CANADA

House of Commons Debates

VOLUME 137 • NUMBER 128 • 1st SESSION • 37th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Monday, December 10, 2001

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, December 10, 2001

The House met at 11 a.m.

Prayers

● (1110)

[*English*]

POINTS OF ORDER

BILL C-43—SPEAKER'S RULING

The Speaker: Before we begin today's sitting I wish to rule on a point of order raised by the hon. member for Elk Island in the House on Friday, December 7 when the question was put on the motion for concurrence at report stage of Bill C-43, an act to amend certain acts and instruments and to repeal the Fisheries Prices Support Act.

A number of other members also intervened and the Chair is grateful to them for putting forward their arguments.

The Chair has reviewed very carefully the broadcast tape of the House's proceedings for that day as well as the *Hansard* record. The Assistant Deputy Chair of Committees of the Whole, who was in the Chair at the time, having called for the yeas and nays stated:

> In my opinion the yeas have it.

However, in pronouncing those words, she motioned to the side of the House from which it appeared the nays had issued, in this case the opposition side of the House. When members from that side sought clarification the Chair then stated:

> In my opinion the nays have it.

Although a viewing of the tape only reveals what the camera captures, it seems that considerable confusion ensued. At this point five government members stood to demand a recorded division. However, to address this confusion, the Chair then sought clarification from the House by calling again for the yeas and nays.

Here again, unfortunately, the confusion continued with both yeas and nays essentially being called at the same time. In the event, the Chair declared this time that the yeas had it and fewer than five members having stood to request a recorded division the Chair declared the motion carried on division.

When the hon. member for Elk Island rose to question the result of the vote, the Chair acknowledged that, and I quote:

> —it was not clear who was standing and who was not standing in the House.

She invited the member to take it up with the Speaker.

[*Translation*]

The House proceeded to debate on Bill C-43 at third reading. Before the House adjourned, the hon. member for Elk Island and the hon. member for Verchères—Les-Patriotes again rose on a point of order concerning the opposition at report stage of the bill.

[*English*]

I am grateful to hon. members for raising their concerns about the way events unfolded on Friday for it has given me time to examine the situation very carefully.

Given the confusion that existed, I have determined that the proceedings on this bill should not and will not constitute a precedent for the House. Furthermore, I have given instructions that particular care be taken when a question is being put so that hon. members present have an opportunity to express their views whether for or against a measure and can ask for a recorded division if five of them so desire.

The Speaker will be vigilant to ensure that questions are put once only to the House for a decision on a voice vote unless the Chair itself makes an error in presenting the question to the House for decision, in which case one might expect that it would be put a second time.

That being said, I see no impediment to continuing the debate on third reading of the bill later this day when the House takes up government orders. I trust this clarifies the situation for the House.

It being 11.10 a.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

TRANSPORTATION SERVICES

Mr. Dale Johnston (Wetaskiwin, Canadian Alliance) moved:

> That, in the opinion of this House, the government should introduce amendments to Part I of the Canada Labour Code to ensure that during a strike or a lockout an employer operating a freight or passenger service between North Sydney, Nova Scotia, and Port-aux-Basques, Newfoundland, as provided for in Term 32 of the Schedule to the Newfoundland Act, its employees and their bargaining agent continue to provide that service and that all outstanding disputes are settled by final offer selection arbitration.

He said: Mr. Speaker, it is a privilege to speak to the private member's motion. Although it is not votable, it certainly gives us an opportunity to talk about the need for continued passenger and freight operation between Port-aux-Basques and North Sydney.

A constitutional amendment passed in the House on October 30 and was proclaimed last week officially changing the name of Canada's easternmost province to the province of Newfoundland and Labrador. Through that motion, I guess, the government wanted to show the people of that great province that it believes it has their best interests at heart but I believe its benevolence only goes so far.

Because Newfoundland is an island, the interprovincial gulf ferry that operates between North Sydney, Nova Scotia and Port-aux-Basques, Newfoundland is a vital transportation link. In short, it is their lifeline. It enables trade and movement of goods and passengers to and from that province. It allows those Canadians who reside in that province ready access to other parts of their own country. The ferry service is to Newfoundland and Labrador what the Trans-Canada Highway is to the rest of Canada.

Unlike my landlocked home province of Alberta, Newfoundland and Labrador does not have the advantage of fertile soil and conditions that favour growing excess produce and the raising of cattle. Therefore it has to import most of what it consumes. It relies on the gulf ferries to bring in the necessities of everyday life and to transport Newfoundland products to outside markets.

The current turmoil in the airline industry, poor service and lack of competition on eastern Canadian routes, has only served to increase the reliance on this ferry service. Whereas most provinces enjoy multiple options for transport of people or goods from one province to another, Newfoundland and Labrador basically has one route.

Section 32.1 of the terms of union under which Newfoundland joined Confederation in 1949 guaranteed continuous ferry service. In 1972 the Supreme Court of Canada ruled that whether or not there was a work stoppage the government must maintain the ferry service or pay compensation to the province.

Since the operator of the gulf ferry is Marine Atlantic, which is a federal crown corporation, there will never be a lockout because the government would have to pay the province compensation if there were. Yet there is no provision in the Canada Labour Code to protect Newfoundlanders from work stoppages. Even the threat of a suspension of service is detrimental to the provincial economy and devastating to its vital tourist industry. Any interruption of service, even only a few days, causes backups, destroys perishable goods and increases the cost to both shippers and consumers.

The government has turned a deaf ear to the pleas of Newfoundland and Labrador politicians, businesses and business organizations to change the way it deals with labour relations on the gulf ferries.

The Canadian Federation of Municipalities recently passed a resolution encouraging the federal government to enact legislation under part I of the Canada Labour Code to ensure “that the ferry service between North Sydney, Nova Scotia and Port-aux-Basques, Newfoundland be unaffected by any disruption in service”. It is very important to the Canadian Federation of Municipalities.

When the current Minister of Industry was running for re-election as premier of Newfoundland and Labrador, he said that the ferry should be declared an essential service. That is a fairly drastic measure. The hon. member for Humber—St. Barbe—Baie Verte also has been an advocate for declaring the ferry service essential. As a matter of fact, in his rookie days in the House he piloted an amendment through the human resources development committee that would have prevented a work stoppage on Marine Atlantic ferries operating between North Sydney and Port-aux-Basques. His government colleagues, however, shot down his amendment and it was deleted from the bill at report stage. However, he was not deterred and I congratulate him for standing up for his beliefs.

● (1115)

He continued to push for an essential service designation during the summer of 1998 when contract negotiations were at an impasse and a prolonged work stoppage looked imminent. I expect, though, that he will endorse the motion because he is interested in a fair deal for the workers, the company, his constituents and the people of Newfoundland and Labrador.

In today's fast paced business climate, neither employers nor employees can afford prolonged disputes that distract from their real goals. Workers want job stability, job satisfaction and reasonable compensation for their efforts. Employers want a competent, reliable and productive workforce. Both sides look to us, as parliamentarians, to give them the tools to settle disagreements in an expeditious, cost effective and fair way.

Unlike the Liberals, the Canadian Alliance is not out to strip away the bargaining rights of workers. The motion before us today proposes the adoption of final offer selection arbitration as a permanent dispute settlement mechanism that would provide employers and employees with a fair contract and ensure the continuous ferry operation.

Final offer selection arbitration is not a new concept. It was used by the government to settle the 1994 longshoremen's work stoppage at the west coast ports. It was included in the National Transportation Act as a mechanism to solve pricing disagreements between shippers and the railways. Recently it was used to resolve the nurses' and healthcare workers' contract dispute in Nova Scotia.

Final offer selection arbitration gives labour and management the tools to resolve their differences. It does not favour one side over the other and it eliminates government interference in the negotiations.

Here is how it works. If and only if the union and employer cannot reach an agreement by the conclusion of the previous contract, the union and employer would provide the minister with the name of a person or persons they jointly recommend as an arbitrator or arbitration panel. They can have one or the other, either one person or a panel of people.

The union and employer would be required to submit to the arbitrator, or the panel, as the case may be, a list of the matters agreed upon, a list of the matters still under dispute and their positions on those matters still under dispute. For disputed issues, each party would be required to submit their final offer for settlement. The arbitrator or the panel selects either the final offer submitted by the trade union or the final offer submitted by the employer, all of one position or all of the other position. The arbitrator's decision would then be binding on both parties.

This all or nothing scenario encourages both sides to put their best offer forward and it usually means the offers are closer together than is the case with traditional arbitration.

As a matter of fact it makes them bargain truly in earnest because they know this is their last shot at it and they are going to come as close to it as they possibly can.

If we adopt final offer selection arbitration as a permanent dispute settlement mechanism and enshrine it in the legislation both sides would have predictable rules and a time period by which to negotiate. They also would not have the House holding back to work legislation over their heads.

The motion is not designed to end the collective bargaining process but to make it work better through final offer selection arbitration. It is also meant to provide those people of Newfoundland and Labrador with a reliable ferry service.

Every time back to work legislation is used it usurps the collective bargaining process. Collective bargaining, of course, is about compromise and about negotiation. One cannot legislate good labour relations.

We are not talking about removing the right to strike but the removing of the need for traumatic, drastic measures like strike or lockout, neither of which are very attractive to either party. Strikes and lockouts are a last resort action and are not entered into lightly by either party.

Some groups fear that final offer selection arbitration would remove the right to strike but the right to strike, has been weakened more by back to work legislation than it ever will be by final offer selection arbitration. Labour and management must be given the tools to solve their disputes in a fair and equitable manner, without threat of government intervention.

● (1120)

There is very little incentive to bargain earnestly when back to work legislation is inevitable. The purpose of a strike or lockout is to force a settlement. Final offer selection arbitration is also a mechanism to force a settlement. It puts the onus on both sides to reach an agreement. Final offer selection arbitration is a tool that could be used equally by labour and management. It would, I believe, provide a permanent, just and effective dispute settlement mechanism.

The government likes to exert its power and show who is boss by resorting from time to time, and fairly often since I have been here, to back to work legislation. Usually, when the legislation is brought in, there is no alternative by that point because the government has taken such a hands-off approach that everything is to the point where the economy is at a standstill or something that we need so badly has come to a stop and there is no choice but to legislate these people back to work. Only when people are back to work does the government discover that the argument that brought them there in the first place still is not settled. Then the government uses final offer selection on an ad hoc basis. It should be codified.

Some traditions do not fit every occasion. Sometimes they are just not worth preserving. That is the case that could be made in this instance against back to work legislation. With back to work legislation, the government intrudes on the rights of employers far more than is necessary. Some of my colleagues in this place, probably the ones opposite, will argue that there are provisions already in the labour code that protect the health and safety of Canadians.

In fact, section 87.4 of part I of the code does provide for the maintenance of activities necessary to prevent an immediate and serious danger to the safety or health of the public. In other words, the government must maintain services up to a certain level so that the public is not in any serious danger of any particular health risk. This section of the code does not define what constitutes an essential service. Instead, the determination is left to the Canada Industrial Relations Board. Therefore, an application must be made to the board and each case dealt with on an individual basis.

The board then schedules a hearing to listen to the positions and plan of the employers and employees. The board determines the extent of the services that must be provided. This is an added burden on a tribunal that is already overworked. It does not help settle the dispute but prolongs it, because it takes the board so long to get these things dealt with.

I do not believe that is fair to employers, the workers or third parties who have a lot to lose when a strike or lockout is taking place. This is the reason why Marine Atlantic workers, who turned down a tentative contract offer in August, agreed to settle their disputes by binding arbitration.

This is a pretty unusual case. Here is a case where the union negotiated terms with the employer, took that back to the employees and the employees said it was not the contract they wanted and they would rather go to binding arbitration.

The employees themselves asked for this on a piecemeal basis. Why not put it in the code so these things can be settled before all the acrimony breaks out? The employees know that a strike is not in their interests, or their passengers' interests or the interests of the people of Newfoundland and Labrador. Why not give them the security and something to which they could look forward?

I look forward to hearing from representatives from other parties. I am also looking forward to an opportunity to wrap up in the five minutes I have at the end. I am hoping that other parties will support the people of Newfoundland and Labrador.

● (1125)

Mr. Gurbax Malhi (Parliamentary Secretary to the Minister of Labour, Lib.): Mr. Speaker, I am pleased to rise and speak on private member's motion No. 405.

Motion No. 405 applies to employers such as Marine Atlantic, operating a freight or passenger service between North Sydney, Nova Scotia and Port-aux-Basques, Newfoundland. The motion requires that, during a strike or lockout, the employer, its employees and their bargaining agent would continue to provide those services. A process of final offer selection arbitration would be used to settle the outstanding issues in the dispute.

The Canada Labour Code, to which this motion applies, covers many industries in the federal jurisdiction, including ferry services. Therefore, when the hon. member for Wetaskiwin talks of providing for the settlement of labour disputes in Canada by final offer selection arbitration, an imposed settlement, he is talking about a subject that this government takes very seriously.

It is very important that ferry services between these two provinces be maintained, however I cannot support this motion because I do not feel an imposed labour settlement is ever the best choice.

First, the labour relations community does not support any general system of imposed solutions to collective bargaining issues. In fact, final offer selection arbitration has been used to only a very limited extent in Canada. Its lack of use speaks volumes to its popularity and general acceptability to both employers and employees.

It is important to note that the federal government has only used final offer selection arbitration on one occasion as a means to end a dispute. In this case the only issue in the dispute was a narrow difference in wage rates.

To clarify the terminology in its simplest form, final offer selection arbitration is a situation whereby disagreeing parties submit their final offers for resolution of all outstanding issues in a labour dispute. An arbitrator is then required to choose either the employer's offer or the union's offer, which becomes the final award. While there are variations on this model, the key point here is that the arbitrator must choose the proposal of one of the parties.

Final offer selection arbitration by its very nature creates winners and losers, which does very little to foster positive relations. It is a very rigid method of settling a dispute that has never been popular in cases where the issues are multiple or complex.

Canada's long history of honouring the collective bargaining process, a process of give and take, dates back roughly 100 years and has served this country well.

There is a long tradition in Canada of labour legislation and policy designed for the promotion of the common well-being through the encouragement of free collective bargaining and the constructive settlement of disputes. Free collective bargaining is an important process as it allows for compromise. There is a meaningful process of constructive dialogue for which final offer selection arbitration does not allow.

This government desires to continue to extend its support to labour and management in a co-operative effort to develop good relations and constructive collective bargaining practices, and deems the development of good industrial relations to be in the best interest of Canadians.

An additional point involves the federal mediation and conciliation service of the labour program. This mediation service has many programs in place to assist in the negotiations of collective agreements. In fact, if two parties cannot come to an agreement, the federal mediation and conciliation service offers programs and services that settle more than 90% of all federal jurisdiction labour disputes without a work stoppage. These numbers are very telling of the success of the current system of collective bargaining.

● (1130)

Another telling argument on the success of the system is that the parties mentioned in Motion No. 405 already have agreed to settle this dispute. The latest rounds of bargaining between Marine Atlantic, the CAW and the Canadian Merchant Service Guild ended with all parties agreeing to settle via binding arbitration. Surely the hon. member recognizes that the success of this case, as well as that of countless others, questions the validity of the motion.

I would like to point out that while final offer selection arbitration can ensure regular settlement of labour disputes without resort to strike or lockout action, another negative impact of passage of the motion would be the alienation of this part of the industry. That is, the motion would result in unequal treatment in comparison to the many other ferry services operating around the country. Employers and unions of every other ferry service in Canada would continue to have the right to engage in free collective bargaining while the settlements at North Sydney and Port-aux-Basques would be imposed. There is something not quite right with that scenario.

Free collective bargaining is something that is enshrined in the Canada Labour Code and it is a right that the government cannot revoke simply because an employer and a union are having trouble agreeing. Both Canadian employers and unions prefer to frame their own collective agreements rather than have solutions imposed upon them by third parties. It is also meaningful to consider that the motion has the very real potential of poisoning any future attempts at fostering positive relations between the two parties.

The Government of Canada will continue to support labour policy and legislation designed to promote the common well-being of Canadians through the encouragement of free collective bargaining and the constructive settlement of disputes. This private member's motion is directly contrary to this aim.

A further crucial aspect everyone must understand is that part I of the Canada Labour Code expressly guarantees the right of parties to submit collective bargaining disputes to any form of binding settlement they want, including final offer selection arbitration. This means that if they so choose, the parties mentioned in Motion No. 405 could voluntarily submit to final offer selection arbitration on their own. The option already is there.

To summarize, final offer selection arbitration is not supported by the labour relations community. By its very nature, it creates a win-lose situation, whereas free collective bargaining can create a win-win situation. Imposing final offer selection arbitration on two parties does not even attempt to foster co-operative labour management relations, which is significant in today's ever changing workplace. All it would do is alienate this part of the ferry industry, imposing upon it a different standard than the rest of the sector.

This private member's motion is contrary to government policy which supports and encourages free collective bargaining. Part I of the Canada Labour Code already provides the option of choosing final offer selection arbitration as the mechanism to resolve a dispute. I do not believe that it is in the best interests of those involved to have this option imposed upon them.

● (1135)

Mr. Loyola Hearn (St. John's West, PC/DR): Mr. Speaker, I thank the member for Wetaskiwin for introducing a motion that is extremely relevant to my province of Newfoundland and Labrador.

I am shocked to sit here and listen to the response from the government to such a motion. However it is not unexpected. The treatment we have received from the government opposite on this and practically any other issue has followed the same trend: It is only Newfoundland and Labrador so no one worries too much about it.

In trying to explain why the government would not support the motion the member said that final offer selection creates winners and losers. While the present situation may not create winners it certainly creates losers. The losers are the people who live on the island of Newfoundland.

When Newfoundland joined Confederation in 1949 or, as we like to say, when Canada joined us, Newfoundland was supposed to become part of the great dominion. Every other province and territory in the country is joined by road. Newfoundland was given a ferry service that was looked on as an extension of the Trans-Canada Highway. That is some highway.

To get to Newfoundland and Labrador we have two options. First, we can take Air Canada and pay through the nose. If we want to make a return trip flying economy from Ottawa we pay over $1,800 return. Second, we can go by ferry.

In the summer in particular, when traffic is heavy, tourists come because Newfoundland and Labrador is rapidly becoming the best attraction in the country in relation to tourism. People are starting to appreciate the real last frontier. They are starting to appreciate our tremendous hiking trails, our wildlife and our historic sites. Newfoundland is the oldest settled part of North America. The district I represent and the town in which I live was one of the first settled in the whole new world.

Most of all, tourists are starting to appreciate the tremendous friendship and hospitality of the people of Newfoundland and Labrador. This was exemplified on September 11 when we had many people come to Newfoundland unexpectedly. We had planes landing in St. John's, Gander and other places in the province.

Each spring we get whispers of impending labour troubles with Marine Atlantic. Let us suppose a family is planning to come to Newfoundland and Labrador to visit and tour during the summer, or someone is looking at setting up a business which relies on goods flowing back and forth uninterrupted. What if such a person hears rumours about possible strikes? It happens almost every year. What happens? People change their minds. No one would book a vacation on an island where they must go by ferry if they think the ferry would not be operating when they want to go or come back or maybe both.

The ferry service between Newfoundland and North Sydney must be an essential service. There is no way Newfoundlanders should be held to ransom by anybody. There are provisions within our labour laws to make sure employees who work in the system are treated fairly and squarely and that they are not hung out to dry by any decision of the government to make the service an essential service. That would have to be part of the agreement.

● (1140)

The motion today offers an opportunity to do just that. The parliamentary secretary mentioned that there are several mechanisms to deal with labour disputes including final offer selection. Why go through a process of weeks and months with a ferry service disrupted when these processes can be in place up front to protect workers and not hold to ransom the people of Newfoundland and Labrador?

Sometimes we must set priorities. The priorities of the majority here are greater than the priorities of the minority, particularly when we do not need to infringe on the rights of the minority.

A while ago the Canada Industrial Relations Board held three days of hearings in Halifax. For what purpose? It held hearings to determine if the ferry system between Newfoundland and Cape Breton, Nova Scotia, should become an essential service. Is it not a bit funny that hearings to determine whether the ferry system to Newfoundland and Labrador would become an essential service were held in Halifax, in another province?

Some of my colleagues from the Bloc are here. Let us suppose there were a set of hearings to determine the status of an essential service in Quebec but the hearings were held in British Columbia, Ontario or Nova Scotia. How would they react? It would not happen. It happened because it is only Newfoundland and Labrador.

Although it runs between North Sydney and Newfoundland the ferry service is there only for the benefit of the island of Newfoundland. If Newfoundland had not joined Confederation and had drifted off into the Atlantic somewhere, which is what the government probably wishes it had done except for the Newfoundland resources it continues to rape and the revenues it puts into its coffers, there would be no need for the service. It is there essentially to serve Newfoundland and Labrador.

From the reaction of the parliamentary secretary who spouts the words of his minister and his government we can see that no one cares. It does not matter if it is an essential service. It may be disrupted for days, weeks or months. Goods and services may be unable to flow back and forth. People who go to hospitals on the mainland may be affected because their only way of getting there is by ferry. Our health services may be downgraded. Tourists may not come to boost the economy. Who cares? It is only Newfoundland and Labrador.

Let me tell the parliamentary secretary, the minister, the government and anyone else who wants to listen that I care and we in my party care. Newfoundlanders have made a contribution to the country and will continue to make a contribution to the country, but we want to be treated as equals. This is another example of total disregard for the needs of the island of Newfoundland.

The chief executive officer of the Canada Industrial Relations Board was asked why he contacted other agencies to make representations on behalf of the province of Newfoundland and Labrador when the hearings were held. He was asked why he did not go to Newfoundland and Labrador. His response was that the only people he needed to listen to in determining whether it becomes an essential service were members of the board of Marine Atlantic and the union.

The board of Marine Atlantic is another story. Only 3 of the 10 or 12 members on the board are from Newfoundland. Thank God one of them is the chairperson, Mr. Sid Hynes, who has done a phenomenal job representing the province, as he should.

This is the first time ever that someone in his position has stood up for the rights of Newfoundland. Why should 9 out of 12 people or 7 out of 10 people worry about Newfoundland? They are not from there. Do hon. members think the union will want to see an essential service? I hope some of its members might be from Newfoundland and put the province first as long as they have security in their own jobs.

● (1145)

The motion before the House can take care of that. First, it can look after the needs of the workers. Second, it can make sure an essential service can be created as it should for the province of Newfoundland and Labrador.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am pleased to have the opportunity to enter into debate on final offer selection Motion No. 405 put forward by the member for Wetaskiwin. He and I have had this debate over the years.

In most settings or forums where industrial relations are debated the Alliance Party puts forward the idea of final offer selection as an alternative to work stoppage in just about any industrial sector. I made the point at the Standing Committee on Natural Resources and Government Operations where we amended part I and part II of the Canada Labour Code. I will make it again. Final offer selection is a flawed idea that is riddled with faults.

The hon. member's motion would make final offer selection a mandatory way of settling any kind of impasse in collective bargaining. This would take away the right of employees to withhold their services. The right to withhold services is an integral part of the collective bargaining process.

I am probably the only person in the House of Commons today who has personal and practical experience using final offer selection to settle an impasse in a collective bargaining setting. The province of Manitoba had final offer selection for a number of years as an option so that two parties could, if they chose, settle their collective bargaining round using this type of binding arbitration.

Having been the leader of the carpenters' union at the time the law was in effect in Manitoba, I had cause to use final offer selection in certain rounds of collective bargaining. The point is that it was the choice of the employees. Key and integral to any final offer selection legislation must be that it is the choice of employees whether or not to settle the round of collective bargaining through final offer selection.

I will explain how this was done in the province of Manitoba. Either party could make application to the minister to settle a round of bargaining through final offer selection or FOS. However the employees had to have a vote, supervised by the labour board, on whether or not they wished to use final offer selection.

In this way it became another tool in the toolbox of the negotiators as to whether it was to their advantage to use final offer selection. It did not take away the right of employees to withhold their services or the right of employers to walk out. It simply provided a third option.

We should be clear that final offer selection is available to all employees. We do not need special legislation to contemplate the use of final offer selection. In any round of collective bargaining the two parties can agree to resolve their impasse through binding arbitration. That is all final offer selection is. It is another form of binding arbitration. It has its place.

As I said, I have used final offer selection in some negotiations but only when the number of outstanding issues was reduced to a few simple and elemental issues such as money. Anyone familiar with labour relations will tell us that money is one aspect of a round of collective bargaining but sometimes a minor issue compared to things such as rules of work, benefits being negotiated, et cetera.

I will tell the House why it is risky to use final offer selection for anything other than dollars and cents. If all the parties are arguing about is a 50 cent pay increase the employer will come to final offer selection with, say, 25 cents and the employee will come with, say, 75 cents and the arbitrator will choose one or the other. That forces both parties to temper their demands with reason because they know if they put forward too outlandish a position the arbitrator will choose the other party. In that sense it forces a coming together of the two parties.

Let us say, though, that the outstanding issues were things like workplace safety, a day care centre for a factory or joint trusteeship on the pension plan.

● (1150)

Those are issues that are hard to quantify. It is hard to put a dollar value on those issues. Employees are at a disadvantage particularly if they go to the arbitrator with a complex series of work rules and the employer goes to the arbitrator with a simple wage increase. The arbitrator in all likelihood would take the position that could be quantified, which is the wage increase. Employees have little hope of ever getting the work rules changed.

Employees have to strike almost always for things like pension plans and on the job issues such as workplace safety and day care. Those kinds of things usually take the heavy hand or the blunt instrument of at least threatening to withhold services. Employees would be disadvantaged by the FOS process if all rounds of bargaining were to be settled by mandatory FOS.

In our own experience we found that employees would rarely vote to use FOS because they were aware of the shortcomings. The law was on the books in Manitoba for a number of years. During that time period about nine rounds of bargaining were settled by the final offer selection process where the arbitrator ruled. Five rulings were in favour of the employees and four in favour of management.

Even if the two parties opted to use final offer selection, the bargaining and talking would carry on. Nine times out of ten, at least, the two parties found some kind of resolve prior to the arbitrator making a ruling.

The motion finds its origins in a Canadian Alliance bias against employees having the right to stop work. It would take away their right to withhold services. That is why it keeps being raised over and over again by Canadian Alliance members. They see a perfect world where employees do not have the right to withhold services. In their minds there would be no more strikes and inconvenience of lost time and productivity.

