land of free enterprise, the United States of America, to solve some of the unemployment problems, to solve some of the dying rural community problems in the United States of America.

The slide show was about the co-op movement that is a "new" economic utensil the Americans are now discovering and using

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quite dramatically in a very positive way. The slide show talked about a midwestern community with a population of about 6,000. It had had a very significant decline in its population over the years. It was in the midwest in an agricultural community. Young people were being educated and then were moving to other parts of the United States and finding jobs and earning a living.

As a group of people who got together as a community they asked, how do we stop this drain of our young people? How do we stop the drain of jobs from our community? How do we enhance and prop up and get our rural economy back on its feet? Somebody had the bright idea of forming a co-op.

They formed a co-op and started with a bison farm. They started raising bisons in a co-operative way. Then they expanded to hog production, to grain and to a furniture factory. They started a co-op for house building and contracting and also established a buying co-op where they could buy materials at contractor prices.

With respect to Bill C-5, this is a very applicable example. This shows that Bill C-5 which we are talking about today is modernizing the approach and the economic tools that co-ops can use similar to those in the midwestern American city I am talking about where they discovered this new movement of co-operation.

Do you know what that community is doing now? They are hiring the children of the founders of this co-op for jobs which pay very significantly. They are managing these hog production plants. They are managing the grain and farm production operations. They are managing the furniture factory and other factories they have established on a co-operative basis.

Of course at the slide presentation in Strasbourg, Saskatchewan, everybody at the public meeting was saying, "We have been members of co-ops for 50 years. That is exactly what we have been doing and that is how we have been able to sustain a reasonable quality of life in our community". I might say that Strasbourg is a very significant community in my constituency.

As my party's spokesperson for co-ops I have been contacted by a number of co-op members in particular on this bill, many of whom support the bill but a few of them do not. Let me take a few minutes now to address some of their concerns which were brought to my attention.

In the first place, some were merely the result of some misinformation, for example, that the bill applied to all co-ops or that it compelled all co-ops to raise investment equity. In fact as we know, the bill applies to only about 51 federally chartered non-financial co-ops as did its 1970 predecessor. It does not compel any of them to pursue any financing option their members have not already approved. It simply enables them to choose from a few more options.

It is also true that a few people philosophically do not believe a co-op should raise investment capital. It is a deeply held conviction of a minority of people who are also uncomfortable with changes at the Saskatchewan Wheat Pool. Of course, for members who might recall this, the Saskatchewan Wheat Pool is provincially chartered so that when the Saskatchewan Wheat Pool wanted to expand its economic base to pursue value added processing of its primary production of grain and hogs and cattle and other things, they decided to expand in a number of areas.

The members of the co-op who control the co-op decided that they would go to the markets. They made an amendment to provincial legislation, as we are doing with this Bill C-5 for other co-ops, to enable them to go to the market for more capital. I might add that since this was done the shares of Sask Wheat Pool have increased in value. The members of the wheat pool who did not buy shares still control the company. The wheat pool is actually doing a very good job.

• (1555)

As a matter of fact just yesterday it was announced that the Saskatchewan Wheat Pool which is the principal shareholder of Fletcher Meats has now bought Harvest Meats, a meat processing factory in Yorkton, Saskatchewan. It employs a number of people and is a very successful plant.

That adds value to the products which members of the wheat pool and other farmers in Saskatchewan believe are important to our economy. It adds value in the sense that it provides jobs to people living in Saskatchewan. It also provides more profits for those who are members of the pool from which patronage can be shared.

Patronage of course in a co-op is different than patronage in the Government of Canada. Patronage in the Government of Canada is where the government of the day appoints people of its liking to highly paid positions. In many cases they are not accountable but they perform functions in the country. Patronage in a co-op is when a member supports the co-op and purchases goods from the co-op. They patronize the co-op and earn some value from doing that. When they leave the co-op they have an asset which is theirs as a result of their patronizing their co-op.

With respect to the wheat pool, I believe that members of the large co-ops, the ones which are federally chartered, since they carry out business in more than one province, need to have some choices available to them to take on the multinationals which are increasingly taking them on.

I was speaking with the minister of agriculture for Saskatchewan, Eric Upshall, the other day about this debate. He pointed out that the wheat pool has been responsible for millions of dollars of investment coming into our province in the last few years which as

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a result has created many jobs. He told me about a number of the details, one of which I shared with the House a few moments ago.

At the same time the pool's market has been targeted by the American multinational Archer-Daniels-Midland. The pool has needed to finance the upgrading of a lot of its capital to meet this challenge, at the very time when a large number of farmers are retiring and withdrawing their capital from the pools.

I also believe the co-op movement has demonstrated that the majority of its members support having this option available to them under Bill C-5.

Evidence was presented before the industry committee about the extent of the consultation process undertaken in the co-op sector prior to the tabling of a model bill with the government.

A first round of consultations took place at the grassroots level about what changes were needed in the bill. This resulted in the development of a first position, which was then sent back for a second round of consultations, all within the co-op movement. After the co-ops and the federal Department of Industry and the co-op secretariat at the Department of Agriculture agreed to a draft piece of legislation, industry and the co-op secretariat then conducted a round of national consultation hearings themselves.

The resulting legislation is thus the product of consultation, consensus, constructive engagements and co-operation. Such a process does not guarantee unanimity, but I believe it reflects a sincerely genuine effort to obtain the input and support of as many co-op members as possible.

The bill also greatly strengthens the rights of co-op members. I am sure that co-op members of all points of view will be making use of these rights if their co-ops debate such new approaches and agree to pursue them under Bill C-5.

In summary, on behalf of the New Democratic Party, we would like to see this bill move forward as quickly as possible. We applaud the efforts of co-ops across the country to bring forward proposals to modernize their governing legislation and to meet the challenge of taking on the multinationals which are increasingly moving into Canadian markets.

We support a vibrant and thriving co-op movement and believe this bill will assist in enhancing that goal.

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I have a very short question for the hon. member for Regina—Lumsden—Lake Centre. I appreciated his input in the committee with respect to the importance of co-ops. He helped us to understand co-ops.

I want to ensure that although we are opening up the boundaries in which co-ops can participate, we will still maintain the principles of the co-ops as he has many times described them to me.

• (1600)

Mr. John Solomon: Mr. Speaker, I thank the parliamentary secretary for his question.

In my view the bill does not really affect the principles of co-ops, the principle of open membership or the principle of one member one vote. Members of the co-op will still control the direction of their particular co-op, even though they may take advantage of these economic utensils.

The principle of doing collectively what cannot be done individually will always be around in a co-op. The bill will assist co-ops on the larger scale in dealing with competition from international corporations and in expanding their co-ops in a vertically integrated way as other multinationals have done in the past.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, it is with pleasure that I once again speak to Bill C-5, which I have debated in the House of Commons twice before.

I will repeat one comment that I started off with the last time. When I was elected to the House of Commons I told myself and my constituents that when good legislation was put forward by the government I would congratulate the government on it and not simply be destructive in my criticism but be constructive.

I say to the government and to the Minister of Industry that this is a very good piece of legislation. It allows co-operatives to go forward into the 21st century with the ability to make necessary changes to be competitive not only within themselves but with other industries.

Brandon—Souris is the home of almost everything. The House has been privy to my rantings with respect to all the good things that have happened in my community. We are also the home of a number of very successful co-operatives. Members may be aware that the co-operative movement came to us from western Canada. Co-operatives involved people organizing around the common goal, usually not for profit but for the economic benefit of all their members.

Co-operatives promote grassroots development, led by people rather than by government. They are a reflection of local people taking the initiative to understand the problems they face and to develop solutions. Co-operatives find their roots in community based enterprise around the world, and certainly in Canada.

The principles of the 1970 Canada Co-operatives Association Act were based on provincial legislation dating back to the early 20th century. While the provinces have been updating their co-operative legislation over the years, there have been no changes to modernize the framework of the federal act since its inception.

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As a result, in March 1996 the Canadian Co-operatives Association and its francophone counterpart jointly submitted recommendations to modernize the federal act. The proposals were the product of consultations with both their memberships. As previously mentioned, the most notable feature was the changes that most closely aligned the Canadian Co-operatives Association Act with the Canada Business Corporations Act. Both associations agreed these changes enable co-operatives to modernize their operations to better compete in the domestic and international markets on a level playing field.

Bill C-5 deals with a number of very innovative changes to that legislation. The legislation came out of consultations, consensus and the co-operation of an organization that brought forward to government, in a very long process over five years, what it felt was necessary for the co-operative movement to continue into the 21st century. As we are well aware, a number of changes are required to compete in this globalized world in which we now live. It was done, as I said, in full co-operation with the membership.

• (1605)

One issue they dealt with was the form of capitalization a co-operative could now do. The co-operative has a larger scope in adopting the structure between traditional and open market approaches, providing greater flexibility in establishing methods for members to finance their co-operatives.

The bill attempts to balance the rights of members with those of corporate directors, which is very important.

Bill C-5 makes changes to the rules governing membership by removing all restrictions. The rules are now solely determined by the co-operative and are laid out in its charter bylaws. This means membership would be open to all, provided current members approve.

Bill C-5 makes changes to the rules governing the issuing of shares. The conditions of issuing membership shares are set out in the incorporation charter.

Bill C-5 will permit co-operatives with share capital to issue investment shares to their members and to the public, provided the members have agreed to do so and have set out the rules in the charter bylaws.

Traditionally co-ops have looked only to their members to finance their operations. This means that co-operatives can now become more competitive with their capitalization. I speak of Saskatchewan Wheat Pool, a very prime example of what a very progressive co-operative can do in the competitive market.

The proposed changes equip the industry with the tools necessary for raising badly needed capital investment. It is a response, for instance, to declining membership investment, resulting in

co-ops not being able to upgrade existing expensive and outdated infrastructure. This policy follows changes adopted by some of the provinces.

I point out that Bill C-5 is not a controversial bill, as I said earlier. It was done with co-operation and with consultation. We in the Progressive Conservative Party will be supporting the bill.

Agreement between all parties on the bill was slow as it took over as five year period to develop, but I believe they achieved a reasonable compromise with minor amendments at report stage. Overall the bill is a positive step in bringing co-operatives into the 21st century by making them more flexible, efficient and competitive.

The changes in Bill C-5 are wide scale adjustments but I am confident overall co-op membership, some 4.5 million Canadians, will benefit.

That being said, this gives us a very good model by which to develop legislation: listen to the people, listen to the industry that is being affected and put into legislation the necessary changes that allow it to adapt.

I will make an analogy between that and another piece of legislation brought to the floor of the House recently in which I have been involved. I will make a comparison between Bill C-5, which I have already said is an excellent model that has worked extremely well, and Bill C-4 respecting the Canadian Wheat Board.

Bill C-4, unlike Bill C-5, does not have a common goal that provides for the economic benefit of its members, the producers of the Canadian Wheat Board. Unfortunately Bill C-4 did not have the same consultative process as Bill C-5 has had. In committee we were told we had to rush Bill C-4 through without having the proper consultation because it had to get to third reading before the Christmas sitting was over.

It was sent to committee where we had to get it through. Bill C-5 took time, took legislative opportunity, to make sure adjustments were made. Bill C-4 did not come about in that fashion. Bill C-4, unlike Bill C-5, does not take the initiative to understand the problems producers face or to develop solutions.

Bill C-5 did that. We listened to what the industry was saying about what it needed for the future, for the 21st century. Unfortunately the government did not understand the problems facing producers and did not put into place the necessary legislation to deal with those problems into the 21st century. Bill C-4, unlike Bill C-5, does not allow farmers to decide in their best interest to ban together to gain better control over the marketing of their products.

In Bill C-5 the membership makes the rules. The membership is the owners. In Bill C-4 that is not the case. The government still maintains ownership. The elected board of directors is only 10 out of 15 and the chief executive officer will be appointed by

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government. It does not allow the producers, the major stakeholders, to have a say on how they will be operated.

• (1610)

Bill C-4 unlike Bill C-5 has not updated its legislation and modernized its framework to adjust to the 21st century since the inception of the Canadian Wheat Board in 1935. Unfortunately Bill C-4 does not allow the producers to have a voluntary or opt in, opt out situation.

