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Speaker: The Honourable Gilbert Parent

CONTENTS

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

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HOUSE OF COMMONS

Friday, October 9, 1998

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

• (1000)

[*English*]

EXTRADITION ACT

The House resumed from October 8 consideration of the motion that Bill C-40, an act respecting extradition, to amend the Canada Evidence Act, the Criminal Code, the Immigration Act and the Mutual Legal Assistance in Criminal Matters Act and to amend and repeal other Acts in consequence, be read the second time and referred to a committee.

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, I began my presentation yesterday and was interrupted, so I am happy to resume my remarks with respect to the position taken by the NDP caucus on Bill C-40, the changes to the Extradition Act.

As I pointed out yesterday, the NDP caucus has some reservations and concerns about Bill C-40, but in general we support the substance of it. Today I would like to recap some of the concerns and reservations that the NDP has about the bill.

First, we are not fully comfortable that the changes to the rules of evidence will be thorough enough to satisfy our justice critic. Changes as to who may or may not be excluded from testifying is also of some concern. We are concerned, as well, about the lack of clarity with respect to extradition to countries where the death penalty still exists.

• (1005)

This is the primary reservation the NDP caucus has about Bill C-40. We wish the language was much more clear and thorough in dealing with this controversial subject. The Canadian people have stated time and again that they do not believe in the death penalty. They think it is barbaric. They would like to believe that we are

farther out of the trees than that. It should be made very, very clear that in the case of extraditing criminals to a country where the death penalty exists, we do not want to be a party to that. The NDP caucus is not entirely comfortable with that wording.

I do not think we even need to review all of the current examples of people who were convicted of serious crimes and who were later found to be innocent. If we lived in a country which had the death penalty, it could be that certain people would have been executed when, given the fullness of time, they would have been found to have been innocent.

We are also very critical of places where this has happened. In the United States a fairly recent example was a man by the name of Caryl Chessman. He was executed in New York state. Later he was found to be fully innocent. He went to the electric chair and he had done absolutely nothing wrong.

Even further along these lines is the fact that duality must be demonstrated. That is, the crime for which we are extraditing a person to another country must also be considered a crime here. That is pretty plain and simple. The crime has to be considered with the same severity in this country as it is in the country we are extraditing someone to.

Should not the same apply to forms of punishment? It is not just the death penalty we are critical of, we are also very critical of countries that use cruel and inhumane punishment as part of their sentencing, whether it is torture, mutilation or anything else.

We do not think that Bill C-40 fully deals with the issue of extraditing someone to a country that deals with theft by cutting people's hands off. We would like that to be a lot more firmly stated.

If the rule is hard and fast about extradition to countries where the death penalty does exist, we are wondering about flexibility. If we have a written agreement with the country with whom we have an extradition treaty that they will not execute the prisoner, would we then feel comfortable in extraditing the prisoner to that country?

I have a specific example along those lines in my own riding where a Canadian citizen has been charged with murder in the United States. The grand jury in the United States took only eight minutes to indict this person, the evidence being so overwhelming that the person was involved.

Government Orders

The argument is that this person should not go to the United States to stand trial because the state of Florida, where this incident took place, has the death penalty.

We now have the opportunity with Bill C-40 to look into these issues so that we will be able to deal with these eventualities as they come up. I will talk more about that case later if time permits.

We know that the existing system is flawed. It is cumbersome. It is time consuming. It is antiquated. It is actually based on two pieces of legislation from the 1800s: the Fugitive Offenders Act of 1882 and the Extradition Act of 1877. It is very obvious that we needed to review how we deal with this kind of thing.

I have a recent letter from the Minister of Justice about the case I was speaking of. Even the Minister of Justice is clear, given the tone and content of this letter, that she believes the process of extradition is slow, tedious and cumbersome. She points out the two stages of extradition in the current system. She says that extradition from Canada involves two phases and this is one of the reasons it gets to be very cumbersome.

In the first phase, which is often referred to as the judicial phase, an extradition judge must determine on the basis of affidavit evidence submitted by the requesting state whether the conduct in the foreign state would constitute an offence in Canada. There is the duality I was talking about earlier.

We first must satisfy ourselves that the conduct this person exhibited in the applicant state would be considered a crime of equal magnitude in this state.

• (1010)

At the judicial phase that has to be satisfied. As well, at that stage the applicant state has to demonstrate that there is sufficient evidence. In the case that I was talking about, if the federal grand jury in the United States indicts, clearly there is ample evidence at least that the person should come to justice and stand trial.

The second phase, and this can even be a more lengthy phase of the extradition process, is the executive phase. That is where the Minister of Justice gets involved. The Minister of Justice must decide whether the fugitive should be surrendered to the requesting state in accordance with the relevant extradition treaty. This is where it can really bog down and take many years.

In the closing paragraph of her letter to me the Minister of Justice tried to give some solace or comfort. She pointed out that the process has in fact speeded up dramatically due to changes in 1992 when amendments were made to the extradition legislation. She claimed that this has shortened the extradition appeal process.

The changes that went through in 1992 obviously did not do the job. Six years have gone by since 1992 and the same cases are in

fact being drawn out. It is the "justice delayed is justice denied" point of view.

I am the first one to admit that extradition law is a very complex body of law. It involves many players. We are dealing with international politics, we are dealing with criminal law, we are dealing with international law, we are dealing with conflicting laws, the courts, the federal minister of justice and the governor general. It is a soup of interests that are in competition with each other. Frankly, it is a field day for the lawyers who would seek to delay and would use a delay to their benefit.

The existing extradition laws have been exploited by certain individuals. We should never condone or put in place any kind of system where five and seven and even twelve years sometimes is the norm for bringing a criminal to justice, especially if there is evidence to indicate that at the very least the person should stand trial.

Another thing we have to remember, which makes it even more complex, is that the Immigration Act comes into it and often people get the two blurred: deportation and extradition. This again is a further complication at the early end of an application for extradition. Often it is possible for deportation to take place if a foreign person within our borders has done something against our Criminal Code. Obviously that is a matter where the immigration department deports and we do not have to extradite.

I will refer to the case that I was talking about earlier. I have a special interest in extradition which should be of great concern to all here. This is the case of a major in the Canadian air force who was posted to Florida. He was murdered. His name was Major David Threinen and he lived in my riding. David Threinen's mother was in my office recently asking if there was something we could do to get involved, which led me to write to the Minister of Justice.

The fact is that David Threinen's wife, Monique Threinen, and her boyfriend at the time are the people who it is felt murdered David Threinen. The boyfriend has now been convicted of first degree murder and is sitting in a Florida jail. From the very first moment he has said "It wasn't me who struck the final blows, it was Monique Threinen".

The Canadian government intervened on behalf of Monique Threinen in the state of Florida. A very short time after the death of her husband the Canadian government, the air force, swept her out of the country and returned her to Canada with her two children. They paid her the death benefit, which was something like \$100,000, two years' pay. They began immediately paying her the widow's pension. She fled the country and the justice system to hide out in Canada with this windfall of money that the Canadian government paid her and with the \$2,000 or \$3,000 a month that the government is still paying her. All those involved and all those close to her from her former husband's mother, her former husband's family, to the father of her first child from a different

marriage have come forward with statements to the effect that they want Monique Threinen to go back to the United States to stand trial for this murder. No one is trying to prejudice the case. They only want the judicial process to be allowed to follow through its course and for her to go to court and prove her innocence or guilt.

• (1015)

With the windfall of money she received from the Canadian government she hired some of the best lawyers in the province of Manitoba. They are fighting this tooth and nail. They are fighting it with the comfort and confidence that if they use all the tricks at their disposal they can drag this out for three, five or seven years. In the meantime this woman who may be guilty of murder has the advantage of living in relative comfort in Winnipeg, raising her children without allowing her other family members to see them. The grandparents are horrified by this.

This is a clear example why Bill C-40 is attractive to us. Even if we do not think it is perfect, even if we think it is a little flawed, we are eager to see the process speeded up and simplified to where in a dramatic case like this one no one can hide behind the complicated and ponderous steps that must be taken in the current situation of extradition.

We have other examples where it has gone on far too long. I can point out an extradition hearing where the headline was "Activists are hot at Allan Rock over murder extradition". When that member was the minister of justice an organization was very upset about the case of another person wanted in the State of Florida in a drug dealing murder, Edgar Garcia.