What they fail to understand is that the threat of withholding services is the only tool employees have to add pressure to the collective bargaining process. It demonstrates a naïveté on their part and a clear bias against what most employees rely on to elevate their standard of wages and working conditions in the workplace.

I would speak against the introduction of any final offer selection measures unless they were at the option and choice of employees. Nothing should stand in the way of the two parties trying to resolve their impasse through FOS as it is. The labour code should not be amended in this way.

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, I congratulate my hon. colleague on introducing the motion. I thank the hon. member from the NDP who just spoke for being so articulate in his particular bias at the same time. He accused the Alliance of being biased. I suggest that he is biased as well. There is not an unbiased person in the House except you, Mr. Speaker. You are about the only person who is unbiased because you have to be absolutely neutral on everything. The rest of us are all biased.

I remind the hon. member who just spoke that perhaps he should have read the motion. It states very clearly:

> That, in the opinion of this House, the government should introduce amendments to Part I of the Canada Labour Code to ensure that during a strike or a lockout an employer operating a freight or passenger service between North Sydney, Nova Scotia—

It is precisely the recognition that employers and employees do have and should have the right to negotiate their salaries and working conditions. They should have the right under certain conditions to become powerful and demonstrate how strongly they feel about particular issues. Perhaps the hon. member misread the motion. I encourage him to read it more accurately.

I would like to discuss labour and management relations. Our whole economy depends upon the ability of people to offer their services in the production of goods and services. It is just as important that management co-ordinate and operate these things. In certain quadrants of the country there seems to be some divergence of purpose. Somehow an organization exists either for management or for employees and it seems as if these two groups are at variance with one another. This is utterly false.

Nothing will get done unless management and employees work together. That is the whole point. Strikes and lockouts cause serious disruption in the service that is being provided and in the function of the particular organization. They disrupt actual relationships between people that were quite strong at one time. Sometimes it takes years. I have known of instances where they are never brought back together again. They frustrate the competitiveness and efficiency of business. They also frustrate the efficiency of both management and workers.

These are analytical differences, but when it comes right down to it we need a coming together in common purpose to achieve a goal for the benefit of all society.

Here we have a situation where the only transportation facility that exists is a ferry. It provides transportation and it is limited to that aspect. Will we say that it is perfectly all right for one group or another to stop the service because they cannot get along with each other and there is a disagreement about things? That should not be right on either part. A whole host of third parties would suffer as a consequence of one group unilaterally deciding to terminate the service. That is not reasonable.

How strongly would we feel if somebody put a blockade across the Trans-Canada Highway, for example? Would we or would we not feel strongly about that? We could take an airplane, a train or a car, but these poor people cannot do anything else other than take an airplane. They cannot drive. They have to take an airplane. Many things cannot be done by air that can be done by ferry. We need to recognize that this is a specific motion dealing with a particular case.

I would like to move the debate to a higher level by speaking to the whole business of relations between workers and management and the operational objectives of a particular organization. Unless there is harmony and goodwill it does not matter what kinds of laws exist. Things will not happen the way they ought to happen. The resolution of a strike or a lockout would help to provide better relations by using the final offer selection process.

● (1155)

It is not perfect. There has never been a perfect system and there is no perfect organization. Mr. Speaker, as competent as you are, there is probably no perfection in your office. You could probably become a little better than you are today but that applies to every one of us, and it applies here too.

I suggest that government members and the hon. member who just spoke recognize that this is a workable, practical and sensible solution which forces and encourages both management and labour to look realistically at a dispute that exists where both parties say they are right. It is probable that neither one of them is totally right. That is the whole issue of having negotiations and a mechanism in a dispute that allows it to be resolved. In the final analysis the conflict itself becomes clarified.

The hon. member from the NDP made some excellent points when he talked about some of the working conditions like day care centre operations. However he suggested that this did not have a monetary price attached to it. It is almost as if the only kind of thing that has money attached to it is salary. Talk about naïveté. That has to be the ultimate.

It does not matter what other working conditions there are. They all cost money. There is nothing wrong with their costing money provided there is a fair settlement for everybody, that the organization can move ahead and meet its goals, that productivity is competitive and can create a profit for the business, and that both management and labour can benefit from the profit. It is as if it is unilateral that profit always goes only to management and workers never get any part of it. That is utterly false. It does not work that way. We have to work together.

There are many things besides money that affect the working conditions of people. We know that. Any of us who have negotiated any kind of contract realize that there is a whole host of items that become elements for a dispute, disagreement, consideration or whatever the case might be. If one pushes any one of them to the extreme it becomes ridiculous and people begin to say they will never give in and they will go on strike on the issue. Why?

Let us be reasonable about these things. The whole idea behind negotiations and giving workers the right to negotiate is to find a way that is better so that both parties can function in a manner that is more co-operative and that meets the needs of both parties. That is the function of labour negotiations and that is what this is all about.

Labour organizations were created to recognize that there were things that were not being done that ought to have been done. There was a real strong case to be made. By getting together they could persuade management to do what was better for them. On the other hand management also had concerns about what was not happening. Both groups needed to get together and recognize the significance of settling their differences. It has worked.

We have all kinds of examples. We have them at the University of Alberta and on the west coast during the long shore dispute settlement. This process works. I emphasize that it is a mechanism that is used during a strike or lockout. It is not a predetermined situation. I believe that it should be there, should become law and should be made available as a tool. I encourage us to move on the motion and to vote on it.

● (1200)

Mr. Dale Johnston (Wetaskiwin, Canadian Alliance): Mr. Speaker, I would like to start by thanking my colleague from Kelowna for his wise counsel and also thanking the member for St. John's West, who was speaking from the point of view of a person who lives there and has to rely on that ferry.

I would like to make some comments for the parliamentary secretary. He has intimated that the use of final offer selection arbitration somehow usurps all of the bargaining process, free bargaining, and the federal mediation and conciliation service. It does not. The labour groups can go through all of those stages. As a matter of fact, what final offer selection arbitration ensures them is that they will not be legislated back to work. That is what it does. It puts it in the code and basically says “You and your employer go through every step that is necessary to reach an agreement. If all those things, including the use of a mediator or a conciliator, does not bring you to agreement, then there is this other tool that you can use instead of the drastic and traumatic effect of a strike or a lockout”.

The member from Winnipeg said that we in our party like to use this and we advocate this for everything. That is absolute and total rubbish.

First, the Canada Labour Code covers only 10% of the Canadian workforce. We only advocate the use of final offer selection arbitration in areas where the Canadian public has no other alternative, like the Port-aux-Basques to North Sydney ferry, like the west coast ports and like the post office. We have no alternative to those things. If our local grocery store's employees go on strike or are locked out, we can go to a different grocery chain to buy groceries, but if the Port of Vancouver employees go on strike, where does western Canada find another port to take over in the interim? There is not one, just as there is not another ferry service in operation to the Rock, as the people of Newfoundland call their home.

I want to make it absolutely, perfectly clear that if the final offer selection arbitration is codified, it is simply another tool that management and labour can use in coming to an agreement; it is not holding a hammer over anybody's head.

I also want to make it clear that I am not advocating for the union. I am not advocating for the employers. I am advocating for the people of Newfoundland and Labrador. They deserve this service every bit as much as the people of Saskatchewan deserve to have the Trans-Canada Highway running through their province. These people deserve it; they should have it. I would like to ask unanimous consent of the House to make the motion votable.

● (1205)

The Acting Speaker (Mr. Bélair): Is there unanimous consent to make the item a votable item?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Bélair): I heard a “no” very clearly. Therefore, consent is denied.

The time provided for the consideration of private members' business has now expired. As the motion has not been designated as a votable item, the order is dropped from the order paper.

GOVERNMENT ORDERS

[*Translation*]

COMPETITION ACT

Hon. Allan Rock (for the Minister of Industry) moved that Bill C-23, an act to amend the Competition Act and the Competition Tribunal Act, be read the third time and passed.

Mr. Claude Drouin (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, I am pleased to take part in the debate on third reading of Bill C-23, an act to amend the Competition Act and the Competition Tribunal Act. It is important, I believe, to underscore the main amendments contained in the bill as introduced today.

The purpose of the first set of amendments is to prohibit deceptive prize notices. They will prevent unscrupulous promoters from deceiving people, often seniors, with phony mailings suggesting they have won a prize without disclosing the real costs relating to it. The amendments set out clear rules that will enable honest businesses to continue their legitimate activities.

A second set of amendments is for the purpose of facilitating international co-operation with respect to civil cases involving competition. The proposed changes will make it possible to collect evidence in other countries relating to investigations of civil fraud cases, taking a similar approach to what is already in place for criminal cases.

It is also noteworthy that the proposed approach pays particular attention to protecting the confidentiality of information already in the possession of the commissioner, as well as information volunteered by the parties. This new investigational tool will ensure that enforcement decisions relating to competition will be taken right here in Canada.

The third set of amendments will, under certain circumstances, allow the competition tribunal to award costs, make summary dispositions and determine references.

The fourth set of amendments extends the powers of the competition tribunal with respect to interim orders. The proposed amendments will enable the tribunal to issue interim orders, when certain conditions have been met, to put an end to an anti-competitive practice at the commissioner's investigation stage.

The maximum duration of an interim order will be 80 days, with a possibility of extension if the commissioner has not succeeded in obtaining the necessary information to complete his investigation and thus to determine whether an application will be made to the competition tribunal.

Five, the amendments will include providing private parties with limited access to the competition tribunal. The balanced solution presented by the committee will allow competitors to go before the competition tribunal to settle disputes covered by sections 75 and 77 of the Competition Act, namely, refusal to deal, exclusive dealing, tied selling, and market restriction.

Private parties must obtain prior authorization from the tribunal to file an application for order. Furthermore, supplementary protection measures have been included to avoid strategic proceedings. Some of these measures include the tribunal's determining fees, guarantees to avoid two proceedings regarding the same case, the fact that the tribunal may not award damages, and a liability period for all requests.

Six, there are amendments to provide extra protection for competition in the Canadian airline industry.

The first amendment extends an interim order beyond 80 days if the commissioner has not received all the information necessary to allow him to determine whether or not grounds exist to make an application to the tribunal. The commissioner must make a request to the tribunal to obtain such an extension.

The purpose of the second amendment under this heading is to encourage the dominant carrier to respect the Competition Act. It allows the tribunal to impose administrative monetary penalties of up to $15 million, in addition to the cease and desist order set out in section 79 on the abuse of dominant position.

● (1210)

The purpose of this bill is to maintain an efficient, innovative and competitive market in a rapidly changing economy. I believe that we have fulfilled this purpose with Bill C-23.

Once again, I would like to express my gratitude to the members of the committee, the competition commissioner and all the stakeholders that provided their comments for the monumental work that was done in order to ensure that the Competition Act remains effective and up to date.

[*English*]

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, I am glad to have the opportunity to take part in the debate today on the final, third reading of Bill C-23, amendments to the Competition Act.

The bill has quite a long history that goes back to two years ago when I was involved in the standing committee on industry, which conducted hearings on the Competition Act. In addition, the Competition Bureau commissioner decided that there should be a parallel hearing and a public policy forum conducted hearings across Canada as well and heard many witnesses.

Out of that process four main elements were brought forward that were identified as needed changes to the Competition Act. They were: co-operation between Canadian and foreign competition authorities; the prohibiting of the deceptive notice of prizes; streamlining of the tribunal process itself; and the broadening of the temporary orders. During the process and the consideration of the bill at committee stage, we added an important fifth category, that is, the right of private access.

I want to talk a little about these amendments that will bring the Competition Act up to speed in terms of globalization and the recognition that Canada has become an international player of some magnitude and therefore needs to have co-operation with international authorities in order to have better competition law. I would note that the OECD and the World Trade Organization have been doing some studies to bring forward international competition agreement in that process as well.

The agreement on the co-operation aspect of Canadian with international authorities really is just a reflection of the nature of business these days. Canada of course is exporting 87% of all of our exports to the United States. That is a significant amount of money and makes up 40% of the GDP of our country. We also export to Japan and Canadians invest in other countries in increasing numbers. In fact, about four years ago there was a sea change in Canadian investment. We now have more direct Canadian investment outside our country than we have direct foreign investment in Canada, so Canadians are looking for a home in which to invest and they need the assurance of good competition law in those other countries.

More and more, business is international in scope and therefore we need co-operation. These amendments concern civil competition matters and essentially mirror the existing arrangements we already have on criminal matters with the Mutual Legal Assistance in Criminal Matters Act. They apply only to the civil part, which will bring it up to speed. The change will assist the Competition Bureau in gathering information to make its decisions affecting competition in Canada. It will ensure that the decisions about domestic competition matters are made in Canada and we support that important aspect of it.

In terms of the prohibiting of the deceptive notices of winning prizes, I am not quite sure if it needs to be in the Competition Act although I know some people are taking advantage of this aspect. If this will help reduce the problems for them I guess we can go along with it, but it really seems to me that people have to take a little more responsibility for their own personal actions. If people are given notice by telephone that they have won a million dollars but in order to qualify they have to send in $5,000 or $10,000 to a certain company, I would think that they should be pretty aware of where that may lead. It seems to me that government really cannot put in regulations and hold people's hands. People have to make those kinds of decisions and have to be aware that there are those out there who are taking those types of actions. I am not sure this really will amount to much, but if it means there could be some improvement we would support it.

The third category is the streamlining of the Competition Tribunal process by providing the tribunal with the power to award costs. This is really important because we have added to the act the important part of the right to private access. Essentially it allows people to bypass the Competition Bureau and take their actions right to the Competition Tribunal.

● (1215)

If there are frivolous acts, nuisance acts or acts to try to find out information which might give people a competitive advantage over their competitor, at least the Competition Tribunal can now award costs. It cannot award damages but costs are a significant factor. If people are brought before the tribunal and have to defend themselves against frivolous actions, at least the tribunal can order the parties who have lost the case to pay costs to the parties that have been brought before it. That is a good move and we need it.

The Competition Tribunal has also been given the power to make summary dispositions and also to determine references. A summary disposition means that it has the right to tell someone coming before it whether or not it will hear the case. It is like a pretrial I would think. The tribunal can determine if it is a frivolous action and refuse to hear it. That kind of safeguard will help protect the Competition Act and will give the Competition Tribunal the power that it needs.

The fourth aspect that was included was the right to broaden the powers of temporary orders. This is important, especially in the case of the airline industry where huge losses can take place in a very short period of time. Cease and desist orders are important. We have seen about three airlines go under this last year in Canada. Perhaps if there would have been tougher cease and desist orders, Canada 3000 still would be providing competition on a lot of runs. Therefore we believe this is necessary.

There are also severe penalties in the airline industry on those companies that would embark on practices to essentially put a competitor out of business. If they ignore the cease and desist orders, they will be hit with severe penalties.

Then of course we talked about the right of private access which was brought about by an amendment through the committee process.

I believe every Canadian has the right to have his or her day in court. Right now the competition commissioner or the Competition Bureau acts as a gatekeeper in deciding who can have a case brought before the tribunal. I and my colleague from Edmonton Southwest were convinced, during the hearings and the whole process of consideration of Bill C-23 at committee, that that was an important element which would help strengthen competition policy in Canada. Therefore, we agree with that.

I just want to say a word or two about the airline industry. Every time we get a flurry of amendments to the competition policy or competition law, it seems as though something has stirred it up. This time it happens to be the airline industry. Some people think that we can run our industry policy in Canada out of the Competition Bureau. That simply does not work. It is important to have a strong competition policy. However it is not a substitute for a healthy business environment, with a true competitive nature, which would allow businesses to compete and provide services to Canadians.

The airline industry is a good case in point. If all these things, such as intervention and regulation, served the purpose, we would have a great airline industry functioning in Canada. However intervention and regulation have the opposite effect in most cases. Therefore, the Competition Bureau, the Competition Tribunal and competition law are important to have but the government needs to clean up some of its act when it comes to intervening in the economy.

In the airline industry Air Canada is a good case in point. Its merger with Canadian a few years ago had strict regulations. In fact, Air Canada was told it had to keep its head office in Montreal and that it had to maintain so many employees. What kind of business can function under those kinds of rules? When the economy is in a downturn, it does not make any sense. Businesses have to be flexible, innovative and be able to adopt new measures. Intervention does not allow that.

There are several other aspects in the case of Air Canada, such as attracting new investment in our country. New investment rules would go a long way to solving some of these problems and might have even stopped Canadian from going under a few years ago.

● (1220)

Important things need to be considered so that the competition law is not the only avenue and in fact is not the best avenue to competition. A good business environment, low taxes and low regulation are what people tell us we need, along with breaking down interprovincial trade barriers. These are the kinds of things for which businesses are looking. They want less intervention in the economy.

While we support Bill C-23, which strengthens the competition policy, it serves as a limited means of success. We challenge the government to do the things that are necessary to allow competition to exist.

We have lost a decade in the country because of the policies the government has followed. We have had a 30 year decline in direct foreign investment in Canada, year after year. We have a Canadian dollar that has lost ground for over 30 years and is now at 62 cents U.S. That says something about government policy. We have government policy that has intervened more and more in the economy over the past 30 years, I suggest, going back to Mr. Trudeau.

The current government, under the present Prime Minister, does not seem to be going in any different direction. Look at the cases of grants and contributions to businesses across the country. This is a government that has totally lost direction. It is rudderless and needs to be replaced because businesses are suffering. Canadian companies trying to compete against companies in the United States are not enjoying the competitive advantages they need to enjoy.

We have the highest personal income taxes in the G-7 and very high taxes against those of our OECD neighbours, which is the measurement with which Canada has to compete. Yet we have a government that does not seem to pay attention. It thinks we can substitute the healthy business environment with competition law and it simply will not work.

In the case of the cease and desist section, although we are strengthening it, companies engaging in practices that are harmful to a competitor and competition now have to wait 30 days. They may get another 30 days in which they are banned from engaging in those practices, but after 120 days has expired they can go at it again.

We should let businesses do what they do best. Let the competition law serve its limited capacity, as it was designed to do, in protecting competition, not competitors. Let us have a government that stops intervening in the economy, and the country would be far better off for it.

● (1225)

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I too am pleased to speak at third reading of Bill C-23. It is to all intents and purposes the end, at least in the House, of a long process which, as colleagues who spoke before me have said, began many months ago, in 1999-2000.

Many individuals and stakeholders have taken part in the debate, in the examination, which led to the introduction of Bill C-23. It is, as I was saying, the product of long consideration. Therefore, I think we should be pleased at the amendments made to the Competition Act and the Competition Tribunal Act. I think these amendments tighten up the Competition Act. I will come back to the process in a few minutes.

I will, if I may, digress a little with respect to the speech my colleague in the Canadian Alliance has just made.

His speech started well and was very interesting, I thought. The end of it, however, was not a little disappointing as he encouraged the government to draft legislation to promote competition and, in the same breath, criticized the fact that there is a Competition Act that permits competition. There is a certain lack of consistency here. With all due respect for my colleague in the Canadian Alliance, I must say that he seems to be speaking for big business in Canada, which naturally would like the body of laws applying to matters of competition to be as flexible and as minimal as possible.

He is forgetting very quickly that in Canada, and in Quebec, especially, the fabric of the economy is comprised essentially of small and medium sized businesses, that would absolutely not survive in a context of free market competition, which is what our colleague from the Canadian Alliance is energetically calling for.

A certain number of parameters must therefore be established to enable all businesses to be able to compete fairly regardless of size. Some businesses, some corporations, will be in a position to do more because of their size. Under the circumstances, provisions will have to be put in place to ensure that there is a proper and fair context for all sectors of industry.

In this connection, we in the Bloc Quebecois consider, as we always have moreover, that the Competition Act in its present form, despite its laudable objectives, does not contain the means, does not contain sufficient elements, is not sufficiently stringent, and does not have sufficient teeth to avoid certain behaviours that are anti-competitive.

Of course, although Bill C-23 does improve the existing legislation just slightly, we would have liked it to go a great deal further. The preliminary examination in committee provided us with the opportunity, as I said last Friday, to broaden the spectrum of possible interventions and the provisions that could have been added to the bill in order to respond to this desire to create a body of legislation, which would be more able to provide a context favourable to competition.

We would, therefore, have liked this bill to go a lot further than it does. We made an intervention, in fact several, in committee. As well, here in this House we tried to get the Competition Act tightened up further via an amendment presented last friday by my colleague from Laval Centre. Using a number of arguments that I still consider fallacious, the government saw fit to defeat that amendment, a point to which I shall return shortly.

● (1230)

Let us get back to the process. As I said, this is a process that began in 1999. The discussions went on and on. The committee worked really hard on this issue. Incidentally, I want to take this opportunity to thank my predecessor as Bloc Quebecois critic on industry, science and technology, the hon. member for Témiscamingue, who did an absolutely remarkable job along with the other committee members. The Department of Industry was also interested in a possible review of the Competition Act.

It must be said, and it is important to point this out when referring to the long process leading up to Bill C-23, that certain provisions on competition in the Canadian legislation go back more than 100 years. Some of these provisions deserve to be updated, given the economic context and framework in 2001.

The government, the Department of Industry, and particularly the minister himself, showed an interest in improving the Competition Act. Some proposals were made by a number of colleagues in this House, including private members' bills, Bills C-402 and C-472 presented by the hon. member for Pickering—Ajax—Uxbridge, Bill C-438 presented by the hon. member for Kitchener Centre, and Bill C-471 presented by the hon. member for Notre-Dame-de-Grâce—Lachine, among others.

Oddly enough, the government chose to integrate these bills and decided to include in the legislation now before the House, namely Bill C-23, only the proposals made by government members. We would have hoped that the government would be as receptive to proposals from the other side of the House, but it does not look as if it is the case.

Be that as it may, the debate transcended parliament, since we asked civil society, including through the Public Policy Forum, to take part in the debate and to express its views on a possible reform of the Competition Act. I must say, and the minister mentioned it on Friday, that we heard essentially two different views.

Obviously, this is putting it bluntly, I will not deny it, but if we want to put things in context, there were basically two viewpoints.

First, there was the viewpoint of big business, which sounded much like our colleague from the Canadian Alliance, who said earlier that the Competition Act needs as little changing as possible, and that we most definitely must not include a right to private access or any other provisions or proposals that would go beyond what Bill C-23 contains. Then there were representatives from small and medium sized businesses who demonstrated a great deal of interest in including provisions that had not been included in the original Bill C-23, particularly the right to private access.

I will not delve any further into the details of the contents of Bill C-23. I think that the two previous speakers in this debate did a good job explaining the impact of the bill. I will simply recall the four main amendments that Bill C-23 originally contained: first, facilitating co-operation with foreign competition authorities with respect to evidence in civil action; second, prohibiting deceptive prize notices sent out to the general public and sent by mail and through the Internet; third, streamlining the Competition Tribunal process by providing for cost awards, summary dispositions and references; and fourth, broadening the scope under which the tribunal may issue temporary orders.

● (1235)

Finally, following the work done by the committee and the speeches made by its members, particularly the highly eloquent ones by the member for Pickering—Ajax—Uxbridge, based on the legislation to which I referred earlier, the government has agreed to make a few additions to these original four main elements in the bill.

First of all, provision has been added for private access, independently of the Competition Tribunal, so that private companies can take their competition cases directly, on their own behalf, to the tribunal in four specific areas mentioned in clauses 75 and 77 concerning refusal to deal, exclusive dealing, tied selling and market restriction.

Amendments have also been made to the bill with respect to dominant position. One has the feeling, from the wording of these amendments, that particular aim was being taken at a problem forced on us by the prevailing economic situation now facing the airlines.

Under section 104.1 of the Competition Act, the commissioner will be permitted to issue interim orders so as to prevent a company under investigation from continuing or resuming anti-competitive acts. As well, an airline could be required to pay monetary penalties, because this is indeed the purpose behind the particular amendments in this regard, under clause 79 concerning abuse of dominant position.

We would have preferred that the government not try to use these amendments to deal with a very specific situation. Abuse of dominant position can also be observed in other industrial sectors.

I come back to what I was saying earlier concerning the amendment put forward Friday by the member for Laval Centre. This amendment, as the House will recall, is taken word for word from a provision in Bill C-472, presented earlier by the member for Pickering—Ajax—Uxbridge, with the exception of three little words which independent gas retailers wanted to see dropped: standard market conditions. I will not go back over these three words, on the significance of the amendment. I spoke on this at some length Friday, when we debated Bill C-23 at report and second reading stages.

I simply want to say at this point that we would have liked the government to be more receptive with respect to abuses of dominant position in other sectors of the economy, not just in the airline industry. We on this side were referring specifically to what happened a certain number of weeks and months ago in the case of the sharp rise in gas prices.

Naturally, the minister himself told me in committee when he appeared that the cost of gasoline was actually quite low, so why get upset over the issue of gasoline prices? The current body of laws, even amended, does not protect us from a new flare-up of gasoline prices. This amendment among other things serves to protect independent distributors against the dominant position of the major oil companies, which alone control 90% of the Canadian oil refinery and distribution market and we would have liked to see it pass. We would also have liked to have section 45 of the Competition Act amended. This section, I remind you, is over 100 years old. A number of things have changed in the meantime, and these changes must be taken into account.

● (1240)

We would have liked an amendment on the relevance of keeping the word unduly in the section. I know that it raised a lot of debate. Some claim the word should be eliminated; others think it should be retained. I myself think the issue should have been expanded and the work not disrupted so that we could not go beyond the provisions contained in Bill C-23, with the few amendments, albeit significant but limited, that were finally added at the conclusion of the work of the committee.

It should be noted that despite the good intentions of the committee members and the witnesses who appeared before the committee—and I must, in this regard, congratulate and thank the witnesses for the depth of the analyses and comments they contributed—we might have done well to pay much more attention to them and to integrate more of these analyses and proposals into Bill C-23.

For a whole slew of reasons, it was decided not to. That said, despite all the goodwill of the committee members and the witnesses who appeared, it must be recognized that the very organization of our committee precluded our doing a really thorough job on this issue.

When the Standing Committee on Industry, Science and Technology meets four times a week to discuss three different topics, this makes the members' work difficult. It is hard for them to manage to address each of these three issues in depth, each theme raised in its four meetings each week. I think we would be better off if we were to consolidate the work, make it more consistent and thus be able to go into the various matters raised in committee in a little more depth.

Returning the subject at hand, as I said, it would have been worthwhile in my opinion to have been able to go into it further. Nevertheless, we must admit reality: Friday, the minister referred to the quality of the committee's work, and described it, rightly so in my opinion, as non-partisan. It is regrettable, however, that at the very end he adopted an attitude that was close-minded, to say the least, if not downright partisan, in rejecting the amendment proposed by my colleague from Laval Centre.