I am making an analogy between Bill C-5 and Bill C-4. I appreciate the model which has been put forward in Bill C-5. Unfortunately it has not been carried through. Unlike Bill C-5 the proposals in Bill C-4 were not the product of consultation with all stakeholders. The government already predetermined the options of producers before they were even allowed to speak in committee.

As I said earlier, the committee would not allow members or stakeholders to come forward to speak to a very important piece of legislation that would control their operations for the next numbers of years.

Bill C-4, unlike Bill C-5, fails to modernize the operations of farmers so they can better compete in domestic and international markets on a level playing field. Bill C-5 allows for the co-operatives to compete on a level playing field with private corporations. It allows them to modernize with more capital. It allows them to make sure that they will be competitive and in business come the 21st century. Bill C-4 unfortunately does not allow producers to do that.

Bill C-4, unlike Bill C-5, does not speak to the wishes expressed by the majority of farmers. Bill C-5 took that into consideration. They sat down with all the stakeholders, talked to them and listened to them to put in place the right piece of legislation that would allow them to do that. Bill C-4 would not.

Bill C-4 and Bill C-5 could do so much for farmers. Bill C-5 achieves this with great success while Bill C-4 fails miserably. I hope the government over the holiday season has a change of heart and starts to listen to farmers, particularly those in western Canada, and does the right thing by providing Bill C-4 with the much needed tools that farmers want to compete in the 21st century, much as Bill C-5 does.

The co-operative movement is a very important movement in my community. During the question and answer period the last time I rose to speak, a question was asked by another member as to whether a member of a co-operative could speak honestly about it. I can stand here today and proudly say that I am a member of a co-operative. We have one in Brandon, Manitoba, to which I belong. It is the best way to provide that service.

I do not wish to prolong debate longer than necessary. I believe all parties are in agreement with this piece of legislation, which is unusual in the House. The Progressive Conservative Party recognizes that in some instances the government listens. In some instances it will let the people be a part of the legislation that is necessary to govern them. We will be supporting the legislation when it comes to the vote.

[*Translation*]

The Deputy Speaker: 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, Aboriginal affairs; the hon. member for Vancouver East, Youth; the hon. member for Hochelaga—Maisonneuve, Tobacco legislation; the hon. member for Charlotte, Aboriginal affairs; the hon. member for Burnaby—Douglas, Fisheries; the hon. member for Frontenac—Mégantic, POWA; the hon. member for Waterloo—Wellington, The economy.

• (1615)

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I listened very carefully to my colleague. He belongs to a co-operative. Good for him. I too belong to a co-operative, a food co-operative. As the member so eloquently said, it is rare that the House can almost unanimously support a bill.

Co-operatives are very important in our society. Fifteen or so years ago, in my region, we set up a food co-operative. Several food co-operatives were set up at the same time in Quebec, but many of them are closed now.

I know that my colleague has some good experience in this area. I put the following question to him: Why do some and even many co-operatives have trouble staying alive, surviving, and why are there so few really vigorous co-operatives in certain areas? I would like him to tell me about his experience.

Mr. Rick Borotsik: Mr. Speaker, I am learning to speak French, but I have difficulty answering in that language.

[*English*]

I would suspect that the co-operative is no different than any other business venture. It depends on the people who are involved in the management of the co-operative. It is obviously involved with the business acumen and experience that people have as to how good the co-operative is itself. Some co-operatives do not succeed. In some cases it is probably because of undercapitalization, underfinancing. That is usually the reason most businesses fail regardless of whether they are a co-operative movement or in the private sector.

I said initially in my opening comments that in our particular case co-operatives are a feel of the communities. The communities and the people develop the co-operatives. It depends on the

motivation of those individuals as to how successful those enterprises are going to be.

I can honestly say that in western Canada the co-operative movement was very successful because people helped people work with people. It was a grassroots movement. The profits that came from the development of that business were put back into the business. I would suspect it is a bit of a culture that came from that particular co-operative movement and perhaps the opportunity to have better capitalization when they went into the enterprise in the first place.

That would be my opinion. There are any number of reasons why some are good and some are not good.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

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

* * *

BUSINESS OF THE HOUSE

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe that if you were to seek it you would find unanimous consent for the following motion:

That, notwithstanding any standing order or usual practice, private members' hour shall commence this day at 4.30 p.m., provided that all divisions standing deferred to the time of expiry shall be called at 5.30 p.m. and proceedings pursuant to Standing Order 38 shall be taken up immediately thereafter.

In other words the adjournment proceedings will occur immediately after the votes to be taken at 5.30 p.m.

If there is consent for putting this motion and carrying it, then I will subsequently propose to suspend until 4.30 p.m.

The Deputy Speaker: Does the hon. government House leader have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

The Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

Private Members' Business

• (1620)

SUSPENSION OF SITTING

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I believe you would find consent to suspend until 4.30 p.m. in order to proceed with private members' hour.

The Deputy Speaker: Is it agreed that we suspend the sitting until 4.30 p.m.?

Some hon. members: Agreed.

The Deputy Speaker: The sitting is suspended.

The sitting of the House was suspended at 4.20 p.m.

• (1630)

[Translation]

SITTING RESUMED

The House resumed at 4.30 p.m.

The Acting Speaker (Mr. McClelland): It being 4.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

REVOCATION OF MANDATE OF INQUIRY COMMISSION

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ) moved:

That, in the opinion of this House, the government should obtain the consent of two-thirds of the said House before revoking the mandate of an inquiry commission.

He said: Mr. Speaker, the motion I am tabling today, Motion M-20, refers directly to events that occurred during the 35th Parliament and that continue to have repercussions today. The aim of this motion is to correct a practice by the government opposite and by the governments before it.

My motion reads:

That, in the opinion of this House, the government should obtain the consent of two-thirds of the said House before revoking the mandate of an inquiry commission.

You will understand that this motion is in reaction to the problems that occurred during the course of the latest commissions of inquiry set up by the government, more specifically, the Somalia inquiry.

You will recall that on July 2, the Minister of National Defence published the report of the Commission of Inquiry into the

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Deployment of Canadian Forces to Somalia, better known as the Létourneau Commission. The work of that commission became extremely important because of the events that were being revealed, but also because the media was following it closely.

In their final report, the commissioners expressed strongly their concern over the major obstacles they had to face in carrying out the work of the commission. So that the scope and the importance of my motion can really be understood, I will quote some parts of the report, including from the chairman of that commission, Mr. Justice Létourneau.

Mr. Justice Létourneau said:

The Inquiries Act provides the authority to subpoena witnesses, hear testimony, hire expert counsel and advisers, and assess evidence. Under normal circumstances, such powers should have given us the confidence to present our findings without qualification. However, on January 10, 1997, while Parliament was adjourned—

because it is the practice of the government opposite to do its dirty work when Parliament is not sitting. I am adding this, it is not Mr. Justice Létourneau who is saying this.

Mr. Justice Létourneau continued:

—the Minister of National Defence announced that cabinet had decided that this inquiry had gone on long enough, that all hearings must be cut off on or about March 31, 1997, and that a report with recommendations was required by June 30, 1997.

This was the response of the government to our letter setting out reporting date options and requesting an extension until at least December 31, 1997, a period of time that would have allowed us to conclude our search for the truth.

You must realize that the Létourneau Commission only had one objective, and it was to uncover the truth on extremely serious events surrounding actions by people in the Canadian Armed Forces.

Mr. Justice Létourneau continued:

The unexpected decision to impose a sudden time constraint on an inquiry of this magnitude is without precedent in Canada. There is no question that it has compromised and limited our search for the truth. It will also inhibit and delay corrective action to the very system that allowed the events to occur in the first place.

He continued, and this is important also:

As our investigation progressed, we were able to move closer to the key centres of responsibility as we moved up the chain of command. Unfortunately, the Minister's decision of January 10, 1997, eliminated any possibility of taking this course to its logical conclusion—

The minister, the Liberal cabinet, realizing that the investigations and the search for the truth carried out by Mr. Justice Létourneau were getting dangerously closer to the political decisions of that government, announced in January, on January 10 more precisely, that it had decided to put an end to the commission's work.

Need I remind this House that the commissioners were appointed by the Minister of National Defence, by the government opposite?

• (1635)

These commissioners can certainly not be said to be big, bad separatists or sovereignists who were there to break up the country. They were appointed by the government to seek out the truth. It would be one thing if he had been the only commissioner to make such remarks, but there were three of them saying the same thing.

One of them, Peter Desbarats, even wrote a book entitled *Somalia Cover-Up*, from which I would also like to quote, because he goes even further than Mr. Justice Létourneau. He wrote:

Before we had a chance to resume hearings in January, after the Christmas holiday, on January 10, the Minister of National Defence announced that the commission would wrap up the hearings by the end of March and table a final report by the end of June—This announcement floored us all. I expected the Minister of National Defence to give us one or two months less than what we asked for, but the decision to put an end to the inquiry was unprecedented. Even four decades of watching politicians did not prepare me for this.

This is not a man totally unfamiliar with how things are done in Ottawa. This is a man who studied political and governmental decisions extensively and was familiar with procedure. After all, he had been appointed to the commission on the basis of his great qualifications.

He wrote in his book that he simply could not believe that the Minister of National Defence would decide to suddenly end the inquiry, without warning, when it was so close to its goal of finding out exactly what had happened. So, the commissioners were about to uncover the truth when the government opposite, in a move that could almost be called dictatorial, put an end to the inquiry.

He also wrote, and I will end with this excerpt:

When observing my two fellow commissioners, I came to appreciate the expression—and this is very important—"judicial independence" as a reality. A government that acts so as to affect the independence of a public inquiry can only be foreign to our political traditions and jeopardize the principles of accountability.

This commissioner in the Somalia inquiry says that the government jeopardized the principles of accountability. This is a very harsh judgment. The author made a comparison with our American neighbours. As we know, Americans are very structured too. They have many commissions of inquiry, even more than here. We also know that the president enjoys a very strong central power. The author points out that:

In the United States, even a president could not stop the Watergate investigation. Here, a simple cabinet can put a stop to a federal inquiry for political reasons, and no one gets upset about it.

This is extremely important.

As for the in-depth analysis of the motion, all agree that public inquiries are essential elements of a democratic system. It is a

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universally recognized principle that, without the existence of public inquiries, administrative democracy would be meaningless. These inquiries are tools at the service of those who are governed, that is the citizens, to monitor their administrative institutions. They are tools given to Canadians and Quebeckers to know what goes on in the federal apparatus, since we are in the federal Parliament.

It is not the first time we look at this issue and at the powers of commissions of inquiry. In 1977, the Canadian Law Reform Commission described public inquiries as "a complement to the essential agencies of the state. They can investigate the government itself, a task which must of course be the mandate of a body outside the executive and the public service".

The quasi-judicial process of which commissions of inquiry are a part is a major guarantee of objectivity, which is of considerable importance when an agency must assess the exigencies of public interest. By setting up boards or commissions with quasi-judiciary powers, the lawmakers institute a mechanism of preliminary investigation and participation by the governed in administrative action.

• (1640)

But these inquiries must be left to follow their course without undue interference by the government. This requires respect for the independence of the judiciary.

And what is the independence of the judiciary? I refer to it because it has already been addressed in this House. It must be understood that what I am proposing in Motion M-20 is a solution to establish some semblance of credibility in our democratic institutions, which suffer from undue interference by the government in the process of public inquiries. It must therefore be understood that the very principle of the independence of the judiciary is what justifies the adoption of this motion. In other words, once a government creates a commission of inquiry, because the situation requires it, because the situation is so important that a commission of inquiry is required, the commissioners must have complete freedom to conduct the inquiry.

And, among other things, the government should have seen to it that Mr. Justice Létourneau, a man with training, a highly credible individual with a law degree and many qualifications, had complete freedom to conduct the inquiry, to ask questions. Above all, there must be guarantees that the executive arm or the government will not interfere.

The legislation, because this is governed by section 2 of the Inquiries Act, stipulates that the governor in council may, whenever the governor in council deems it expedient, cause inquiry to be made into and concerning any matter connected with the good government of Canada or the conduct of any part of the public business thereof. When we look at the powers given the commis-

sioner of a commission of inquiry, we see that the process must have been considered quasi-judicial. And there is a difference between a commission of inquiry and a decision by the superior court, for example, or the supreme court or the court of appeal.

For instance, commissioners have powers to summon witnesses, powers to enforce, and certain special powers associated with the inquiry, such as entering offices, examining documents or whatever.