He spent five years in the Don Jail as a guest of the crown fighting his extradition even though there was ample evidence that he should have gone to stand trial in the other country. The real obstacle was that Florida had the death penalty. I am the first one to argue we do not want to send anyone to a country where he or she might wind up convicted guilty and executed, because as a Canadian people we have decided over and over again that is fundamentally wrong.

In this case the State of Florida was willing to say that if that person came back and stood trial it would not go for the death penalty. The state prosecutor in the State of Florida agreed that they would not go after the death penalty. I believe the minister was comforted by that to the point where they co-operated and eventually sent Mr. Garcia to Florida where he pleaded guilty and was sentenced to life in prison.

In summary, I am glad to say that the NDP caucus can and will support Bill C-40 with the reservations I outlined earlier. The most glaring concern or reservation is the lack of clarity involved in the extradition of criminals to countries where the death penalty exists or where other types of cruel and inhuman punishment exists.

Government Orders

Mr. Randy White (Langley—Abbotsford, Ref.): Madam Speaker, I appreciate the opportunity to speak to Bill C-40 which we will be opposing. The reason is, as the member previously said, that it does not go far enough.

Before I get into some of the details on Bill C-40 I want to talk a bit about my concerns about the government and its legislation dealing with the criminal justice system in itself, which encompasses Bill C-40.

I was dismayed to learn in my riding that there was another attempt to rob the store of a very good friend of mine, Brian Lee who owns Lee's Fine Jewellery. This time it worked. Bandits came into his very fine jewellery store, stuck a gun in the face of one of his employees and walked off with about \$100,000 worth of jewellery. To somebody like Brian that is not only devastating but it hurts the store's income. It hurts the confidence of the people in our community.

• (1020)

When I stand here to express my dismay about situations like this one, I go back once again to legislation brought up in the House pertaining to criminal justice. One of them was the gun law. We supposedly have a gun law to do deal with the crime problem. Since the government has brought in the gun law, for instance, at least five people have been murdered by guns in my riding. Brian's store was held up by someone with a gun in hand.

For five years I have stood in the House time after time to talk about criminal justice matters. Time after time the same things recur and recur again.

Here we are on Bill C-40 dealing with extradition and I want to talk a bit about some of the comments in the press release put out by the government in this regard. It says fighting global crime is high on Canada's agenda and Canada needs modern legislation to succeed. I could not agree more with that statement. However, when we look at the legislation tabled in the House we wonder how it fits with the PR exercise the government goes through after it tables something in the House.

In another press release the government said that Canadians have expressed concerns about Canada's extradition laws; they want to prevent their country from becoming a safe haven for fugitives. Yes, we do. I am not a lawyer but I have fought enough criminal refugee and immigration cases in the last five years, in fact more than anybody in the House. These comments do not fit.

The fact of the matter is that this is a safe haven. It has been a safe haven internationally for criminals. It will continue to be a safe haven internationally for criminals. It is not just extradition as the NDP member previously said. It has to do with deportation although there are differences.

Government Orders

The previous member who spoke about deportation indicated that it was a little easier to deport than it was to extradite. I assure the House that is not the case. I have been there and I have been through those battles.

In my riding I have been in and out of refugee hearings and deportation hearings so often that I just shake my head when I go in because I know what I am going to be dealing with. Now I have managed to have four or five people deported from the country. It is a monumental exercise. I do not think the government appreciates what we are dealing with in criminal matters.

Boujam Aai Inthavong, an individual in my riding, helped murder a young man in my community who was 17 years old. He beat him with a bat in front of witnesses. The guy with Inthavong shot him in front of approximately 100 people. Inthavong ended up in prison for three years. While in prison he applied for refugee status and got it inside of 50 minutes. It took me and people in my community a year and half to try to get it overturned. We had to get a ministerial permit. We had to get the minister to declare him a danger to the public. We forced that on him. We went through appeal after appeal after appeal, fight after fight after fight.

• (1025)

We had to open up diplomatic relations with Laos because nobody had ever deported somebody from this country to Laos. After all that was done, almost two years later he was finally deported. The costs involved in that were through legal aid paid for by taxpayers. At one point he had two lawyers fighting me, not a lawyer but just an average citizen, all at public cost.

The government has the unmitigated gall to issue press releases like this one stating that it wants to prevent our country from becoming a safe haven for fugitives. I have news for the government. This country is a safe haven for fugitives and it is this government's fault.

There is little point in trying to impress people by mediocre changes in legislation and then hitting the streets with news releases. It does not wash where the problems are, which is in the communities.

Jose Mendoza, a young man from El Salvador, came to my community. This is not an extradition case but I am trying to explain that extradition and deportation are really quite similar and the problems are the same. Jose could have been extradited because in one of his hearings he said he was wanted in El Salvador. He used that excuse. He had 12 criminal convictions as a young man between the ages of 17 and 22, including what they call today sexual assault but I call rape.

Then, after all of that, he was back out on the streets at age 22 and raped Tasha, a girl in my community. The battle started for Jose. I wanted him out of the country. They agreed and Jose Mendoza agreed. His legal aid lawyer said "If you stay the charges

Jose will accept deportation". Everything is a-okay. Tasha said that at least we were rid of him and he would not remain in Canada.

We shipped him out escorted to El Salvador where he hitch-hiked through Guatemala, Mexico, the United States and showed up at the Douglas border crossing where he said that he was a refugee. They agreed that he was a refugee according to the rules, that he was entitled to make a claim as a refugee, and he was in. After all that he was in, so we started the fight.

We are very close to beating the refugee claim, with no help whatsoever from the government. We can imagine how Tasha felt. The reason we found out that he was back in Canada was that Tasha met him at a gas station about eight months later.

I have to ask sane people listening to these kinds of stories if they really think the government is dealing with these kinds of issues. Do they really think that half-baked legislation on extradition is working? Do they really think that appeal after appeal after appeal under legal aid is helping our system? Do they really think our deportation rules are helping us? I do not.

I got involved in the refugee claim with Jose Mendoza and tried to table his 12 prior convictions including one rape but not including Tasha's. The refugee board says that it does not consider that. What it considers is the effect the deportation will have on this individual if he goes back to El Salvador a second time. I really do not give two hoots about that.

• (1030)

I do care about the law-abiding Canadian citizen. I do care about the 12 prior convictions. That is what I care about and that is what the people in my community care about. But try to convince the group on the other side here and it does not work.

Mr. Wayne Easter: They are tightening it up.

Mr. Randy White: This is a bunch of hogwash. This is a haven. They are tightening it up, he says. Let us see how the Liberals are tightening it up.

Rafay and Burns committed murder in 1994. The case will be heard by the supreme court in November. The B.C. Court of Appeal found the minister had to refuse extradition because they faced execution for bludgeoning Rafay's parents to death. And they are fixing it up over there. Fixing it up, the hon. member says.

Pierino and Miachael Divito, Mafia figures, are wanted in the U.S. for conspiracy to import 300 kilos of cocaine. Three hundred kilos, in case there is anyone who does not know, is a lot. It goes to court because of "much harsher drug sentences handed out in the U.S." "We will go all the way to the supreme court, their lawyer vows". Is that not nice?

And they say they are fixing it up. Fixing it up. Let us see here.

Government Orders

The leader of the Rock Machine biker gang, a Mr. Cazzetta, wanted in the U.S. on drug trafficking charges. He delayed extradition for four years with arguments taken all the way to the supreme court. And they are fixing it up they say.

Michael Gwynne, a fugitive serving a 120-year sentence. Have we ever heard of that in Canada? He was apprehended in 1993. He has argued the case for five years all the way to the supreme court on our money. And they are fixing it up they say.

The Liberals have such a funny way of fixing things up. The problem in the House is that time and time and time again legislation that is supposed to be fixing things up is ineffectual. When it gets down to dealing with these issues in the communities, on the streets with police, law-abiding Canadian citizens say "Who is running that nuthouse in Ottawa anyway".

There the Liberals are over there reading their notes to see if they can counteract what I am saying.

I do not know what we can do other than to get rid of that motley crew over there and elect a government that maybe will address the issues on the street, maybe will go back to grassroots Canadians and ask them what is really bothering them.

Any one of the members across the way should just once try to fight for their community on a deportation hearing, a bogus refugee claim by a criminal trying to stay in Canada, or an extradition hearing like the ones I just read. Do it at a parole hearing of somebody who should not be out on the streets, a section 745 hearing, the faint hope clause, for a multiple murderer who should not be out on the streets. Do it on a DNA bill which the Liberals suggest is benefiting the country.