Those then, are my reservations, and I hope the minister listens to them. On Friday, I expressed the wish that he listen to the speech I gave on my colleague from Laval Centre's amendment. Similarly today, I trust that through his parliamentary secretary he will be attentive to the discussion of today.

That said, I am greatly perplexed and taken aback by the government's decision not to go any further with the pre-examination of Bill C-23 by broadening it. Yet, by its own admission, it intends to review and revise the Competition Act once again, at some point next February.

Rather than doing things a bit a time, perhaps we ought to have carried out a more thorough study of the proposed amendments to the Competition Act, and these could have integrated the concerns of my colleague from Laval Centre as well as the very legitimate concerns of my colleague from Jonquière concerning clause 45. As hon. members are aware, my colleague from Jonquière has spoken out in the media, here in Ottawa, in the House of Commons, and in committee, as well as in the national assembly, concerning clause 45. Perhaps we could have indeed gone into it further.

● (1245)

However, despite the concerns that I raise here today, and that I have raised in the past, particularly on Friday, and to which I hope the government is sensitive, despite all this, I would once again like to repeat today that the Bloc Quebecois, as it has always done since 1993 and even before then, when the founding members of the Bloc Quebecois sat as independent members, has always acted in the best interests of all, particularly in the interests of Quebecers, regardless of partisan politics.

Statistics show this to be true. Since the beginning, since Confederation, the Bloc Quebecois is probably the political party that has most often voted in support of government bills and initiatives. We are not guided by the extremely narrow prism of partisan politics. What guides our analysis in the Bloc Quebecois is the best interests of all, and particularly, the interests of Quebecers.

So despite the concerns that I raise today, I would like to repeat that the Bloc Quebecois will vote in favour of this bill because we believe it to be a step in the right direction. The government was not willing to take the steps required to make even more improvements to the Competition Act, but it is nonetheless a step. We can only hope that the government will continue to make progress so that some day we can have legislation that fosters truly healthy competition within our economic environment.

[*English*]

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I am pleased to speak to Bill C-23, an act to amend the Competition Act and the Competition Tribunal Act. The amendments to the bill are a move in the right direction.

I would like to thank my colleague from Winnipeg Centre for attending the committee meetings on my behalf as industry critic because I was tied up dealing with a number of transportation issues relating to security within the transportation industry and specifically the airline issue. I would also like to thank him for representing us quite well.

The amendments go a long way toward addressing a number of concerns. Bill C-23 reflects the wishes of a number of private members' bills and issues that have come forth over the last year or so. When a large number of private members brings into question a number of issues relating to industry, it is time for the government to deal with them rather than wait for each and every private member's business to come before the House and be voted on. To all those private members who brought forth private members' business to deal with these issues, I congratulate them for their efforts. All of us need to continue doing that if we want to see some of these issues addressed because the government will not deal with them unless that does happen.

I was very pleased to see the amendments in the area of private access to the Competition Tribunal. This was an area greatly criticized by a number of people in larger industries in the business world, but it was also felt by small business. This was an opportunity for business as well as individuals to question the tactics used by a dominant provider. I am pleased that the amendment has been made to allow some private access. It is not fully what people want to see, but there is no question it is a step in the right direction and will go a long way to empowering individuals to question some anti-competitive acts that take place.

There have been many questions in the last few years with regard to anti-competitive acts. The airline industry comes to light in view of what we have seen over the last few years with one carrier after another going under. Almost always in those instances we heard about the anti-competitive action of Air Canada, and we hear about that even to this date.

The competition commissioner suggested a lot of changes giving him more authority to react sooner and authority to order costs if a loss is related to the anti-competitive act. This legislation responded to a need that was out there. We still hear of Air Canada's anti-competitive acts at a time when our airline industry is in a crucial state.

Although the bill goes a long way toward addressing concerns over anti-competitive behaviour, I still do not believe that this is going to be the answer within the airline industry. More needs to be done in the area of regulating capacity if we truly want to provide a stable airline industry that will meet the needs of communities within Canada and not just the larger cities. We have to look beyond that.

Competition is not always the answer. There has to be balance. When providers are forced to compete to the lowest common denominator, we do not always get the best service or the safest service and the service maintained to areas where the cost can be higher. It is important that we look not just at the competition aspect.

The competition commissioner felt these changes were needed. He felt they would give him more opportunity.

● (1250)

I look forward to these changes possibly resulting in more stability, specifically in the airline industry. There is a need for the anti-competition issue to be addressed in other areas as well.

There is another area the bill has dealt with which I want to key into. Although it does not seem to be a very big issue to some, it is a big issue to the most vulnerable people who are often seniors and people who are not well. The issue is deceptive prize notices.

I am sure all of us at some point or another have received those wonderful envelopes in the mail that say we have won $1 million, that we will get a prize just by doing a specific thing and it will not cost us anything. Quite frankly, when I say the most vulnerable people in society, I qualify that by saying nurses and other professional people have contacted me with regard to deceptive prize notices. They have been caught up in these deceptive prize notices and it has ended up costing them thousands of dollars. The ones I have spoken to were embarrassed because they were caught up in it.

The bottom line is that deceptive prize notices are very misleading. It is hard to get a handle on the wording let alone the fine print. No one should feel embarrassed, ashamed or anything of the kind if they get caught up in this practice. These scams are put forth by people or companies that fully intend to catch us in one little phrase or one little note. That is their job. That is how they make their living. It is certainly unethical. A lot of us think it is immoral and unscrupulous. However, some people will do just about anything for the sake of making a buck. We need to recognize that and ensure that we have protections in place for consumers and the public.

If people who are involved in the day to day workforce, who constantly have to deal with forms and issues that have to be written down and formulated and know how things are done, if they can be misled, we have to wonder how we should allow these deceptive practices to take place for those who are most vulnerable, such as our seniors and perhaps people whose eyesight is not perfect. Where there is an intent to deceive people, we need to put laws in place to protect individuals. I am glad to see this has been incorporated.

The bill is an incorporation of a private member's initiative to address this particular practice. We hope to see an end to some of those deceptive prize notices that come in the mail. Quite frankly, when the member initially introduced his private member's business, I made a point of gathering up all those types of notices that were coming to my own house. Over a period of a couple of months some 20 deceptive prize notice envelopes had come to my house.

It is great to throw those deceptive prize notices in the garbage. Quite frankly, that is where they deserve to go. As it is, I normally get a pile of mail. However, some people do not normally get much mail and tend to believe the notices. It was an eye opener for me. I did not realize the problem was so bad. I am extremely pleased that the bill deals with that issue.

A number of areas have been addressed. The commissioner will be in a position to address a lot of the particular problems that were there. The bill, as has been stated, will weed out some of what were considered frivolous proceedings. The next logical step is to have a greater form of private access to deal with the anti-competition rules.

The NDP will be supporting the bill. It has been a long time coming. I am pleased to see that it appears to have support within the House. It will be one good thing that we will get done before the break. I hope the next really wonderful thing will be the budget we hear this afternoon, which I hope will address a lot of the concerns out there.

● (1255)

Mr. Grant McNally (Dewdney—Alouette, PC/DR): Mr. Speaker, I do believe I heard my colleague say in one part of her speech that competition is not always the answer. I wonder if she could expand on that.

Would she not agree that competition for the consumer is a good thing? When there are many opportunities for the consumer to choose, that often drives the price down which in effect is a good thing. I would like her to comment on the notion she raised in her speech, and I may be wrong but I think I heard it, that competition is not always a good thing.

Mrs. Bev Desjarlais: Mr. Speaker, I think the days of the gladiators in Rome are gone. Competition is not always a good thing if one is fighting to the death and there is no balance.

There is no question that competition can be beneficial to the consumer. However, at some point, when competition becomes the only goal and all we want to do is give a cheaper product at a cheaper price—

Miss Deborah Grey: Cheaper plane tickets.

Mrs. Bev Desjarlais: Cheaper plane tickets are okay as long as we are maintaining safety in the air, security at the airports and reasonable standards of wages and labour conditions. Those things are crucially important too. Quite frankly having strictly competition with nothing else in sight is not the answer.

We hear of numerous stores that lower the price of a particular product to get customers into the store in the hope they will buy that product. If a shopper goes in for only that product and gets the cheaper price, that is great, but the bottom line is that the customer usually ends up buying something else in the store at a higher price.

In the case of cheaper airline tickets, we also want to know that the airline is safe, that it is a good quality product, that the workers are being paid fairly and that safety practices are followed. However those areas often end up being cut as well.

Competition for the sake of competition is not beneficial.

I want to mention something I saw on a program a number of years ago dealing with young children in Mexico. These children were not brought up strictly on the basis of competition, as are a lot of our children who are involved in competitive sports and those kinds of things. They compete at school as to who will get the best mark. They do not help each other to do great. They compete to make sure they get the best marks and do the best because that is what is most important.

However these young children in Mexico were given a game and whoever won would get a prize. Let us just say the prize was two chocolate bars. What they found was these young children in Mexico, who had not been brought up in a competitive environment, did not really care who won. They were able to come to a balance in not really caring who won and they would share the two chocolate bars.

That is the difference between whether or not competition is absolutely necessary and where we need a balance in maintaining the quality of service, not just something for the sake of a lower price.

● (1300)

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I was also a member of the committee and I supported the bill and the amendments. The amendments improve the bill tremendously.

I support the bill but perhaps for a different reason than the member who just spoke. I support it because I believe competition is the foundation of capitalism, a free democracy and the best way to build an economy.

The amendments to the bill ensure that competition exists. When we get into virtual monopolies or oligopolies in this type of system, there may appear to be conditions when competition is not working the way it should. The provisions in the bill, such as private access, help to ensure that competition will be there to build a vibrant economy.

I am sure Canadians would not object to ensuring competition in the airline industry these days and that they have good choices in that industry.

I am delighted that the member referred at length to the deceptive competitions that we all get in our mail. Hopefully the bill would eliminate a lot of those so that if we get a notice of winning something we will have actually won something and it could not possibly cost us more to collect the prize than it would be worth.

My concern is mostly with the elderly. They get these notices in the mail but they do not know what they are. They think they have won something but it ends up costing them through the mail, through the 900 numbers or through whatever. I am delighted that all the parties have support this aspect of the bill.

I congratulate my colleagues who brought forward the amendments, such as the hon. member for Pickering—Ajax—Uxbridge in the great work he has done on the bill and on in bringing these issues forward.

Mrs. Bev Desjarlais: Mr. Speaker, the member used words that do not go together: good competition in the airline industry. Quite frankly, that is an area where it does not exist. There has been a lot of criticism of Air Canada's practices. Competition generally is okay. I am not opposed to competition but there are times when competition is not the be all and end all. We have to find a balance between providing quality of service and recognizing that having the cheapest price when one is not up front with what is provided with that cheapest price is not always the answer.

Certainly good, clean competition is fine, which is why we have rules in place, but we need to recognize that competition is not always the answer, that we can work together for the best possible service in a number of areas as well.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I listened carefully to the hon. member for Churchill and I am very surprised by her position on the issue of competition.

Today, in Canada, competition no longer exists in the airline industry. Air Canada controls 80% of all Canadian flights. This is why there is no competition in the regions. We cannot question airline safety. There are airline safety standards that must be met by each carrier.

In the regions, there is no longer any competition, and the result is that a Bagotville—Ottawa return airfare costs me $850 every week. Before Air Canada held a monopoly, the same flight cost me $200 less every week.

I am very surprised by the hon. member's position. I wonder if she could elaborate on this issue, and more specifically on what consumers lose with a monopoly.

● (1305)

[*English*]

Mrs. Bev Desjarlais: Mr. Speaker, I think my hon. colleague must have misunderstood. The airline industry is a classic example of the attitude that competition always works and with deregulation it will work, but it does not work in all cases.

At some point some carriers can say that they will charge a ridiculously low price. I am not suggesting any particular carrier is doing that right now but in order for some carriers to provide lower prices I think they cut services. That is not always the case and I do not believe that to be the case of air carriers, specifically the one in Canada right now that is providing a very low cost rate. There has been nothing to indicate that.

However, competition is not always the only answer but certainly competition generally can bring prices down.

During the competition between Canadian Airlines and Air Canada, they were at each other's throats the whole time. They wanted all the people on a given route and flew back to back with each other. It ended up that one carrier was put out of business and the other carrier became a greater monopoly and more of a problem.

Competition was not the only answer in that case. We needed some regulations in place.

I was happy to hear the transport minister actually allude to this a little bit last week in some news reports. He said that maybe we needed to regulate domestic capacity in order to provide the service. Maybe we need to recognize that to provide service to some far reaching and rural areas of Canada some support systems need to be in place from the Government of Canada, and the people of Canada, so that we support each other knowing that it might be a little more costly to provide service up here. It should not be strictly on the backs of the airlines. It should be on us as a country to provide support and assist people throughout the country. That is the balance I would like to see within industry.

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, it is a pleasure to enter into the debate today on Bill C-23, the Competition Act.

Contrary to what the last speaker said, I think the world needs more competition. I would even suggest more competition even at grade school level where kids will learn the facts of life, one of those facts of life being that we win some and lose some but, most important, that we be competitive.

We have a problem in the schools right now. The kids are smarter and they can somehow get around things. When we herd kids out to the playground for the year 2000 or 2001 sports day and tell them about the high jump, we just lower the bar and everybody kind of throws themselves into the pit so that everybody is a winner and everybody feels good. In the hundred yard dash everybody gets into a blob in the middle of the field and they all run in whatever direction they can. They come back later and they all get a blue ribbon. Do they not all feel good?

The problem is that is not competitive. It needs to be competitive because kids need to find what it is that they do well and what they excel at. A competitive world does that for them when they are adults anyway. What we should be doing to help our kids is start them off by telling them we will help them find what they are best at and good at and encourage them to do that.

The same thing could be said in the Competition Act about creating competition or creating the atmosphere or an environment where good competition can take place. The bill is not meant to regulate competition so much as it is to regulate or to restrict anti-competitive behaviour. Anti-competitive behaviour is like the high jump contest. When somebody trips another kid on the way to the high jump it is an anti-competitive behaviour and not a fair behaviour. The bill tries to address that by saying that some things are just not right in a competitive marketplace.

The bill does its best to help the players in the marketplace understand what fair and unfair practices are in a competitive and free market society.

I believe the bill would never have come to the House as it has, had it not been for the work of the member for Pickering—Ajax—Uxbridge. His private member's bills were really the impetus behind this. I do not think there was any idea that the industry minister was going to bring this forward. I do not think it was on his radar screen. He is so busy stockpiling a leadership war chest that I did not think this would even come up on the radar screen. The member for Pickering—Ajax—Uxbridge did a good job. He brought forward a series of bills that pointed out some weaknesses in the current Competition Act that needed to be addressed and that we needed to get with the 21st century. I commend him for his efforts in bringing that forward and highlighting some of the problems in the existing act.

One of the problems I have with the bill is that it is supposed to be framework legislation. Framework legislation means that it gives the parameters for a good competitive law in the country. That is as it should be. It should give broad based principles. We have a commissioner who administers those. He or she should have the authority and the power that this act confers on her or him and the tribunals to make sure things are done properly.

What the bill has also been forced to deal with is to get specific in a couple of areas where there is a strong feeling that we have an anti-competitive marketplace, specifically in the airline industry. While I do not disagree with the amendments, it is kind of like we have to go the way of these amendments in order to deal with the airline industry in the bill. I believe we are doing that in the bill because the government has failed the country in its transportation policy. To create a competitive marketplace in transportation requires the proper transportation framework rather than a Competition Act framework.

● (1310)

What we are doing is trying to fix a mess left by the transport minister, who has presided over the demise of six airlines in the country over the last couple of years because there is no framework legislation on the transportation side that allows for the flourishing of the competitive world of airlines.

That is a shame, because now we are hearing things like we will penalize Air Canada under the act to the tune of up to $15 million if it does not do things right, whatever right is, in the eyes of the anti-competitive behaviour. Now we are hearing talk about perhaps nationalizing Air Canada, of all things. We are hearing people talk about how it is such a dominant carrier that maybe it is only right that we nationalize it, of all things. Third, we are hearing all kinds of chatter about re-regulating the airline industry, chatter saying that we can put on an A-320 from here to there but then we have to have an F28 from here to there and we can charge so much. What a quagmire they are getting themselves into by starting to talk like that.

We should be talking about a framework for the transportation industry that allows broad competition, including, I would say, an active negotiation with the Americans on reciprocal cabotage, something that would allow the American carriers on our routes here if in turn, as it has already proposed, Air Canada would be allowed to do the routes south of the border.

Contrary to what the transport minister said the other day, it was in the newspapers again last weekend that the Americans are stating they are interested in that and they think they should sit down and negotiate that. I urge the transportation minister and the industry minister to get with that before we lose another airline in our country. Let us get at fixing the industry problem, not the competitive problem, because we cannot fix one without fixing the other. That is for the transport minister and that deals with a specific part of the bill.

Let me talk about a couple of other things about the bill that are important for Canadians to know. First, the bill does give an increased specificity on international co-operation on anti-competitive behaviour. This is increasingly important because we are moving into a globalized economy, we increasingly are working in a globalized trade economy and we are working, hopefully, by the rule of law in more and more countries that want to come in and all play by the same set of rules.

Undoubtedly one of those rules in the future would be a common set of rules on how we define anti-competitive behaviour. This is a real problem because we can see what happens, for example, with a merger, one of the things the Competition Act deals with. A merger can be approved in Canada or in the United States, but because we are dealing with international corporations, the same corporations that obtained approval in one continent could go to Europe and find out there is a different set of rules, such that the transaction, the merger, that was approved in one hemisphere would not be approved in another.

We simply have to get a common set of rules around the world on what is acceptable for competitive behaviour and what is unacceptable in anti-competitive behaviour. We will be moving that way. It is inevitable, I believe. It is part of this inevitable globalization of the business community, but increasingly part of what we need to do in Canada and in other industrialized nations is to set the pace and show people that we want to be competitive, that we want to play by a common set of rules.

The bill does give a sample of the type of international agreement we might enter into with another country to reciprocate as far as the sharing of information is concerned, the sharing of trade secrets, so to speak, how much is to be divulged and who would get access to it. All those things are very important, because although we are concerned about competition in Canada, international competition is a driving force in many of our businesses today and will be more so in the future. Getting this right, getting the framework right and getting other industrialized nations to buy into the same kind of framework will be key.

I would suggest that we start with our American partners because we and the Americans have a common understanding of the rule of law and the need for these trade agreements, investment agreements and competitive competition agreements. I suggest that we start with the Americans, bring that together and then move quickly to the G-7 and the G-20 and get at least the industrialized world to agree to a common set of competition laws. We need to do that and I would argue that we need to do it sooner rather than later.

● (1315)

The other parts of the bill are relatively easy to support. There is an increased necessity for giving notice of winning a prize in what I call these fake-a-loo contests where something is sent to people. I got some again on the weekend.

An hon. member: Did you win?

Mr. Chuck Strahl: I would swear that I was a millionaire and a boat owner and I won a car all this weekend just by simply opening the mail, except of course that it was all bogus. I will not win anything and I know it. All that went into the big, round filing cabinet.

The bill would force people to say what the prizes are. Also, in regard to these bogus contests that basically say "Send me $500 and it will take you to the next step" the bill would make people provide details for those who are easily deceived or perhaps not sure of what the laws are. It would force companies to put that front and centre in these deceptive contests. I guess it really does come down to the caveat emptor and buyer beware business, but at least the notice would appear on the front of documents. That is a good thing.

There is another thing that the amendments we worked through specifically brought to the Competition Act, and it is the big ticket item, the right to private access. This was in one of the bills brought forward by the member for Pickering—Ajax—Uxbridge. The right to private access was quite contentious in committee and basically broke down along two lines. It seemed that the bigger the business or the more omnipresent the business the less likely it was to be in favour of right to access. The Canadian Federation of Independent Business was in favour of private access.

Private access allows private businesses to initiate an action if they feel they are the victims of anti-competitive behaviour. The way it is right now, if this bill did not pass, for example, they apply to the commissioner and the commissioner may or may not approve it. He may say it is too regional, too local or not within his purview. The right to private access allows private parties, any company or individual, to apply directly to the tribunal for remedies concerning everything from refusal to deal or tied selling, market restriction, exclusive dealings and so on. The tribunal would be able to deal on that without the commissioner's blessing, so to speak.

The commissioner is in favour of this. He does not feel like he is getting the shaft or anything. He is perfectly happy with it. The tribunals will rule. The commissioner may even at times join with the plaintiff in the case if he thinks it is a good case. If he thinks it is integral to future jurisprudence, for example, he may join in and actually take part in the tribunal case. The important thing is that private companies will have direct access to the tribunal for the first time. We heard many people testify that they would like the privilege of doing that. I think if they want it they should be allowed to do it just like they would in any other court case.

I would caution people who think it is a panacea. There is no doubt that a private right to access case is an expensive business. It costs a lot of money and is a very specialized type of litigation. Those who want to start it had better be pretty sure of what they are doing and be prepared to fork over a good amount of money. These things take a long time and are not cheap. That being said, it is up to individual companies to make that move. If they feel they have winnable cases, more power to them.

There was also an amendment that came through at the committee stage. The initial draft of the bill stated that in order to receive costs from one of these private litigations, vexatious action had to be proven on behalf of the other party. In other words, it was to prevent someone from bringing something forward just to be nasty, to drag it through the courts, to tie another person up. It was basically the same sort of thing as a libel chill on a competitive business. We removed that standard of having to prove vexatious behaviour. We just said that if someone wins the case and deserves costs he or she should not have to prove that the other party was vexatious or malicious. A person should just have to prove that it was a very strong case, won fair and square on the same common law rules as anyone else. That initial proposal was removed and I think the bill was strengthened because of that.

● (1320)

There would not be triple damages, though, which is the American experience. The American experience is to allow people to bring a private access case. If they win the case they are awarded triple damages. It is a very punitive system, in which someone could say "I spent a couple of million dollars taking IBM to court, I won the case and IBM owes me 6 million bucks just for my court costs because I get triple costs".

In Canada we have decided to take a different and, I think, more prudent course. We are saying that if people win the case, they get the rulings, they get the interim orders and they get the anti-competitive actions to stop, but we do not make this a windfall for the lawyers and for people who just want to spend their days in court. I know a few people who love going to court. I will not mention names, but they seem to want to go court at the drop of a hat. There is a simple statement in the news or something and before long people are in court; they seem to think this is a good way to make a living. They will not make a living under this bill.

Under the bill the costs would come back but that is all. People would not get triple damages. Hopefully that would keep most of the sharks out of this pond and allow people who are really concerned about anti-competitive behaviour to actually deal with that issue by itself and not make this just a money making enterprise for the lawyers who specialize in this.

If I may, I will mention again that overall the bill would strengthen the current Competition Act. It would allow the right for private access, something that we support. However, it does it in a way that would restrict lawyers from making a killing on it, so to speak. I think that is proper. It would restrict the ability to do deceptive mass mailings to create the impression that people could win a big prize if only they would fork over a little bit of money. That is proper.

The bill streamlines the tribunal process, which is good. We heard a lot of testimony from people urging the tribunal to put together a proper case management system so that the number of witnesses and so on is not restricted. Instead of endless debate, then, we would have a case management system that would allow things to go forward, as the justice minister would say, in a timely and proper fashion. That would certainly be the case if the government were to do that case management more judiciously.

The bill would allow for temporary orders or interim orders if there is some sort of anti-competitive behaviour that is injurious to someone in a way such that the commissioner says it has to be stopped right away. In some cases he would be able to put forward a cease and desist order to stop irreparable harm being done to a business.

Overall, I believe, the bill should be supported at this stage. I again urge the government to think in terms of leaving the Competition Act as framework legislation and trying to fix the other industry problems, whether it is banking or airlines or whatever it might be.

The government should get into the game when it comes to creating a competitive transportation system. The transportation system is not fixed with the act because we cannot force competition in this, we can only prohibit anti-competitive behaviour. To get competition we need good transport policy. We do not have good transport policy in the country and that is the reason we have seen the demise of six airlines in the last two years.

The legislation as is, I believe, will work. I think it is worth a try for those who have expressed concerns about it. We will be watching to make sure it does not get out of hand, but at this stage I do believe it is the best compromise we could come up with. I do believe it is a good balance. I would urge that the other industry specific problems be addressed by those ministers in charge of those specific industries.

● (1325)

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, I believe my colleague would like to ask a question so I will make it brief. While speaking to Bill C-23, the member referred to the transportation sector, specifically the airlines. He suggested that reciprocal cabotage would be one avenue that should be pursued. He likened it to what Air Canada had proposed. My understanding is that that is not the case. Air Canada's proposal was that for a U.S. carrier to go between two Canadian destinations, it would have to have a middle stop in a U.S. airport and vice versa for Air Canada.

Could the member clarify his understanding as to whether or not we are talking about reciprocal cabotage or some sort of a clone of cabotage with some restrictions? He might also want to comment with regard to a national transportation policy in the context of a shrinking marketplace.

Competition obviously is important to Canada in ensuring service and price benefits to the consumer. At the same time the U.S. experienced a drop of about one-third in the utilization of its capacity during its highest week, Thanksgiving week. Canada also has experienced a significant contraction. When we consider the financial fundamentals of most Canadian airlines, other than possibly WestJet, there are serious consequences to a contracting marketplace and also a reducing market share if the competition rules would restrict that competition.

Mr. Chuck Strahl: Mr. Speaker, to respond to the member's first point about the cabotage or the genetically modified cabotage proposed by Air Canada, I believe we should look at all those options. There were other options. I read more options in the paper today by another transportation writer who talked about possibly allowing someone to come into a new market that has been developed by a new competitor, not allowing Air Canada to jimmy the prices on a weekly basis, and to set a price and guarantee the price for a certain amount of time.

A number of things can be done in the transportation marketplace; reciprocal cabotage is one of them. If the Americans are interested we should at least talk about that. If it is a modified version where people are zigzagging and stopping in Chicago on their way to Halifax or something, we could talk about that too.

The essence is that we have to find ways to increase competition. If that will do it, then by all means let us explore it. The important thing is let us initiate conversations with their American counterparts. Everyone has the same shrinking market problem. Perhaps consumers and companies on both sides of the border can benefit from the flexibility that this sort of reciprocal cabotage arrangement might bring to the marketplace.