In addition, section 12 of the legislation stipulates that commissioners may allow any person whose conduct is being investigated under this act to be represented by counsel. And in the Somalia inquiry we saw that, whenever members of the Canadian Armed Forces appeared before the commission, they were all accompanied by a lawyer, which is provided for in the act and which was completely legal.

This shows that a commission of inquiry is something very serious. We must give as much power as possible to those who hear witnesses and who search for the truth.

In conclusion, those who were here during the 35th Parliament, those who witnessed the whole debate on the Somalia inquiry, those who saw certain things the government did during the Krever inquiry and those who witnessed certain things in the past all feel that commissions of inquiry deserve the close attention of the members of this House. Commissions of inquiry deserve that we remove, once and for all, the possibility for the executive branch, the cabinet or a minister to suddenly revoke the mandate of a commission as important as the Somalia inquiry.

To support motion M-20 is to support the improvement of procedures regarding public inquiries. To support motion M-20 is to ensure that our institutions truly reflect the concern of Canadians and Quebeckers to maintain a sound and sustainable administrative democracy. To support motion M-20 is to choose to know the truth rather than to let the interests of the bureaucracy take precedence. To support motion M-20 is to give Canadians and Quebeckers an opportunity to adequately take part in the affairs of our society.

To those who are about to speak against this motion, or who do not really support it, I will simply say that to oppose motion M-20 is to allow the government opposite to once again muzzle commissions of inquiry.

• (1645)

To oppose Motion M-20 is to say that responsible individuals who agree to chair similar commissions could find themselves overnight with less time or insufficient time to really achieve the goal sought, that is, the truth.

To oppose the motion is to allow those who mock their integrity to move beyond all control.

I am convinced that this House, given the appropriateness of the purpose and the fact that the motion is an attempt to find a better

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approach in this House, will see that its sole purpose is "to obtain the consent of two-thirds of this House". That means that people on both sides of the House must speak before a commission of inquiry is terminated.

Once a government decides to set up a commission of inquiry, I think it is up to the House of Commons to decide with the pros and cons of a debate here in the House whether the commission should be terminated.

I think that democracy in general would be the winner if this House passed the motion.

[*English*]

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is a pleasure for me to speak to Bloc Motion No. 20 concerning commissions of inquiry. I listened with great interest to the remarks of the member for Berthier—Montcalm.

Inquiries of various sorts are a fundamental concern for both Parliament itself, this House, and for the government. Such inquiries are important tools which both Parliament and the government can use to deal with special issues, special problems, special concerns of particular times in our history. Parliament itself has extensive authority in this area.

In addition to the inquiries which we are discussing under this motion, which are set up under the Inquiries Act, Parliament has extensive authority to set up a committee or committees to conduct inquiries into any area of concern to members. These committees have the usual full control of the House.

Recently there was the special joint committee on the constitution which was chaired by the leader of the Progressive Conservative Party. That is an example of a committee which was set up as a national base for an inquiry.

In addition, as the member has said, under the Inquiries Act the government, as distinct from Parliament, has the authority to establish commissions of inquiry. In this case a commission of inquiry is created by an order in council under the statutory authority of the governor in council. This provides the terms of reference, the names of the commissioner or commissioners, and establishes the timeframe for the work of the commission.

That is important. The government of the day, under the Inquiries Act, sets up an inquiry. It gives it its terms of reference and, as the member said, appoints the commissioners.

From that point the inquiry runs as an autonomous, quasi-judicial body. It is the arm's length characteristic of these inquiries which is a very important feature.

The member rightly pointed out, and described extremely well, the great powers which commissioners have once such a commission of inquiry is set up and running.

Therefore, these are arm's length bodies which the government of the day uses to look at special matters in the public interest. They are set up by law in a very particular way. Any change to the overall mandate of such a commission requires a new order in council.

The Inquiries Act recognizes that the government has a role in ensuring that the operation of a commission of inquiry is consistent with its mandate. Commissions of inquiry have been widely used by governments throughout the history of this Parliament and have been an important source of information and policy development.

• (1650)

I notice that the hon. member mentioned just two or three commissions of inquiry, but since Confederation there have been over 350 public inquiries under part I of the Inquiries Act. A considerable number of these have had major impacts on Canadian public policy.

I would mention the Rowell-Sirois commission on dominion-provincial relations, the MacMillan inquiry into banking and currency, the famous Laurendeau-Dunton commission on bilingualism and biculturalism which has had such an important effect ever since and that was in the 1960s on the way this government operates in a bilingual and bicultural way.

I could also mention the McDonald commission into certain activities of the RCMP. Another in the late sixties was the Bird commission on the status of women. That for the government of the day was a conscious effort to look into gender issues, into issues of equality. Again, right through debates in this Chamber to this very day I think we have seen the impact of the Bird commission and the way the government of the day took the time in the sixties to look at gender issues in a broad way really for the first time in our society.

Another I would mention is the Donald S. MacDonald commission on the economic union in the 1980s.

All of those commissions are examples, as I mentioned, from 350 which have had a considerable impact on public policy in Canada since Confederation.

This government is committed to making sure that the terms of reference, the budget and the time limits for completion are made as clear as possible for any commission of inquiry to reduce the risk of undue delays and expenses.

To conclude, I would like to thank the hon. member for Berthier—Montcalm for his interest in this important matter. Commissions of inquiry are an important matter. It is a very important aspect of life in this country.

I would suggest in considering this motion members should take note of the need to maintain the balance which exists in the Inquiries Act that provides the government with the ability to establish inquiries into public policy matters and not just with that power to establish them, but with the responsibility to ensure the efficient conduct of these inquiries.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I rise today to speak in favour of the motion put forth by the member for Berthier—Montcalm. I am supportive of the general aim of this motion because it allows the important decision of whether to revoke the mandate of an inquiry commission to be made by the elected members of this House rather than in secret by the government.

The need for such a motion arises from the fact that commissions of inquiry are often investigating situations or events that took place as a result of a government action. Leaving the power to shut down the inquiry in the government's hands clearly puts it in a conflict of interest.

In addition, members of an inquiry commission are undoubtedly aware that their mandate could be terminated if they uncover information that is embarrassing to the government. We have actually seen that happen already. They have no incentive really to investigate in such areas. If anything, there is an incentive to not investigate in areas that might uncover things embarrassing to the government. How can an inquiry be expected to carry out its job properly under such conditions, even when the most conscientious and honest people are conducting that inquiry?

The government member mentioned that there have been over 300 commissions of inquiry. He gave a few examples of some which produced reports consistent, I would say, with government policy of the day and so they were acted upon. The vast majority simply end up gathering dust like the petitions to this place on shelves or in vaults somewhere without ever seeing the light of day.

Our constituents send petitions to this place thinking that we are going to act upon the requests that are in those petitions. As all members of this House know, they simply end up in the vaults of this place along with petitions that have been gathering since the turn of the century with no action ever being taken and the government taking the position that because it cannot verify the signatures, the petitions are hardly worth taking any notice of.

• (1655)

When Reform first came to this place we suggested there be one day a month set aside just to discuss the largest petitions submitted to this place. That would at least show constituents that we care.

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That has never happened. Similar things happen to these inquiries. They just disappear.

One of the most recent and glaring examples of the need for reform, which was mentioned by the member for Berthier—Montcalm, was the shutting down of the Somalia inquiry by the former defence minister, Doug Young. It became very apparent from questions asked by Reform members during question period in the last Parliament that there really was no legitimate reason for revoking the mandate of the inquiry and that his only motivation was to prevent any proof of a government cover-up being made public.

Surely the power to halt an inquiry like that should not rest with the minister of the department that is under investigation, as was the case in that instance. The voters of the minister's riding administered the ultimate punishment to him in the 1997 election by replacing him. We will never know whether it was because he shut down the Somalia inquiry, but there was some reason they removed him from his position.

Unfortunately, the decision to revoke the mandate of an inquiry commission is only one of many important decisions that are made behind closed doors by the government, often by order in council. Take, for example, the decisions made by the subcommittee on private members' bills which decides whether a bill will be votable or not. It is bad enough that bills can even be declared non-votable, let alone the fact that the government can make the decisions about those bills in secret with no minutes and no explanation.

Before I rose to speak in the House I called the deputy speaker in New Zealand, who is a personal friend of mine, to ask him some questions about a private member's motion I took to the subcommittee yesterday. In passing, I mentioned that I was struggling to get the motion made votable. He was aghast that we still have non-votable bills and motions in this place for private members' business because in New Zealand they are all votable.

This motion has been deemed non-votable by the committee. This creates the suspicion that the government really does not want to address the issue by seeing the reaction of members to the motion. It could be quite embarrassing. With this in mind and in the interests of democracy, this may be an appropriate moment to ask for the unanimous consent of the House to make the motion votable. I would like to ask for the unanimous consent of the House to make the motion votable.

The Acting Speaker (Mr. McClelland): The hon. member for North Vancouver has moved for unanimous consent that the motion of the member for Berthier—Montcalm be made votable. Is there unanimous consent?

Some hon. members: No.

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The Acting Speaker (Mr. McClelland): Resuming debate, the hon. member for North Vancouver.

Mr. Ted White: Well, no surprises there, Mr. Speaker. As usual, members from the government side demonstrated their commitment to democracy in this place by rejecting a votable motion.

Just as shutting down an inquiry can be used as a way of protecting the government agenda, designating a bill or a motion non-votable is an effective way for the government to stop the advance of a measure that may be popular with the public but may not fit into the agenda of the government, the Liberal party line.

In this way the government is able to stop a popular bill from becoming law without having to go through the embarrassing process of voting against it. It is a shame that we do not have the opportunity to have public votes where our constituents can watch us cast our judgment on such issues.

An especially interesting aspect of this motion is that it would require a two-thirds majority rather than a simple 50% plus 1. While I am in favour of the general purpose of the motion, the two-thirds figure seems to have been chosen somewhat arbitrarily. It was possibly selected in order to make the motion effective against the present government, although I find it strange that a Bloc MP would have chosen this threshold.

Consider for a moment what would happen in this Parliament if the Bloc wanted to help the government shut down a commission of inquiry. With the present balance of power in this House, the Bloc and the government combined would not be able to shut down that inquiry without the support of at least one other member, which reduces the influence of the Bloc in that regard.

The second interesting aspect of the percentage chosen is the present insistence by the Bloc that the result of a 50% plus 1 vote in Quebec is decisive in terms of a sovereignty vote.

• (1700)

Yet it adopts a two-thirds requirement to disband a commission of inquiry; two-thirds to disband a commission of inquiry, 50% plus one to disband the country.

That having been said, as I indicated at the beginning of this speech, I am in favour of the general thrust of the motion. The appropriate percentage vote is certainly up for discussion.

Mr. Dick Proctor (Paliser, NDP): Mr. Speaker, I too am pleased to take part in this debate this afternoon, which says the government should obtain the consent of two-thirds of the members of this House before revoking the mandate of a commission of inquiry. I want to congratulate the hon. member for Berthier—

Montcalm for bring the motion forward. I assure him at the outset of my support of this bill.

Everyone I think knows what is behind this motion and that is the Somalia commission which the member has upper most on his mind and our minds. The Canadian peacekeeping mission to Somalia and the subsequent muzzling of the commission of inquiry by the Liberal government opposite constitute a sad and tragic episode in Canadian history.

As we know now, something went horribly wrong in Somalia. Some Canadian soldiers sent there to keep the peace became the torturers and murderers of the very people they were sent to help. I know that only a very few Canadian soldiers were involved, but we cannot deny or hide under a rug what happened there. Nor can we deny the ugly strain of racism that showed itself in at least one of our regiments stationed in Somalia.

This behaviour was appalling enough. What is even more shocking is the cover-up that occurred, a cover-up that included some of our senior defence personnel. I think it is worth recalling how we found out about the tortures and killings in Somalia and about the cover-up.

We first learned about it through some enterprising news reporters. I congratulate members of my former profession and I would single out Michael MacAuliffe from CBC radio for bringing this unsavoury information to light in this country. We learned more when soldiers with a conscience blew the whistle as well. Throughout all this the upper echelons of the military establishment continued to stonewall and, even worse, to destroy some documents and tamper with others. We were not getting the full story on Somalia, so in 1994 the Liberal government named a commission of inquiry.