• (1035)

With the DNA bill which just went through the House the police will not take DNA samples from currently incarcerated individuals unless they are multiple murderers, multiple sex offenders or dangerous offenders, which is such a small minority of those in prison today. There are approximately 15,000 federal inmates and approximately 15,000 provincial inmates who will not have DNA samples taken. Those are the kinds of legislative problems the government does not understand.

I wish government members could have been there when I was with a friend of mine in my riding not too long ago. She had been sexually assaulted and her store had been robbed by James Armbruster. Before that he had been in Sumas centre. I call it daycare for prisoners; it is called a community correctional centre. There is no DNA attached to this guy. He was in Sumas centre with 63 prior convictions, count them all, 63 prior convictions. He got out and added two more, sexual assault and robbery. And the Liberals say they are dealing with the issues.

We have to be there to understand. We have to get out of these seats in Ottawa, go back home and sit down with victims of violence to understand how they feel, from Brian Lee's jewellery store, to Tasha who was raped by José, to my friend who was raped by Armbruster who had 63 prior convictions. It makes one sick to listen to it.

This bill on extradition is ineffective, as are most of the government's other bills. In my last 50 seconds I am going to try to say something nice. It was nice knowing you but I cannot wait until the next election. These kinds of ineffective bills go through this House with the Liberal majority government. Then those bills go through the Senate and the Liberals' appointed friends and neighbours rubber stamp them. That is not going to wash any longer. The Canadian public is damned sick and tired of it.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Madam Speaker, does my colleague agree that this bill in its present form will do nothing at all to have a catch-up? There are approximately 18,000 refugees in Canada. This deportation bill will have no effect at all unless there is some screening for people coming into this country the same way there has been in the past. We will be no better off with this bill in place in getting rid of the large number of people claiming refugee status than we were before the passage of this bill.

Mr. Randy White: Madam Speaker, I have a point of clarification. This bill is about extradition which is removing people with criminal records from the country. It is not mutually exclusive with deportation. One of the things criminals often do is they claim refugee status to avoid extradition and deportation.

• (1040)

The member is absolutely right. This country has a backlog of these cases, it is sad to say. In the last parliament when we had a backlog of these cases, the government said "We have such a backlog, we cannot deal with it so maybe we should put them all on a fast track and bring them in". Out go the citizenship papers and guess what we are left with.

I would like to think that all the speeches from my colleagues are going to amount to a lot of difference. But in this country where there is a majority government and the Liberals now have their buddies in the Senate, these bills go through. Canadians deserve a lot better than this. They deserve some consideration for laws that work.

I have been involved with a lot of victims rights groups in my short time in this House. Victims and potential victims, honest law-abiding Canadian citizens deserve a lot better than they are getting now.

Mr. Charlie Penson (Peace River, Ref.): Madam Speaker, in my riding of Peace River, immigration is one of the main areas I have to work with as an MP.

Government Orders

A lot of people want to come into this country. Canada has been built on immigration and I think will continue to be built on immigration. There are a lot of potential candidates for immigration who would make excellent Canadian citizens.

On the other side, we saw the Minister for Citizenship and Immigration last year let in about 4,500 people on special ministerial permits, fast tracking that whole process. Of those 4,500, something like 1,000 to 1,100 had criminal records including charges of murder and rape in their own country.

Considering that such a terrific amount of people want to come and make Canada their home and would make good citizens, what does my colleague think of the process of having those special ministerial permits? They essentially bypass the process where we should be extraditing those criminals back to their own countries to face charges rather than giving them Canadian citizenship.

An hon. member: I don't think so.

Mr. Randy White: One of the Liberals said "I don't think so". That has been the problem. They don't think, so.

My hon. colleague is right. So many good people want to come to Canada, so why are we slipping in those who in effect are risks to our society? I do not have an answer for that. They have criminal records and I think the hon. member opposite would admit that. We know that to be true. It escapes me, quite frankly. Why that attitude? Why can we not select better? Why can we not bring in other people rather than the criminals? Why can we not look at a tougher criteria?

There are many good people out there whom we want in this country and many come in. But the minority few, the approximately 1,100 we talked about here, leave a trail of crime behind them. This is serious. Then once they come in under a visa, they say "Now I am a refugee. If you want to get rid of me, it is really tough to get me out", which it is. I cannot understand for the life of me why we go through all the expense and time and pain to individuals.

If someone is a drug dealer in another country or if someone raped and pillaged in another country, exactly what do we think they are going to do here? Start teaching school?

• (1045)

Think a bit about this. I have a great problem with the philosophy over there but then again, look at this. Who is listening?

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Madam Speaker, I could not resist the temptation to make a comment about what has been said regarding the permit system. I have been a

member of the House of Commons for about 10 years now and I think the immigration system would be in great difficulty, and I hope the members opposite would recognize it, if there were not a permit system available.

It is virtually impossible to design an immigration system that will cover every single facet of family relationships, business relationships and international relationships. There are times when the immigration rules simply do not work and look stupid. That is not because they were designed to be stupid, it is because those rules cannot cover every situation. That is why the permit system is there. It deals with the very rough edges. Every member of parliament in this House has had to deal with stupid rules within the system, not designed to be stupid but they are stupid because of a real life situation that does not fit within the paradigm designed. That is why the permit system is there. That is why it deals with difficult systems.

I would not want to be a member of parliament if there were not a permit system that offered a band-aid or a fix to a very difficult human situation. Members opposite think that is stupid. They think it looks dumb. It would look even dumber if the permit system were not there.

Mr. Randy White: Madam Speaker, with all due respect to the member, I think he is a little confused.

It is not only the permit system that is the crux of the problem here. Once one comes into this country I would expect there are two relatively basic principles: one obeys the laws and contributes to the welfare of the country. If the laws are not obeyed in this country one of the greatest difficulties is the removal. The removal is part of the problem; appeal after appeal.

There is an abuse of the legal aid system. I think the hon. member is a lawyer. I do not know if he has ever been involved in this but I have. I see abuse of that system every single day I am involved in it with victims. Lawyers abuse it and the individual who should be thrown out of the country abuses it. The member should not shake his head. There is an answer to it. Fix the damn system.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Madam Speaker, I am pleased to take part in the debate on Bill C-40, an act respecting extradition to amend the Criminal Evidence Act, the Criminal Code, the Immigration Act and the Mutual Legal Assistance in Criminal Matters Act. It will also amend other consequential pieces of legislation and the amendments may have some ripple effect throughout the country in our justice system.

It is truly an honour and somewhat shocking to be speaking on two substantial justice bills on two consecutive days. This is probably the first time since I have been elected to parliament that we have been debating two justice bills in such close proximity.

I am very hopeful and optimistic that this perhaps signals a change in priorities from this government. I am hoping this is a sign of good things to come. Hope burns eternal in that regard. I also hope that the justice minister is not going to find herself on a flight home this weekend with a Liberal seatmate and chat about justice matters in such an open way as her colleague, the solicitor general.

In more simple and less partisan terms this legislation essentially merges our 100 year old Extradition Act and our Fugitive Act into a new and modern Extradition Act. This is following the lead of other countries and the sensible calls from many in our country.

• (1050)

I share the belief of the parliamentary secretary that the objectives of this bill are positive and even noble. Several events justify the revision and update of our Extradition Act.

Not only is it 100 years old but it does not deal with modern criminality. Modern criminality involves such things as telemarketing fraud and the use of Internet to commit an offence in another jurisdiction.

Sadly we have seen a great rise in this type of criminal activity in Canada of late. These technological realities draw attention to just how outdated this legislation has become.

The present act is not flexible enough to accommodate changes arising from within the globalization of criminal activity such as drug trade, organized and transborder crimes.

Organized crime has reached crisis levels in this country. This under a Liberal government comes according to a very reliable source, mainly the police and security officers who are daily forced to deal with this type of activity.

My hope is that this type of legislation will certainly be a step in the right direction and will certainly help stem this rising tide of criminal activity.

The Extradition Act was last amended in 1991 by the former Progressive Conservative government. Bill C-31 considerably reduced delays in extradition cases and at that time groups within the law enforcement community and security intelligence agencies were already requesting a large overhaul of the entire system.

The former Conservative government also passed the Mutual Legal Assistance in Criminal Matters Act which also becomes the subject of this debate today. The Conservative government's legislation, however, enabled Canada to co-operate more effectively with other countries in the investigation and prosecution of transnational and international crimes such as acts of terrorism, drug smuggling and money laundering.