It seems that the incredible shrinking market has affected everyone, probably with the exception of WestJet in Canada and Southwest Air in the United States. They seem to have got around it by being very specific in their marketplace.

I do not know what we can do about that. We could encourage more travel, and we have done that. We have spent money on ads trying to promote the industry, but there is an oversupply and that in the long run means there will be some companies that will go broke. I do not mind them going broke, if they go broke for legitimate, competitive reasons. What we do not want is having them go broke because they have found themselves in a market where they are not allowed to try new things and to explore those options.

One problem in Canada is that Air Canada in part is a creation of the federal government. We have come to this because of longstanding government policy of years ago that helped to create this monopoly. A number of assets were given to Air Canada through a crown corporation. A bunch of debt was forgiven. When Air Canada went through the merger proposal a couple of years ago, the government got involved in which ones were acceptable and which ones were not. For example, it would not take the Onex deal.

The government has forced Air Canada to do certain things and because of that, although it is hard for me to drum up any sympathy for Air Canada, it finds itself in a box not entirely of its own creation. Therefore, when it puts up a red flag says that it does not like the industry specific, Air Canada specific amendments to the bill, it will have to live with it because I will support the bill as is.

Where Air Canada does deserve some sympathy is that it has arrived at this place not entirely of its own doing. It has been boxed in, pushed in certain ways and regulations have made things a certain way. It is trying to live with whatever reality is now. The reality is we have a dominant airline that has 80% or 90% of the market share. With this bill, we are trying to find some way to protect what few airlines still exist in the industry to ensure they are competitive down the road.

● (1330)

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, I would like to express my deep gratitude to the members of parliament who have mentioned my riding from time to time. I also would like to thank the hon. member for Fraser Valley. He was instrumental in assisting the committee and was very much, along with the member for Verchères—Les Patriotes, instrumental in ensuring a co-operative spirit in which we could advance the bill.

We heard from a number of witnesses during committee, as we had before, who were suggesting that was the end of the earth, while more reasoned level heads suggested that perhaps, as far as private access was concerned, it did not go far enough.

Clearly, I do not wish to anticipate what the other House will do, but I know the hon. member represents a party that has a substantial holding in the upper house. Would the hon. member be able to reassure the House, given where some of the lobbyists will be going, that the wisdom found collectively by all members of the House can also be repeated, certainly with his assistance, and will he endeavour to do that?

Mr. Chuck Strahl: Mr. Speaker, one thing I have learned over the last two or three years is that it is best not to suppose too much about what may happen in the other place lest we pay the price just for having supposed it.

I would make the same arguments to senators as I would make to anyone else. This is a good balance between the right to private access enjoyed in Australia, the United States and other jurisdictions around the world and the right to make an application directly and those who say it does not have enough teeth and if they win their case they should get triple damages like in the States. I would argue with everyone that this is a modest proposal that allows for some private access.

However we should not pretend that this will be a panacea. When an individual says he or she is being driven out of business because, for example, the motel across the street has lower rates, that will not go before the Competition Tribunal. One has to prove anti-competitive behaviour and it will be difficult to prove.

People do not have to worry that the bill is too intrusive. It will be difficult and very costly to prove anti-competitive behaviour. People will not be frivolous about this. There may be one or two frivolous cases, but after the first million dollars or so is spent on legal fees, people will find out that this is not something that is done for fun and that they had better have good, strong cases. That is what will restrict the number of cases before the tribunal on the private access side.

● (1335)

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, it is indeed an honour to be here today after several years of attempting to redress certain wrongs that were not being perceived correctly in the marketplace. The efforts of myself and my colleagues are finally being recognized on the floor of the House of Commons today.

It is a privilege to have worked with members on the other side of the House, in particular le député de Verchères—Les-Patriotes, the member for Winnipeg Centre, the member for Fraser Valley, the member for Edmonton Southwest and the member for Peace River. I want to give particular thanks to my colleagues who have stood shoulder to shoulder with me over the past several years as we went through the historical and concerned battles with respect to inappropriate pricing, particularly for the independent retailers of gasoline, and the impact which I think we are seeing unfold today of the mergers in the grocery industry and in the telecommunications industry. I thank the member for Tobique—Mactaquac; my good friend and colleague from Yukon; the member for St. Catharines, who is also the vice-chair of the committee; the member for Eglinton—Lawrence; the current chair, the member for Essex; the member for Burlington; and the member for Algoma—Manitoulin.

The bill in essence has been drawn from three or four private members' bills. The more controversial parts, needless to say, came from my Bill C-472 in the last parliament. This understanding of the need for change started back in 1996-97. Yes, it occurred in the energy industry but it also meant that it applied to every other industry as well because we understood the competitive process. At the time there was much resistance to Bill C-235 in the House. Notwithstanding that it had been voted on at second reading and sent to committee, the bill suffered ignominious defeat. It dealt with a concept which has now gripped the country in other industries, that is, the whole concept of the strength and effectiveness of predatory pricing.

It took the courage, understanding and sympathy, as well as the good intentions of the member for Scarborough Centre who, along with the competition commissioner and the then minister of industry, took the time to hear the concerns. They heard the frustrations that were being delivered to me as a member of parliament by a number of businesses in the country that had no voice.

This legislation could not have been without his efforts. The hon. member for Scarborough Centre will be one of the unsung heroes should the legislation meet with the support of the upper house. I wanted to take the time to pay tribute to his efforts without which I think this change to the Competition Act would never have been debated today. We certainly would be dealing with other issues.

I have been on a very long road, some would call it a crusade, not only to amend and bring our competition law in line with our competitor's but also to have it respond effectively to the needs of Canadians, whether they be in large businesses, in small businesses or consumers.

Years ago I wrote an article with respect to the CRTC. At the time I quipped that it was not Canadian radio, television and communications but rather consumers who were rarely taken into consideration. I think we have for some time forgiven ourselves for not doing enough to ensure that there is a level playing field for consumers who want to receive not just effective costs but also choice.

More often than not people will ask how we can attack this issue or that issue when the price is so darn good. We all know the old common quip of short term gain, long term pain. If one business is able to remove its competitor, often through a lack of oversight, which it must rely on for supply or from an acquisition perspective, we suddenly see the prices rise dramatically.

More recently the member for Fraser Valley and I have been co-slaggees, which is not really a word. We have been hit by a couple of editorials in some of what I would say are papers that are more in tune with business papers such as the *Financial Post* and the Southam chain or at least the Ottawa *Citizen*. That happened because we dared to suggest that the Competition Act, which they wrote in 1986 with the help of a handful of individuals, should now be subjected to the democratic rigours of members of parliament.

● (1340)

Day in and day out members hear frustrations from their constituents that there is no response because the competition commissioner or the Competition Bureau does not believe there is a case or there is indifference. Also if someone were to speak out without the protection of a member of parliament and parliamentary privilege, that person's company could find itself subjected to rather unsavoury tactics after the fact.

We are here today to provide a new direction, a direction that does not radically depart from the essence of due process of the Competition Act. What we are saying is that in the case of private right of access, interim orders, and certainly in the case of cease and desist as is better described, we are now helping people who might not have the time let alone the financial deep pockets to spend the time trying to defend themselves.

We saw this happen with independent gas retailers. I have mentioned a number of other industries where this occurs. Parliament and the media are very much gripped with the issue of Air Canada. It was music to my ears after writing a letter on November 23 to the Minister of Transport. I requested that he not issue a separate operating certificate for another discount airliner but, more important, that we toughen things up given his position, the week before of improving the Competition Act. Perhaps more adjudication of issues coming out of the airline industry could be provided and more issues surrendered to the rigours of our Competition Act. We could also look at a scenario that provides stronger, tougher cease and desist, not just for an 80 day maximum but right up until the tribunal has the time and an opportunity to review the potential or alleged anti-competitive act.

I also called for a penalty of some $50 million. As colleagues know, the committee, I guess wisely, chose to make that $15 million. The point was made. I want to suggest, not just to Canadians who may be listening to us today but to backbenchers and people who normally do not have a hand in influencing law, that indeed we can make a difference when we decide to apply ourselves on issues that are relevant to Canadians.

We have had opportunities in the past to look at changes to the Competition Act. The subject I would like to discuss is private access. So that people will understand, this allows it in four limited areas. We wanted to make sure we were observant of the safeguards. So many thought we would dispose of them, that we would somehow fling ourselves open to that terrible system which the United States has, not to mention that it is the most productive nation in the world from an economic point of view, but God knows we were not allowed to talk about triple damages or Australia's example of double damages.

No, Canada had to have a form of economic feudalism imposed on it by a handful of individuals who wrote the Competition Act in 1986. For some strange reason they do not want members of parliament meddling with a perfectly good piece of legislation when it is improved and certainly sanitized by the views of Canadians as represented democratically.

I found it very interesting that we heard from the likes of, and I will not mention his name because I do not think it is worth mentioning, people involved with the *Financial Post*. They actually suggested that members of parliament ought not to be making deliberations, that they should be something between business and business when it comes to the Competition Act.

Comments like that obviously are made by individuals who very much believe that they can hide behind their pens and write whatever they want in the solid belief that paper will not refuse ink.

We have heavier goals to respond to. One of those is to ensure that we have effective legislation that meets the test of time. It is for this reason I compliment the initiatives by our government to address some of the fundamental failings of the Competition Act but in particular not to give businesses an opportunity to engage and an opportunity to bring their cases before the Competition Tribunal. Why is that so important?

● (1345)

[*Translation*]

As we heard on several occasions, there are not enough precedents with the cases that are submitted to the Competition Tribunal. This is why we do not know the specific weaknesses and strengths of our Competition Act.

It has been at least 15 years since the act was truly reformed and the vast majority of Canadians think we should take this opportunity to review it and ensure that the objectives of our constituents, of consumers and of all businesses, big and small, are included in this legislation.

It is therefore with great pleasure that we made representations, as we are doing now at third reading of the bill, to ensure that small, medium and large sized companies, which really know their product and their business, are at least given an opportunity to know that they can submit their case to the tribunal. We want directors and those who work with the Competition Bureau to have an idea of these lesser known changes.

These differences are often not perceptible to public servants, but they are well understood and supported by those who work in that business field. This is why I am sure that by providing tools to businesses first they will at least be able to settle their cases, because we will have made the act accessible to them.

[*English*]

It is for this reason that these initiatives affect small businesses as much as large businesses. The public perceives that there is a problem but cannot get the proper justice. It cannot get the attention of the Competition Bureau to express the difficulty that exists. Those difficulties may happen in a short period of time, such that the person may be physically out of business.

There are many examples of businesses that have gone under. They have not gone under because they were not efficient and competitive. They put in their sweat, equity, their children's future and their own future. However, much larger businesses with deeper pockets knew full well that the Competition Act was written in such a way that only those who had deep pockets could make use of it.

It is for this reason that we have finally changed the definition and perhaps changed the Competition Act in such a way as to give those individuals a fighting chance to bring their cases before the Competition Tribunal.

These are not questions that we could easily dismiss about whether or not there would be effectiveness with the legislation. The committee heard from Australian commissioner Allan Fells. Australia is not just another country. It happens to be literally a brother or sister within the Commonwealth with laws that are much along the same wavelength as ours. The commissioner came to the conclusion that much of the body of law had been improved by private access, particularly in the area of refusal to deal. My hon. colleagues had an opportunity to exchange those views with the commissioner. We were very pleased to see that happening.

On the other hand there were concerns that having a bit of private access in Canada might ultimately lead to some kind of perversion in which we would have frivolous and vexatious or, as some would call it, strategic litigation. My amendments in committee were improvements. We improved on the terms “if it finds that the proceedings are frivolous or vexatious or that any step in the proceedings is taken to hinder or delay their progress” by putting forward an amendment in accordance with the provisions governing costs in the federal court rules, 1998.

There is little that one can raise as a concern about what this would lead to because it is already understood in law and it is the practice of every court. It is literally a situation wherein a judge would ask to have this stupid case removed from his court right away. The rules the committee suggested, and I hope parliament would approve, would see individuals who bring frivolous or vexatious claims pay a substantial cost as an disincentive for them not to engage in frivolous or vexatious activity.

The member for Fraser Valley suggested that was inevitable. We know that we can do this before any court. The provisions and safeguards are there. Notwithstanding their efforts, professors Michael Trebilcock and Tom Ross suggested that the time to deal with this had ended. We have been dealing with this for 30 years. Let us get on with it. They also suggested that perhaps down the road it would give rise to the need to extend it to other areas, for example abuse of dominant position in sections 78 and 79 of the Competition Act.

Those would be bold moves but they are not ones that parliament would want to make today. We have struck the right balance between assuring that the provisions of the bill would incorporate both the anxieties of those who suggest it is going too far and accommodating those who say in the main that we have not gone far enough.

I am pleased to see that the committee and parliament are addressing this issue with the help of the Minister of Industry at a speed that would allow us to ensure that 2002 will bring with it new expectations for the economy.

This is not just any other bill. The Competition Act, as we will learn today, is probably the second most important economic instrument to Canadians after our fiscal and monetary policy. It is for those reasons that while there are some who say monetary and fiscal policy must be in sync the bill says that our competition law must be in sync, with the rest of the world in a more globalized environment. I am pleased to see that the committee decided to proceed with some of those necessary changes.

● (1350)

We have heard some criticism being levelled at people who tend to venture out and respond to crises several months before their time. When I began my concerns about what was happening in the energy industry, it was not simply about gasoline.

I have a bill before the House that is votable. It deals with the efficiencies defence in the Competition Act in the area of propane. Last year I was concerned about the sudden dramatic rise in the price of heating oil. The government acted responsibly in helping those who had no way of defending themselves. I applaud the Minister of Finance for having done what he did.

If we can take advantage of loopholes in the Competition Act in one specific area, chances are we will be able to do it in others. It is quite ironic that in an article written last week by the *Financial Post* we read that airlines do not need to be regulated any more than gasoline. This speaks to the very issue that I brought forward. The Competition Act responds to many sectors of the economy as a framework law. We are here to improve the process.

I find it passing strange that the same papers which lament members of parliament and senators engaging in issues that are important to Canadians have the unmitigated gall to engage in a critique in a soft and independent editorial viewpoint.

We saw that this week with respect to Southam telling members of one of its many groups that if they did not like what it was doing they should not bother publishing it. What happened to local views? What happened beyond the question of price to some of the competition? It is clear we have a problem. This is exactly why on August 3, 2000, I wrote to the Prime Minister, saying:

> This week's announcement by CanWest Global to acquire controlling interest of Hollinger Inc., coupled with BCE's acquisition of CTV, has fuelled wide speculation that more media takeovers and mergers are pending...Communications media compete in part by offering independent editorial viewpoints and an independent gatekeeper function. A scenario that eventually sees only a handful of media players, cannot effectively respond to a demand for choice or diversity of competition by extending their product lines, since the new media products will inevitably bear, to some degree, the perspective of their common corporate parent.

If it is good for the goose, it is good for the gander. This has been done in industry without even the prospect of oversight. Companies have disappeared in the night, have been wiped off the map, because they were buying gasoline for 52 cents a litre wholesale with all the taxes included but the person who was supplying the gasoline was selling it for 47 cents.

That is anti-competitive yet it is not illegal under the current definition in the rigours of our act. Nor is it illegal to have 75% of the market for propane in one specific region of the country at a time when farmers need it for drying their crops. Nor is it illegal for an airline company that has 80% of the airline market to say it will drop its prices, but only in two locations where it has any semblance of a vigorous and effective competitor.

It is nice to receive editorials, condemning or otherwise, but it would be nice if papers had the intestinal fortitude to publish a story relating to that which they are criticizing. That is politics, I suppose. When we do not have to put our name on the ballot to get elected, is it any wonder that we can hide behind the pen and say anything we want?

The courage of the House of Commons and members of parliament to make dramatic necessary changes in the context of the country and the Competition Act warms the heart of every consumer in Canada. I applaud each and every member of parliament. Let us keep up the good work and make a difference for Canadians.

STATEMENTS BY MEMBERS

● (1355)

[*Translation*]

TOBACCO CONTROL

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, every year smoking kills over 45,000 Canadians. It is our country's most pressing public health issue. The new federal tobacco control strategy is ambitious and bears witness to the government's commitment to fight tobacco use and its effects on the health of Canadians.

This comprehensive strategy is based on our significant successes in recent years: the Canadian tobacco use monitoring survey for 2000 indicated that tobacco use among Canadians aged 15 years and over had reached its lowest point, 24%, since the survey was initiated in 1965.

Among young people, one of our greatest challenges in the fight against the use of tobacco. The rate of use among youths aged 15 to 19, which had been 28% in 1999, is now reported to be 25%.

In the next 10 years, we will be working to achieve our objective of cutting the number of smokers by 20%, reducing the number of cigarettes sold by 30% and increasing to 80% the number of retailers complying with the provisions of the Tobacco Act, which prohibits the sale of cigarettes to young Canadians.

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[*English*]

THE ECONOMY

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, the Canadian dollar sunk to an all time low no less than five times in the last month. The burning question on the minds of Canadians is: How low can the Liberal loonie go?

Will the dollar have to drop all the way to 50 cents before the Liberals finally admit that their limping loonie needs a bit of a boost? If we believe our Prime Minister, the loonie cannot go low enough. For over three decades our Prime Minister has been spouting the same simplistic dime store wisdom that a low dollar is good for exports. Yes, exporting Canadians.

Canadian businesses do not need a low dollar to compete. They need a Prime Minister who understands the obvious. A strong dollar actually is good for Canadians. I would like to pass on a simple message to the driver of the loonie bus: “You are going the wrong way”.

* * *

● (1400)

MULTICULTURALISM

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, on Friday, November 30, a fundraising event was held in Hamilton to raise funds for a Hindu temple that was burned to the ground as the result of an arson attack in mid-September. The temple was the spiritual home of 800 local Hindu families.

Approximately 1,200 people from the Hamilton area attended the fundraising event. This incredible outpouring of support showed the true community spirit of Hamiltonians. I am proud of the citizens of Hamilton who worked so hard to make this event a success. Without them we would not have been able to raise the badly needed funds for the local Hindu community.

This is an example of the compassion that Canadians feel for their neighbours, no matter their race or religion, in their time of need.

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TERRY FOX RUN

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, Peterborough schools are famous for their support of the Terry Fox Run. Over the years our schools have consistently led the nation in fundraising and participation.

This year was no exception. Nine Peterborough schools raised almost $200,000 for cancer research. However St. Peter's Catholic Secondary School set a new standard. The school raised over $80,000, the most ever raised by a single school.

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I ask all members of parliament to join me in congratulating all those associated with school Terry Fox runs this year. As we do so, let us give a special thought to Peterborough schools and especially to St. Peter's for its magnificent efforts.

Terry Fox ran through Peterborough 21 years ago. He would be proud of these young people and their contribution to his wonderful cause. I say to go, St. Pete's.

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CHARLES MELVILLE PRICE

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, on January 30, 1944, Sergeant Charles Melville Price was one of seven men on board a Lancaster bomber that was intercepted and shot down in the Netherlands. It was not possible at that time to recover his remains and Sergeant Price was never laid to rest with all the honours he so rightly deserved, until now.

I am pleased to advise the House that last week, at the Zwanenburg General Cemetery in Amsterdam, after almost 58 years Sergeant Price was buried with full military honours.

He will finally rest with his comrades-in-arms. He was a brave Canadian, a young man from Toronto who sacrificed his life for our freedom and values. Sergeant Price, along with his fellow crew members, is also honoured on a memorial that was donated by the Port of Amsterdam Authority. It now stands as a testament to the crew's courage and its commitment to peace.

We must continue to honour those who gave their lives in the service of this great country. We must never forget.

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VETERANS AFFAIRS

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, December 7, 1941, is a day that most North Americans remember very well. However most Canadians forget that 1941 was also a very tragic year. That was the year that the Japanese attacked the Canadian contingent at Hong Kong.

Almost 2,000 Canadian soldiers and officers from the Royal Rifles of Canada and the Winnipeg Grenadiers were assigned to defend Hong Kong. Some 290 Canadians were killed, 493 wounded, and in all, after they had been interned in terrible conditions in prison camps, 550 did not return to Canada.

It took nearly 50 years for our government to compensate the Hong Kong vets. That was 10 years after the Canadian government compensated the Japanese, and their descendants, who were interned in Canada.

Because our federal government neglected to pay tribute to these forgotten veterans last week, it falls on the official opposition to express our thanks to those heroes.

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[*Translation*]

HUMAN RIGHTS

Ms. Carole-Marie Allard (Laval East, Lib.): Mr. Speaker, today, we celebrate the anniversary of the UN General Assembly's adoption of the Universal Declaration of Human Rights in 1948. This document sets out the responsibilities and fundamental rights of all humanity, vital to human existence and co-existence.

Human rights underlie the values held by Canadians. The rights to freedom, life, liberty and security of person support and protect the values we hold dear, such as inclusion, justice, security, peace, innovation and growth.

Respect for human rights is one of Canadians' most important values and so it should be. It is a vital part of our social fabric.

This fabric was sorely tested on September 11, but I am pleased to say that it held, which shows clearly that our efforts in the past have made it strong. However, if we lose a thread or drop a stitch, the whole fabric will weaken—

● (1405)

The Speaker: The hon. member for Châteauguay.

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HIGHWAY INFRASTRUCTURE

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, after many speeches and requests by the Bloc Quebecois to the federal Minister of Transport, last week the member for Beauharnois—Salaberry finally had something to say but said it to the wrong person. The member asked Quebec's transport minister to take action and stop playing politics in connection with the plan to extend highway 30 and to build two bridges, when he should have been addressing the federal Minister of Transport.

The member for Beauharnois—Salaberry also recommended to the minister that he take the estimated $108 million in federal funding available. This money is available for all of Quebec, not just for highway 30. We have said this repeatedly, as have the stakeholders, and everyone is ready to go ahead except the federal government.

However, there was a rumour on the weekend that the federal government is bumping up its contribution. The Bloc Quebecois would like to see this rumour finally become reality and would remind the member for Beauharnois—Salaberry that it is he, his party and his government who promised to build two bridges and finish highway 30 during the election campaign.

He made a promise and now he should deliver on it.

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[*English*]

HANUKKAH

Mr. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, today is the first day of the holiday of Hanukkah, the festival of lights of freedom, commemorating the foundational rights of freedom of religion, minority rights and human dignity and liberty.

It is also Human Rights Day, commemorating the Universal Declaration of Human Rights and the affirmation of the inherent dignity of the human person, the equal dignity of all persons and that we are all one human family.

Happily students from Montreal in my own constituency and Ottawa, the Hebrew Academy and Hillel respectively came together to celebrate the convergence of this historic commemoration as the Peace Tower, in an historic first, intoned freedom songs from the Hanukkah festival.

Regrettably we learned today of the deaths of two Palestinian children. Every child, Palestinian or Israeli, Muslim or Jew, is a universe and every death is a human tragedy.

I will close with the words sung by the Hillel schoolchildren today: “Nation shall not lift up sword against nation, nor shall they learn war anymore”.

* * *

HANUKKAH

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, last night people of the Jewish faith marked the beginning of Hanukkah. More than 2,000 years ago King Antiochus tried to force the Jews to give up their religion. Judah Maccabee led his people in a fight to drive him out of Israel. The Jews finally won back the Holy Temple of Jerusalem.

In order to rededicate the temple they scrubbed and cleaned it and polished the huge menorah, but when the priests were ready to begin services they could only find a tiny jar of pure oil to burn in the menorah, only enough for one day. By a miracle the oil burned on and on for eight days.

It is that miracle, that triumph, that the Jewish people mark during this darkest time of the year by lighting the menorah in their homes.

To all people who began the celebration of Hanukkah last night I offer best wishes on behalf of the official opposition. All Canadians of goodwill join with them in the lighting of the symbolic candle and the saying of this blessing:

“Blessed are You, Lord our God, King of the universe, who has kept us alive, and has preserved us, and enabled us to reach this season”.

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CHRIS HADFIELD

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, on behalf of my colleagues in the House I am very pleased today to congratulate Colonel Chris Hadfield who was awarded the Meritorious Service Cross last Wednesday.

The award was presented to him by Governor General Adrienne Clarkson in recognition of his remarkable achievements as an astronaut. This award goes to outstanding military personnel who bring honour to the armed forces with their professionalism.

Last April Chris Hadfield was the first Canadian to walk in space when he helped to install the Canadarm 2 on the international space station. Chris Hadfield was also the first Canadian to operate the Canadarm in orbit in 1995 and he is the only Canadian to have visited the Mir space station.

All Canadians can be proud of Chris Hadfield's achievements. I ask the House to join me in congratulating him.

S. O. 31

TAIWAN

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, on Saturday, December 1, the people of Taiwan voted in elections for the legislative yuan and for county magistrates and mayors. In an historic outcome the party of President Chen Shui-bian, the Democratic Progressive Party, won the largest number of seats.

On behalf of my New Democrat colleagues I congratulate President Chen and the DPP for this impressive victory and this affirmation of the vitality of democracy in Taiwan.

It is time now for the international community to welcome Taiwan as an international sovereign state, including membership in the World Health Organization. As well, the Canadian government should end its kowtowing to the mainland in its visa policies for Taiwanese government visits, such as the recently proposed visit of the Minister of Health, and remove the visa requirement for Taiwanese visitors to Canada.

May the coming years bring even stronger economic, political and cultural ties between the people of Taiwan and the people of Canada. I say to Taiwan “Bansue”.

* * *

● (1410)

[*Translation*]

SIMA SAMAR

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, I wish to offer warm congratulations to Dr. Sima Samar, who will today receive the John Humphrey Freedom Award from a Montreal organization, Rights & Democracy.

Dr. Samar has just been appointed minister of women's affairs and deputy chair in Afghanistan's brand new government . The challenge she faces, that of improving the lot of women, is huge after years of the Taliban regime in which women were excluded from a society that wanted for everything.

Dr. Samar is not easily daunted. The physician set up hospitals, clinics, and schools for women and girls, and did so despite the pressures, not to mention the heavy penalties imposed under the Taliban regime.

Dr. Samar's courage, tenacity and devotion are receiving international recognition today. She will certainly need it, but what she will need most in this devastated country is assistance. The best tribute that Canada could pay her would be to loosen the purse strings on its international aid budgets.

Let us hope that this is what the Minister of Finance will do in his budget this afternoon.

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[*English*]

HUMAN RIGHTS DAY

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, on this day in 1948 the General Assembly of the United Nations adopted the Universal Declaration of Human Rights.