Initially the Liberals were great truth seekers and democrats. One might summarize that they enjoyed having a commission of inquiry probing into events that occurred during the term of the previous Mulroney government. We all watched as the commission began its work. We watched the stonewalling and obfuscation by military brass and their attempts to avoid having the real story come out. This subterfuge and these attempts at evasion prolonged the hearings and frustrated the commissioners.

The commission and its proceedings also began to frighten the Liberal government. They were now well into their term. They did not want to see the defence department's dirty linen washed in public, particularly in the run-up to the federal election of this last June. We all know what happened. In the run-up the Liberals ordered the Somalia commission shut down as of June 30.

One of the three Somalia commissioners, Peter Desbarats, a former distinguished journalist and now an instructor of journalism

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at the University of Western Ontario, described that shutdown as “one of the most brazen cover-ups and denials of responsibility in the history of this country”. He also called the Liberal action a “brazen cover-up and a denial of responsibility”.

Because the inquiry was snuffed out we will never know exactly what happened in Somalia, and we will never really know who was responsible for the ensuing cover-up. Exchange of information is the oxygen of a free and democratic society. By shutting down the Somalia inquiry the Liberals deprived of that vital oxygen in this instance.

To the best of my knowledge this is the first time ever that a federal government has shut down a commission of inquiry in mid-term. In his remarks earlier the parliamentary secretary, who had done some extensive research, talked about 350 commissions of inquiry, royal commissions, et cetera, but I did not hear him say how many had ever been shut down by the government. I think our research is correct on this.

• (1705)

This is the first time in the history of the country that a commission of inquiry has been closed down before it finished its work. It is profoundly undemocratic and it set a very dangerous precedent for the future.

I want to remind members opposite of just how valuable commissions of inquiry and royal commissions have been in the nation's history. In the 1930s, for example, the Rowell-Sirois commission looked deeply into federal-provincial relations in this country. That commission did groundbreaking work and its recommendations set the stage for a social contract that vastly improved life for millions of Canadians. This was extremely important to people in the province of Saskatchewan, where I come from, who had been ravaged by the depression.

The Rowell-Sirois commission was an embarrassment to the federal government of the day because Ottawa had been sitting back and appeared content to continue to sit back and allow Canadians to suffer through that horrible depression. The royal commissioners had a very different idea and outlined it. As I said, it was an embarrassment to the government but it certainly did not move to shut down the commission.

What the Liberals did in this present context in snuffing out Somalia was self-serving and undemocratic. In political terms the issues here are arrogance and accountability. The Liberals believe they were born to govern and think they can do almost anything and get away with it. They paid for this arrogance, however, in the last election. Despite pre-election polls that indicated that it was going to be a cakewalk, they only won a narrow majority and only one seat in the province of Saskatchewan. They should be asking themselves why this happened.

This arrogant and unaccountable government has to be contained. It is for this reason that I support the motion of the hon. member for Berthier—Montcalm which states the government should obtain the consent of two-thirds of the members of the House before revoking the mandate of an inquiry commission.

I want to remark on the hon. member's choice of the 66% figure. Government appoints a royal commission or commission of inquiry for a reason. Once appointed the commission should remain free of interference and be able to complete its work.

This private member's bill states that it should take more than a simple majority vote to shut a commission down. For this reason I support the 66% figure used by the hon. member. I also add parenthetically that a 66% vote would also make a good deal of sense when we talk about certain referenda in this country that could eventually break it up.

For the moment I will contain my thoughts on that and simply say that I support the hon. member's motion regarding commissions of inquiry and congratulate him for bringing it forward today.

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, I am very happy to speak to this motion today. However, it saddens me that we in this House have to stand here and debate a motion that seems so obvious. Unfortunately it does not seem obvious to this government. In fact, it is this government that has made it necessary to introduce this motion by behaving in an irresponsible manner.

I am speaking in particular of the Somalia commission inquiry. As members know, the Somalia inquiry was shut down for political and personal reasons earlier this year which is what brings us here today.

Unfortunately closing down the Somalia inquiry proved that it is not incumbent on the government to do the right thing. In that instance the government did the wrong thing. I will speak about Somalia more in a moment.

First I want to tell this House that we do support this motion. We support this motion for the simple reason that public inquiries are not called on a whim. Inquiry commissions are created because there is a public concern that needs to be addressed. As elected officials in this House, it is incumbent on all of us to take such matters very seriously. It seems to me that if there is a good enough reason to begin an inquiry commission then there is probably a real reason to complete an inquiry commission.

Of course there might be real reasons to cut short an inquiry. If I could I would like to outline some of the reasons why a government, maybe this government, might want to end a public inquiry. First, the inquiry might start revealing information the government does not want heard because it might prove embarrassing.

Private Members' Business

Second, one of the people being investigated by the commission might just be the brother-in-law of Canada's vice regal.

Third, there might just be an election looming and the government might just want to ignore the inquiry and get on with business or the business of getting re-election. These are very important reasons to shut down a public inquiry. I hope members will understand my point.

• (1710)

It is sad to say it was so easy for this government to shut down Somalia. This motion will ensure that there are real reasons to shut down a public inquiry. If I could I would like to quickly outline what was the cost in real terms of prematurely shutting down the Somalia commission.

Robert Fowler, then deputy minister of defence and now Canada's ambassador to the United Nations, says that on March 19 he told minister Kim Campbell and acting chief of staff Richard Clair that Somali teenager Shidane Arone had died three days earlier as a result of foul play at the hands of Canadians.

Richard Clair, then acting chief of staff to the minister of defence, Kim Campbell, says he did discuss the death with Fowler and vice-admiral Larry Murray, then vice-chief of defence staff, on March 19 but nobody mentioned foul play.

He said at the time that to him the death was still a mystery. The right hon. Kim Campbell, then minister of defence, says that she was aware that there was an investigation going on March 17. She knows this because she received a briefing note on that day.

In that briefing note the death of the Somali is listed as perplexing and that Canadian forces had acted appropriately. The right hon. Kim Campbell also knew from the same briefing book that Corporal Matchee had tried to kill himself because "he had roughed him up", meaning Shidane Arone. The truth was he beat him to death.

It was not until March 30, 11 days later, that minister Kim Campbell learned that there was an investigation into the death. Because the Somalia inquiry was cut short, this has never been resolved.

The result is that Canada's fine military has been dragged through the mud and still there is no resolution. The result is that Canadians have less faith in their public servants as Robert Fowler remains Canada's ambassador to the United Nations and Larry Murray has just been appointed ADM in the Department of Fisheries and Oceans. Still there is no resolution. The result is that Canadians do not know what the true story is, and still there is no resolution.

This is evidence enough that the government lost the right to unilaterally end a public inquiry. If it is not, I would like to refer to the words of one of Canada's most respected sons, Chief Justice Brian Dickson.

In a speech given just last month Chief Justice Dickson said: "Something is drastically wrong when the public feels that its military is incompetent and led by an inept, if not corrupt, hierarchy". It was not fair to the dead Somalis whose death has not been fully understood.

Ending the Somalia inquiry early was not fair to the military, which needed a just resolution. And it was not fair to Canadians who deserve to have faith in their public institutions.

I want to close today by informing this House that the government is still scared, but of what I do not know. Less than two weeks ago I submitted a motion to the defence and veterans affairs committee.

I would like to read the motion: "That the committee invite the three Somalia commissioners to appear before the committee to speak on chapter 44 of the Somalia report 'The Need for a Vigilant Parliament'". I am sad to say that this motion was voted down. What are they hiding?

When this motion is passed, the government will not be able to hide so easily. Again, we do support this motion.

The Acting Speaker (Mr. McClelland): As is customary, the last few minutes of the debate are reserved for the mover of the motion.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, let me start by saying that the position taken by the government on Motion M-20 did not come as too much of a surprise.

To take a different position would have been tantamount for it to admit it made the wrong decision regarding the Somalia inquiry. It would also be against their principles, that is to act to cover something up. If there is one thing that this government does not seek it is to shed light on certain administrative decisions.

I am not too surprised that the government is not in favour of this motion. Something worries me and bothers me to some extent, though, and that is the fact that, when a member of the official opposition asked that my motion be made into a votable item, government members said no.

• (1715)

In a way, that both surprises me and does not surprise me, because we must understand that, with the support of the Reform Party, the NDP and the Conservative Party, all that would have

been required for my motion to pass would have been the support of five Liberal members. I can understand that, to be on the safe side, they would rather this motion not be put forward or not be voted on in this House, just in case there were five members on their side who would vote against the party line, as some have done on other issues.

I would like to thank the opposition parties, that is to say the Reform Party, the New Democratic Party and the Progressive-Conservative Party, for truly grasping the meaning and, more importantly, the significance of this motion. What I heard was also repeated often and dealt directly with the objective I was pursuing, namely the legitimacy of the commission, the importance of knowing the truth, the search for that truth and the protection of the population. I think that all opposition parties understood that. It is unfortunate that the government opposite is refusing to be responsive to an extremely important issue.

The government often says that opposition members are here only to criticize and do nothing that is positive. I think that this was an opportunity for the government to acknowledge that an opposition member was right on an extremely important issue, namely that when a commission of inquiry is created, considering how important that is, a vote of two thirds in the House should be required to end the inquiry. This is how the opposition parties are being thanked.

There is perhaps only one thing that they did not understand, and I would like to come back to that briefly. Members from the Reform Party and from the NDP mentioned that they did not really understand, at least the Reform Party did not, the two thirds requirement, for two reasons. The first was that this would limit the influence of the Bloc Québécois on government decisions because the Bloc Québécois does not have enough members to bring about an end to the commission.

In this respect, it was not undue influence that I was looking for with this motion, but fairness, and I think that the two thirds rule would allow to demonstrate clearly that all members in this House wish to end or to continue an inquiry. My objective was absolutely not to give the Bloc Québécois special influence over Parliament. I believe that with 44 members, we have more than enough to do to represent Quebeckers properly.

The other point that bothers me a bit more, and I would like to mention this, is that members of the Reform Party and the NDP claimed not to understand why it took 66% to terminate a commission or allow it to continue, while it took 50% plus one in the case of a referendum for Quebec to become a sovereign nation. I hope that they said this off the top of their heads, that they did not think before they spoke.

I believe very sincerely that there is a difference between a vote by elected officials on an administrative matter, such as the continuation or termination of a commission of inquiry, whether it is important, as I was saying, or not, and the democratic vote of a

people. I think there is a fundamental difference between the decision of a people and an administrative decision.

I did not pluck the two-thirds rule out of thin air. All members know, if they listen to their constituents occasionally, that in order for non-profit organizations to be able to change their by-laws they often require the consent of two-thirds of their general assembly. This is not a criterion selected out of the blue, but one that I think is generally recognized in administrative circles.

However, 50% plus one in a democracy is a criterion that is also recognized internationally. When a people vote in an election or a referendum, the majority, the 50% plus one, rules. There is nothing contradictory about this and I think that, if members give a little thought to their position, to what they have just said, they will understand that there is a fundamental difference between the two, and that the 50% plus one is the principle that Quebeckers defend each time a referendum is held in Quebec.

I will close with that. I again offer the government an opportunity to agree to a vote on this motion.

• (1720)

Once again, I ask the government to agree to put Motion M-20 to a vote, so that we may really know what this House of elected representatives, this House representing Canada and Quebec, among others, thinks of the motion I am moving.

I would ask for the unanimous consent of the House that this motion be made votable.

[English]

The Acting Speaker (Mr. McClelland): The hon. member for Berthier—Montcalm has requested that his motion before the House be deemed votable.

Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

[Translation]

The Acting Speaker (Mr. McClelland): There being no further members rising for debate and the motion not being designated as a votable item, the time provided for the consideration of private members' business has now expired and the order is dropped from the Order Paper.

[English]

SUSPENSION OF SITTING

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would like to ask for unanimous consent to suspend the House until the vote at 5.30

The Acting Speaker (Mr. McClelland): Is it the wish of the House to suspend the sitting to the call of the bell?

Some hon. members: Agreed.

Government Orders

(The sitting of the House was suspended at 5.22 p.m.)

• (1730)

SITTING RESUMED

The House resumed at 5.30 p.m.

The Acting Speaker (Mr. McClelland): Order, please. It being 5.30 o'clock the House will resume the sitting and recognize the House leader of the official opposition on a point of order.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I rise to ask that you consider taking the vote on the amendment to the concurrence motion on the 13th report of the Standing Committee on Procedure and House Affairs in the same way as the House takes votes in Private Members' Business.