Government Orders

Sadly, as I mention this the U.S. State Department's most recent "International Narcotics Control Strategy Report" listed Canada as one of the most attractive locations for laundering illegal cash.

The Liberal government has let our country fall into this category and it is mentioned in the same breath as Brazil and the Cayman Islands. This is not a glowing reference that comes from our international best trading partner, the United States.

Bill C-40 does propose changes to merge the Extradition Act and the Fugitive Offenders Act and this new act would allow Canada to meet its international obligations since it would allow extradition to international criminal courts and tribunals, including war crimes tribunals. A person would therefore be extradited if the act committed is considered a crime in Canada and in that state.

Requirements for some form of evidence would then become more flexible and this would bring Canada's extradition procedures and practices closer or more in line with those of other countries. It raises the level of co-operation and of course we always have expected a high level of co-operation from our trading partner the United States.

The government hopes it would prevent fugitives from considering Canada as a safe haven and avoiding having to come to grips or to face justice within their own country or within Canada depending on where the crime had been committed. This new act also retains the Progressive Conservative amendment to Bill C-31 to maintain an effective extradition process.

Canadians have continually expressed concerns about our extradition laws and they want to prevent their country from becoming this so-called safe haven for fugitives.

Over the past number of years several high profile cases such as Ng, Kindler, Maersk *Dubai*, which occurred on the high seas and resulted in arrests in the Port of Halifax, and the Narita airport bombing have caused a raised consciousness of some of the shortcomings of the current legislation.

As well, there have been numerous concerns expressed by our extradition partners at the international level and this again demonstrates the need for reform and modernization of this law.

Indeed I was pleased to add my name to the many Canadians who objected this summer to the scheduled deportation of those involved in the Maersk *Dubai* as witnesses and crew members. New Brunswick Conservative Senator Erminie Cohen played a key role in soliciting support for those brave men who had the courage to come forward and report to authorities the atrocities that occurred on the high seas. I publicly commend her for her efforts in that regard.

S. O. 31

• (1055)

One of the other major concerns with this current legislation is that Canada requires countries requesting extradition of a fugitive to submit their request according to a fairly narrow approach to what is acceptable evidence. This creates real difficulty especially for countries working within a civil law system. They are forced to rely on facts and accept a wider variety in terms of the type of evidence that will be admissible.

Other concerns include that difficulty for Canada to meet its international obligations to the international criminal courts or tribunals as Canada cannot extradite a fugitive to such a body under the present regime.

When extradition legislation was adopted in Canada over 100 years ago many forms of telecommunication we now know did not exist, nor did airplanes. The current legislation is silent on some of these newer types of crimes such as telemarketing fraud, theft of information by computer, use of the Internet to commit an offence in another jurisdiction. It is inflexible in that regard.

The increasing mobility of individuals is a reality that did not exist. This again makes it difficult for effective extradition relations with our international partners and again highlights the critical need for changes in this act.

Following a comprehensive review and consultation with many of our partners, the Extradition Act and the Fugitive Offenders Act required many major changes to reflect these modern procedures and practices. This bill tabled by the Liberal government would provide a single act that exemplifies the extradition process in Canada for our partners who wish to extradite a fugitive from Canada to their country or reciprocally for Canada to bring fugitives back to this country to face justice here.

At the same time this will would also provide enhanced protection and safeguards for persons who are the subject of an extradition request.

It is a well known maxim that we do not take our charter rights outside of Canada. But this does set up certain guidelines that will ensure that Canadian rights are protected both within and outside our country.

This proposed legislation would bring the extradition process into the 20th century and certainly make it more accessible to foreign states, bringing our extradition procedures and practices closer to those of other countries and, more important, prevent Canada from becoming a safe have for fugitives who want to avoid facing the full brunt of the law in countries where they commit crimes.

One aspect of the legislation that is neglectful and where there is a common theme is that of financing. The government passes law apparently without any appreciation of the cost. Most recently we have seen pronouncements from the solicitor general with respect to organized crime. His tough talk on organized crime is resonated

throughout the policing community. Yet at the same time we learn from the auditor general that \$74 million has been cut from the RCMP organized crime budget for this fiscal year, a very apparent and shocking contradiction.

The Liberal government passed Bill C-68 and will no longer deny that the implementation cost is now in the range of \$350 million when the former justice minister told us at the time that the cost would be \$85 million. Some estimates place the eventual cost at somewhere in the range of \$.5 billion to \$1 billion.

So we are now discussing two bills sponsored by the Minister of Justice. Yet there remains a shortfall of over \$200 million in the national policing services. Since 1993 CSIS has lost more than 20% of its employees and its operating budget again is in decline. No matter how well intentioned this legislation, how does the government expect its law enforcement agencies to enforce this type of law without adequate resources for front line policing?

But the police soldier on. I have had the pleasure of working with many police in our country, officers like Kevin Scott—

The Speaker: My colleague, as it is 11 o'clock, we will proceed to Statements by Members. The hon. member has about nine minutes left in his speech.

STATEMENTS BY MEMBERS

[English]

TRANSPORT

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, for the past year Mississauga East residents have been subjected to intolerable levels of noise from low flying aircraft due to the operation of the new north-south runway.

The aircraft are now flying so low over residential areas and generating so much noise that one child could not hear his father's call to get out of the way of an oncoming vehicle. This runway has been anything but a vehicle promoting safety.

• (1100)

The local airport authority, the GTAA, has refused to consider any restrictions on its use which might alleviate the impact on residents until after it settles its dispute over development fees for the city of Mississauga.

I call on the Minister of Transport to amend the operational standards set by his department to restrict the usage of the new north-south runway to only those hours when the volume of flights exceeds the capacity of the existing north-south runway.

This is a measure which is safe, efficient and which—

The Speaker: The hon. member for Elk Island.

S. O. 31

THE SENATE

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, today I would like to add a powerful influential voice to the argument in favour of an elected Senate.

Here is a quote: "The Liberal government in two years will make the Senate elected. As Prime Minister I can make that happen." That was the person who is now the Prime Minister making a speech in Alberta in October 1990.

Here is another quotation from this influential voice: "To meet the hopes and dreams of those who live in the west and the Atlantic, a reformed Senate is essential. It must be a Senate that is elected, effective and equitable". I am quoting the Prime Minister of the country who said those words right here in the House of Commons on September 24, 1991.

Why does the Prime Minister now argue against an elected Senate? If his words in the past meant anything, he should now be working hard to achieve these reforms. He is powerful and influential. Albertans are getting sick and tired of his continual excuse making. Let him get on with the job and do it.

* * *

THE HOMELESS

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the interim report of the Toronto mayor's Homelessness Action Task Force reveals that in Toronto every night about 3,000 individuals stay in shelters. In addition, about 37,000 are on a waiting list for subsidized social housing and an additional 40,000 are spending more than half of their income on rent or living in extremely precarious housing.

Furthermore, Toronto shelters provide emergency services as well as shelter for the chronically homeless.

This urgent situation is aggravated by the fact that the Ontario government is downloading responsibility for social housing to municipalities. There is therefore a great need for the federal government to provide funding for people in need of social housing units.

* * *

HOCKEY

Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, hockey is the tie that binds this country together from coast to coast. It is the game that Canadians love the most.

As a new NHL season begins tonight we must not forget the athletes who play on our country's most important hockey team, Team Canada.

I am very proud to announce that one of my constituents in the great riding of Renfrew—Nipissing—Pembroke has just been named to our national team.

Last season Shawn Heins was the top rookie defenceman in the International Hockey League. He set an IHL record with a 99.5 mile an hour slapshot. He is now under contract to the San Jose Sharks. Shawn Heins is from Eganville.

Two years ago another Eganville lad, Dale McTavish, played for Canada's national team. He went on to play for the Calgary Flames before becoming the top scorer for Saipa in the Finnish Elite League.

It is indeed a remarkable achievement for any small village of 1,300 people to produce such high calibre hockey players. It is the contribution to Team Canada which we enjoy the most.

The people of Eganville and the entire valley salute and are proud of both Shawn and Dale.

* * *

THUNDER BAY REGIONAL ARTS COUNCIL

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, from October 13 to 27 my riding is holding a citywide celebration of events and displays co-ordinated by the Thunder Bay Regional Arts Council.

This celebration aims to heighten community awareness of arts and heritage in Thunder Bay and to provide increased opportunities and exposure for artists' organizations.

The central event of this celebration is a four day long arts fair during which artists and art organizations display, demonstrate and provide hands-on activities to the public. This fair gives the community an opportunity to participate and create, enriching the community's creative experience.