This anniversary, known as Human Rights Day, reminds us of our common commitment to a better world. This reminder is particularly relevant in a time of crisis when the pace of events leaves little time for reflection.

I am proud of how the people of Canada have responded in the aftermath of September 11. We have refused to allow fear to overwhelm our longstanding commitment to human rights. Canadians joined the Prime Minister in condemning racially motivated attacks and rejected attempts to portray this conflict as a clash between religions. We recognize that the people of Afghanistan are not the enemy and we have responded generously to meet the need for humanitarian assistance.

Our sense of compassion, our respect for diversity, our belief in justice and our embrace of human rights at home and abroad, these are the values that define us.

* * *

HUMAN RIGHTS DAY

Mr. John Herron (Fundy—Royal, PC/DR): Mr. Speaker, today is International Human Rights Day. This year's commemoration is underscored by the ongoing humanitarian crisis in Afghanistan as winter approaches.

Canada has had a valued history of fostering human rights, from John Diefenbaker's bill of rights to his and Brian Mulroney's assault on South African apartheid.

My own riding of Fundy—Royal has played a key role in Canada's commitment to human rights. This country's first human rights commissioner was none other than Fundy—Royal MP Gordon Fairweather, and the UN declaration of human rights was penned by Fundy—Royal son John Peters Humphrey.

More than 50 years after John Humphrey laid the groundwork for the conscience of humankind his hometown of Hampton remains a voice of human rights. Countless individuals in my riding have continued to inspire others to participate in the advancement of human rights, including Hampton High School students and teachers and the Hampton John Peters Humphrey Foundation led by Betsy DeLong, Senator Joe Day and Mark Perry which has worked to foster the legacy of John Peters Humphrey.

Human Rights Day is more than just a day to commemorate. It has to be a way of life, a commitment to the betterment of mankind, and it represents the best that we have.

* * *

STRATFORD FESTIVAL

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, it is my pleasure to rise in the House today to congratulate the Stratford Festival of Canada for having the second highest attendance rate in its history. A total of 614,226 tickets were sold during the 2001 season, making this year's attendance the second highest in the festival's history.

This is the second year in a row the festival has sold more than 600,000 tickets. Although the tragic events of September required the refunding of $40,000 of ticket sale money to patrons from the United States, this did not stop the Stratford Festival from earning a $2 million surplus. This surplus will go to the For All Time Endowment, a fund that supports festival innovations such as its new Canadian play development program and its Conservatory for Classical Theatre Training.

I wish to congratulate the Stratford Festival on an excellent 2001 season.

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THE ECONOMY

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, today's budget is supposed to restore confidence in our security and economy by setting the priorities right. The government should feel the pain of Canadians and jump-start economic recovery from the recession it created. Businesses not the government are the engine of the economy.

I want to remind the finance minister that economic growth and innovation potential of businesses are seriously undermined by the cumulative effect of complying with thousands of regulations, which costs the private sector $103 billion a year or 12% of GDP. This hidden tax of $13,700 per household is a spending second only to shelter.

The Fraser Institute, Canadian Manufacturers & Exporters, CFIB and others have underscored the need for regulatory reforms. Ontario and Alberta's red tape commissions have done an excellent job of deregulating and the B.C. government is on its way.

Many provinces have taken decisive steps. Will the finance minister take decisive action to remove this regulatory burden in Canada?

ORAL QUESTION PERIOD

● (1415)

[*English*]

MINISTER FOR INTERNATIONAL COOPERATION

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, in the democratic process, those of us who hold elected office need to be seen to abide the laws that govern our elections. It is now clear that the Minister for International Cooperation apparently broke the law governing municipal elections in Ontario and voted when she should not have.

Could the Deputy Prime Minister explain to Canadians why the Prime Minister has not asked this minister to step aside?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, in our system of justice based on British principles going back hundreds of years, people are found to have broken the law when they have been charged and convicted by a court and the court finds that they have broken the law beyond a reasonable doubt. This certainly has not taken place.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, she admitted it and that is quite clear. Bad news follows this minister wherever she goes. We recently learned that she paid her campaign manager lavishly to do communications consulting for her department, work that was only done after it was discovered. Now we learn that this same man was the campaign manager for the candidate the minister voted for in that byelection.

Will the Deputy Prime Minister explain to Canadians how much longer this minister will be allowed to continue down this path of cronyism and possibly law-breaking?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the minister's position is that she acted in good faith based on information her staff had obtained from the municipality.

With respect to the contracts in question, they have conformed totally with the rules of treasury board. The hon. member should not spread insinuations about contracting procedures when the rules, as I am advised, have been followed correctly according to the provisions of treasury board.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, we are talking about a thin reed of defence here. The minister has admitted that she voted in the byelection incorrectly and now the Deputy Prime Minister sits over there and says that all is well. All is not well. She is an elected official and she has done something incorrect. How long will she be allowed to sit in cabinet?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is totally misstating the minister's position. She said that she voted, and it is a matter of public record. She did not say that she voted incorrectly. She said just the opposite. She said that she voted on the basis of information obtained for her by her staff which indicated that she could vote as she did. Those are the facts.

The hon. member ought to withdraw his insinuations and conclusions which are totally contrary to the facts and the principles of Canadian and British justice.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, the Minister for International Cooperation is continuing her pattern of disrespect for Canadian law. First, we have untendered CIDA contracts for her friends and now we know she voted for a friend even when she did not live in the riding.

By accepting her lame excuses, the Prime Minister is saying that cabinet ministers can break the law. Is this the message that the government wants to send to Canadians?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is wrong. The Prime Minister is not saying that a minister can break the law. He is saying just the opposite. He is saying that from the information we have, the minister voted properly. The Prime Minister has asked the ethics counsellor to look into the matter and make a report to him.

On the basis of the information available, the hon. minister acted in good faith according to the advice she received about the municipal voting law. With respect to the contracts in question, they were found to conform totally with treasury board guidelines.

The hon. member ought to withdraw his unwarranted and unfactual assertions.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, the Deputy Prime Minister can spin whichever way he wants but, frankly speaking, the minister has broken the provincial law.

The Toronto election services states that, by law, one is supposed to vote where one lives and where one works is irrelevant. It is plain that she broke the law. In the House, all of us are lawmakers. If we do not uphold the law, who will?

Will the Prime Minister fire her or will she resign?

● (1420)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I can see what would happen in the unlikely event the Alliance Party achieved office. People would not have trials. There would not be judgments. It would be enough for the Alliance government to say something and then they would be guilty. No wonder people do not support the Alliance Party.

In our system, to say that someone broke the law there has to be a finding of a court, after charges are laid and a conclusion is reached beyond a reasonable doubt. This has not happened. I repeat that the minister acted in good faith and on the basis of information obtained for her by her office.

In any event, we have asked for the opinion of the ethics counsellor on this matter.

* * *

[*Translation*]

EMPLOYMENT INSURANCE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the government is using an accounting procedure to get hold of the billions of dollars in surpluses in the employment insurance fund, yet these surpluses belong to workers and businesses.

By recommending that these surpluses be put in the consolidated revenue fund, the auditor general had absolutely no intention of opening the door to systematic plundering.

Will the Deputy Prime Minister admit that, in order to protect the unemployed against government abuse, it is possible to set up an independent employment insurance fund, the surpluses of which would immediately appear in the consolidated fund, as is the case in Quebec with the CSST's funds?

Mr. John McCallum (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, the hon. member should know that these surpluses are fictitious. He should know that employees and employers received $6.8 billion through reductions in the amount of their contributions. He should also know that improvements were made to the program. Finally, he should know that his party voted against all of these improvements.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if the hon. member ever becomes a minister he will have to learn not to say that the surpluses are fictitious, because his minister always said the contrary.

What the hon. member just said confirms our view. The money was taken. It no longer exists. If there were a major recession right now, we would not be able to deal with all those who would lose their jobs.

Will the parliamentary secretary recognize that? Would it not have been wiser to capitalize the money from the employment insurance fund instead of using it, instead of grabbing it with both hands?

Mr. John McCallum (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, the hon. member should know that, as was recommended by the auditor general, these contributions are put into the government's general revenues.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, this is more and more interesting. I hope I will continue to get answers from the hon. member.

If the government stubbornly refuses to set up an independent employment insurance fund, it is because, as was just confirmed to us, the surpluses are put into the consolidated fund and are used to pay the government's debt?

Does the minister not realize that making the unemployed pay for its debt is one of the darkest initiatives of this government?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, last week, the hon. member criticized the government for not supporting and implementing the auditor general's recommendations.

But in 1986, if I am not mistaken, the government followed up on the auditor general's recommendation to set up the current system. Therefore, to be consistent in his approach, the hon. member should also support the auditor general's 1986 recommendation.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, what is despicable on the part of the government is that it only implements the auditor general's recommendations that it likes. This is what the government does.

The Deputy Prime Minister, who has been here a long time, must know that it is possible to set up an independent employment insurance fund, as is the case with the CSST in Quebec, and to have that fund accounted for by the government.

Does the Deputy Prime Minister not find it a disgrace that his government is going along with an interpretation whereby it is the unemployed, those who are truly in need, who are paying off the government's debt? It is outrageous.

● (1425)

Mr. John McCallum (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, all hon. members should know that it was in 1986 that the auditor general recommended that the separate fund be abolished. This was under the Conservatives. It was only after this government came to office that the auditor general's recommendation was implemented.

* * *

[*English*]

ABORIGINAL AFFAIRS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, imagine the surprise of first nations leaders to learn from the *National Post* that the Liberal government is fundamentally changing its policy toward aboriginal people. It says it wants to stop spending so much money on nuisance issues like rights and redress, land claim negotiations or access to resources. It has been the government's intransigence on these very issues that has led to a thousand outstanding land claims and expensive court cases.

What does the government hope to achieve by avoiding its obligations in this regard and by sidestepping the bilateral nation to nation process in dealing with first nations communities?

Mr. John Finlay (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the government remains committed to addressing the needs of aboriginal people in Canada. The department has begun a process through the first nations governance initiative to provide the necessary tools for first nations to generate their own social and economic prosperity.

The department will be working with other cabinet colleagues to determine how to build on the progress already achieved. In doing so, the department will be looking at how to better target current spending.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, what we read in the *National Post* flies in the face of that. It sounds like déjà vu to aboriginal leaders. It is back to the future to the 1969 white paper. Everything has changed since 1969 except for the fact that the architect of that disastrous document is the Prime Minister of Canada today.

Instead of embarking on a destructive collision course with first nations, would it not be a better legacy to commit to a program of recognizing treaty rights, settling these outstanding land claims and embarking on a true economic development program by guaranteeing access to resources on first nations' lands to first nations peoples?

Mr. John Finlay (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, that is exactly what the government is doing with its money: supporting first nations treaty obligations and negotiations. There are first nations who are not prepared to go along with the minister at present, but there are 250 first nations who are. The National Aboriginal Women's Association is. Therefore, we are going to move ahead.

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MINISTER FOR INTERNATIONAL COOPERATION

Miss Deborah Grey (Edmonton North, PC/DR): Mr. Speaker, the CIDA minister says that she sends our tax dollars overseas for “good governance”, then she breaks the law here at home. She has been in a pile of trouble for a while. Staff are fleeing like flies. Contracts go out for cash. Now she is wandering into other wards to vote, although of course it is in good faith.

I want to know from the minister if she is brave enough to quit the cabinet now or is she going to wait to get Shawinigan shuffled out of there in January?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, when I first heard the hon. member's question, I thought she was talking about her former party, not the one she is in now. What she is saying has no relevance with respect to the Minister for International Cooperation, who is doing a good job in terms of Canada's work for less privileged countries.

I repeat, the hon. minister's position is that she voted in good faith based on information obtained for her by her staff from the municipality. I think that is the fact of the matter. The hon. member ought to listen once again to these answers.

[*Translation*]

Mr. André Bachand (Richmond—Arthabaska, PC/DR): Mr. Speaker, contrary to what the Deputy Prime Minister would have us think, violating the Municipal Elections Act is no small matter; it is a serious offence which demands serious consequences.

There was a similar case in Quebec. A member of the national assembly was forced to resign in similar circumstances.

Did the minister, or did she not, violate Ontario's election act by voting in a ward other than the one in which she lived? The question is clear: did she or did she not vote outside her own ward? Will she answer?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the minister has not been found guilty by a court. There has been no complaint made that would require her to be brought before a court.

The circumstances in Quebec were different. The MLA resigned after being found guilty by a provincial court.

● (1430)

[*English*]

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, in Quebec the Liberals hounded Monique Simard from office for voting illegally in a municipal election. In the case of the Minister for International Cooperation, there are clear-cut cases of illegal voting and misconduct.

Will the Deputy Prime Minister explain why his government will not apply the same standards to his colleague that the Liberals applied in Quebec when they found a minister of the crown had voted illegally there?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member should explain why she is unwilling to apply standards of British and Canadian justice dating back hundreds of years. They say that someone is guilty after being so declared by a judge of the court, after charges have been laid and the charges have been proved beyond a reasonable doubt. None of this has happened, but this does not matter to the hon. member. She does not believe in British and Canadian principles of justice.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, one of the priorities of CIDA and the Minister for International Cooperation has been to assist developing democracies to create democratic electoral systems.

How can the Deputy Prime Minister explain to Canadians that a minister who has broken our own electoral law will continue to preside over Canada's efforts to build law-abiding democracies around the world?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. Minister for International Cooperation's position is that she has not broken the law. I guess the hon. Alliance Party member is not only an MP, she is judge and jury. What is she going to be next, the hangman?

I think the hon. member is totally wrong in her position. She ought to withdraw that position and instead return to the principles of Canadian law.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, the Minister for International Cooperation voted illegally in a municipal election.

This being a breach of public morality, ought the Prime Minister not to require his minister to leave cabinet?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the courts have not found the minister guilty, and her position is that she voted in compliance with the present legislation of the province of Ontario.

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, the Prime Minister and his spokespersons always manage to convince the public that cabinet is scandal-free. Naturally, everything possible is done to hush things up. It seems to me that in similar circumstances MPs have done the honourable thing and have resigned.

Does the Prime Minister not recognize that morality and honesty offer no solution for the minister but resignation?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, where the scandal lies is in the unfounded insinuations of the hon. member. The Minister for International Cooperation has not been found guilty by the courts, and the position she maintains is that she has acted in compliance with the law of the province of Ontario.

* * *

[*English*]

GOVERNMENT GRANTS

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, on February 13, 1998 Paul Lemire of Shawinigan received a $117,000 CIDA grant. At the time Mr. Lemire was under investigation by Revenue Canada for tax evasion. He was charged a couple of weeks later and was convicted in 1999. He was convicted again just last month, this time for fraud relating to HRDC grants.

How did this Mr. Lemire get a CIDA grant while he was under investigation for tax evasion by Revenue Canada?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, with regard to the question that maybe would be directed to the Canada Customs and Revenue Agency, we all know that we cannot comment on any cases with regard to taxes because they are confidential matters. I just refer the hon. member to the Income Tax Act, section 241.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, how convenient that is.

In January 1997 Mr. Lemire went with the Prime Minister on a team Canada trade mission to Asia. In May 1997 he donated money to the Prime Minister's election campaign. In June 1997, as a result of his team Canada contacts, he applied for a CIDA grant. In September 1997, because of the CIDA grant, he qualified for a low interest EDC loan.

Considering that Mr. Lemire was convicted of both tax evasion and fraud, the public needs to know the answer to the question, did this man also get an EDC loan?

● (1435)

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, there are so many questions in the question that I do not know exactly who it is directed to.

As far as Canada customs and revenue is concerned, the question of information about the tax file is confidential. I refer the hon. member to section 241 of the Income Tax Act.

* * *

[*Translation*]

GUARANTEED INCOME SUPPLEMENT

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, seniors are being treated very unfairly by the federal government, which is refusing to consider full retroactive payment for those entitled to the guaranteed income supplement and who have not had it, because the process has proven inaccessible to them.

Since the supreme court permits cross-referencing of data to recover money illegally collected from employment insurance, should the government not consider making the same effort to locate the seniors to whom it owes money and give it to them, since this money belongs to them?

[*English*]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I am sure the hon. member would agree with me that the most important thing here is to ensure that Canadian seniors who are eligible for the guaranteed income supplement have access to it.

As he points out, the Minister of National Revenue and I will be working together to use the tax system and the information there to make sure that Canadian seniors who need this important piece of the pension structure have access to it.

[*Translation*]

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, the government has owed them this money for eight years.

When it comes to income tax, the government has no hesitation in applying full retroactivity in order to recover money owing it.

Why then not apply the same principle when it is the one owing money to seniors? Why is the government treating seniors so unfairly?

[*English*]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I reiterate for the hon. member that parts of the guaranteed income supplement that ensure there is retroactivity are consistent with other pension programs, whether it be the CPP or QPP. This approach has been part of this undertaking since the guaranteed income supplement was introduced 30 years ago.

We know full well that the pension structures here in Canada are extraordinarily important to Canadian seniors. They have made a difference in their levels of poverty by reducing them. Our work is to ensure that Canadian seniors know about these programs and have full access to them.

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TRANSITIONAL JOBS FUND

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, on March 6, 2000 the RCMP launched an investigation into a transitional jobs fund grant. The money was supposed to go to the riding of Rosemont in Montreal but the jobs appeared to turn up in the Prime Minister's own riding.

The RCMP's investigation has now been over for 20 months. I ask the solicitor general, is this not an inordinate amount of time to conduct an investigation of this nature?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, as I have said many times in the House, I do not direct the investigations of the RCMP. We as a government do not criticize the RCMP because we have one of the best police forces in the world.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, with all the investigations into the Prime Minister's riding, it is a good thing the minister is not criticizing the RCMP.

There were allegations of a kickback of $250,000 being paid to Louis Freedman, a golfing buddy of the Prime Minister's, in return for his obtaining a $1.6 million transitional jobs fund grant for PLI Environmental in Sydney, Nova Scotia. The RCMP were investigating this as of July 27, 1999, a full 28 months ago.

Could the solicitor general tell us whether or not this lengthy investigation by the RCMP has been completed?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I am not sure where my hon. colleague is coming from. I have said many times, and he knows very well, the government or I as solicitor general, do not get involved in police investigations.

We have one of the best, if not the best, police forces in the world. Let it do its job and do not keep criticizing it.

* * *

● (1440)

AFGHANISTAN

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

The basic framework for an interim government for the war ravaged Afghanistan has been established by delegates in Bonn, Germany. Could the minister tell the House the views of the Canadian government in regard to this very historic agreement?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, the agreement reached last week in Bonn involving various Afghan parties is a very important one. It opens the way for a transition to a new government that is representative in nature. It includes women which is one of the issues that members of the House have been raising with concern. There is a lot more to do. There are many more challenges to face in Afghanistan, including a major humanitarian problem. However, this is one of the first items of good news in that poor country in a long time and the House should be pleased.

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POST-SECONDARY EDUCATION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the latest StatsCan report shows that kids from high income families are two and a half times more likely than low income students to attend university. This is a real indictment of the lack of financial accessibility created by the government.

How does the Minister of Human Resources Development defend years of massive failure of Liberal policies that have abandoned a whole generation of young people? Does she see education as a privilege only for the wealthy? Why has the government deliberately allowed low income students to be shut out? Education should be a right, not a privilege just for those who can afford it.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the government believes very sincerely that access to post-secondary education is a very important part of the tools Canadians need to participate in a new and modern economy. That is why we introduced the millennium scholarship fund. That is why we have expanded the educational tax credit. That is why we introduced Canada study grants for Canadians with disabilities and for single mothers and parents who want to return to higher education.

Our record is clear. We know that higher education is incredibly important to the future of all Canadians and we want to be there to help them in this regard.

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MINISTER FOR INTERNATIONAL COOPERATION

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, the PMO and the Minister for International Cooperation are showing utter disrespect for the Ontario electorate. We must be concerned about the example we are setting for the rest of the world given that the minister's department provides funding and resources for democratic development and voter education in developing countries.

If the minister will not do the honourable thing and resign for her illegal vote, will she at least commit to taking some of the courses offered by her department on democracy and the electoral process?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I am really surprised that the hon. member, a lawyer of long standing, has forgotten or is deliberately—perhaps not deliberately, I had better withdraw that—overlooking basic principles of Canadian and British justice that someone does something illegal when it is found to be so by a court, after a charge has been laid and the charge has been proven beyond a reasonable doubt. This has not happened here. The minister acted in good faith, as I have said before, based on information obtained for her from the municipal authorities by her staff.

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THE BUDGET

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR): Mr. Speaker, the Minister of Finance and his colleagues have selectively leaked the contents of this afternoon's budget to the media over the past number of weeks.

We know of the ongoing fight between the Minister of Finance and the Minister of Industry over broadband. We also know about the Prime Minister's intervention to keep the leadership candidates in check and happy. The government has abandoned the long held practices of prebudget secrecy. It routinely makes announcements to the press gallery and at Liberal fundraisers.

Why is parliament always the last to learn about the government's initiatives, including this year's budget?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I wonder if the hon. member could tell us how he knows for a fact that the allegations in the press are leaks. If he knows that, then he has obtained information and is talking about it in a way that may well lead to his being under inquiry himself. Perhaps he could explain the basis for his question.

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G-8 SUMMIT

Right Hon. Joe Clark (Calgary Centre, PC/DR): Mr. Speaker, I have a question for either the Deputy Prime Minister or the Minister of Foreign Affairs.

Is it still the intention of the Government of Canada that the G-8 summit which Canada will host next year will be held in Kananaskis and in Calgary?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Yes, Mr. Speaker, the expectation is that the G-8 summit will be in Kananaskis. Some related activities and accommodation will be in Calgary.

● (1445)

MIDDLE EAST

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, at both the United Nations and Geneva convention meetings last week, the government took sides against Israel. In so doing, it has allowed Canada's international voice to be used as a megaphone for advancing the Palestinian cause. Canada's role in this effort hinges on our ability to remain neutral, to have a balanced position. The Liberal government has jeopardized that.

Does the Prime Minister not recognize that by allowing Palestinian supporters to use the United Nations for their agenda, he is motivating the very terrorist elements whose atrocities kill innocent civilian people?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, while I accept part of the premise of the member's question that Canada needs to maintain a fair-minded policy with respect to the Middle East, I cannot accept that Canada did other than to maintain that position last week. I suspect that is why Israeli Foreign Minister Perez thanked me for Canada's position when I met him in Bucharest last Tuesday.

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, the government seems to take terrorism more seriously when it happens to North Americans than when it happens to Israelis.

The Palestinian authority shelters Hamas, just as the Taliban shelters al-Qaeda. Both groups want to destroy Israel and both have international reach. The only difference is that Hamas kills Israelis while al-Qaeda kills North Americans.

Surely if Hamas is a terrorist organization in the Middle East, it is a terrorist organization in Canada as well.

Will the finance minister list all Hamas affiliates as terrorist groups and freeze their assets?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, let me first say that in raising the activities of Hamas in Lebanon, Syria and Iran, I made it clear that Canada's position was that these activities were not only terrorist activities but they were undermining the possibility of restoring a peace process in the Middle East.

Second, let me say that the Canadian government's actions with respect to freezing the assets of groups related to Hamas are identical to those taken by the United Kingdom.

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[*Translation*]

PORT FACILITIES

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, on Thursday, I asked the Minister of Transport a question about his department's policy regarding ports, and the minister answered by talking about competition in the airline industry.

I am giving the Minister of Transport a second chance. The Government of Quebec announced its willingness to acquire nine ports. Since then, the federal government has seemed in no hurry to negotiate.

Will the minister confirm that transferring these port facilities is still a priority for his department?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, I have been making an effort to speak and understand French, and I am sorry for my response on Thursday.

With respect to the question the member asked on Thursday, and repeated today, I received a letter from my counterpart, Mr. Chevrette, and I am prepared to meet with him in January.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, will the minister also tell us, in addition to his meeting with Quebec's minister of transportation, when his department is planning on investing the close to $100 million Quebec needs to establish a strategic and efficient network of ports.

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, when I meet with the minister we will address the funding of the port transfer and all other details.

* * *

[*English*]

NATIONAL SECURITY

Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance): Mr. Speaker, in late September, officers in Marine Communication and Traffic Services raised alarms about security issues on Canada's west coast. When the concerns went unanswered, one officer contacted his member of parliament.

These issues were raised with the Standing Committee on Fisheries and Oceans. Officer Frank Dwyer appeared before the committee.

After public hearings and touring west coast facilities, the all party committee concluded this systemic failure must be addressed.

Now we are shocked to learn that the department's first response was to formally reprimand Frank Dwyer.

Why is the minister trying to cover his department's negligence by attacking this coast guard officer?

Hon. Herb Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, first, the coast guard is looking at all the opportunities to improve security. This is very important.

I want to remind the hon. member that it is not just the coast guard. It is the military and all the departments that work together to make sure we have security along our border.

With regard to the personnel matter, it would be inappropriate to talk about an individual personnel matter. He knows very well that the person was brought to the committee so he could put forward his views on the coast guard, both here in Ottawa but also when the committee was in British Columbia. We will look at the report of the committee that comes forward.

Security is important and we are looking at all the ways we can deal with security issues.

● (1450)

Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance): Mr. Speaker, this is about cancelled training. It is about suspended services to shipping. It is about outdated and broken down equipment that leaves hundreds of miles of unmonitored coastline. It is about honouring international agreements. It is about safety of life at sea and protecting coastal marine environment. It is about national security.

Staff are stressed by concerns that their inability to cover the bases could expose Canada or the U.S. to another disaster.

For the department to attack those pleading for help is downright abusive. Whoever went after Frank Dwyer for raising the alarm should be axed.

Will the minister withdraw the reprimand from Frank's file and fix the problem?

Hon. Herb Dhaliwal (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the government has shown its commitment to the coast guard. Obviously the hon. member is not aware that we committed $115 million to the coast guard in the last budget to make sure it could do its job.

Canadians across the country recognize the good work done by the coast guard. It is unfortunate that that party, every chance it gets, runs down Canadian institutions every time. They should recognize the good work done by the coast guard right across the country.

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FOREIGN AFFAIRS

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, often as we focus on one conflict others fall off our radar screen.

Could the Secretary of State for Latin America and Africa update us on the situation on the Eritrea-Ethiopia border and on how that conflict is being resolved? What is the peace process at this time?

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, the situation remains quite stable. Only last week the Eritrean ambassador to Canada and I discussed the question of the status of the forces' agreement.