While votes on committee reports are normally taken by party, this report and the amendment contain matters of such importance to private members that the vote should not be taken by party.

Private members will never make any headway in the House if we allow this vote to be subject to the determination of the government whip. He represents the cabinet and we all know that the cabinet is not very supportive of increasing the influence of private members in the House.

Prior to taking the vote tonight I ask again that it be taken in the way that we normally do in the House in Private Members' Business.

The Acting Speaker (Mr. McClelland): Just so that the Chair is clear, the House leader of the official opposition has asked that the vote to be taken on the amendment to the concurrence motion be taken in the same manner as a vote in Private Members' Business. Is the Chair correct?

Mr. Randy White: Mr. Speaker, you are well trained in the Chair's duties. You are absolutely correct.

The Acting Speaker (Mr. McClelland): The House has heard the motion of the House leader of the official opposition. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. McClelland): There is not consent.

GOVERNMENT ORDERS

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

The House resumed from December 5 consideration of the motion and of the amendment.

The Acting Speaker (Mr. McClelland): It being 5.33 p.m. the House will now proceed to the taking of the deferred recorded division on the amendment to Government Business No. 10.

Call in the members.

• (1800)

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 65)

YEAS

Members

Abbott	Ablonczy
Anders	Bailey
Benoit	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Cadman
Casson	Chatters
Duncan	Elley
Epp	Forseth
Goldring	Grewal
Grey (Edmonton North)	Hart
Hill (Prince George—Peace River)	Hilstrom
Hoepfner	Jaffer
Johnston	Kenney (Calgary-Sud-Est)
Kerpan	Konrad
Lowther	Lunn
Manning	Mark
Martin (Esquimalt—Juan de Fuca)	Mayfield
McNally	Mills (Red Deer)
Nunziata	Obhrai
Pankiw	Ramsay
Reynolds	Ritz
Schmidt	Scott (Skeena)
Solberg	Stinson
Strahl	Thompson (Wild Rose)
Vellcott	White (Langley—Abbotsford)
White (North Vancouver)	Williams—50

NAYS

Members

Adams	Alarie
Alcock	Anderson
Assad	Assadourian
Asselin	Augustine
Axworthy (Saskatoon—Rosetown—Biggar)	Axworthy (Winnipeg South Centre)
Bachand (Richmond—Arthabaska)	Baker
Bakopanos	Barnes
Bélair	Bélanger
Bellehumeur	Bellemare
Bennett	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Bertrand
Bernier (Tobique—Mactaquac)	Blaikie
Bevilacqua	Bonin
Blondin—Andrew	Borotsik
Bonwick	Bradshaw
Boudria	Brown
Brien	
Bryden	

Bulte
Caccia
Canuel
Casey
Cauchon
Chan
Charest
Chrétien (Saint-Maurice)
Coderre
Collenette
Crête
Dalphond-Guiral
de Savoye
Desjardais
DeVillers
Dion
Dockrill
Dromisky
Dubé (Lévis)
Duceppe
Dumas
Easter
Finestone
Folco
Fournier
Gagliano
Gauthier
Godin (Acadie—Bathurst)
Graham
Grose
Guimond
Harvey
Ianno
Jackson
Jordan
Karygiannis
Keys
Kilgour (Edmonton Southeast)
Lalonde
Laurin
Lebel
Lefebvre
Longfield
MacKay (Pictou—Antigonish—Guysborough)
Malhi
Mancini
Marceau
Marleau
Martin (Winnipeg Centre)
Matthews
McDonough
McKay (Scarborough East)
McTeague
Ménard
Mifflin
Minna
Muise
Myers
Normand
O'Brien (Labrador)
O'Reilly
Paradis
Patry
Perron
Pettigrew
Picard (Drummond)
Plamondon
Pratt
Proctor
Provenzano
Reed
Riis
Robinson
Rock
Scott (Fredericton)
Shepherd
Speller
Stewart (Brant)
St-Jacques
Stoffer

Byrne
Calder
Caplan
Catterall
Chamberlain
Charbonneau
Chrétien (Frontenac—Mégantic)
Clouthier
Cohen
Comuzzi
Cullen
Davies
Debien
Desrochers
Dhaliwal
Discepolo
Doyle
Drouin
Dubé (Madawaska—Restigouche)
Duhamel
Earle
Eggleton
Finlay
Fontana
Fry
Gagnon
Girard-Bujold
Godin (Châteauguay)
Gray (Windsor West)
Guay
Harb
Hubbard
Ifody
Jennings
Karetak-Lindell
Keddy (South Shore)
Kilger (Stormont—Dundas)
Kraft Sloan
Lastewka
Lavigne
Lee
Leung
MacAulay
Mahoney
Maloney
Manley
Marchand
Martin (LaSalle—Émard)
Massé
McCormick
McGuire
McLellan (Edmonton West)
McWhinney
Mercier
Mills (Broadview—Greenwood)
Mitchell
Murray
Nault
Nystrom
O'Brien (London—Fanshawe)
Pagtakhan
Parrish
Peric
Peterson
Phinney
Pillitteri
Power
Price
Proud
Redman
Richardson
Robillard
Rocheleau
Saada
Serré
Solomon
St. Denis
St-Hilaire
St-Julien
Thibeault

Thompson (Charlotte)
Tremblay (Lac-Saint-Jean)
Ur
Vanclief
Venne
Wasylcia-Leis
Whelan
Wood—209

Torsney
Turp
Valeri
Vautour
Wappel
Wayne
Wilfert

Government Orders

PAIRED MEMBERS

Bigras	Copps
Goodale	Loubier
Sauvageau	Stewart (Northumberland)
Tremblay (Rimouski—Mitis)	Volpe

The Deputy Speaker: I declare the amendment lost.

• (1805)

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I rise on a point of order to seek the unanimous consent of the House to proceed to a vote on the main motion of the member for Elk Island. The motion is that the 13th report of the Standing Committee on Procedure and House Affairs be now concurred in.

That report contains some positive changes to the way that Private Members' Business operates which many members in this House are anxiously awaiting to be adopted. If we do not move forward with a vote on this matter tonight, then the report will become part of Government Orders which would be wrong since it deals with Private Members' Business.

I would ask for the unanimous consent of the House to move that the 13th report of the procedure and House affairs committee be now concurred in.

The Deputy Speaker: Does the House give its consent to proceed with putting the question on the main motion at this time?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: There is not unanimous consent.

The next recorded division is on the motion at the third reading stage of Bill C-9.

* * *

CANADA MARINE ACT

The House resumed from December 5 consideration of the motion that 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, be read the third time and passed.

Government Orders

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, if the House would agree, I would propose that you seek unanimous consent for the following. Members who voted on the previous motion with the exception of the member for Mississauga West who left the Chamber but I also request that you add the members for Mississauga East, Mississauga South, Sarnia—Lambton, Huron—Bruce and Kitchener—Waterloo so that members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberal members voting yea.

The Deputy Speaker: Does the House give unanimous consent to proceed in the way suggested by the chief government whip?

Mr. Chuck Strahl: Mr. Speaker, I do not have anybody to add. The Reform Party will be voting yes on this motion.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, the members of the Bloc Québécois are opposed to this motion.

[*English*]

Mr. John Solomon: Mr. Speaker, NDP members present vote no on this motion.

[*Translation*]

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, the members of our party will vote in favour of this motion.

[*English*]

Mr. John Nunziata: Mr. Speaker, in the spirit of Christmas, I will be supporting the government on this measure.

Mr. Greg Thompson: Mr. Speaker, I will be voting against the government on this vote.

Mr. Eugène Bellemare: Mr. Speaker, the member for Thunder Bay—Nipigon left because he did not want to vote on this bill.

The Deputy Speaker: Then I guess the name of the hon. member for Thunder Bay—Nipigon will not appear on the list.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 66)

YEAS

Members

Abbott	Ablonczy
Adams	Alcock
Anders	Anderson
Assad	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bachand (Richmond—Arthabaska)	Bailey
Baker	Bakopanos
Barnes	Bélair
Bélanger	Bellemare
Bennett	Benoit
Bernier (Tobique—Mactaquac)	Bertrand
Bevilacqua	Blondin-Andrew
Bonin	Bonwick

Borotsik	Boudria
Bradshaw	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Brown
Bryden	Bulte
Byrne	Caccia
Cadman	Calder
Caplan	Casey
Casson	Catterall
Cauchon	Chamberlain
Chan	Charbonneau
Charest	Chatters
Chrétien (Saint-Maurice)	Clouthier
Coderre	Cohen
Collenette	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Doyle	Dromisky
Drouin	Dubé (Madawaska—Restigouche)
Duhamel	Duncan
Easter	Eggleton
Elley	Epp
Finestone	Finlay
Folco	Fontana
Forseth	Fry
Gagliano	Gallaway
Goldring	Graham
Gray (Windsor West)	Grewal
Grey (Edmonton North)	Grose
Guarnieri	Harb
Hart	Harvey
Hill (Prince George—Peace River)	Hilstrom
Hoepfner	Hubbard
Ianno	Iftody
Jackson	Jaffer
Jennings	Johnston
Jordan	Karetak-Lindell
Karygiannis	Keddy (South Shore)
Kenney (Calgary-Sud-Est)	Kerpan
Keyes	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Konrad
Kraft Sloan	Lastewka
Lavigne	Lee
Leung	Longfield
Lowther	Lunn
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Malhi	Maloney
Manley	Manning
Mark	Marleau
Martin (Esquimalt—Juan de Fuca)	Massé
Matthews	Mayfield
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McNally	McTeague
McWhinney	Mifflin
Mills (Broadview—Greenwood)	Mills (Red Deer)
Minna	Mitchell
Muise	Murray
Myers	Nault
Normand	Nunziata
Obhrai	O'Brien (Labrador)
O'Brien (London—Fanshawe)	O'Reilly
Pagtakhan	Pankiw
Paradis	Parrish
Patry	Peric
Peterson	Pettigrew
Phinney	Pillitteri
Power	Pratt
Price	Proud
Provenzano	Ramsay
Redman	Reed
Reynolds	Richardson
Ritz	Robillard
Rock	Saada
Schmidt	Scott (Fredericton)
Scott (Skeena)	Serré
Shepherd	Solberg
Speller	St. Denis
Steckle	Stewart (Brant)
Stinson	St-Jacques
St-Julien	Strahl

Government Orders

Szabo
Thibeault
Torsney
Valeri
Vellacott
Wayne
White (Langley—Abbotsford)
Wilfert
Wood—203

Telegdi
Thompson (Wild Rose)
Ur
Vanclief
Wappel
Whelan
White (North Vancouver)
Williams

NAYS

Members

Alarie
Axworthy (Saskatoon—Rosetown—Biggar)
Bergeron
Îles-de-la-Madeleine—Pabok
Brien
Chrétien (Frontenac—Mégantic)
Dalphond-Guiral
de Savoye
Desjarlais
Dockrill
Duceppe
Earle
Gagnon
Girard-Bujold
Godin (Châteauguay)
Guimond
Laurin
Lefebvre
Marceau
Martin (Winnipeg Centre)
Ménard
Nystrom
Picard (Drummond)
Proctor
Robinson
Solomon
Stoffer
Tremblay (Lac-Saint-Jean)
Vautour
Wasylcia-Leis—58

Asselin
Bellehumeur
Bernier (Bonaventure—Gaspé—
Blaikie
Canuel
Crête
Davies
Debien
Desrochers
Dubé (Lévis)
Dumas
Fournier
Gauthier
Godin (Acadie—Bathurst)
Guay
Lalonde
Lebel
Mancini
Marchand
McDonough
Mercier
Perron
Plamondon
Riis
Rocheleau
St-Hilaire
Thompson (Charlotte)
Turp
Venne

PAIRED MEMBERS

Bigras
Goodale
Sauvageau
Tremblay (Rimouski—Mitis)

Copps
Loubier
Stewart (Northumberland)
Volpe

The Deputy Speaker: I declare the motion adopted.

(Bill read the third time and passed.)

* * *

● (1810)

**AMENDMENT TO THE CONSTITUTION OF CANADA
(NEWFOUNDLAND)**

The House resumed from December 8 consideration of the motion.

The Deputy Speaker: The next deferred recorded division is on Motion No. 6 under government business.