I encourage all members of the House to support the artistic communities in their ridings.

* * *

UNEMPLOYMENT

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, we have a crisis in Cariboo—Chilcotin, as there is throughout much of British Columbia.

In my riding unemployment has reached 14.8%. This is unacceptable.

The federal government has tied our lumber manufacturers to a softwood quota agreement with the United States that we cannot get out of. Now it is killing some of our producers who cannot get enough quota.

S. O. 31

● (1105)

Now the placer miners are telling me that gun-toting fisheries and oceans officers have been raiding them and threatening to close the miners down because they do not want them on the rivers. What will happen next?

Like so many other issues that this government has tackled over the past five years, the Liberals lack vision to seek long term solutions to serious problems and fail to look at the long term consequences of their knee-jerk reactions before implementing new policies.

My constituents are asking: Where is the vision? Where is the leadership? They are demanding answers now.

Today in Caribou—Chilcotin the unemployment rate is 14.8% and rising. Does the government not care? The facts speak for themselves.

* * *

ROYAL CANADIAN MOUNTED POLICE

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, we know the RCMP is a very important part of our heritage and indeed a part of our very being as a nation.

This week I attended the performance “The Colour of Pride” which draws on and illustrates that history, their triumphs, their tragedies and their courage. The presentation by eight RCMP members through music, drama and song was, for me, a chance to experience the pride, the passion and the performance of 125 years of RCMP history.

“The Colour of Pride” enhanced my respect and appreciation of the over 21,000 men and women who serve our nation. The show made me particularly proud to be a Canadian.

Congratulations to the entire cast and crew of “The Colour of Pride”. I extend special recognition to the efforts of fellow islanders Constable Kim Hendricken and Inspector Andy Arsenault. Our thanks and our respects.

* * *

*[Translation]***MEMBER FOR BOURASSA**

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, in his statement made yesterday, the member for Bourassa once again experienced problems with the facts.

He said that constituents in the riding of Rimouski—Mitis support the misappropriation of employment insurance surplus funds that the Minister of Finance is preparing behind the back of the Minister of Human Resources Development.

In fact, it is just the opposite. People in the riding of Rimouski—Mitis clearly said the federal government must use the surpluses

hidden by the Minister of Finance to immediately repay the provinces for health and reduce personal income tax.

The member for Bourassa misrepresented the facts and he is trying once again to turn to his advantage the good initiatives taken by the Bloc Québécois, whether it is our public consultations on what to do with the surpluses, or our Quebec lamb dinner.

Perhaps it is time the Liberal member realized he is making a fool of himself.

Relax, Max.

* * *

*[English]***UNITED STATES IMMIGRATION ACT**

Mr. Carmen Provenzano (Sault Ste. Marie, Lib.): Mr. Speaker, the United States Congress brought good news to residents of Canadian border cities yesterday when it decided to delay by 30 months the enforcement of its harsh new entry law.

Without this delay section 110 of the United States Immigration Act would have created massive lineups and a host of other problems for those crossing into the United States. This certainly would have impeded tourism and in doing so it would have had a devastating effect on the economies of border cities like Sault Ste. Marie.

I wish to thank Lloyd Axworthy, the Minister of Foreign Affairs for the leadership—

The Speaker: Colleagues, we do not use each other's names in the House of Commons. I am sure the member will not do it again.

Mr. Carmen Provenzano: I wish to thank the Minister of Foreign Affairs for the leadership role he has played and his effective efforts in lobbying the American Congress and Senate for a Canadian exemption to this ill-conceived legislation. It appears that the American Congress is now listening, albeit in the 11th hour, to the legitimate concerns and objections raised on Canada's behalf by our Minister of Foreign Affairs.

* * *

THE SENATE

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, if I had one reason to reform the Senate, that would be worthy of consideration. If I had 10 reasons, surely that would merit even more serious consideration. Today I have not one, not 10, but 7,009 reasons for Senate reform.

Point one: So 7,000 petitions from Alberta brought by QR77's Dave Rutherford get a hearing before they go into the Prime Minister's trash bin.

Point two: So Canadians are not lying when they say live in a democracy.

Point three: So Plato and Socrates do not role over in their graves.

Point four: So the world can see that Canada is not a banana republic run by a pepper eating dictator.

Point five: So Canadians can hold senators like Andrew Thompson directly accountable for subsidized siestas.

Point six: So senators do not get pensions they have not shown up to earn.

Point seven: So senators feel more inclined to show up for their 65 day work year.

Point eight: So citizens across the country are treated equally.

Point nine: So Liberals can no longer appoint their hacks and bagmen who fail to get elected.

Point ten: So 91% of Albertans get the respect they deserve.

* * *

● (1110)

JACOB AND MATHEW BROWN

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I would like to take this opportunity to highlight the selfless contribution of two young individuals from Carleton Place in my riding.

For the past four years Jacob and Mathew Brown, aged 8 and 10, have forgone their birthday presents in favour of family and friends making a donation to breast cancer research. In addition, the two brothers have been making beaded jewellery to be sold at local craft fairs. Jacob's and Mathew's altruistic acts have amounted to donations of over \$1,700 to breast cancer research.

This year it is estimated that close to 20,000 Canadian women will contract breast cancer. The cause is unknown and it cannot be prevented.

Only by funding research can we hope to find the cure for this horrible disease.

Mathew and Jacob have asked me to pass along this message to Canada: Children can make a difference. They ask everyone to take up the challenge to help defeat breast cancer.

I congratulate these two boys on their continuing dedication to an important cause.

* * *

INTERNATIONAL DAY FOR THE ELIMINATION OF POVERTY

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, October 17 is the International Day for the Elimination of Poverty.

S. O. 31

Sadly, I do not rise today to mark our progress toward achieving that goal; I rise to lament government inaction and the increasing poverty that stems from it.

In Canada more than five million Canadians live below the poverty line. And, shamefully, this does not include aboriginal peoples on reserves where social assistance does not even cover the basic costs for food.

As we mark this day, homelessness is reaching epidemic proportions.

In my riding of Vancouver East too many people are dealing with the daily dilemmas of heart-wrenching poverty: where to sleep; what to eat; how to face the hopelessness in their children's eyes.

There are immediate steps that this government can take: amend the Human Rights Act to include poverty as a prohibited grounds for discrimination; declare a national emergency on homelessness; stop the federal retreat from social housing; begin to replenish the billions cut from social spending.

Let us make this October 17 the beginning of real action to eliminate poverty.

* * *

[Translation]

DAVIE INDUSTRIES

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, because of the federal government's delay in acting on requests to secure financing for the *Spirit of Columbus* and *Amethyst* drilling platforms, on August 11, Dominion Bridge Inc. sought bankruptcy protection.

Since its current contracts are worth over \$300 million, Davie Industries was granted an extension, until October 26, to meet the receiver's requirements.

Since time is of the essence for the 1,000 shipyard workers in Lévis and their families, I once again call upon the Liberal government to take action on this issue and provide its share of the financial guarantees requested by Davie Industries.

I also call upon all socio-economic stakeholders in the Quebec City and Chaudière-Appalaches areas to continue to show solidarity for the shipyard in Lévis.

* * *

UNITED NATIONS SECRETARY GENERAL

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, yesterday the hon. member for Beauharnois—Salaberry selectively quoted United Nations Secretary General Kofi Annan on the matter of secession.

In fact, what the secretary general said was: If the supreme court judgement requires a clear majority, if the majority of Quebecers

Oral Questions

opt for secession, and if your constitution recognizes their right to do so, we too will have to grant that recognition.

The secretary general is therefore referring to a clear majority of Quebecers on secession, and not a vague notion like sovereignty-association. He is referring to a secession negotiated within the framework of the Canadian Constitution, not unilateral secession.

In fact, he is saying exactly the same thing as the Government of Canada has been saying over and over again for the past two and one-half years. He added—

The Speaker: The hon. member for New Brunswick Southwest.

* * *

[English]

UNITED STATES IMMIGRATION ACT

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, while in Washington this week I met with several congressional leaders both from the Senate and the U.S. Congress.

We now know that we have a 30 month reprieve in relation to section 110 of the U.S. Immigration Act. However, this is not a permanent solution. What we need is a permanent solution.

What I am asking is for the Government of Canada to pursue vigorously a permanent solution to section 110 of the U.S. Immigration Act.

• (1115)

We enjoy the biggest trading relationship in the world between Canada and the United States. We want this resolved on a permanent basis.