The boundary commission is expected to demarcate the boundary between the two countries in February. We all hope that both countries will agree to respect that boundary in advance.

* * *

THE ECONOMY

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, last week the auditor general painted a stark and grim picture of the government's waste and mismanagement. Now we learn that the government is ready to continue that waste in today's budget.

It seems as if there is always money for the industry minister's Internet scheme and money for the heritage minister's film industry friends.

Could the Deputy Prime Minster explain how these are the priorities of Canadians when we are facing a recession, a health care crisis and a war on terrorism?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, in a little more than an hour the House will have the budget and the facts of its content.

If the hon. member knows exactly what is in the budget at this point he ought to submit himself to investigation by the authorities because he is clearly in breach of a constitutional and parliamentary principle. He ought to get up and admit that he either does not know what he is talking about or, if he does, why he has broken the law.

Mr. Joe Peschisolido (Richmond, Canadian Alliance): Mr. Speaker, it seems that the deputy minister is the only one who has not read today's papers.

The government needs to eliminate wasteful spending and mismanagement but instead we read in the papers that there will be legacies for these wonderful ministers of the crown.

How can the Deputy Prime Minister, given the government's waste and mismanagement, make sure these legacies will not turn into a Liberal deficit?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I am not a deputy minister and I do not expect ever to be one, although it is a distinguished position.

I want to say to my hon. friend that he is speaking with such certainty on assertions in the newspapers that I really want to know what, beyond that, is the basis for those assertions. If they turn out to be factual, will he submit himself immediately to not just investigation but conviction the way his colleagues have called for, for the Minister for International Trade?

* * *

[*Translation*]

WATER QUALITY

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, the people of Sept-Îles have had enough; the beaches sector has no drinking water because the federal government has polluted the water table. Corrective measures would cost $2.5 million.

Will the Prime Minister require his Minister of Transport to do justice to the people of Sept-Îles and pay the $2.5 million required to clean up the mess of which we are the victims? He is the polluter and he is the one who must pay.

● (1455)

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, we have offered the people of Sept-Îles some options. This is a regrettable situation, but I have given an answer, two or three years ago, and that same answer still stands. Transport Canada is assuming its responsibilities.

* * *

[*English*]

AUTOMOBILE INSURANCE

Mr. Bill Casey (Cumberland—Colchester, PC/DR): Mr. Speaker, customers and insurance agents are reporting that everyone over 70 years old will now be prevented from seeking competitive automotive insurance rates and will be required to remain with their present insurer.

This unwritten policy by some companies means that everyone over 70 will effectively be forced to pay whatever premium their insurer demands.

Will the Minister of Industry intervene now to stop this discriminatory policy toward seniors and ensure that there is no price fixing against any group, especially seniors?

Hon. Brian Tobin (Minister of Industry, Lib.): Mr. Speaker, apparently one of the members opposite, in anticipation of being able to access competitive insurance rates, is enthusiastic about the answer I am about to give.

I thank the hon. member for bringing the matter to the attention of the House. I promise to look into the matter and report back to both him and to the House.

* * *

FOREIGN AFFAIRS

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the Minister of Foreign Affairs.

The 23 million people of the independent sovereign state of Taiwan were just admitted to the World Trade Organization and participated recently in a vigorous national election campaign which led to a historic victory by President Chen's democratic progressive party.

Will the Canadian government now recognize reality and support Taiwan's participation in the World Health Organization and other international bodies? When will the government lift the visa requirement for visitors from Taiwan?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member is quite right, it was a very vigorous election campaign with a very interesting result, I think, for everybody observing it.

However Canada's policy has been consistent for many years. We recognize one China and we recognize the need for the government elected in Taiwan to work within the context of a policy, which is held in common by most countries, of recognizing a single China. That was accommodated in order to see its entry into the World Trade Organization.

* * *

[*Translation*]

INTERNATIONAL TRADE

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the federal government has just entered into negotiations for a free trade agreement with four Central American countries: El Salvador, Guatemala, Honduras and Nicaragua. Canada did over $600 million in trade with these four countries last year. It is therefore a lucrative market for our exporters.

In the interests of transparency, will the Minister for International Trade promise to involve parliamentarians and civil society in the negotiating process, or will he present us with a done deal, as happened with Costa Rica?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I am delighted that the member for Joliette is interested in these negotiations with four Central American countries. I am glad to note that he sees them as a positive and constructive development in our government's international policy.

We will certainly work closely with the Standing Committee on Foreign Affairs and International Trade, with which I have excellent relations, throughout the trade negotiations, whether they are bilateral or regional, and whether they involve the free trade area of the Americas or the World Trade Organization. I would certainly appreciate the opposition's co-operation in these very important negotiations.

* * *

[*English*]

THE ECONOMY

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, since 1993 the Liberal government has added $75 billion to our national debt. It has now reduced it by a cumulative $36 billion, which is good news, but that happens to be exactly the amount by which the EI surplus has been overcharged. The parliamentary secretary says that this is a fictional amount.

Over that period of time, when the government had so much more additional income from income tax revenue, other revenue and the $30 billion it took from the employees' pension fund, I would like to know where the money went.

Mr. John McCallum (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, the revenue went to the consolidated revenue fund. If the member wishes to hear more, he has approximately 60 minutes and 30 seconds to wait.

* * *

MINISTER FOR INTERNATIONAL COOPERATION

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, the Deputy Prime Minister said that in the case of the CIDA minister's improper voting in an improper ward in her area, we just have to wait for due process.

The facts seem to be on the table. The minister herself has admitted that she voted incorrectly. She has tried to blame her staff for it. It does beg the question: “Are you going to write a letter, Maria, and send it to the right judge?”

What is required? What facts are necessary before this minister resigns?

● (1500)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, it would be very nice if the hon. member based his question on facts. Only one fact in his question is correct: she did vote in this municipal ward byelection.

However it is not a fact to say that she voted incorrectly or that she admitted to voting incorrectly. Her position is that what she did was correct and so far nobody at the judicial level has concluded otherwise. The hon. member ought to withdraw his unwarranted remarks.

MINISTER OF HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the Deputy Prime Minister is awfully busy doing damage control for the Minister for International Cooperation. I wonder if he has had an opportunity to investigate the conduct of the health minister in Winnipeg two weekends ago.

Could he inform the House about the results of any review into allegations that some Health Canada staff have been working on government time to advance the health minister's leadership campaign rather than the health care needs of the country?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I am delighted to tell the member that there was a very successful convention in Winnipeg two weeks ago on the part of the Liberal Party of Manitoba, which is more than I can say for the convention held by the NDP in Manitoba a few weeks ago.

* * *

MINISTER FOR INTERNATIONAL COOPERATION

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, in order to vote in a municipal election in the province of Ontario, a person must either own property or live in the district in which he or she is voting. The minister for CIDA neither lives nor owns property there. She has a stake in defending the values of this institution and the honour that members of parliament are supposed to have.

Will the CIDA minister for once today please get on her feet and answer the question: Did you or did you not break the law? Will she restore dignity to the House by answering the question?

The Speaker: I know the hon. member for Port Moody—Coquitlam—Port Coquitlam will want to address his question to the Chair. He is quite out of order to do so to the minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): It is the hon. minister's position that she was a tenant in the ward where there was a byelection and as such she was entitled to vote in that byelection.

My hon. friend's wrongful assertion that in doing so she broke the law is contrary to the principles of Canadian and British justice. He is the guy who ought to go back to the drawing board and get the facts both on the minister's proper conduct and what the law actually says in this regard.

* * *

PRIVILEGE

ALLEGED UNPARLIAMENTARY REMARKS

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, I rise today on a question of privilege resulting from remarks made by the Minister of Citizenship and Immigration on Wednesday, December 5. I was away with a delegation representing Canada at the United Nations and this is therefore my first opportunity to raise the matter in the House.

As you will recall, Mr. Speaker, the other day the minister crossed the line procedurally in the House. You dealt with it by directly reminding the minister of what is parliamentary. However the minister continued her attack against me which was recorded in the Ottawa *Citizen* on Thursday, December 6 and picked up in papers across the country. The article quotes the minister as saying:

> I think it would be treasonous to suggest that we would let out known terrorist suspects simply because there was not space...That's wrong, it's false and I was a little angry about it.

The minister was apparently trying to justify why she angrily accused me of spreading lies during question period on Monday. The minister later did not deny uttering the quote.

I will support my case with citations but I will first say this. The comments made by the minister of immigration are not only incorrect. Her statement was politically motivated in a mean-spirited way and was a deliberate attempt to tarnish my reputation as a member of the House.

A quick look at past statements by the minister will confirm my point that the minister purposely uses outrageous charges against members opposed to her policies in an attempt to deflect attention from her own performance. In that vein the House will never forget the shame brought to our national electoral process by the minister during the last election.

Mr. Speaker, there is a pattern here of which you are well aware and which must not pass without correction. I have taken offence as a member, but parliament has also been offended and it must be defended. I remind the House of the rule wherein if a minister of the crown misleads the House or lies to the Chamber the minister is duty bound to resign forthwith.

The boundary line on that matter has been slipping somewhat of late. I have frequently pointed out in the Chamber the big disconnect between what the minister says in the House about the state of affairs in her department and what its workers say. In my estimation, the judgment of the public and especially that of line workers in her department, her assertions to the House appear to be false. However these matters are sidestepped as mere political rhetoric, debate and honest difference of opinion.

In support of my question of privilege I cite that on March 16, 1983, Mr. Bryce Mackasey raised a question of privilege to denounce accusations appearing in a series of articles in the Montreal *Gazette* to the effect that he was a paid lobbyist.

On March 22, 1983, on page 24027 of *Hansard*, the Speaker ruled that he had a prime facie question of privilege. The reasons given by the Speaker appear on page 29 of *Selected Decisions of Speaker Jeanne Sauvé:*

> Not only do defamatory allegations about Members place the entire institution of Parliament under a cloud, they also prevent Members from performing their duties as long as the matter remains unresolved, since, as one authority states, such allegations bring Members into "hatred, contempt or ridicule." Moreover, authorities and precedents agree that even though a Member can "seek a remedy in the courts, he cannot function effectively as a Member while this slur upon his reputation remains." Since there is no way of knowing how long litigation would take, the Member must be allowed to re-establish his reputation as speedily as possible by referring the matter to the Standing Committee on Privileges and Elections.

Need I remind the House that treason is a high crime? How can I carry out my duties as a member of Her Majesty's loyal opposition when a minister of the crown can attribute to me treasonous words or activities which, in effect, accuse a member of disloyalty to Her Majesty?

We must remember that treason under section 46 of the criminal code was formerly punishable by hanging. Sadly, the minister confuses my duty to criticize the government and require it to justify to the electorate how it is administering with what the code says about using “force or violence to overthrow the government”. The minister's epithets are so beyond acceptable political discourse that they must be denounced by parliament.

On page 214 of Joseph Maingot's *Parliamentary Privilege in Canada* there is a reference to reflections on members. It states:

> The House of Commons is prepared to find contempt in respect of utterances within the category of libel and slander and also in respect of utterance which do not meet that standard. As put by Bourinot, “any scandalous and libellous reflection on the proceedings of the House is a breach of the privileges of Parliament”...and “libels upon members individually”—

The problem is that when the rules of parliament are not sufficiently defended the public disconnects and the relevance and authority of parliament are undermined. As confidence in this place is eroded, the public disengages from democracy and the downward spiral continues. The House has been brought down even lower now as the minister plays the victim card in the media to absolve some of her culpability rather than comprehend that the general public reaction is likely related to bad management.

● (1505)

In conclusion, I am asking that the role, rights and privileges of members be defended. I am asking that you defend parliament by hearing my plea. If you find a particular point in my case to be a prima facie question of privilege, I am prepared to move the appropriate motion.

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there are a few omissions from what the hon. member across has said. First, the quotation is not as I heard him describe it. It is a variation thereof. Second, there is a matter about what was and was not said in the House that was not taken into consideration.

Generally of course we all stand to gain when we are respectful of one another both in this place and outside this place. That is the first proposition. That being said, I will quote from the Ottawa *Citizen* article to which the hon. member is referring:

> I think it would be treasonous to suggest that we would let out known terrorist suspects simply because there was not space (in detention facilities)—

The minister, and I will not use her name, said:

> That's wrong, it's false and I was a little angry about it.

In other words, in a comment made outside the House the minister suggested that if someone were to suggest terrorists were let out of detention centres because there was not enough room, in her opinion that would be a treasonous proposition.

First, this does not suggest she or any member of the House said that a member of the House was a traitor. Second, it was not said in the House at all.

I think these variations have to be brought to the attention of the Speaker, not to get to the point that we all have to gain by being more respectful. The hon. member across may counsel his colleagues to entertain lawsuits, which I just heard him say on the floor of the House of Commons. I am sure the record will demonstrate that. I do want to draw attention, however, to the context in which those comments were made outside the House of Commons.

Mr. Speaker, you will no doubt be aware of the *Hansard* of December 3, and the comments of the member for New Westminster—Coquitlam—Burnaby who said:

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

I end my presentation.

● (1510)

The Speaker: The Chair thanks hon. members for their interventions on this point. I will take the matter under advisement and I will get back to the House in due course.

* * *

POINTS OF ORDER

NOTICE OF QUESTIONS

Mr. Greg Thompson (New Brunswick Southwest, PC/DR): Mr. Speaker, it is with regret that I rise on a point of order concerning oral question period of last Wednesday, December 5. I am doing so at the earliest opportunity.

Last week in a conversation with the Minister of Human Resources Development I gave her notice that I would be asking an oral question concerning the pre-Christmas problem with EI cheques that had to do with the timing and delivery of claimants' cheques during the holiday period. I did this to give the minister time to solve the problem and hopefully come back with a positive answer.

As I said, I did this following question period on Tuesday, December 4. That evening following the vote I followed it up with a letter I hand delivered to the minister in her seat. I wanted the minister to be perfectly informed of the problem with the delivery of these cheques over the holiday season. The minister admitted that it would be a problem and that she would do everything in her power to fix it.

In giving notice I was heeding the advice given to all of us at page 424 of Marleau and Montpetit. In discussing the principles for oral question period the following is stated:

> The guidelines which govern the form and content of oral questions are based on convention, usage and tradition.

It continues:

> There is no formal notice requirement for the posing of oral questions, although some Members, as a courtesy, inform the Minister of the question they intend to ask.

Courtesy is the key word, and that is exactly what I did. As a courtesy I gave the minister advance warning of the question on December 4.

You will therefore understand, Mr. Speaker, the frustration I experienced when on Wednesday, December 5, the hon. member for Bras D'Or—Cape Breton put my question to the minister. In his preamble to the question that was never put, the member for Bras D'Or—Cape Breton apologized to the House.

I am not blaming the member. I know he is new to this place and was under some pressure from the government to ask that question, to which he has admitted. In other words it was a planted question.

However there has been a serious breach of the conventions of the House. If opposition members are not able to give notice of questions to ministers without the risk of having our questions transmitted to the Liberal backbench for political opportunity, the practice of giving notice will fall into complete disuse. Notice to ministers will become the private preserve of government supporters for their soft questions. I often refer to them as marshmallow questions. We see this day in and day out.

I happen to think that our constituents and the public interest generally are well served when question period is used to resolve difficulties and to convey information. That is why we have it. The practice of giving notice allows ministers to play their part in the process. When that is violated it violates the trust between individual members of parliament and, believe it or not, members of the opposition and members of cabinet. That trust has to be there for the system to work. That was violated.

Unfortunately the actions of the Minister of Human Resources Development militate against the practice of giving notice. It works against the practice of giving notice. This is a shabby practice. It is a serious breach of the conventions of this place.

What has been done is finished. My only purpose in raising the matter today is to invite the Speaker to refresh the memory of the House on the usefulness of the convention of giving notice of questions.

● (1515)

If we are to get into a situation where members cannot give notice, then we are all diminished and the conduct of public business will be more difficult, because in all generosity that was a question I gave the minister notice on, knowing that her department is a big department and the minister does not have a good track record in understanding what is going on within that department; note the transitional jobs fund debacle and the missing billion dollars.

Recognizing that, I gave the minister notice. She violated that trust between an individual member of parliament and herself. I think the House should be reminded of that trust and of the value of letting ministers know the question in advance, especially when it is a detailed question. When they diminish that and violate that trust for political gain, the whole House suffers.

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, first, this is clearly not a point of order. It is a point of debate. Nevertheless, I think it is important to note that the hon. member is not the only member from Atlantic Canada who has had an interest in the matter that was raised in the House by the member from Bras d'Or last Wednesday. In fact, for him to suggest that the member from Bras d'Or was apologizing for what he is claiming was an abuse of some sort by the minister is totally unfounded and he should withdraw it.

I would not be at all surprised if the member from Bras d'Or were to raise a question of privilege because in fact this member has suggested that he admitted to some wrongdoing.

I was here last Wednesday and I am very much aware that members from this side of the House were very concerned about this issue that was raised that the member had an interest in. He is not the only member in the House who was concerned about that, at all. In fact, the member from Bras d'Or raised the question and at the end of it he said "I am sorry" and I think the reason we would find is that he was dissatisfied with the way in which he delivered the question, not the question itself and not the fact, as this member alleges, that he had supposedly stolen it from the member.

That is an outrageous allegation and he ought to withdraw the allegation. It is an unfounded allegation and he knows full well that he is vastly distorting the facts. He ought not to do it. He ought to withdraw it.

Miss Deborah Grey (Edmonton North, PC/DR): Mr. Speaker, this is in fact on the same point of order. I thought it was rather amusing and amazing at the same time that the member just actually admitted that the member for Bras d'Or—Cape Breton had actually said "I am sorry" for it.

The debacle that went on that day was ridiculous. It was an embarrassment to this place. The minister thought she would one-up my colleague and get the question over to her colleague so he could ask it ahead of time, and the poor soul never even had a chance to look at it, let alone read the thing, so when he stood up and made quite a kerfuffle, I am sure, according to his own admission, he said "I am sorry" on that. Now the parliamentary secretary just said the "I am sorry" was for his delivery probably, not for EI.

Maybe there is a more serious issue here: that the blues have been tampered with. Let me read the actual blues as they came out, not as they were said in the House. The member from Bras d'Or said:

> Mr. Speaker, my question is for the Minister of Human Resources Development. We have been asked by constituents as to the status of EI rebate cheques.

That went on for 35 seconds with an apology in there and just an absolute brouhaha ensued. Now the blues have been tampered with and there are the actual words of it, Mr. Speaker, so you have a serious problem on your hands here; thanks to the parliamentary secretary for actually admitting that the member from Bras d'Or did say "I am sorry".

There are serious problems over there, not the least of which is that the cabinet minister herself, miss management, is going at this whole thing again, getting plants in place when she should not have.

● (1520)

The Speaker: My recollection of the events on Wednesday was a little different from what is alleged. I of course have no idea of what transpired in terms of the correspondence between the hon. member for New Brunswick Southwest and the minister except what I have heard here today. I was totally unaware of any exchange and of course I am totally unaware of what document, if any, the member for Bras d'Or—Cape Breton had in his possession when he asked his question last Wednesday.

I do remember the look of shock on his face when I called on the hon. member to ask a question. He was on the list that I had. I was following the list and he seemed genuinely surprised that he was to ask a question on that occasion. I do recall there was a lot of heckling and the question ended in disorder, so the blues that the hon. member for Edmonton North has so ably quoted are exactly as printed in *Hansard*.

It was apparently what was said because there was so much yelling and heckling from particularly, if I may say so, the members seated immediately beside the hon. member for Bras d'Or—Cape Breton, that it was very difficult to hear what he was saying and he sat down in a somewhat embarrassed state because he obviously was not prepared to ask a question on that occasion.

We all recall the next day that he got a large applause from the House when he stood up to ask a question because he was obviously prepared on that occasion.

I have to say that having heard the arguments today I do not see how I can find there has been a question of privilege raised by the hon. member for New Brunswick Southwest, or a point of order. I would hope that if he has given notice of his question to a minister, naturally that notice would be kept confidential.

[*Translation*]

Given the nature of the problem that he raised, I have no doubt that many members would do best to have an answer to such a question. It is no surprise to the Chair that someone else may have raised the same question in the House during oral question period.

For now, I cannot find grounds for a point of order. Perhaps we could continue with the business of the House for today.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 15th report of the Standing Committee on Foreign Affairs and International Trade, entitled "Canada and the North American Challenge".

Pursuant to Standing Order 108(2), the committee considered the issue of North American integration and Canada's role in the light of the new security challenges and is pleased to table this report and to offer thanks to all those who participated as witnesses.

PETITIONS

IRAQ

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have the honour to present a petition which is signed by hundreds of residents, Canadians across the country, that notes that Canadians do not wish to be a party to a policy that kills over 5,000 Iraqi children every month. They note that the foreign affairs committee unanimously in the last parliament urgently recommended that the government pursue the de-linking of economic from military sanctions with a view to rapidly lifting economic sanctions in order to significantly improve the humanitarian situation of the Iraqi people. Therefore, the petitioners call upon parliament and the Prime Minister to act on the recommendations of the standing committee and to urgently pursue the rapid lifting of the economic sanctions in Iraq.

I would note that this was co-ordinated by Irene MacInnes of the campaign to end the sanctions against the people of Iraq, CANESI, and they have done outstanding work in this regard.

● (1525)

BILL C-287

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to rise to present two petitions from citizens in the Peterborough area who are supporters of Bill C-287, an act to amend the Food and Drug Act re genetically modified food. These people support mandatory labelling that would allow research and post-release monitoring of potential health effects of genetically modified food. They see this as applying to all stages of sale. It would require the genetic history of a food or ingredient to be recorded and traced through all stages of distribution, manufacturer processing, packaging and sale.

These petitioners call upon parliament to accept the principles of Bill C-287 and allow all residents of Canada the right to decide whether to purchase products containing modified material.

LABELLING OF ALCOHOLIC BEVERAGES

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am pleased to present three petitions from constituents and others concerned about the future of the country.

The first pertains to a matter raised in the House dealing with the harmful effects related to food and drug consumption. The petitioners call upon parliament to mandate the labelling of alcoholic products to warn pregnant women and other persons of dangers associated with the consumption of alcoholic beverages.

TERRORISM

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the second petition deals with the current global situation we are facing in the aftermath of September 11. The petitioners call upon parliament to lend full support to the United States of America in seeking a non-violent resolution to the crisis facing our world. They also request that Canada not support the use of military force or any action that will result in harm to innocent people.

MISSILE DEFENCE PROGRAM

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the third petition pertains to Canada's support for the U.S. national missile defence program. The petitioners call upon parliament to declare that Canada objects to the national missile defence program of the United States and that Canada play a leadership role in banning nuclear weapons and missile flight tests.

VIA RAIL

Hon. Andy Scott (Fredericton, Lib.): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition.

Before its discontinuance, VIA Rail Atlantic, linking Halifax and Montreal through southwestern New Brunswick, was a successful service with 66% occupancy and 336 passengers handled each time it travelled. Given the increasing scarcity and price of fossil fuels and our concerns over health related air quality issues, the petitioners request that the House of Commons, through Transport Canada and the federal crown corporation VIA Rail, restore passenger service linking Saint John and Fredericton westward through Sherbrooke to Montreal and east through Moncton to Halifax.

POST-SECONDARY EDUCATION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I have the pleasure to present four petitions today.

The first one concerns petitioners who are drawing to our attention the importance of post-secondary education and the need to ensure that there is adequate funding. They point out in the petition that there has been an increase in tuition fees of 126% since 1990. The petitioners call upon the federal government to institute, among other things, a national system of grants.

GENETICALLY MODIFIED ORGANISMS

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the second petition is from petitioners who are drawing to our attention the very important issue that Canada is the third largest producer of genetically modified crops in the world. The petitioners call upon parliament to support mandatory labelling of genetically modified foods as outlined in private members' bills and other motions and ask that this be done through Health Canada and the Canadian Food Inspection Agency to ensure that Canadians are well aware of what it is that they are buying and what it is that they are eating.

ENDANGERED AND MISSING ADULTS

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the third petition pertains to an issue about endangered and missing adults. We are certainly familiar with missing children and the fact that there is a national registry, but this petition calls upon parliament to pass a bill which would establish a national clearing house for missing, at risk and/or endangered adults.

This is something that the petitioners believe is critical, particularly in light of the situation on the downtown east side where now up to 50 women are listed as missing and investigations continue.

ROBERT LATIMER

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the fourth petition pertains to the issue of the penalty that Mr. Robert Latimer is being forced to serve and calls for a reduced penalty for Mr. Latimer in that he in no way intended harm. The petitioners call for the Parliament of Canada to provide leniency in this matter.

* * *

● (1530)

QUESTIONS ON THE ORDER PAPER

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 80 will be answered today.

[*Text*]

Question No. 80—**Mr. Garry Breitkreuz**:

> Concerning the costs and revenues of the Canadian Firearms Program: (*a*) what was the original budget allocation for the Canadian Firearms Program at the start of fiscal year 2000-01; (*b*) what were the dates and the total amounts of the submissions made to Treasury Board for additional funds for fiscal year 2000-01; (*c*) what is the explanation of the discrepancy between the justice department year-end financial statements showing total spending on the Canadian Firearms Program for 2000-01 of $200,394,023 less revenues of $34,969,459 for total net expenditures of $165,424,564 and the fact that these expenditures do not fully account for the $206,281,919 allocated to the Canadian Firearms Program in 2000-01 through the Governor General Special Warrants and through the supplementary estimates (A) and (B); and (*d*) what impact will the early registration incentive program have on the government's promise that user fees would cover the entire cost of the program?

Mr. Stephen Owen (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): (*a*) The original budget allocation for the Canadian firearms programs at the start of the 2000-01 fiscal year was $34,611,057.

Main Estimates: contribution item reflected in main estimates, $10,390,330; base funding included in the Law and Policy Business line in main estimates, $24,220,727; total, $34,611,057.

(*b*) At the meeting of June 15, 2000, the treasury board approved additional funds for the 2000-01 fiscal year.

There were no supplementary estimates (B) in 2000-01.

All amounts for the 2000-01 fiscal year for the Canadian firearms program are as follows: main estimates, $34,611,057; Governor General Warrants, $96,148,400; supplementary estimates (A), $49,831,000; TB approved—internal departmental adjustments, $10,347,000; miscellaneous technical adjustments, $39,296; statutory vote—employee benefit plan, $9,500,253; total, $200,398,414.