● (1820)

During the taking of the vote:

The Deputy Speaker: Could the hon. member for Scarborough—Agincourt please indicate whether he is voting yea or nay on this motion.

Mr. Jim Karygiannis: Mr. Speaker, I would like my vote to be recorded as no.

Mr. David Iftody: Mr. Speaker, I believe there was an error in the last counting of my vote. I would like my vote to be recorded as no on the last motion. I would seek the unanimous consent of the House to have it recorded as no.

The Deputy Speaker: Is it agreed that the hon. member's vote will be counted as a no?

Some hon. members: Agreed.

The Deputy Speaker: Agreed and so ordered.

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 67)

YEAS

Members

Abbott
Adams
Alcock
Assad
Asselin
Bachand (Richmond—Arthabaska)
Bakopanos
Bélair
Bellehumeur
Bergeron
Îles-de-la-Madeleine—Pabok
Bevilacqua
Blondin-Andrew
Borotsik
Bradshaw
Bryden
Byrne
Cadman
Canuel
Casey
Catterall
Chamberlain
Charbonneau
Chatters
Chrétien (Saint-Maurice)
Coderre
Collenette
Cullen
Davies
Debien
Desrochers
Dhaliwal
Discepola
Dromisky
Dubé (Lévis)
Duceppe
Dumas
Earle
Eggleton
Finlay
Fontana
Fournier
Gagliano
Gauthier
Godin (Acadie—Bathurst)
Graham
Grewal
Guimond
Hart
Hilstrom
Jackson
Jennings
Karetak-Lindell

Ablonczy
Alarie
Anderson
Assadourian
Axworthy (Winnipeg South Centre)
Baker
Barnes
Bélangier
Bennett
Bernier (Bonaventure—Gaspé—
Bertrand
Blaikie
Bonwick
Boudria
Brien
Bulte
Caccia
Calder
Caplan
Casson
Cauchon
Chan
Charest
Chrétien (Frontenac—Mégantic)
Clouthier
Cohen
Crête
Dalphond-Guiral
de Savoye
Desjarlais
De Villers
Dion
Dockrill
Drouin
Dubé (Madawaska—Restigouche)
Duhamel
Duncan
Easter
Finestone
Folco
Forseth
Fry
Gagnon
Girard-Bujold
Godin (Châteauguay)
Gray (Windsor West)
Guay
Harb
Harvey
Hubbard
Jaffer
Johnston
Keddy (South Shore)

Government Orders

Keys	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Konrad
Kraft Sloan	Lalonde
Lastewka	Laurin
Lavigne	Lebel
Lee	Lefebvre
Leung	Longfield
Lunn	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Mahoney
Malhi	Maloney
Mancini	Manley
Manning	Marceau
Marchand	Mark
Marleau	Martin (Esquimalt—Juan de Fuca)
Martin (LaSalle—Émard)	Martin (Winnipeg Centre)
Massé	Matthews
McDonough	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McWhinney	Ménard
Mercier	Mifflin
Mills (Red Deer)	Minna
Mitchell	Murray
Myers	Nault
Normand	Nystrom
Obhrai	O'Brien (Labrador)
O'Reilly	Pagtakhan
Pankiw	Paradis
Parrish	Patry
Perron	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pillitteri
Plamondon	Power
Pratt	Proctor
Proud	Provenzano
Ramsay	Redman
Reed	Reynolds
Richardson	Riis
Robillard	Robinson
Rocheleau	Rock
Saada	Scott (Fredericton)
Serré	Shepherd
Solomon	Speller
St. Denis	Stewart (Brant)
St-Hilaire	St-Jacques
St-Julien	Stoffer
Strahl	Szabo
Thibeault	Torsney
Tremblay (Lac-Saint-Jean)	Turp
Valeri	Vanclief
Vautour	Venne
Wappel	Wasylycia-Leis
Whelan	White (Langley—Abbotsford)
White (North Vancouver)	Wilfert
Wood —212	

NAYS

Members

Anders	Augustine
Axworthy (Saskatoon—Rosetown—Biggar)	Bailey
Bellemare	Benoit
Bernier (Tobique—Mactaquac)	Bonin
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Brown	Comuzzi
Doyle	Elley
Epp	Galloway
Goldring	Grey (Edmonton North)
Grose	Guarnieri
Hill (Prince George—Peace River)	Hoepfner
Ianno	Iftody
Jordan	Karygiannis
Kenney (Calgary-Sud-Est)	Kerpan
Lowther	Mayfield
McCormick	McNally
McTeague	Mills (Broadview—Greenwood)
Muise	

Nunziata	O'Brien (London—Fanshawe)
Peric	Price
Ritz	Schmidt
Scott (Skeena)	Solberg
Steckle	Stinson
Telegdi	Thompson (Charlotte)
Thompson (Wild Rose)	Ur
Vellacott	Wayne
Williams—52	

PAIRED MEMBERS

Bigras	Copps
Goodale	Loubier
Sauvageau	Stewart (Northumberland)
Tremblay (Rimouski—Mitis)	Volpe

The Deputy Speaker: I declare the motion carried.

* * *

TELECOMMUNICATIONS ACT

[English]

The House resumed consideration of the motion that Bill C-17, an act to amend the Telecommunications Act and the Teleglobe Canada Reorganization and Divestiture Act, be read the third time and passed.

The Deputy Speaker: The next recorded division is on the motion at the third reading stage of Bill C-17.

• (1830)

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 68)

YEAS

Members

18Abbott	Ablonczy
Adams	Alarie
Alcock	Anders
Anderson	Assad
Assadourian	Asselin
Augustine	Axworthy (Winnipeg South Centre)
Bachand (Richmond—Arthabaska)	Bailey
Baker	Bakopoulos
Barnes	Bélair
Bélanger	Bellehumeur
Bellemare	Bennett
Benoit	Bergeron
Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)	Bertrand
Bernier (Tobique—Mactaquac)	Blondin-Andrew
Bevilacqua	Bonwick
Bonin	Boudria
Borotsik	Breitkreuz (Yellowhead)
Bradshaw	Brien
Breitkreuz (Yorkton—Melville)	Bryden
Brown	Byrne
Bulte	Cadman
Caccia	Canuel
Calder	Casey
Caplan	Catterall
Casson	Chamberlain
Cauchon	Charbonneau
Chan	Chatters
Charest	Chrétien (Saint-Maurice)
Chrétien (Frontenac—Mégantic)	Coderre
Clouthier	

Cohen
Crête
Dalphond-Guiral
Debien
De Villers
Dion
Doyle
Drouin
Dubé (Madawaska—Restigouche)
Duhamel
Duncan
Eggleton
Epp
Folco
Forsyth
Fry
Gagnon
Gauthier
Godin (Châteauguay)
Graham
Grey (Edmonton North)
Guarnieri
Guimond
Hart
Hill (Prince George—Peace River)
Hoepfner
Ianno
Jackson
Jennings
Jordan
Karygiannis
Kerpan
Kilger (Stormont—Dundas)
Konrad
Lalonde
Laurin
Lebel
Lefebvre
Longfield
Lunn
MacKay (Pictou—Antigonish—Guysborough)
Malhi
Manley
Marceau
Mark
Martin (Esquimalt—Juan de Fuca)
Massé
Mayfield
McGuire
McNally
McWhinney
Mercier
Mills (Broadview—Greenwood)
Minna
Muise
Myers
Normand
Obhrai
O'Brien (London—Fanshawe)
Pagtakhan
Paradis
Patry
Perron
Pettigrew
Picard (Drummond)
Plamondon
Pratt
Proud
Ramsay
Reed
Richardson
Robillard
Rock
Schmidt
Serré
Solberg
St. Denis
Stewart (Brant)
Stinson
St-Julien
Szabo

Cumuzzi
Cullen
de Savoye
Desrochers
Dhaliwal
Discepola
Dromisky
Dubé (Lévis)
Duceppe
Dumas
Easter
Elley
Finlay
Fontana
Fournier
Gagliano
Galloway
Girard-Bujold
Goldring
Gray (Windsor West)
Grose
Guay
Harb
Harvey
Hilstrom
Hubbard
Iftody
Jaffer
Johnston
Karetak-Lindell
Keddy (South Shore)
Keyes
Kilgour (Edmonton Southeast)
Kraft Sloan
Lastewka
Lavigne
Lee
Leung
Lowther
MacAulay
Mahoney
Maloney
Manning
Marchand
Marleau
Martin (LaSalle—Émard)
Matthews
McCormick
McKay (Scarborough East)
McTeague
Ménard
Mifflin
Mills (Red Deer)
Mitchell
Murray
Nault
Nunziata
O'Brien (Labrador)
O'Reilly
Pankiw
Parrish
Peric
Peterson
Phinney
Pillitteri
Power
Price
Provenzano
Redman
Reynolds
Ritz
Rocheleau
Saada
Scott (Skeena)
Shepherd
Speller
Steckle
St-Hilaire
St-Jacques
Strahl
Telegdi

Thibeault
Thompson (Wild Rose)
Tremblay (Lac-Saint-Jean)
Ur
Vanclief
Venne
Wayne
White (Langley—Abbotsford)
Wilfert
Wood—240

Thompson (Charlotte)
Torsney
Turp
Valeri
Vellacott
Wappel
Whelan
White (North Vancouver)
Williams

Adjournment Debate

NAYS

Members

Axworthy (Saskatoon—Rosetown—Biggar)
Davies
Dockrill
Godin (Acadie—Bathurst)
Martin (Winnipeg Centre)
Nystrom
Riis
Solomon
Vautour

Blaikie
Desjarlais
Earle
Mancini
McDonough
Proctor
Robinson
Stoffer
Wasylcia-Leis—18

PAIRED MEMBERS

Bigras
Goodale
Sauvageau
Tremblay (Rimouski—Mitis)

Copps
Loubier
Stewart (Northumberland)
Volpe

The Deputy Speaker: I declare the motion carried.

(Bill read the third time and passed)

Hon. Paul Martin: Mr. Speaker, in the process of applying votes earlier I was registered as voting in favour of Bill C-9. I should be recorded as not voting on Bill C-9. In the words of the chief government whip last week, I should be “deleted”.

The Deputy Speaker: Is it agreed that the Minister of Finance's name be deleted and the vote on Bill C-9 agreed to?

Some hon. members: Agreed.

The Deputy Speaker: So ordered.

ADJOURNMENT PROCEEDINGS

• (1835)

[English]

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

ABORIGINAL AFFAIRS

Mr. Gordon Earle (Halifax West, NDP): Mr. Speaker, as the New Democratic Party's aboriginal affairs critic, I am deeply troubled by this government's continuing silence regarding the royal commission's final report and recommendations. Obviously

Adjournment Debate

there is a pressing need to radically redefine the relationship between aboriginal peoples and the federal government.

The tragic events of recent years at Oka and Ipperwash prove how urgently action is needed. As time continues to pass, aboriginal peoples and other Canadians are left with the impression that this government has no clear idea of what should be done.

The New Democratic Party has for a long time been calling on the government to put an end to the dependency and marginalization of aboriginal peoples. As the royal commission clearly stated, to recognize our mistakes is the first step toward a new relationship based on mutual respect.

There is compelling information in the royal commission's report about systemic physical, sexual and emotional abuses in residential schools, all in the name of our government's assimilationist policies.

To make sure justice is done to the victims of abuse would be one small remedy which would begin an essential healing process. Formal apologies and compensation were offered to Japanese Canadians for treatment during the second world war. Now is the time for apologies to and the healing of aboriginal peoples.

I strongly believe that a true partnership cannot be achieved without mutual respect and recognition. The royal commission stressed the importance of recognizing that aboriginal peoples in Canada form distinct nations and, as such, have a right to fashion their societies in ways which reflect their values and cultures. I certainly share this vision.

In that sense, both explicit constitutional recognition and concrete actions to implement the inherent right to self-government are essential.

The government finally established a policy regarding self-government negotiations in 1995. These negotiations are a first step to replacing the paternalistic relationship established under the Indian Act, but the unacceptable requirement of exchanging treaty rights for extinguishment of aboriginal rights is still part of the negotiation process. How could we have a relationship based on trust and mutual respect with such a policy?

I also share the view of the royal commission that aboriginal governments must be considered as a third legitimate government, like the provinces and the federal government. Nations are not like municipalities and this should be reflected in these agreements.