* * *

[Translation]

CANADIAN ECONOMY

Mr. Réginald Bélair (Timmins—James Bay, Lib.): Mr. Speaker, this morning Statistics Canada has shown us that the Canadian economy is doing well, despite the shrill opposition predictions of catastrophe. In September, the number of jobs rose approximately 73,000, which raises the number of additional jobs over the year to 264,000. According to this same report, the unemployment rate remained unchanged at 8.3%.

Yesterday, the Conference Board identified some indicators that are a source of optimism for 1999. According to this most reputable body, the economy can count on real wage increases, strong exports and low interest rates, which will encourage business investment and, as a result, bolster our economy against the negative impact of the world financial crisis.

There is no doubt that the priorities of the Liberal government were the right ones: fiscal consolidation, elimination of the deficit, and the creation of favourable conditions for—

The Speaker: I am sorry to interrupt the hon. member. We now move on to Oral Question Period.

ORAL QUESTION PERIOD

[English]

SOLICITOR GENERAL OF CANADA

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, last week the solicitor general publicly discussed a business relationship between Elmer MacKay and Karlheinz Schreiber of Airbus fame, something no one in the country knew about. Not even Mr. MacKay's son. Not even Mr. Schreiber's lawyer in Edmonton. There is only one way that the solicitor general could have known about this relationship, and that is because of an ongoing RCMP investigation.

The proof is in. The solicitor general publicly compromised an ongoing RCMP investigation. Will the government do the right thing? Will the government ask for his resignation?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the operational activities of the RCMP are clearly under the purview of the RCMP. I do not involve myself in those operations. I would not know about those operations. I would not discuss those operations.

The allegations that were made earlier this week, I responded to those. My response has been supported. The rest of that conversation was a private conversation between myself and another Canadian citizen.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, this is a very serious and new charge against the solicitor general. There is no spin. There is no interpretation. There is no excuse for what has happened.

The solicitor general publicly commented upon and has now jeopardized an ongoing RCMP investigation. The only reason the solicitor general had this information was because he was trusted with this information by the RCMP, and he has broken that trust.

Will the government do the right thing and ask for the solicitor general's immediate resignation?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the premise of the hon. member's question is unwarranted, as explained by the solicitor general. Therefore the direct answer to the hon. member's question is no.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, this is hard to believe. I do not know what it takes for the government to see wrong when it is staring it in the face.

Oral Questions

The solicitor general knew of a business relationship between Karlheinz Schreiber and Elmer MacKay. Now the only way he knew that information was because he was trusted with that information by the RCMP. Then the solicitor general spoke publicly about confidential information given to him in trust by the RCMP.

What does it take? He has to go. Demand his resignation. What does it take?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I said categorically, and I will say it again, information that is acquired in an operational exercise by the RCMP or any agency is not information that I am privy to. It is not information that I am involved with. I would not know it. If I did know it I would not talk about it.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, this was not a private conversation, now, was it?

The solicitor general's loose lips let a closely guarded secret slip, basically a business relationship uncovered in the ongoing Airbus investigation that no one else in the country knew about. No one else, with the exception of the RCMP.

If putting an RCMP investigation in jeopardy is not worthy of a resignation, just what is?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I said, I would never discuss an RCMP investigation under any circumstances. I am not involved in them. It is the purview of the RCMP.

• (1120)

The allegations that were made this week were by the member for Palliser. I responded to those allegations. I was supported by the person who sat beside me on the aircraft. I stand by my statement.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, are we all listening to this? He did not discuss the Airbus situation.

Do the names Elmer Mackay and Karlheinz Schreiber mean anything at all to the solicitor general? Why does the government not just wake up and demand this fellow's resignation right now?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, my answer is very clear and very categorical. The fact remains that the internal operations of the RCMP are the purview of the RCMP. I would not involve myself. I would not know about it.

The rest of the conversation, beyond the allegations to which I have responded, is a private conversation.

[Translation]

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, my question is for the Solicitor General.

Yesterday, the member for Palliser swore under oath in the House that he was telling the truth about the Solicitor General's

remarks he heard on the airplane. He even challenged the Solicitor General to prove otherwise, but the minister ducked the issue once again.

Why is the Solicitor General refusing to rise in the House and swear under oath that he is telling the truth, the whole truth and nothing but the truth?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the member for Palliser did not swear a formal oath in the House.

[English]

I would like members to take a look at yesterday's *Ottawa Citizen* in which reporters replicated the situation that is the matter of controversy. They said:

The plane vibrates, the engines drone, and the ventilation system creates a constant, breathy whirr.

A citizen reporter—

Some hon. members: Oh, oh.

The Speaker: The hon. Deputy Prime Minister.

Hon. Herb Gray: Mr. Speaker, to continue droning my answer, the *Citizen* article says "a *Citizen* reporter playing Mr. Proctor's eavesdropping role on two unsuspecting passengers sitting opposite" said the two men obviously knew each other and spoke sporadically, "but much of their discourse is lost in the din".

Here is some independent evidence about the circumstances leading to this controversy in the House. I suggest hon. members take a look at the *Citizen* to see what happened when current reporters tried to take notes of a conversation under the circumstance raised by the member for Palliser. They could not do it. They—

The Speaker: The hon. member for Rimouski—Mitis.

[Translation]

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, something very serious has just happened in the House.

The Solicitor General is rising in his place and refusing to swear an oath. He is taking cover behind a completely insignificant alibi. He would therefore be unable to swear an oath outside the House if called upon to do so, as the member for Palliser has promised to do if asked.

What is the Solicitor General waiting for to resign?

[English]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the exercise we have been engaged in during the last week in the House after my statement in response to the original allegations has been political theatre, and I am not prepared to play.

[Translation]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I too have a question for the Solicitor General.

Oral Questions

The minister's entire defence is based on the letter from his Liberal friend, Frederick D. Toole. We know that this individual has contributed to the Liberal Party coffers, as has his law firm, which has received several government contracts. The very least that can be said is that, when he signed his letter to the minister, Mr. Toole found himself in an extremely awkward situation.

Since his alibi is so unbelievable, what is the minister waiting for to resign?

• (1125)

[English]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I think the most important thing to consider in terms of the credibility of the person sitting beside me was the fact that he was sitting beside me and not an aisle and a half away.

[Translation]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, on the one hand, we have a valueless letter, which does not say what the minister would like it to and, on the other, we have the honour of a member who rises in his place and swears he told the truth.

Will the minister agree that, if his only defence is that the letter proves him right, then he does not have a leg to stand on and should resign?

[English]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Quite the contrary, Mr. Speaker. The questions all week have been based on the notes that were taken by an eavesdropper in a noisy aircraft a seat and a half away.

I think this is a tactic unfamiliar to Canadians and one that Canadians will reject.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, the revelation about the relationship between Karlheinz Schreiber and Elmer MacKay is something that could not have been known by anybody else and was not known by anybody else.

It not only points out the impropriety of the solicitor general's actions but the fact that the notes taken by the member for Palliser are accurate. No one has accused him of being psychic. He could not have pulled this out of thin air.

The fact is that this points to the fact that the solicitor general was talking in the way that the member for Palliser said he was. He committed another indiscretion and he should resign.

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I have said, I would not be involved in an operational activity in the RCMP. I would not be aware of that information. I

was not aware of that information as it relates to any particular investigation. That is the fact.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Deputy Prime Minister. Does he not see that this latest revelation points to the complete veracity of what the member for Palliser has said and that this is cause for the government to ask for the resignation of the solicitor general?

While he is at it, will he tell us why the Prime Minister is unteachable and keeps making jokes about Canadian students getting pepper sprayed when he should know better? He should not have done that in the first place the first time, never mind the second time.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, why do the hon. member's party and the other parties in opposition keep making allegations that in effect amount to prejudging the outcome of the inquiry? Why do they not answer that?

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, last night on CBC radio the executive director of the New Brunswick Liberal Party said that the solicitor general told him that PM referred to in the RCMP officer's notes was the Prime Minister and that PMO referred to the Prime Minister's Office.

This is further proof that the solicitor general discussed a sensitive matter with political pals. His reference to Hughie can be no other person but Hughie Stewart, the APEC fall guy.

My question is for the Deputy Prime Minister. When will the government show some respect for this institution and demand the solicitor general's resignation? The verdict is in.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I could say I rest my case. The hon. member is prejudging the whole matter. He says that the verdict is in.