(*c*) The amount allocated to the Canadian firearms program for the 2000-01 fiscal year was $200,398,414. The amount declared by the Department of Justice year-end financial statements for the 2000-01 fiscal year was $200,394,023.

The full amount allocated was not spent in its entirety and left the Canadian firearms program with an unspent balance of $4,391 at the end of the 2000-01 fiscal year.

(*d*) In respect to the regulations amending the firearms fees regulation, the impact on revenues would be more than offset by the enhanced security afforded to Canadians. Furthermore, the registration fee waiver is a temporary measure designed to encourage early compliance and is intended to reduce costs by effectively managing the receipt of registration applications and their processing.

[*English*]

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

The House resumed consideration of the motion that Bill C-23, an act to amend the Competition Act and the Competition Tribunal Act, be read the third time and passed.

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I would like to make a comment and ask a question.

First, I would like to thank the Liberal member for Pickering—Ajax—Uxbridge for his skill and hard work. We are aware of the fact that he has been working in the field of competition for several years now. He is the driving force behind this bill and numerous reforms of the Competition Act in general.

Will Canadian consumers be well served by these changes? Could the Liberal member give us his thoughts on gas prices in Canada today?

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, I wish to thank my colleague and friend, the hon. member for Abitibi—Baie-James—Nunavik. It is agreed that one of the purposes of this bill is to ensure that the consumer has more of a voice and perhaps more opportunity to benefit from the Competition Act.

That said, it is thanks to the phenomenon we have seen in this committee that the members were able to ensure the presence of safeguards, not just to protect the consumer, but also to ensure that abuse of the system, and frivolous cases are not included.

One more thing: This is not the end of the process. In connection with the reform of the Competition Act, we plan to at least make changes with respect to collusion. This is, of course, a really important aspect of this legislation. At present, the committee is in the process of thinking about changing the term “unduly”, mentioned earlier in the other debates.

I would like to touch on the gasoline question. Although the price of gas is 48 or 49 cents a litre in certain regions, I am not complaining. When an independent has to buy it at 54 cents, however, it is obvious that something is not working right. Only the people with the deepest pockets are going to survive. There are still consequences, then, but a small change will come about with this bill, or at least I hope it will.

[*English*]

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

Some hon. members: Question.

The Deputy Speaker: The question is on Bill C-23 at third reading. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

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

* * *

● (1535)

NUCLEAR FUEL WASTE ACT

The House resumed from December 5 consideration of the motion that Bill C-27, an act respecting the long-term management of nuclear fuel waste, be read the third time and passed.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, it is my pleasure to rise and speak in favour of Bill C-27, an act respecting the long-term management of nuclear fuel waste. I welcome the opportunity to speak to the bill because this debate is long overdue.

It is time to take a hard look at sustainable development and what that means. I believe that the nuclear industry has been unfairly singled out when it comes to waste management. When I say unfairly singled out, I do not mean that there should not be responsible waste management. I mean that in the other ways we generate electricity we have not been as responsible as a country, particularly when one considers the long term effects on the environment.

In fact, the nuclear industry has been very responsible when it comes to waste management. The waste from the nuclear industry is confined to an enclosed area, to be dealt with in a responsible manner.

It is time that we looked at waste management when it comes to all forms of energy.

In Canada uranium fuel bundles spend on average 15 months producing energy inside a Candu reactor before they are used up and replaced with fresh fuel bundles. The radioactive bundles are then transferred to large pools of water on site for storage. Under 18 metres of water, the spent fuel is perfectly safe and harmless, even to the workers doing the maintenance work inside the pool area.

As a measure of the extraordinary efficiency and sustainability of nuclear energy, the entire inventory of spent fuel from 30 years of nuclear electricity generation in Ontario, about 27,000 tonnes, would fill little more than one Olympic size swimming pool.

After 25 years of operation, pools at some nuclear stations, Bruce nuclear generating station in particular, are nearly full and an alternative site or method of storage is necessary.

Bill C-27 calls for the power utilities to establish a trust fund to finance long term nuclear fuel waste management activities and pay a levy for this fund. The waste management organization would then be required by the bill to examine three options: deep geological disposal; on site storage; or central long term storage. The bill would not preclude the opportunity to examine other methods of handling the spent fuel bundles either.

It is certainly in the public interest to have an effective means for waste management from nuclear power plants. Hopefully, a publicly accountable and fully transparent process for dealing with the waste would allay the public concerns about the handling and disposal of this hazardous waste.

As I now understand, planning for permanent disposal is under way and station storage facilities will be adequate at least until the year 2010.

Ontario Hydro is proposing a system of interim dry storage in concrete containers until a more permanent solution is found.

After six years out of the reactor, the radioactivity and heat in spent fuel bundles have sufficiently diminished to where they can be removed from the holding pools then taken to dry storage. Dry storage is not new in Canada and has been in use for over 45 years.

In the Canadian nuclear fuel cycle, storage by definition is a temporary measure. The term used to describe the permanent handling of spent nuclear fuel is disposal. The concept that currently is being proposed for disposal is deep, underground burial at a site yet to be determined.

The disposal concept involves a completely different technology from that proposed for temporary storage. Disposal involves deep burial inside a granite pluton, one of the solid, relatively fault free masses of granite found throughout the Canadian Shield.

The nuclear fuel cycle refers to the entire progress of nuclear fuel from the time the uranium is mined from the ground, through the refining process and fabrication of the ore pellets for fuel bundles, through the time it spends in a reactor producing its energy and until its eventual disposal.

Uranium pellets are about the size of a one-inch or 2.5 centimetre stack of dimes. Seven such pellets produce enough electricity to supply the annual electricity requirements of the average Canadian household. The pellets are loaded into zircaloy tubes about 50 centimetres long. These tubes are in turn held together in bundles by small plates welded to the end.

● (1540)

A fuel bundle weighs about 25 kilograms. Canada, being the world's largest producer of uranium, supplies about 30% of the world's demand from high grade mines located in Saskatchewan's Athabasca basin. We use about 15% to 20% of what we mine. The remaining 80% is for export.

Canadian nuclear technology is the most advanced in the world with the Candu reactor being the most state of the art in the industry. Canada is the only nation in the world that is a world leader in all three areas of the application of nuclear science and technology: uranium mining and milling; medical and industrial isotopes; and nuclear reactor design and construction.

The Candu's advanced heavy water design allows it to use 28% less natural uranium than light water designs found in the United States and in Russia and produces much less waste which has to be disposed of.

The Candu fuel bundles only become highly radioactive after they have been in a nuclear reactor and can be handled safely prior to this by wearing only protective gloves to protect the fuel bundle from dirt and moisture. The bundles are loaded into the reactor by hand during its initial start-up. Once the reactor is operating, bundles are loaded automatically by fueling machines, which is superior to the U.S.-Russia light water design that cannot be refueled while in operation but must shut down for the refuelling to take place. The 28% greater efficiency also means that the Candu reactor is able to recycle spent fuel from light water reactors to produce additional electricity.

In my riding of Renfrew—Nipissing—Pembroke I have the honour and privilege of representing the men and women who work at Chalk River laboratories, Canada's premier sight for nuclear research.

Society does not develop methods of bulk electricity production every decade or even every quarter century. Today, at the beginning of the 21st century, most of the world and much of Canada make their electricity in exactly the same way we were making it at the end of the 19th century, by burning fossil fuels like coal, oil and gas to boil water for steam that in turn is used to turn turbines.

The concept of nuclear energy, although advanced, is only partly so. Only the water, the boiling part, is different. Nuclear reactors boil water in a cleaner, vastly more economical way. The turbine part of a nuclear station is exactly the same as in a fossil fuelled station.

In the future, where protecting our environment may become even more critical than it is today, where global warming may compel us to alter many of our traditional industrial technologies, nuclear energy will be an important part of our global electrical power generation. It offers perhaps the only safe transition between the older methods of bulk electricity production and newer technologies yet to be developed.

Contrary to the opinions of certain interest groups in our society, the nuclear industry and the public's perception of the industry are changing. I would like to draw the attention of the House to the definition of sustainable development as found in the 1987 report of the World Commission on Environment and Development, chaired by Gro Harlem Brundtland and entitled, “Our Common Future”.

The report is widely referred to as the Brundtland report. The definition referred to in the report is that sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

For greater clarity, we can further state that from the report on sustainable development, at a minimum, development must not endanger the natural systems that support life on earth, the atmosphere, the waters, the soils and the living beings. We need to start a dialogue about these issues because for too long we have been living on borrowed time when it comes to these issues. The generation of electricity and the impact that will have on the world is quickly coming to the fore. What recently happened in California is a prime example.

While on one hand, here and abroad consumers have been urged to conserve their power consumption and certainly industry has responded by producing more energy efficient appliances, on the other hand demand continues to rise.

I quote from a recent publication that identifies how new technologies like Internet and e-mail, online shopping and electronic banking are driving up the demand for electricity. It refers to a single warehouse in the Silicon Valley used to store such electronic data, consuming as much as 100,000 ohms according to energy analysts.

● (1545)

The United Nations projects a 50% increase in the global population by the middle of this century. Worldwide globalization is paving the way for the emergence of a global middle income class of four billion to five billion who have the same aspirations as we have for comfortable homes, imported foods, foreign travel, automobiles and all of the other comforts of modern society that rely on one thing, an abundant source of energy.

If the rest of the world were to have the same current energy standard of consumption as the developed world, energy production would have to be increased by a factor of 30. These are challenges we will all have to face. How will that demand for energy be met?

Let us first look at fossil fuels, the fuels largely responsible for the greenhouse effect that scientists believe is contributing to our global warming.

Many experts expect the fossil fuel production to peak. If it turns out that the ultimate resource of recoverable barrels of oil is 2,200 billion barrels, production will peak by the year 2013, just 12 years away.

What role may energy conservation play in delaying the time until the decline? Certainly alternative sources of energy can be developed, but at what contribution to the basic energy needs?

In order to provide the city of Toronto with its present power needs, about 40,000 one megawatt wind generators would be required. They would have to cover an area three times the size of Canada's smallest province, Prince Edward Island, some 5,656 square kilometres. The windmills would also have to rely on a wind that is always blowing, just like solar power depends on a sun that is always shining. We know that does not happen. Storage from these sources adds another level to the problem of alternative forms of energy.

In the discussion about global warming, the biggest culprit when it comes to the greenhouse gases and the consumption of fossil fuels is the automobile. In the U.S. motor vehicles make up about 53% of oil consumption. Early planning, our best hope of reducing the impact of declining oil reserves and reducing the demand for oil, particularly with non-carbon sources, are needed to fulfill our national and international obligation to slow global climate change.

Two especially promising energy forms to replace oil in transportation are stored electricity, especially in batteries, and hydrogen. Hydrogen can be burned in combustible engines virtually pollution free or it can be efficiently converted without pollution to electricity using fuel cells.

The use of electricity and hydrogen would reduce greenhouse gas emissions along with oil consumption. The use of clean Candu generated electricity to run hydrogen producing plants would ensure that the full cycle of hydrogen production is emission free. Recent developments in fuel technology are beginning to allow efficient, cost effective conversion of hydrogen into electricity as an onboard source for transportation.

More important is the tie between hydrogen production and the generation of heavy water which is needed to sustain the chain reaction in Candu reactors.

While producing an industrial stream of hydrogen from electrolysis would be the main objective of a hydrogen plant, a side stream generation of heavy water could also be produced with little or no extra energy expenditure.

Using advanced Canadian technology in a production setting, this would earn additional revenue for the hydrogen production process, making it cost effective while at the same time producing heavy water for the Candu reactors.

Canada has a significant opportunity and it all starts with a healthy nuclear industry. A healthy nuclear industry starts with effective waste management.

I commend the government for the legislation it has brought to the House today. I look forward to further investments in Canada's nuclear industry with a long awaited funding announcement for the Canadian neutron facility at Chalk River Laboratories.

● (1550)

Mr. Gerald Keddy (South Shore, PC/DR): Mr. Speaker, it is a pleasure to continue the debate on Bill C-27, to set up a waste management organization for nuclear fuel waste. I had a few moments left in my time in the last debate and it is important to have the opportunity to finish that today.

The Deputy Speaker: On that same score, I apologize to the hon. member for South Shore. We were not vigilant enough in that instance to pick up from the previous day's debate when it was last before the House. I appreciate his understanding and co-operation. He will have the last six minutes or so left in the intervention.

Mr. Gerald Keddy: Mr. Speaker, it is a pleasure to finish my comments on Bill C-27. The PC/DR coalition has some difficulty with a number of issues with this legislation. As the natural resources critic what I find most problematic about the bill is that it does not prevent the importation of nuclear fuel waste from outside Canada.

Municipalities that have nuclear power plants within their boundaries presented a very well produced and articulate brief to the committee. None of their recommendations were taken into consideration. There is an arrogance on the part of some of the government committee members and certainly on the part of the minister that the complaints or concerns of Canadians are not taken into consideration.

It is absolutely necessary and extremely important that any waste management organization which is set up to deal with nuclear fuel waste and the advisory board that goes with it be completely open, transparent and accountable. In order for this process to be accountable, it has to be open to access to information. However, this process is not open to access to information. The difficulty is that Atomic Energy Canada Ltd., which is a crown corporation, puts $2 million a year into the organization with an initial investment of $4 million and still there is no access to information even though federal dollars are going into it.

When we reviewed the bill at committee, we tried to change that by introducing amendments. The PC/DR coalition introduced a number of amendments, as did the Bloc, the New Democratic Party and the Alliance Party. All of the opposition parties introduced a number of amendments. One amendment by the Alliance and one amendment by the PC/DR coalition were accepted.

The purpose of committee stage is to look at legislation, to review and understand that legislation and, not just for opposition members but for all members sitting on the committee, to offer constructive changes to the legislation. The amendments we brought forth were not accepted. They were never looked at.

It is not just on this legislation that the amendments were not looked at; we could go back over a long list of government legislation. One example is the anti-terrorism bill. Closure was forced on that bill. We did not have time to debate the issue in the Parliament of Canada and the very next day the Liberal government did not have enough speakers to continue the debate on Bill C-27.

The problem is not going to go away. Many of us may disagree on how to deal with it, however I think we would all agree that we have to deal with nuclear waste. We cannot pretend it is going to go away by itself because it will not. We have to deal with it in a timely fashion. However the process in place not only is not being done in a timely fashion as it is two years, but it does not have openness, it does not have accountability and it does not have parliamentary review. It is not open to access to information.

● (1555)

It is obvious the government was not listening to committee. It was not listening to the opposition members of parliament. Nor was it listening to its own government backbenchers on committee, who simply should not be there to sit on committee for 10 days and on the 11th day when the vote is taken be moved out so someone who does not know anything about the issue can come in and vote the government party line. That is an abuse of process. That process has been abused for far too long in this place.

I listened to the member who spoke before I did. If we look around the world, without question the dependence on nuclear power is going to continue, especially in third world countries with burgeoning populations. Therefore, the issue of nuclear fuel waste is going to continue. We have to find a way to deal with the issue fairly quickly.

The issue should not be, as the bill allows, for on site management of nuclear fuel waste for perpetuity. That is one of the options that could be recommended by the waste management organization. That is one of the options it could choose. It may decide to store nuclear fuel in Canada at sites on surface for perpetuity.

I would suggest that is a mistake. It is part of the legislation that has been poorly crafted and hurried through parliament when it simply did not have to be. We have a much greater responsibility than that.

It is the same difference here. There is a budget coming down, but there are no surprises. The budget has been leaked. We have a nuclear waste management bill that the opposition members are not satisfied with. A bill on terrorism was passed. It was hurried through parliament and will have to be corrected. We passed an immigration bill and now there is another bill before the House to correct the mistakes in the first one. It is one thing after another.

Surely the government should figure out what its agenda is and what specific legislation it plans to pass. The government should let the committees do their job and craft legislation that comes to the House in a manner that we can improve on, if needed, or we can pass it with reasonable debate. Instead, parliament is not doing its job. We are not able to do our job. We continue to have a government that uses closure like a hammer: no more debate; debate is finished, and it forces closure.

I repeat that the issue with Bill C-27 which I find most problematic is that it does not prevent the importation of nuclear fuel waste into Canada. The bill should specifically prevent the importation of nuclear fuel waste. If Ontario Hydro, Hydro-Québec, New Brunswick Power or Atomic Energy of Canada Limited chose to build a reactor in another country, there is nothing specific in this legislation that prevents them from bringing back that nuclear fuel waste for deposit in Canada.

● (1600)

The Speaker: Order. It being four o'clock p.m., the House will now proceed to the consideration of Ways and Means Proceedings No. 10 concerning the budget presentation.

* * *

[*Translation*]

THE BUDGET

FIINANCIAL STATEMENT OF MINISTER OF FINANCE

Hon. Paul Martin (Minister of Finance, Lib.) moved:

That this House approves in general the budgetary policy of the government.

The Budget

He said: Mr. Speaker, I am tabling the budget documents, including notices of ways and means motions. The details of the measures are contained in the documents, and I am asking that an order of the day be designated for consideration of these motions.

I am also announcing that the government will be introducing bills at the earliest opportunity in order to implement the measures announced in this budget.

Before I begin, I would like to express the government's appreciation to the people of Canada who have given of their ideas and insights. I also want to thank the many committees and task forces of our caucus who, throughout the year, have worked so closely with us in the lead-up to this budget.

And, finally, I would like to thank the Standing Committee on Finance, whose hearings have framed the national debate and whose report has provided us with valuable input again.

[*English*]

We meet today at a time of global turbulence. A time when character is tested, perseverance is tried and values reaffirmed.

Just three months ago tomorrow, terror touched our continent and changed our world. Today, we deal with its economic consequences, but this was first and foremost a human tragedy, measured in lives taken, families destroyed and fears awakened.

In the aftermath of the terrorist attack, Canadians are understandably concerned about their own security and that of the nation. We have struggled to explain to our children what we ourselves must seek to understand. At the same time, we have felt the comfort of reaching out to others. We experienced the reassurance of family and faith. We have recognized our vulnerabilities, but as well we have rediscovered our strengths and, as a nation, we are more united today than ever.

[*Translation*]

Just three months ago tomorrow, terror touched our continent and changed our world.

Today, we deal with its economic consequences, but the hardest thing to overcome will be the human tragedy that shook us and that continues to haunt us to this day.

However, as a result, we have rediscovered our strengths and, as a nation, we are more united today than ever. Let us be clear: we did not look for such confrontation with terrorists. But let it be known that we will not shy away from this challenge, nor will we use half-measures to deal with it.

[*English*]

Prior to September 11, the global economy had begun to slow down. However, the terrible events of that day made matters much worse and introduced a new level of uncertainty into the economic outlook.

The focus of this budget, therefore, is dealing with this uncertainty and managing through this period of global weakness. Its timeframe is the year ahead. Specifically this budget does four things.

First, it provides the necessary funding for the security measures to deal with the threat we face.

Second, it recognizes the vital importance of an open Canada-U.S. border to our economic security.

Third, it supports Canadians through difficult times while continuing our long term plan to build for the future.

Fourth, it provides Canadians with a full and open accounting of the nation's finances.

Before addressing these matters in detail, let me say that although we are going through a difficult period, thanks to the hard choices that Canadians have made in recent years our economy is inherently strong.

It is because of this that today's budget is able to confirm that we will provide the full $23 billion of increased health care and early childhood funding announced in September of last year.

We will implement the $100 billion in tax cuts announced last year. We will fully finance the national security package. We will pursue our long term plan to invest in the future. Based on the average of private sector forecasts, we will do all of this without going back into deficit.

● (1605)

[*Translation*]

This is the payoff of our prudent approach, but it is equally the result of the tenacity of Canadians. After all, an economy is not about statistics or spreadsheets. It is a measure of individual enterprise and effort.

At times, this means demonstrating courage in the face of adversity, composure in the face of challenge. But Canadians have always shown that strength. It is for this reason that we face the future with confidence.

The global economy began showing signs of weakness early this year. As a result, the International Monetary Fund reduced its forecast for global growth, reflecting the situation in the United States, persistent difficulties in Japan, poorer prospects in Europe and a marked decline in several emerging countries. Indeed, for the first time in 25 years, we were in the midst of a slowdown that was happening concurrently in every major market of the world.

It is in this context that the events of September 11 significantly worsened the state of the U.S. economy. Commerce was hurt by stock markets that closed, air traffic that stopped, shipments that were delayed and investments that were postponed.

As a result, economists have now substantially reduced their outlook for U.S. growth this year, to reflect the current recession in that country.

At the same time, they believe this weakness should be relatively short lived. If they are right, we should see a recovery in the U.S. beginning by the middle of next year. If, on the other hand, U.S. consumer and business confidence erode further, that would have economic and fiscal consequences for us all.

● (1610)

[*English*]

In turning to the state of the Canadian economy, it is important to remember how connected we are to the world. More than 40% of our economic activity is generated by exports and these have been hit hard by the global slowdown, particularly by the downturn in the United States. This was reflected in our weaker performance in the first half of this year. Following the terrorist attacks, Canada was affected severely by delays and disruptions at the U.S. border, reminding us of the vital importance of keeping an open flow of people and products between our two countries.

Tourism, airlines and aerospace particularly have been affected. This has been compounded by the difficulties faced by Canada's softwood lumber industry and many parts of our agricultural industry. As a result of all of this, our economy contracted in the third quarter. In part reflecting recent declines in full time employment, most analysts expect weakness to continue into the fourth.

Clearly, these developments will have a significant impact on the kind of economic growth we can expect next year.

To assess this, as in the past, we have consulted some 19 private sector forecasters to obtain their best estimates of the economic outlook. Based upon that survey, we then consulted with the chief economists of Canada's major chartered banks and three leading forecasting firms to discuss the most recent numbers and their implications for this budget's economic and fiscal projections.

On average, forecasters anticipate growth of 1.3% this year, down dramatically from 4.4% last year. For next year they predict 1.1% growth, but with a stronger second half as exports recover, confidence is rebuilt and consumers and businesses respond to the substantial declines in both interest rates and taxes.

That being said, given the extent of global uncertainty we can take nothing for granted. Therefore the government, while very confident for the medium and the longer term, will remain cautious in its planning.

A key part of reducing uncertainty is restoring a sense of personal security. Today we are introducing a comprehensive set of measures to that end. Our purpose is clear. It is to keep Canadians safe, to keep terrorists out and to keep our borders open.

There is no doubt that September 11 forced us to deal with a struggle we did not start in a world we did not create. Canadians have been confronted with a new kind of threat at home and to protect them we must respond in new kinds of ways. This is not a classic conflict between states. Our adversaries seek not to win territory but to disrupt our economy, not to deploy troops but to divide our society, not to control our resources but to undermine our freedoms.

As a result this campaign is not being waged in a traditional fashion. It is being fought not just with bombs, but with intelligence operations, police actions and bank controls. The struggle may be long but it is one that will be won.

Quite simply, we need to know our enemy better, anticipate threats sooner and take action faster to stop them. Intelligence and policing are vital. We must know who poses a threat, where they are and what they aim to do.

To ensure that we have the best possible information, this budget commits new resources to the Canadian Security Intelligence Service, CSIS. Indeed, we will provide the agency with the largest increase in its history.

Furthermore, we will increase substantially the resources available to the RCMP for anti-terrorist activities.

Next we will enhance controls at all points of entry into Canada. We will beef up security at our ports and seaways. We will increase the number of patrols off our coasts and provide better tools and technology to intercept potential terrorists before they reach our shores.

● (1615)

These efforts will begin well beyond our borders. We will place more immigration control officers abroad to gather intelligence and prevent criminals and terrorists from obtaining travel documents or using fraudulent documents to enter Canada.

We will tighten controls in our refugee system so that only those truly in need enjoy the privilege of our welcome. To that end, we will increase resources so that enhanced security checks can be done on claimants as soon as they arrive.

Finally, we will provide more resources to the Immigration and Refugee Board to shorten the waiting time for hearings, to reduce the backlog that already exists and to send back those who do not deserve to stay.

That being said, however, Canada has always welcomed those seeking a new life in a new land and this will not change. The measures I have just announced will not affect legitimate refugees or immigrants. What will change and what must change is our ability to identify and exclude those who come to Canada fraudulently for whatever reason.

The recent events in the United States have awakened us all to the need to protect ourselves against unconventional weapons. Whether the threat is chemical, biological or nuclear, we must increase our ability to respond. In the event of an unconventional attack, the first on the scene will inevitably be local emergency personnel who need to be skilled in recognizing and in responding to different hazards. We will help to provide that training.

Furthermore, these local authorities must be supported by specialists capable of responding quickly and effectively. We will therefore enhance the highly specialized response capacity of both our Canadian forces and the RCMP.

Finally, we will provide new equipment and we will improve the capacity of our laboratories to detect and identify biochemical hazards.

[*Translation*]

Terrorists cannot carry out their activities without access to substantial financial resources. Without money, they cannot buy weapons, train personnel or establish cells in foreign lands. We have frozen the assets of suspected terrorists and improved our capacity to track suspect transactions. This budget builds on those efforts, with additional resources to help starve terrorists of the funding they need.

Important as these steps are, however, we recognize that the actions of individual countries are not enough, that we need co-ordinated action across the international community. We were pleased, therefore, that the 183 nations of the International Monetary Fund agreed in Ottawa to Canada's proposed action plan to combat the global financing of terrorism.

[*English*]

At this point let me now raise another very important aspect of the fight to protect our way of life and our values. Since September 11, there have been increased concerns over acts of intolerance within our own country. Individuals have been targeted because of the colour of their skin or the practise of their faith. If ignored, intolerance can threaten the fabric of our nation and we must answer it. It can divide our communities and we must stop it. That is why the government will provide new funding aimed at fostering respect and promoting our values, values which have allowed us to welcome so many to Canada who have enriched us so very much.

While our country has one of the safest air systems in the world, the attacks on the World Trade Center and the Pentagon have awakened new concerns and require a new response. It must be comprehensive in nature. It is a response that only the national government can provide.

● (1620)

[*Translation*]

Today, therefore, we are announcing that the Department of Transport will set rigorous new national standards for security in airports and on board flights originating in Canada. The government is creating a new air security authority to put these standards into effect. To ensure that the same level of security is available right across the country, the government will act in six key areas

First, it will provide armed undercover police on Canadian aircraft.

Second, it will provide rigorous screening of both passengers and their carry-on luggage with more security personnel who will be better trained.

Third, to uncover explosive materials in passenger baggage, it will employ new, sophisticated detection systems.

Fourth, it will provide enhanced policing under federal authority at airports to respond to possible security threats.