Aboriginal nations should be able to decide which power they want to exercise in accordance with the charter of rights and freedoms and the fundamental principles of the Canadian constitution.

Given the dramatic situation regarding health, education, housing and the employment of aboriginal peoples on and off reserve, these are a matter of priority.

Aboriginal peoples are better placed than anyone else to find solutions adapted to their own realities and traditions, but the government must not simply transfer its responsibilities and run. This situation must be addressed in true collaboration.

Another important aspect of restructuring the relationship is to establish a fair base for dispute settlement. The NDP is a long time supporter of an independent land claims commission. Such a commission should have a tribunal-like decision power and report its activities to Parliament.

A land base is essential to the exercise of self-government. The NDP supports the process presently in place for the creation of Nunavut. It is also important that the Métis people, who have been ignored by governments since the last century, be recognized as having full aboriginal rights and a land and resource base to exercise self-government.

I could go on for hours talking about the changes which I believe are necessary to correct centuries of abuses and wrong policies. My colleagues in the NDP certainly share the view that the very principle of a new relationship based on mutual respect lies in our ability to listen to aboriginal peoples. History cannot be forgotten, but we can certainly act on it to create a better future.

• (1840)

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I am pleased to respond to the hon. member for Halifax West on behalf of the Minister of Indian Affairs and Northern Development concerning the government's response to the Royal Commission on Aboriginal Peoples.

The government has every intention of publicly responding to the RCAP report in the near future. Contrary to the hon. member's belief, the government has not been silent on this matter. Over the last year we have been consulting partners while undertaking an in-depth government-wide review of the commission's recommendations.

This is a lengthy, serious and important document that cannot be implemented overnight. The government is committed to making significant structural change in its relationship with aboriginal peoples. Therefore, we cannot proceed in isolation. Many partners, aboriginal people, provincial and territorial governments and the private sector and other interested parties are involved in the development of responses to the recommendations.

The royal commission set out a 20 year program for change. It would be a disservice to the commission and the aboriginal people if we responded to the report in haste or without thorough consultation.

Let me also add that many of the changes recommended by RCAP are already in place or under way. For example, this

government recently expressed its commitment to the creation of a national aboriginal health institute, which was called for by RCAP.

This government will not table a response for the sake of tabling a response. We want to address the many issues raised in the RCAP report in a manner that is reasonable and that best serves aboriginal people. We want to table the right response to address the needs of aboriginal people.

YOUTH

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, earlier this year two reports on sexually exploited youth were released in British Columbia. In September the Downtown Eastside Youth Activity Society released a report examining the situation in the Downtown, Eastside and Strathcona neighbourhoods in my constituency of Vancouver East.

In November a similar report of the sexually exploited youth committee of the Capital Regional District released a report on the situation in Victoria and the surrounding communities.

Both reports came to a similar conclusion. That conclusion is that we cannot isolate the problem of sexually exploited youth from other problems that face our communities and our young people.

In the Victoria study, poverty and homelessness emerged as key issues. Two-thirds of the youths surveyed reported that they were afraid of not having enough money to survive. Almost half of them said that they were living on the street when they first became involved in the sex trade. One-third reported trading sexual favours for a place to sleep.

Housing and poverty were also identified as the problem in the Vancouver study. The difficulty sex trade workers have getting housing and other services contributes to their isolation and makes it harder for sexually exploited youths to get off the street.

Both studies found high levels of drug use among sexually exploited youth. In Victoria 25% were intravenous drug users. In Vancouver the figure was 75%.

The most appalling finding of the study was the number of sexually exploited youth who had been sexually abused prior to their entry into the sex trade. Between 70% and 95% of youth surveyed in Vancouver were sexually abused prior to their entry into the sex trade.

In both studies the picture painted of sexually exploited youth was one of young people who felt betrayed by society and who were struggling to survive. These young people are extremely marginalized.

Adjournment Debate

We understand that there are no quick fixes. We do need solutions that make it easier for exploited youth to leave the sex trade and easier for them to survive until they make the decision to leave.

Among the measures which were put forward in these reports was a network of safe houses, a witness protection program to ensure the safety of sexually exploited youth involved in court proceedings, a change in the age of consent and changes in the law to allow more successful prosecutions against those who sexually exploit children and youth. I will be working with the local community on these particular issues in the New Year.

In addition, there are concerns about how we address some of the problems facing these youths, including homelessness and the treatment of drug addiction. Action on the solutions to these studies identified does require the active co-operation of the federal government. I would urgently ask the federal government to examine these reports with a view to assisting with solutions.

• (1845)

The fact is that the federal government has abandoned social housing. We have not set any targets on poverty. There is no doubt that increasing numbers of children are now at risk.

Many of the young people in the sex trade have completely lost faith with all government and with all authorities. We have to be committed to this. There have been too many reports produced and they all say the same thing, that increasing numbers of our young people are at risk.

It is time for this government to take action to provide housing, to end poverty, to provide better services, to provide better treatment programs for addiction, to assist these sexually exploited youth.

Ms. Eleni Bakopanos (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the involvement of young people in prostitution is a serious and tragic problem that has become more evident over recent years as the hon. member says. I want to thank the hon. member for bringing this to the attention of the House. It is particularly troublesome because young people by virtue of their age and legal status are more vulnerable than adults to danger, exploitation and abuse.

The federal government is extremely concerned about this problem, despite what the member said. For this reason it introduced Bill C-27, which Parliament passed last spring, to address some of the issues surrounding the involvement of young people in prostitution.

These new laws are intended to give the police more efficient means to enforce the offence of obtaining the sexual services of a person under the age of 18.

Adjournment Debate

In addition to easing the burden of young witnesses in prostitution related cases, Parliament also created a very severe penalty for those procurers who use violence or intimidation against youth involved in prostitution.

One thing is clear, however. Criminal law alone will never suffice to eradicate child and youth prostitution. It is a community problem that must be dealt with on many fronts, including the areas of social policy and education as the hon. member indicated.

It is only by co-operating together at all levels, federal, provincial and territorial, that we will be able to tackle the root causes underlying the involvement of youth. It is anticipated that in late December, the federal-provincial-territorial working group on prostitution will be presenting to the federal, provincial and territorial ministers responsible for justice, its recommendations on legislation and policy practices concerning prostitution related activities.

A status report was presented recently at the federal-provincial meeting in early December in Montreal. The issue of child sexual exploitation was a matter of concern to ministers. At the urging of British Columbia, the Minister of Justice agreed to draft amendments to the Criminal Code to strengthen enforcement efforts against those who buy sex from children.

Also, the British Columbia and other provincial ministers further requested to increase the age of consent to sexual activity to 16. This also will be seriously considered.

Therefore we will be coming back to the House with some recommendations.

[*Translation*]

TOBACCO LEGISLATION

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Mr. Speaker, a few days ago, I asked the health minister what he intended to do to help sports and cultural events, which are facing a transition period that is way too short. As we know, I was alluding to the harmful and undesirable effects of Bill C-71.

We supported the objectives pursued in the fight against tobacco consumption through this legislation. However, we think the means used to achieve these goals are not appropriate.

The three major producers concerned by the issue of sponsorship invest \$31 million annually, which is nothing to sneeze at, and are facing an extremely sensitive situation. First, because the act is very coercive.

The European Union decided to grant a seven-year transition period. Perhaps tobacco producers must stop sponsoring events. I agree that the issue must be considered, but it is not true that sports and cultural events should disappear, and I am referring to major

events that have a very significant impact for large cities such as Montreal, Toronto and Vancouver.

Under the current wording of the act, which we were urged to pass in the last Parliament, sponsorship by tobacco producers will be prohibited as of next October.

● (1850)

This is an extremely thoughtless move fraught with consequences, because you can understand that it is not possible for the Jazz Festival, the Grand Prix in Trois-Rivières and the open golf championship to find partners who will invest several million dollars in sponsorship on a notice as short as a few months.

Let me tell you that, compared to what was done elsewhere in terms of the planning period provided, other countries had concerns similar to the ones the Minister of Health has about tobacco use and the bad influence publicity may have on young people. Yesterday, in a press conference, and again today, we were reminded that the European Union, which is confronted with a rather similar problem, has given sponsors seven years to withdraw.

Why is this period so important? Because tobacco companies are the main sponsors. When \$5 million, \$6 million or \$7 million are invested to support a sports or cultural event, this has a significant impact and taking away this support without first finding new sponsors is not an alternative, and I hope the government will reconsider.

[*English*]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, last spring the government acknowledged the concerns of the organizers of the Grand Prix of Canada in Montreal and the Molson Indy in Toronto and Vancouver. These concerns were about the potential impact of the Tobacco Act's restrictions on the promotion of motor sport events that receive support from tobacco companies.

The former health minister committed to finalizing before the end of 1997 consultations with motor sports promoters and to present amendments that will respect the international standards concerning the use of logos on cars, drivers, pit crews and transport equipment. The former minister also stated that this could be done in a manner consistent with the charter and our health objectives.

The Tobacco Act gives the government authority to regulate the production, promotion, labelling and sale of tobacco products and the access by minors to tobacco products. The act is part of the federal government's broad strategy to reduce the use of tobacco in Canada. This strategy includes legislation, research, public education and tax policy.

The government took the direction of the supreme court with respect to the freedom of expression that must be accorded the tobacco industry to communicate with adult consumers. The government also listened to the concerns of arts and sports groups and we incorporated a transition period to allow these groups to find alternative sponsors.

The Minister of Health has been involved in consultations with affected parties on both sides of the issue. An amendment will be prepared that will meet the commitment made last spring.

There are three criteria any amendment to the act must be weighed against: international standards, the charter of rights and freedoms, and our health objectives. The charter and our health objectives are fundamental considerations and the issue of international standards is also important. We must ensure that any change to the act reflects these considerations and we will see that this is done.

ABORIGINAL AFFAIRS

Mr. Greg Thompson (Charlotte, PC): Mr. Speaker, on November 25 I asked a question of the Minister of Indian Affairs and Northern Development. That question was in relation to the Indian First Nation in Oromocto.

The issue at hand here is the mismanagement of funds at the Indian nation. As a result of the mismanagement of those funds this Indian nation finds itself \$1.3 million in debt. Even after a cash advance of \$464,000 it is still going through difficulties. Some of those difficulties have to be addressed immediately. I hope when the parliamentary secretary responds he can tell me that they have been addressed.

Up until now, council members, band staff and others have gone for five weeks and longer without any pay. Employees of the band have been laid off, including the band's police constable. The power bill has not been paid and the health facilities are shut down. Young people are also suffering. For the young people who are attending university, some of their tuition and the moneys they need to continue their education have been cut off because of this mismanagement.

• (1855)

It reaches beyond the band as well. The Oromocto band with the assistance of the departments of Indian affairs and northern development and fisheries have moved into the commercial fishery and we all support that. It is to make the band self-sufficient. Everyone of us supports that.

The difficulty is that neither the department of Indian affairs nor the fisheries department want to take responsibility for moneys that are still owing the private sector in the fishing communities in

southern New Brunswick. It has left some of those people in a very difficult position. That \$1.3 million the band owes, if you wish, the moneys which they do not have to pay their bills, reaches outside the Indian community as well.

The question that I had for the minister on November 25 was to see if she could expedite a process to relieve this difficulty both on and off the reserve. That is the point I am making here this evening as well. I am hoping that can be resolved. I did mention previously that they did have a cash advance of \$464,000 but that still has not paid the bills in the private sector in southern New Brunswick nor all of the bills on the reserve.

I am hoping that a resolution to this can be found somewhere. I think it has to be the tightening of the regulations between departments and the drafting of some of these guidelines when we attempt to move our native people into the traditional fisheries. Bureaucrats at both fisheries and Indian affairs and northern development are making these proposals and drafting this legislation with the appropriate guidelines but apparently those guidelines do not work. They fall short of the line and the reporting procedures do not work.

As a result of this delay we are moving into the Christmas season of all times to see people going without and they are hurting both on and off the reserve. I am hoping that the parliamentary secretary can respond favourably tonight and tell us that yes indeed those guidelines have been tightened and yes indeed this problem has been recognized and will be resolved very shortly.

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, on behalf of the Minister of Indian Affairs and Northern Development I am pleased to respond to the hon. member for Charlotte.

Financial accountability for federal funds is assured through the ongoing monitoring of terms and conditions for funding arrangements and annual audited financial statements.