Where is the fairness? Where is the justice? Where is the equity? He is completely lacking in those qualities and he should recognize it. On that the verdict is in.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, that is quite a statement from a man so intricately involved in the Airbus investigation.

Another day, another detail is confirmed from the notes of the member for Palliser. The member for Palliser has pledged to swear an oath on his version of events on Thursday's Air Canada flight.

Yesterday I moved a motion in the justice committee to summons the member for Palliser, the solicitor general and Fred Toole to testify under oath on what was said.

Will the solicitor general show the same courage and integrity as the member for Palliser and testify under oath at the justice committee? Or, will he submit to a lie detector test?

Oral Questions

The Speaker: I would like the hon. member to withdraw the last statement about a lie detector test.

Mr. Peter MacKay: I withdraw that statement, Mr. Speaker.

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I said earlier, this whole exercise beyond the first day's allegations and my response is pure political theatre.

• (1130)

I think the hon. members do a discredit to this House and I will not participate.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, what a difference a few years makes. Let me quote a former Prime Minister who was Leader of the Opposition at the time. Turner said "The government's vigorous defence of the embattled minister made a mockery of public ethics. A minister has a duty and a burden of proof to show that what he is doing is beyond reproach". The Liberal leader also said "This is a question of ethics, a question of honesty and is a question of deportment in public affairs".

Let me ask the Deputy Prime Minister, has his government changed its standards from when it was in opposition? Why have the Liberals changed their standards? Why will—

The Speaker: The hon. Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, why has the hon. member changed his standards from when he was a Conservative member? At that time he supported strongly the public complaints commission. Now he is raising questions about its use, veracity and value. Why has he changed his standards?

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, this has nothing to do with the former Conservative government which this minister keeps saying I was part of. This deals with the ethics of this government.

Let me quote the member for Hamilton West when he was in opposition and told a news conference that Charest should resign regardless of whether he intended to interfere with the court process. It is a matter of public ethics. It is a matter of parliamentary ethics. The minister has damaged the parliamentary system. He should resign until this case is settled. The Deputy Prime Minister knows this.

Canadians want to know why the government is still defending him. Will he phone the Prime Minister in Winnipeg, get him away from his pepper steak dinner and get the resignation right now?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I reject the unwarranted assertions and the premise of the hon. member's question. I think he ought to give a phone call to his

leader to see how he should be carrying out his duties. That is his first task.

[*Translation*]

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, the Solicitor General has talked about bad political theatre in this House. The problem is that his performance is a dismal comedy. One thing is sure: the Solicitor General is an unrepentant chatterbox and his chattering is incompatible with his duties.

The little credibility left to the RCMP commission of inquiry is lost because of the actions of the Solicitor General. If he wants the commission to regain its credibility, why does he not resign?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the erroneous allegations of the member and the other members of the opposition are what is undermining the commission's credibility, if in fact it is being undermined. I think they are totally wrong to ask such questions. Are they trying to undermine the commission's credibility? I hope not.

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, the Deputy Prime Minister has to answer for the Solicitor General because he knows that the Solicitor General's credibility is undermined.

The Solicitor General is also responsible for the RCMP. Now, because of his chattiness, the relationship of trust between the Solicitor General and the RCMP is broken. In any case, since the RCMP no longer trusts the minister, why, once again, does he not resign?

[*English*]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the questions that we have heard all week are based on the inaccurate notes of an eavesdropper. I responded to the allegations that were put. My response was supported by the person with whom I was having the conversation. As I said earlier, I do not think Canadians take kindly to these tactics. They are unfamiliar in Canada and unworthy of the hon. member.

* * *

APEC SUMMIT

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, in Vancouver the government has a platoon of taxpayer funded lawyers to hide the Prime Minister's involvement in the APEC scandal. The commission has requested funding for the students' legal costs. The solicitor general has refused, leaving the public interest represented by one unpaid lawyer. The solicitor general is clearly in a conflict of interest here.

Will the solicitor general commit here and now to provide funding for the students as requested by the commission so it can get to the bottom of this scandal?

Oral Questions

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, we received a request earlier this week for additional funding for the students. That request is being considered at this time.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, I want to again ask a question of the solicitor general. How did the solicitor general get the confidential information about the ongoing investigation? He has made denials. We have heard admissions. We want to know the facts. How did he get that information?

• (1135)

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I said, information that would be acquired through an operational exercise by the RCMP or any other agency under my responsibility is operational. I would not be privy to that. I would not be involved in that. That is the reason that I have denied the fact that I have received that information in that fashion.

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[Translation]

SOLICITOR GENERAL OF CANADA

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Solicitor General. In the past, a number of ministers have lost their positions through lack of judgment. Jean Charest, for example, lost his job after phoning a judge, and Alan Redway lost his after making a bad joke about guns while going through customs. There was also the Liberal "Rat Pack" who used to call for ministers' heads over peccadilloes.

Why are the Liberals today applauding what used to bring them roaring to their feet on their desks calling for the heads of Conservative ministers?

[English]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, as I said, the allegations that have been put I have responded to. It has been supported. I am very confident in my position in this regard. I wish the hon. members would get on with the nation's business.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, last week, the Solicitor General chatted about the matters under his responsibility on a plane. This week, he chatted in the gym with a Conservative colleague, to justify himself, it seems.

Why is the government not dismissing this dangerous serial chatterer?

[English]

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, all week long I have been suggesting that the allegations that have been made were based on inaccurate information. I have said it many times in response to many questions and I say it again.

* * *

AGRICULTURE

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I would like you to convey to the solicitor general that after the Thanksgiving break we will be back on this question.

My question today is for the agriculture minister. There is a growing farm crisis in western Canada. In 1997 farm incomes have dropped by over an average of 50%. The net income stabilization account would help some farmers but it will not help most of the farmers.

Is the minister prepared today to admit that NISA does not meet the needs of real Canadian farmers?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I will remind the member again that we have the best safety net system of any farm population in the world.

We are reviewing with the industry, and that review has been ongoing having started a number of months ago, how we can better make the investment there, to the betterment of the industry. We will continue to do that.

Unfortunately there is a world commodity dip in prices for farmers all around the world. That is little consolation to our farmers, I understand. We are working with the industry in co-operation with them to strengthen the industry to the best of everybody's interest.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, my question is for the Minister for International Trade.

Canadian farmers are facing difficult times, as my colleague has just suggested. Commodity prices are reaching lows something like the ones 30 years ago. At the same time the European Union managed to find over \$50 billion to subsidize its farmers this year alone.

What specific plan has the Minister for International Trade to defend our Canadian farmers against these unfair subsidies?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I wish the member had listened to the answer I gave a moment ago. We are working with the industry. We have a very solid safety net plan in the industry at the present time. We are working with the industry to improve that as time goes on. I look forward to that co-operation in the industry, which we have always had, as well as the co-operation of the hon. member.

Oral Questions

[Translation]

SOLICITOR GENERAL OF CANADA

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, my question is for the Prime Minister. Frankly, Liberal members have a nerve trying to persuade us that the person in the wrong is not the Solicitor General, who discusses government business on an airplane, but our NDP colleague, whose misfortune it was to be there and hear the minister's remarks.

Will the Prime Minister come back to reality, show some judgment and sack the Solicitor General immediately?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, it is because the Prime Minister has such good judgment that he has no intention whatsoever of calling for the Solicitor General's resignation.

* * *

● (1140)

[English]

VETERANS AFFAIRS

Mr. Joe Jordan (Leeds—Grenville, Lib.): Mr. Speaker, as the House heads into Thanksgiving break, I think that independent of the complex issue, all Canadians share concern about the health of the merchant navy hunger strikers. Can the Parliamentary Secretary to the Minister of Veterans Affairs update us on what the government is doing to try to resolve this unfortunate situation?

Mr. Bob Wood (Parliamentary Secretary to Minister of Veterans Affairs, Lib.): Mr. Speaker, I would like to thank the member for Leeds—Grenville for the question.

I am extremely happy to report to the House that as of this morning, the four merchant navy veterans have agreed to end their hunger strike.

Some hon. members: Hear, hear.

Mr. Bob Wood: Mr. Speaker, I cannot express how pleased I am that these men will be home with their families for Thanksgiving.

I would also like to thank members on both sides of this House, especially the Minister of Veterans Affairs and the hon. member for St. John.

I would also like to report that beginning next week a consultation process will begin with various veterans organizations, including the merchant navy which will expedite the tabling of an omnibus bill.