Fifth, the government will help pay for new, secure cockpit doors on Canadian passenger aircraft.

And sixth, we will tighten access to aircraft by creating improved security zones at handling facilities and on airport tarmacs.

[*English*]

Taken together, these airport and airline security measures will cost $2.2 billion over the next five years. To finance them, we will introduce a new security charge to be paid by air travellers, the primary users of the enhanced security measures. For travel in Canada, the charge will amount to $12 each way.

Finally, just as we are moving to enhance Canadian security here at home, so too we are joined in the war against terrorism abroad. At this moment, 2,000 men and women of the Canadian forces are defending freedom on distant shores. They carry our cause and they have our prayers. This budget therefore provides the funding needed for their participation in Operation Apollo. It is a significant commitment. Indeed, Canadian forces constitute the third largest contingent of any nation.

In summary, the measures I have announced today for improved intelligence, additional policing and security officers, more rigorous enforcement of our refugee and immigration policies, enhancements to our capacity to respond to bioterrorism and safer air travel amount to $6.5 billion over the next five years. This includes, as well, $1.2 billion for the Department of National Defence and its agencies. This is in addition to the $3.9 billion increase in funding for national defence announced since 1999 and which is now starting to come on stream.

Canada and the United States have agreed that we cannot close our borders to commerce in the hope of closing our countries to risk. Our two way trade is the source of millions of jobs in both countries. While it is well known that most of our exports go the United States, what is less well known is that fully 25% of American exports come to Canada. We are its largest market. Indeed, the Canada-United States border is a compelling illustration of economic interdependence. We are sovereign and separate nations but we are also the closest of neighbours; our relations are intertwined, our economies linked.

Our challenge, therefore, is to create a border that is open for business but closed to terror. This means going beyond the simple restoration of things as they were before September 11. It means we must create the most modern, sophisticated border possible using state of the art technology to speed legitimate traffic while stopping those who would do our countries harm. Our American partners share this goal and have agreed to work with us to build what the Prime Minister has described as a seamless but sovereign border.

To these ends therefore, first, we will speed up the implementation of pre-screening and pre-clearance programs that will allow frequent travelers and commercial shipments to move more quickly and easily from one country to another.

Second, we will introduce state of the art detection equipment to intercept firearms and explosives.

Third, we will establish new, integrated border enforcement teams to work in co-operation with U.S. federal, state and local agencies.

All told, these new border initiatives will cost $650 million over the next five years.

In addition, if we are to create the most modern border in the world, we must invest in the physical infrastructure which supports it: first class road access, new truck processing centres and intelligent transportation systems that pre-clear vehicles. We will do whatever is required to move ahead as quickly as possible on this initiative and we look forward to doing so in partnership with the provinces, the municipalities and the private sector. To put this into effect, we are announcing today a $600 million program to fund infrastructure projects to facilitate cross-border trade in all parts of the country.

● (1625)

The measures announced so far this afternoon flow initially from the need to address the challenges arising out of September 11. What I should now like to do is to set out a series of investments which, while providing important stimulus also in a time of economic slowdown, focuses as well directly on the need to advance the long term economic plan that we have set in train to build for the future.

This is crucial because our economic success, our ability to create jobs, will be determined first and foremost by the degree to which we demonstrate an understanding of the great currents that are shaping the world of tomorrow. These are to be seen in the transforming impact of new technologies that are to be secured from strong economic fundamentals and they are to be seized by focusing on the ingenuity and the innovation of our people.

From the beginning, the government has pursued a long term plan which speaks to these priorities and which lays the foundation for strong and durable growth. Indeed, since balancing the books, almost 70% of our new spending has gone to health care, education and innovation.

[*Translation*]

In terms of health and early childhood development, last year the Prime Minister reached an historic, $23 billion accord with the provinces which will lead to, among other things, an increase in the number of doctors and nurses, providing new MRI machines, a better use of technology and improved health care.

As a result of this agreement, an additional $2.8 billion will flow to provincial governments for health this year, rising to $3.6 billion next year and more than $4 billion the year after that.

Secondly, since 1994, the Canadian Institute for Health Information has been developing the tools to advance health policies, improve health practices and strengthen our health system. To enable the Institute to continue its work, this budget provides $95 million in funding for a further four years.

Finally, in the 1999 budget, we created the Canadian Institutes of Health Research. These are breaking down the barriers between disciplines through 13 new institutes that are revolutionizing research in areas such as aging, cancer, diabetes, arthritis and women’s health.

To continue to build momentum, this budget provides the Institutes with an additional $75 million per year.

Even more important, this will bring their total funding to $561 million next year—double what we spent in this area just four years ago.

● (1630)

[*English*]

Knowledge is to the information age what steam was to the industrial age: It is the fuel which drives it; the energy which sustains it. In the first budget following the elimination of the deficit, the government made a major commitment to skills and learning. We introduced the Canadian opportunities strategy, which was based on the simple premise that , regardless of income, people who wanted education should have that chance.

This is particularly important now. When times are tough and people are hurting, we must provide every opportunity to Canadians to upgrade their skills. Therefore, in order to encourage Canadians to pursue educational opportunities under EI programs we will introduce two new incentives. First, we will extend the education tax credit to individuals receiving EI assistance for post-secondary education. Second, we will provide a tax deduction for people who receive EI assistance to obtain adult basic education. Furthermore, the budget enhances Canada's study grants for students with disabilities by increasing the maximum grant for the exceptional costs associated with their disabilities from $5,000 to $8,000.

Unions and many members of our caucus have asked us to change the EI rules with respect to apprentices. Currently in order to qualify apprentices must wait two weeks each time they leave the workforce for classroom training. Today we will change that so they are subject to only one waiting period during their course of study.

In addition, again as recommended by many in caucus, to assist apprentice vehicle mechanics we will provide a tax deduction for the extraordinary cost of mechanics' tools.

Canada's 29 sector councils are industry led partnerships bringing together workers, employers and educators in a new hands-on approach to skills development. From textiles to tourism to biotechnology, these councils are examining what skills are needed today and what skills will be needed tomorrow. They are developing training programs and pointing workers toward emerging job opportunities. They are producing needed results, so we will expand the network quickly to include other strategic sectors and, over time, we will double the funding for these councils to $60 million.

The Budget

In the same vein, if Canada is to seize the tremendous opportunities of tomorrow, we must develop the next generation of business leaders today. To this end, the government will make new investments, building on existing initiatives, to enable young entrepreneurs to receive mentoring, work experience and financial support to turn their ideas into reality.

● (1635)

[*Translation*]

The early years in children's lives are critical to their growth and well-being and lay the foundation for their learning, work and other endeavours.

Last year, therefore, the federal government reached a landmark agreement with the provinces and territories to foster early childhood development right across Canada.This agreement was signed by the Prime Minister.

In the spirit of this agreement, we will build on existing federal programs, with a particular focus on first nations children on reserves.

It is, indeed, the quality of life of children today that will lead the first nations to a better future tomorrow.

That is why we will enhance initiatives such as the head start program and intensify efforts to reduce the incidence and effects of fetal alcohol syndrome. And we will do more to support children facing learning challenges in school.

All told, this budget will provide an additional $185 million over the next two years to help aboriginal children receive the best possible start in life.

Creating new knowledge and bringing the products of that knowledge to market are keys to success in the new economy.

But breakthroughs do not happen by chance, they happen through sustained and dedicated effort.

Research today is the source of new jobs tomorrow. That is why the government has made substantial investments to make Canada a leader in the new frontiers of knowledge.

In 1997, we created the Canada Foundation for Innovation to increase the capabilities of our universities, colleges and hospitals to carry out world-class research.

This year alone, the foundation will provide $300 million to institutions, large and small, to support state of the art research infrastructure in areas such as health, the environment, natural sciences and engineering.

Next year, more than $480 million in grants will flow from the CFI which, combined with the leveraging from its partners, will support over $1 billion in new research infrastructure in Canadian universities.

Furthermore, to attract the best researchers from around the world, and retain the best in Canada, we established the Canada research chairs in budget 2000.

Last year, we provided funding for 400 such chairs. That will double to 800 this year and rise to 1,200 next year.

When the program is fully implemented in 2004-05, there will be some 2,000 new research chairs in Canadian universities.

[*English*]

The success of the Canada research chairs program will be measured by the quality of people that it attracts.

Take, for example, Dr. Deborah Zamble, a Canadian who stayed in the United States to do post-doctoral work at the Harvard Medical School. Thanks to the program she is now back home at the University of Toronto. The same holds true for Dr. Neil Adames at the University of Alberta who came back from Washington University School of Medicine. Both are among the hundreds of world-class researchers who are finding new opportunities in Canada today and who are ensuring that their country will be at the leading edge of the world's scientific breakthroughs tomorrow.

As we have just seen, helping Canadian universities to build and operate top rank research facilities has been a key priority of the government for some time. In previous budgets we provided substantial assistance to help meet the direct costs of research. However, many have told us that more help is now needed with respect to the indirect costs of research. We agree.

That is why, last year, the government announced $400 million in additional funding for the CFI to support grants toward the operating costs of the research infrastructure it finances. It is also why, when we designed the Canada research chairs program, we did so to cover the total costs of research.

Looking ahead, we will work with the university community on ways to provide ongoing support for indirect costs that are both predictable and affordable. To that end, in this budget we are announcing a $200 million payment this year immediately to help bridge the gap.

As we know, basic research is the foundation upon which all applied research builds. That is why in past budgets we have provided additional resources for basic and applied research in the natural sciences and engineering as well as the social sciences and humanities, through their respective granting councils. In this budget, we continue to go further. We will increase their funding by 7%.

In the 1998 budget, Canada staked its claim to becoming the world leader in high speed network technologies with the creation of CA*Net3. Today, to stay on the cutting edge, this budget provides $110 million to build and operate CA*Net4, which will benefit research organizations across the country, particularly many of our smaller universities and community colleges.

Looking ahead, as we indicated in the Speech from the Throne, we will work with Canadian industry, the provinces, communities and the public on private sector solutions to further broadband Internet coverage in Canada, particularly for rural and remote areas. More planning is required to properly achieve our commitment, particularly given rapidly changing technology, and as a consequence we will shift our target to the end of 2005.

In looking at possible outcomes, it is our expectation that the best approach could very well be to expand the highly successful SchoolNet and community access programs to ensure broadband access. Therefore, not only are we extending these programs to 2003-04 at an annual cost of $40 million, we are also setting aside $35 million a year for three years thereafter to support such broadband expansion.

The fruits of research must become a source of jobs for all Canadians, not simply the source of ideas for others. We must not lose momentum now. In order to build critical mass in emerging fields of knowledge, the National Research Council is building new technology centres, including the e-commerce centre in New Brunswick, the Advanced Aluminum Technology Centre in Quebec and the National Institute for Nanotechnology in Alberta. To support NRC technology centres elsewhere in Canada and to create the clusters necessary for success in the knowledge economy, this budget will increase the requisite funding by $40 million per year.

● (1640)

There are few in our country who have embraced innovation with more energy than those in the agricultural community. Recent years, however, have been difficult for many farm families, particularly those dependent upon grains and oilseeds.

That is why the Minister of Agriculture and Agri-Food is working with his provincial and territorial colleagues, as well as with major farm groups, to create a new, integrated and financially sustainable agricultural policy. It is why the Prime Minister formed the caucus task force on future opportunities in farming.

Today the government reaffirms its commitment to this process of renewal and confirms that we will provide our share of the long term, predictable funding that will support this new approach to agriculture.

● (1645)

[*Translation*]

Just as we are investing in our prospects at home, we must also recognize that we have obligations beyond our borders, to those most in need.

Indeed, the Prime Minister has led the way in making African development a centrepiece of the G-8 summit Canada will host in June.

As a caring people, Canadians know that hunger knows no creed, and misery, no religion.

To help reduce poverty, provide primary education for all and set Africa on a sustainable path to a brighter future, this budget establishes a new $500 million Africa fund.

Furthermore, in the context of our international obligations to people and countries in need, we also must help those most directly affected by the war in Afghanistan, the Afghan people themselves. To provide them with aid and comfort, food and clothing, this budget commits $100 million.

And finally, we will provide $400 million in further international assistance. That will bring our total new commitment in this budget to $1 billion over three years.

[*English*]

A modern economy must have the basic infrastructure to support it. Whether it is highways, urban transit or fishing harbours, Canada must have the physical infrastructure it needs to succeed.

Investments in infrastructure will stimulate job creation in the short and medium terms and make the economy more productive and competitive in the long term. These are things that must be done and now is the time to do them.

We recognize that the costs of these projects are often enormous, beyond the capacity of any one level of government. A prime example is Canada's bid for the 2010 Olympics. We know that British Columbia will provide a magnificent setting and we share the hopes and dreams of the people of Whistler and Vancouver. That is why we are pleased to announce at this point that we will provide the funding requested to support their bid, and if their bid is successful, we will do more.

We also recognize that our great cities are too important to our economy, to our quality of life and to our signature as a nation, to leave them in straitened circumstances. We recognize as well that the same reasoning holds true for smaller, rural or remote municipalities, all of which are hard pressed to foster the economic development they need to offer their young people a future in their own communities.

That is why in budget 2000 we announced a new program, in partnership with the provinces and municipalities, to rebuild and renew the country's infrastructure. The federal contribution is $2 billion, which should begin to flow in a substantial way in a matter of months, as will the $600 million for highways announced at the same time.

Today, in order to maintain the momentum that is now underway, I am pleased to announce that we are creating a new foundation, one that finances important projects across Canada that are beyond the capacity of the existing programs that I have just mentioned, large scale projects such as urban transportation, major intercity highways and major sewage projects.

The new entity, to be called the strategic infrastructure foundation, will work with municipal and provincial governments, as well as in promoting partnerships with the private sector, to meet the essential infrastructure needs of the 21st century. The Canadian government will commit a minimum of $2 billion to this new foundation.

When we speak of infrastructure, we speak not only of the building blocks of trade and commerce but of the foundation stones of a society. Housing is a basic need of every Canadian, seniors and young families alike, and meeting that need must be the responsibility of us all.

In many of our urban centres, there is a shortage of affordable rental housing. There are also problems with housing in remote areas. To address these problems, the government announced the commitment of $680 million over five years to affordable housing. We are pleased that a framework agreement has now been reached with the provinces and territories and look forward to construction beginning as soon as possible.

● (1650)

[*Translation*]

In budget 2000, we announced a number of initiatives aimed both at sustaining our environment and at developing innovative technologies.

Two of those initiatives, the $25 million green municipal enabling fund and the $100 million green municipal investment fund, have already spawned more than 100 projects.

These projects chart new ground in areas as diverse as energy and water savings, urban transit, waste diversion and renewable energy. These funds are improving the quality of our life and securing our position as a leader in environmental technology.

We would like to congratulate the Federation of Canadian Municipalities both for its initiative and for its management of these Funds. Today, as a result, we are announcing that we will double our contribution to both funds.

[*English*]

Across Canada, as in most countries, contaminated land lies unused and unproductive. Such sites, known as brownfields, may have the potential for rejuvenation, bringing both health and economic benefits to local communities. Therefore, responding to the government, the National Round Table on the Environment and the Economy has agreed to develop a national brownfield redevelopment strategy in order to ensure that Canada is a global leader in remediation.

Finally, recognizing that there are few things more basic to life than the quality of the air we breathe, and in order to reduce greenhouse gases that contribute to climate change, this budget will fund a new long term program to provide incentives for the production of wind power, a key source of tomorrow's renewable energy.

Before reporting on the state of the nation's finances, let me touch on one final but very important area. All of us recognize the vital importance of small and medium sized businesses to the creation of jobs and growth in our economy. In past budgets, we have introduced a number of measures aimed specifically at addressing their major concerns and we do so again today.

Earlier, I set out an extensive program to facilitate our important cross-border trade with the United States. While those measures will benefit all Canadians, more can be done to ensure the ongoing growth of our small business sector.

Therefore, first, to make it easier to get goods across the border, where volume dictates we will establish small business desks which will offer personalized assistance. Second, we will put in place new systems to enable smaller businesses to prepare, file and pay their import declarations over the Internet. Finally, to improve their cashflow in the face of the economic slowdown, we will allow small and medium sized businesses to defer their corporate tax installments for January, February and March of 2002 for a period of six months. This will defer, without interest or penalty, some $2 billion in taxes for small businesses.

Let us now turn to the finances of the nation.

It has been our practice to establish a contingency reserve in each of our projections of some $3 billion to guard against the unexpected. It has also been our practice to use it, when not needed, to pay down debt.

This year, faced with the circumstances of the global slowdown and the unforeseen security requirements flowing from September 11, we have had to use portions of the contingency reserve for this year and the next two years. As a result, the contingency reserve for the four months remaining of this year will be $1.5 billion. Given the projections for the economy, any such reserves at this year's end will not be used to pay down debt but will be used to finance the strategic infrastructure foundation and the Africa fund.

That being said, I can now confirm that we will balance the budget this year. This will be the fifth year in a row, something Canada has not seen in 50 years.

For 2002-03 the contingency reserve will be $2 billion. For 2003-04 it will be $2.5 billion. With these reserves as buffers, I can also confirm that if current projections hold, or even using the average of the four most pessimistic private sector growth forecasts, we will balance the budget or better next year and the year after that for a total of seven balanced budgets in a row.

● (1655)

[*Translation*]

I can now confirm today that, despite the world economic slowdown and the effects of September 11, Canada will balance the budget this year, the fifth year in a row, something we haven’t seen in 50 years.

Under current projections, we will balance the budget next year and the year after that for a total of seven balanced budgets in a row.

This budget reflects the decisions we have made in the face of this present uncertainty. They demonstrate our determination to help Canadians through this difficult period. Our choices also reflect a clear-eyed assessment of what we can and cannot do.

We cannot turn around the American economy. What we can do is provide support for Canadians to come through the storm—and we are doing so.

First, by putting our fiscal house in order and by meeting our inflation targets, we made it possible for monetary policy to provide significant stimulus through lower interest rates.

As a result, the Bank of Canada has been able to reduce short term interest rates by 3.5 percentage points, with half of this decline coming since September 11. This means real dollars in the pockets of Canadians. To a family seeking a mortgage of $100,000, it means annual mortgage payments are $2,200 less than they were a year ago. To a small business, with a $250,000 bank loan tied to the prime lending rate, it means annual payments are about $9,000 less than they were a year ago.

[*English*]

Next, we have provided major stimulus through lower taxes. In budget 2000 we introduced the largest tax cut in Canadian history. Last October we accelerated that plan. This year lower federal taxes alone have put $17 billion back into the pockets of Canadian families and businesses. By next year the value of the tax cuts will grow to $20 billion. This is significant stimulus and it is already working its way through the economy.

For instance, for a two earner family of four with a combined income of $60,000, these tax cuts mean $1,000 in savings this year, an 18% reduction. In less than three years their taxes will fall by 34%.

A one earner family of four earning $40,000 will pay about $1,100 less in taxes this year, a saving of 32%. By 2004 this family will pay almost $2,000 less in tax, a 59% reduction.

Finally, the stimulus being provided through the strategic investments announced in this budget or coming on stream this year will amount to some $9 billion this year, rising to $11 billion next year.

When we put this spending together with the tax cuts, and not even counting the benefits of the lower interest rates, they provide a total stimulus of almost $26 billion or 2.4% of GDP this year, or $31 billion, 2.8% of GDP next year. This provides enormous stimulus to the Canadian economy and it does so in ways consistent with our long term plan for the future.

Managing the economy through tough times means striking the right balance. This budget does that. It provides vital support at a critical time but it does not go so far as to jeopardize either the progress of our past or the prospects for our future. It builds on the strong fundamentals Canadians have worked so hard to achieve; for just as we must face our challenges squarely, so we must understand our strengths fully.

The fact is that we face the current slowdown in much better shape than we did the last one in the early 1990s. At that time the budget had been in deficit for two decades. Today we are posting our fifth consecutive surplus budget. In the mid-1990s our debt to GDP ratio hit 71%. By next year it will fall below 50% for the first time in 17 years.

In the mid-1990s, 36 cents out of every tax dollar went to debt servicing. Today that number has been reduced to 23 cents. Indeed, in the last four years we have paid down nearly $36 billion in debt, $17 billion last year alone, relieving Canada of almost $2.5 billion annually in debt servicing charges.

In the early 1990s, Canada had a large current account deficit and our foreign debt was rising. Today we have a large current account surplus and our foreign debt has fallen from 44% of GDP to roughly 20%.

Prior to the 1990s, Canada had a poor record on inflation. Today we have a decade long track of hitting our inflation targets.

In the early 1990s, our fiscal credibility was low, resulting, despite problems in the economy, in short term interest rates of over 13%. Today, short term interest rates have fallen to about 2%, their lowest levels in almost 40 years.

Finally, in the early 1990s a number of Canadians had serious concerns about the sustainability of our retirement income system. Today the Canada pension plan is secure and on a strong footing, as confirmed by the independent actuarial report that was tabled this morning.

What is important in all of this is that what we have accomplished as a people in recent years will not only help us ride out the current storm, it puts us in a position to take full advantage of the economic recovery when it comes.

● (1700)

For this reason, we will not let the events of September 11 shake us from our course. The history of our country is one of great achievement, of looking beyond the problem of the moment to the opportunities ahead. Every generation has contributed to this record. Now it falls to us to prepare for a better tomorrow.

There is no miracle here. This will be achieved primarily because of the way we govern ourselves in this period of global uncertainty, dealing with current needs while avoiding the mistakes of the past, preserving our ability to pursue our long term plan to invest in people, to reduce taxes, to reduce debt, to invest in a stronger economy and a fairer society.

● (1705)

[*Translation*]

Canadians remember the hard choices of the 1990s as we worked to pull ourselves out of deficit.

We will not play fast and loose with the finances of the nation.

We will not place on our children and our children's children a burden they should not have to bear, a mortgage they should not have to pay.

[*English*]

Let us look at what we have accomplished as Canadians these past few years. We have eliminated a crippling deficit and increased the child tax benefit. We have re-indexed the tax system to benefit low income Canadians while paying down massive amounts of debt. We have cut taxes while investing in our children, education, research and health care.

Let there be no doubt that the plan which brought these benefits will see us through the current downturn. It will prepare us for the recovery ahead. It is a plan that sees policy as the means, but better lives for Canadians as the end, that understands the current of fundamental change and positions Canadians to turn that change to their advantage. It is a plan that knows that in a world where technology has made every nation a neighbour, only a few will lead the way and that Canada must be among them.

That is what this budget is all about. It is about dealing with the present so we can seize the future. It is about resolving to work together as never before, renewed in purpose, confident of our course and guided through changing times by unchanging values. It is a budget anchored in the knowledge that as a country we have only begun to scratch the surface of what we can do but that so much more awaits us, and that an even stronger and more prosperous future is within our grasp.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, we waited 652 days for that. There is no doubt that this was a budget, as the Prime Minister's Office said, written by the Prime Minister and not the finance minister. Last week his communications director said:

> This budget will be written by one person. It happens to be the Prime Minister of Canada, not the Minister of Finance.

The director went on to say that the Prime Minister was not happy about the way this budget was being put together.

That is absolutely clear by the way this budget fails to hit the mark in terms of the two expectations that Canadians had: the expectation that this budget would address the need for national security and economic security.

Some hon. members: Oh, oh.

The Speaker: Order, please. The Chair has to be able to hear the remarks of the hon. member for Calgary Southeast. A little order, please. The hon. member for Calgary Southeast has the floor.

Mr. Jason Kenney: Mr. Speaker, they have about as much respect for dissent as they do for taxpayers. It is absolutely clear in the budget that the government does not appreciate what Canadians do. On September 11 our holiday from history ended. Canadians understood from that moment, and since that time, that top priority of a national government must be to provide adequate resources for our national defence and to defend the security and safety of Canadians.

The budget provides only $300 million over five years in capital expenditures for the Department of National Defence at a time when the auditor general says that department will require at least $1.2 billion, and when the Conference of Defence Associations says at least $2 billion per year. The Minister of National Defence should be ashamed of himself for not having demanded at the cabinet table that we support our military men and women.

The budget will not even bring the budgets of the RCMP and the CSIS intelligence agency up to the levels of 1994 prior to their having been slashed. The budget does not provide the resources that Canadians demand and expect and which we need at the front line of our national defence and our national security.

In terms of economic security, the budget is an abject failure. The finance minister does not even recognize or admit or acknowledge that he has led Canada into a recession. What is his solution? It is next year to increase the tax on jobs, the combined payroll tax, by 6%. Instead of creating jobs, this budget and fiscal approach will kill jobs. The Liberals did not get their priorities straight.

Just when Canadians realize that now more than ever we must reduce the enormous debt burden, which has caused the lowest level of our currency in its history and which continues to be a drag on our disposable income and wealth as a nation, there is not one single red cent devoted to debt reduction in the budget, not a dollar. In fact the finance minister had to cook the books and move his own goal posts in order to come up with figures to suggest that he would not be in deficit. He has eliminated the prudence factor. He has cut the contingency factor in half. He has not allocated a dollar from either of those accounts to debt reduction. They are on the very fine edge of a deficit within the next two years.

The Liberals found more money for the culture department than for agriculture. Zero for agriculture and hundreds of millions for the CBC. Why is it that they have their priorities so wrong?

● (1710)

[*Translation*]

While the government is bringing us back to the edge of the precipice, the Liberals are already announcing that they would spend potential surpluses on artificial job creation programs and aid to Africa instead of reducing the debt.

The Liberals say they have invested in security. So how do they explain that not one cent is going into the basic national defence budget? The auditor general said recently that they needed $1.3 billion to maintain the status quo. The Liberals are contributing $1.3 billion, but over five years instead of one.

[*English*]

The budget fails to reflect the priorities of Canadians. It fails to get priorities straight. It is a huge wasteful budget. If this were a movie, it would be known as “2001: A Waste Odyssey” with a 9.2% increase in program spending next year, the largest spending increase since 1979 when this Prime Minister was a disastrous Minister of Finance.

Tomorrow I and my colleagues will be elaborating on the reasons for moving an amendment to the motion on this budget to condemn the government for having failed to get its priorities straight at a time of economic and security urgency; for having failed to put resources where they belong, at the front edge of our fight for national security; and for having failed to restore economic security to the country. We look forward to that debate. At this time I move:

That the debate be now adjourned.

(Motion agreed to)

The Speaker: Pursuant to Standing Order 83(2) the motion is deemed adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 5.15 p.m.)

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Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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