Officials from the Department of Indian Affairs and Northern Development have received the Oromocto First Nation audit for the 1996-97 fiscal year. Band members accepted the audit at a duly convened band meeting on November 24, 1997.

Departmental officials spent the week of November 24, 1997 on the reserve attending meetings dealing with co-management and the band's financial position. Officials worked in an advisory capacity for the First Nation on several issues and met with the band council. These meetings proved to be very productive. The department is currently working with the First Nation to assist in implementing the auditor's recommendations.

While the Department of Indian Affairs and Northern Development has been working with the First Nation through a co-manager, the current financial situation at Oromocto indicates a need for

Adjournment Debate

outside intervention. The department has contracted the services of a third party to work with the First Nation.

This will ensure there is the required financial control on the reserve and accountability to both the department and the First Nation community members. Further, the third party and a recovery team from DIAND will assist in strengthening the capacity of the Oromocto First Nation so that it will be able to assume control in the long term.

It is also important to keep in mind that First Nations are not federal agencies. While First Nations do receive and administer funds from the department for specific purposes, they may enter into contractual agreements with other parties. These are private transactions and as such, a First Nation is responsible for dealing with issues that arise between it and another party.

Departmental officials continue to work with the Oromocto First Nation to ensure that essential services are being met for eligible community members.

• (1900)

First nations support the need for audited financial information for management and accountability purposes. The department reviews the audits and various reports. The funding agreements make provision for the Department of Indian Affairs and Northern Development to take remedial action where a problem exists.

It is important to note that 82% of first nations and first nations organizations are managing below the line above which intervention is required.

FISHERIES

Mr. Svend J. Robinson (Burnaby—Douglas, NDP): Mr. Speaker, over two months ago I rose in the House to ask a question of the Minister of Fisheries and Oceans concerning the devastating plight of B.C. fishers and coastal communities.

I asked the minister what leadership he was prepared to show to assist fishers who lost their jobs, their livelihoods and in many cases their hope as a result of the impact of the Mifflin plan.

At that time over two months ago the minister said that the member should be patient. The patience of British Columbians has run out. The hopes of British Columbians, particularly in coastal communities and particularly fishers, are fast running out.

Just this week we heard from the daughter of one of those fishers. She is a 13 year old girl named Julie Nygren whose father and mother have been involved in fishing for many years. She says:

It's hard to understand why our government won't stand up to the Americans and tell them it isn't fair to take our salmon.

Referring to the minister she says:

It seems that he isn't doing enough for B.C., or for Canada. He's almost on the American side.

I wonder where the minister is. He is from British Columbia, yet time and time again when it comes to speaking out for British Columbia too often he is attacking British Columbia, attacking the premier of British Columbia, and speaking up for the United States.

The Community Fisheries Development Centre has put a proposal before the government, before the Minister of Human Resources Development and the Minister of Fisheries and Oceans, urging an active labour market transition program to put the people who have lost their jobs as a result of the Mifflin plan back to work. It is not a TAGS program. It is an active labour market program to find training certification programs to get them involved in restoring habitat, for example.

Recently the federal auditor general pointed out that the federal fisheries department had been very lax in standing up for fisheries habitat. Instead of finger pointing I urge the government to come up with a program that gets the scientists to work together collaboratively, federally and provincially, to restore habitat and put people back to work.

I also appeal to the federal Liberal government, in addition to supporting the \$375 million transition program, to take a strong and constructive stand on the ongoing concern around the salmon treaty. I appeal to the government to join the British Columbia lawsuit. B.C. fisheries minister Corky Evans has appealed to the federal government to stand up, get involved and speak out on behalf of the people of British Columbia.

I note that the Government of Canada joined a lawsuit earlier on behalf of United States tribes. I wonder why it is that it is not prepared to do the same thing with respect to the people of British Columbia.

Finally, I appeal to the Government of Canada to speak out against the proposed seizure of fish boats by the Alaskans and to recognize that it would be a very destructive step at this very sensitive time when the eminent persons, Mr. Ruckelshaus and Mr. Strangway, are attempting to arrive at a solution.

The stakeholder process has failed. What we need is political leadership at the highest possible level: the prime minister's office, the minister's office and the office of the president of the United States. We need strong transition programs but we also need a government that is prepared to stand up to ensure that the principles of the salmon treaty, particularly the equity principle, is respected and that B.C. coastal communities and fishers are able to live with dignity.

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, let me first

explain that the B.C. community development program the member mentions does not refer to a Human Resources Development Canada program.

• (1905)

The Community Fisheries Development Centre is a non-profit organization which aims to improve existing skills in fishing communities and support the development of new skills so that people displaced from fishing can find new or supplementary work.

The CFDC has delivered many of the government's programs and services to the fishing industry and industry workers in British Columbia. Local human resources development officials work closely with the CFDC on the design and implementation of both employment assistance and a job creation project. HRDC will continue to use the services of the centre as the need arises.

From the beginning, the role of Human Resources Development Canada has been to assist west coast fisheries workers adjust to the structural changes to their industry and the poor fishing seasons of the past two years. HRDC has used a strategic approach to address the challenges of the industry. Together with local community and industry partners in the fishing sector, the government has ensured that services offered met the individual needs of affected workers.

Over the past two years the government has committed over \$22 million, funding 129 projects to assist over 3,600 people. While some of the reasons employment assistance is needed have changed from the previous two years, the government will continue to work closely with industry associations to develop and deliver both short term and long term interventions to help individual fishers and coastal communities.

Human Resources Development Canada will build on the work of the past two years to ensure that helping fishing industry workers remains a priority.

Let me assure the House that all projects have helped improve the employability of individual workers. Local officials have received very positive feedback from workers, unions and local communities about the value of the assistance offered by the Government of Canada. This was reflected in the recent report of the Community Fisheries Development Centre summarizing its work with Human Resources Development Canada.

[Translation]

POWA

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, I would like to refer here to a question that I asked the Minister of Human Resources Development on November 27 last.

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To ensure that everyone understands the background, I will remind the House what that question was:

The minister recently said that BC mine workers were not interested in a POWA. Yet, these workers are currently protesting in front of the minister's Montreal office. They are asking for a modified POWA.

That is the term I used, "a modified POWA".

Given the repeated requests made by the former BC mine workers, will the minister finally see the light and take the necessary steps to ensure their financial security?

That was my question. Here is what the Minister of Human Resources Development answered:

I draw the hon. member's attention—

—and he was showing a document—

—to a letter, dated the 27 and signed by the union president, which I am prepared to table in the House. It says clearly that the workers want an improved POWA, that they are not interested in a traditional POWA, only in an improved one. Therefore this has nothing to do with what the hon. member is asking for.

Will the minister finally show a bit of compassion and stop playing with words? I am asking for a modified POWA, and he is saying that what the workers want is an improved POWA. It is the same thing.

Whether we call it an improved POWA, a modified POWA, I could not care less, but what is important is that he wake up and that he give to the BC mine workers what they are entitled to.

I call it a modified POWA for the simple reason that Jean Dupéré, the president of Lab Chrysotile, is willing to contribute a considerable amount to the program that existed before, the POWA. Furthermore, Louise Harel wrote to the Minister of Human Resources Development to tell him that she was to ready to match any contribution that the minister might make.

The minister is an intelligent man. He has already proven that in the past. Why is he playing with the intelligence of BC mine workers by speaking of improved instead of modified?

• (1910)

If I had used the term "improved POWA", he would have said "They do not want an improved POWA, they want a modified POWA". The minister is not lying, of course I am not allowed to say this here, but he is playing with words, to a certain extent.

The Minister of Human Resources Development, by showing a letter from Mr. Laliberté, the president of the workers who were paid by the hour, tried to undermine his credibility, and I found this extremely regrettable. What the workers of the former BC mine want is an improved POWA. If he does not like the word "improved", he can use a similar word, I repeat that I really do not care. The fact is that Jean Dupéré is ready to contribute a substantial amount of money.

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As for myself, right now, I want to tell all the BC mine workers that I will never let them down in their attempt to get an improved or a modified POWA.

I hope that the Parliamentary Secretary to the Minister of Human Resources Development, who will be answering later, will show a bit more compassion than—

The Acting Speaker (Mr. McClelland): The Parliamentary Secretary to the Minister of Human Resources Development has the floor.

[English]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member has asked this question on a number of occasions. He knows very well that the government is concerned about the situation of Black Lake miners and that it was among the first to come to their aid.

The Minister of Human Resources Development indicated in the House on several occasions that he has set aside nearly \$3 million to help the miners remain active members of the labour force. The member across the way has repeatedly asked the government to help the miners through the program for older workers adjustment. The fact is, and the hon. member knows this, POWA no longer exists. POWA ended last March because it was not fair or equitable to all the workers in Quebec or elsewhere.

This cost shared program was only offered in some provinces and contained so many restrictions that many older workers simply could not qualify. Furthermore, POWA offered only passive income support and did nothing to help workers adapt to a changing labour force.

Instead of continuing to offer such ineffective support, forward looking governments like ours are focusing their efforts to offer Canadians active measures which will help workers improve their skills so they remain in the labour force and can adapt to a changing work place and a changing economy.

The Minister of Human Resources Development is very sensitive to the needs of these individuals, so much so that he met with their representatives on October 29, 1997. The workers informed the minister that POWA did not meet their expectations and asked that special measures be taken along the lines of those adopted by the Government of Quebec in similar situations.

Our government is ready to work with the province and the employer to help these workers, but it cannot help them through a program which no longer exists. The government is offering the workers \$3 million worth of active measures including target late subsidies, self-employment assistance and skills development.

These are the kinds of improvements and the kinds of issues that we would like to bring forward. We ask the member to bring that back to the people in his riding.

The Acting Speaker (Mr. McClelland): Hon. members, before we go to the next member, in a previous dissertation an hon. member came perilously close to what I would consider to be unparliamentary language.

I did not intervene at the time, but I want it very clearly put on the record that even in a back-handed manner we do not refer to other hon. members as liars under any circumstance.

THE ECONOMY

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, there is a growing gap between the health of the economy and the well-being of Canadians according to a recent report on an experimental index of social health developed by Human Resources Development Canada.

This index suggests that since the late 1970s improvements in the economy have not been matched by increases in the social well-being of Canadians. On the contrary, it shows that as the economy has grown Canadian social health has in fact declined.

The index is composed of 15 indicators, some of which apply to all age groups. Others such as infant mortality, teen suicide, weekly earnings of adults and poverty among the elderly apply to specific age groups.

• (1915)

I think this suggests that it is not enough to take care of the economy and then just assume that the economy will take care of the welfare and well-being of individuals. The government needs to be and must be more proactive to ensure the well-being of all Canadians.

What exactly does the parliamentary secretary of human resources development suggest be done by the federal government to narrow this gap and to ensure that, as the economy moves up, so too does the well-being of all Canadians?

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, the government is quite concerned with the social well-being of Canadians and believes in stimulating public discussion on this very important issue.

Indeed this was the very purpose of the study mentioned by the hon. member. The member should note, however, that there was no consensus on how to best measure social well-being. In fact, the study itself explicitly rejects the idea that the index on social health is the only or even the best way to measure social well-being.

Nonetheless, as the hon. member suggests in his question, the Government of Canada has a key role to play in social areas and in levelling the playing field for all Canadians. Canadians demand that we live up to this responsibility and it is a challenge we will gladly meet.

This is why, in the Speech from the Throne, it was clearly stated that budgetary surpluses would be split on a 50:50 basis over the course of the second mandate, with half going to investments in

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social and economic priorities and half going to a combination of tax reductions and debt repayment.

The fact is this government has brought order to the nation's finances. We have put our fiscal house in order and in this way we have regained the ability to address the priorities of Canadians, that is, our children and youth, our health care and education, our communities and our knowledge and creativity.

We will continue to make social investments responsibly and with vigilance in strengthening the economy and working with our partners to solve the problem of unemployment, particularly youth unemployment, building a better future for our children by working with the provinces on a new national child benefit and a national

children's agenda, ensuring Canadians get the education and skills they need to find jobs and work in new industries and ensuring that persons with disabilities have the tools they need to fully participate in society.

This government is committed to working effectively and efficiently with all its partners to modernize social programs for the 21st century.

The Acting Speaker (Mr. McClelland): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.17 p.m.)

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