* * *

AGRICULTURE

Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.): Mr. Speaker, my question is for the minister of agriculture. With farm income

having dropped between 40% and 80% and farmers even having problems putting food on their own tables, why has his government abandoned its red book one promise to reduce farmers' input costs and to introduce a whole farm income stabilization program? Where is it? When is it coming?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I wish the hon. member would update himself on the realities of the day.

Canadian farmers are probably the only farmers in the world who have a net income stabilization account in which they can participate. I encourage those who have not already participated in it to do so. It is a management tool that is contributed to not only by the individual producer, but by the provincial and the federal governments in order to assist and to take out some of the difficulty in the unfortunate times we are in right now of low commodity prices.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, with the disastrous cost price squeeze that farmers are facing, it will be a very tough year for them.

In the face of near record low prices, this government continues to increase farmers' costs through agencies such as the Canadian Grain Commission and the Canadian Food Inspection Agency.

All Canadians benefit from the services of those agencies. Will the government make a tiny little start at addressing the farm income crisis by ending the extortionist cost recovery programs?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, here again if the hon. member cared to get briefed on these types of issues, we have frozen a good number of the cost recovery assessments that were made.

Concerning cost recovery, there is always a debate on what is private good and what is public good. But probably the average of the cost recovery is far less than 20% of the services provided to the agriculture and agri-food industry in Canada.

* * *

APEC SUMMIT

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the public complaints commission is now completely compromised by the actions of the solicitor general and there is still no funding for legal representation for student complainants.

Surely the solicitor general must acknowledge the conflict of interest he has put himself in and the jeopardy he has created for the process he defended.

Funding must be provided and the solicitor general must do the right thing. Will he resign?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I feel very, very strongly about civilian oversight in the

Oral Questions

public complaints commission. I received the request for funding earlier this week and it is being considered right now.

* * *

SOLICITOR GENERAL OF CANADA

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, grade 11 history students in Flin Flon held discussions on the solicitor general's sharing of sensitive information. Here are a few comments: "He is trying to cover his behind. He should resign before he gets himself and his party—"

The Speaker: Your caucus may be behind you but I would hope that we do not use words that we would not ordinarily use in the House. I know that the hon. member will agree.

• (1145)

Ms. Bev Desjarlais: Mr. Speaker, "he should resign before he gets himself and his party into more trouble. He should resign. He is showing his incompetence and irresponsibility. He should resign because he represents the RCMP. If I were an RCMP I would not want him representing me".

This class is listening today. I ask the Deputy Prime Minister why does this government continue to behave in a way that disappoints young Canadians.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, why is the hon. member abusing the process of this House and the fact that it is televised to make assertions that are unwarranted and unjustified?

Therefore her request is certainly unjustified as well.

* * *

AIR ATLANTIC

Mr. Charlie Power (St. John's West, PC): Mr. Speaker, my question is for the Minister of Labour.

On August 26, 435 employees of Air Atlantic in St. John's and Halifax were given notice of termination as of midnight October 24. This is only eight weeks of notice. Under section 212 of the Canadian Labour Code there must be 16 weeks of notice of termination.

Subsequently the company applied for and was given a waiver. Now these employees out either eight weeks notice or salary in lieu of notice.

Why is the Minister of Labour taking money out of the pockets of these labourers and giving it to the company?

Mrs. Brenda Chamberlain (Parliamentary Secretary to Minister of Labour, Lib.): Mr. Speaker, on October 2 a waiver was granted to Air Atlantic regarding the 16 week notice period.

However, the minister has not granted a waiver on the establishment of a joint planning committee because he has determined that the provisions of the code have not been met.

Mr. Charlie Power (St. John's West, PC): Mr. Speaker, the minister states in his waiver that whereas the minister is satisfied that it would be unduly prejudicial to Air Atlantic to provide 16 weeks notice, then the provision is waived.

The Canadian Labour Code is meant to protect workers, not corporations. In the area of the highest unemployment in Canada workers need all the protection they can have.

Could the parliamentary secretary explain to these 435 people and their families why the Government of Canada chose to protect Air Atlantic and not Air Atlantic employees?

Mrs. Brenda Chamberlain (Parliamentary Secretary to Minister of Labour, Lib.): Mr. Speaker, whether the minister granted a waiver of the notice period or not has not affected individual employee entitlements under the code.

The company has stated that all affected employees will receive, at minimum, their full entitlement under the code.

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TAXATION

Hon. Sheila Finestone (Mount Royal, Lib.): Mr. Speaker, the Organization for Economic Co-operation and Development met in Ottawa to discuss electronic commerce. The issue of taxation of goods and services is a very serious one and one of great concern to many Canadians.

Can the minister of revenue explain to us what the procedure will be to analyse the application of this tax and actual taxation procedure?

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, we had some very interesting meetings this week. We had the ministerial conference of OECD countries addressing the very important issue of electronic commerce and taxation of electronic commerce.

One thing agreed on was we do not need new taxes on business done on the Internet. We want to encourage business. We want to make sure there is neutrality. Fundamental principles were agreed on this week by the OECD ministers that will ensure we have growth on the Internet and that Canada can play a leading role in electronic commerce.

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FORESTRY

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, B.C. forest practices are among the best in the world. Forest products are Canada's largest export. A million Canadian jobs depend on the forest industry.

Oral Questions

Meanwhile Greenpeace is organizing pressure tactics on major buyers in Europe and in the U.S. for B.C. forest products. It is spending \$1 million to put B.C. forest workers and their families on welfare. The government has to take sides.

Whose side is the government on, Greenpeace or a million Canadian workers?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I have had the opportunity to review this issue in considerable depth with the responsible minister in the B.C. government. It was also a subject of discussion at the most recent meeting of Canadian forestry ministers.

Together with the industry, all levels of government are working on the appropriate strategy to make sure the world understands sustainable development practices in the Canadian forest industry and to explain to the world that when we manage our forests we do it properly and in a way that the world can rely on. We will continue to explain the Canadian case whenever we have that opportunity.

* * *

• (1150)

[Translation]

SOLICITOR GENERAL OF CANADA

Mr. René Laurin (Joliette, BQ): Mr. Speaker, it is important to clearly understand what this issue is all about.

The Solicitor General, who is responsible for safeguarding major national secrets, is a chatterbox. He discussed his business in a public place, and a member of this House swears he heard him clearly.

Since there is ample evidence that the Solicitor General is unfit to fulfil his duties, why does he not do the only honourable thing under the circumstances and resign?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I totally reject the premise of the hon. member's question.

Obviously, if the premise is false, there is no reason to ask the minister to resign or for the minister to change jobs.

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[English]

THE ENVIRONMENT

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, Canadians are concerned about this government's inaction on climate change.

In June of this year 25 Order of Canada recipients declared immediate action on climate changes is required. The infrastruc-

ture works programs ends in March 1999 and municipalities are calling for an extension for climate related projects.

What action will the Minister of Finance include in his budget to support municipal climate projects?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the Government of Canada, prior to the last budget, was investing something in the order of \$100 million a year in climate change related solutions.

In the last budget we also added the climate change action fund which is an additional \$150 million over the next three years to accelerate the process, particularly in relation to new technology development and deployment.

The government is moving with the provinces and with the private sector in developing the implementation program which we hope to have completed by the end of 1999. What we want is a truly Team Canada effort.

* * *

CANADA POST

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, recently Canada Post announced changes to postal services in New Brunswick to accommodate the 911 emergency services.

Residents of the town of Bear Island have always been well served by the nearby post offices in Nackawic and Keswick. However, the proposed changes mean that postal services are being moved to Burt's Corner, a great distance from Bear Island.

Can the minister assure Bear Island residents that Canada Post will restore full postal services in their area?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, because of the 911 change in the province of New Brunswick there has been a restructuring and Canada Post has been co-operating with all the stakeholders to accommodate Canadian citizens and will continue to do so.

If the hon. member has a specific case I will be glad to look into it to see what I can do.

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NATIONAL DEFENCE

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, my question is for the Minister of National Defence.

The appointment of General Baril took place a year ago and at that time the minister stated the general's annual report would be made public.

Will the minister confirm to the House that he has been able to fulfil his undertaking to publicly release his first report on the state of Canada's armed forces?

Oral Questions

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, this report was filed yesterday by the parliamentary secretary here in the House.

This report is important for a couple of reasons. It is, first of all, the government living up to a commitment it made that our military and its operations would become more open and transparent, more reports like this would be filed with this parliament, they would be made public, they would be available for public discussion such as at the Standing Committee on National Defence and Veterans Affairs.

With this report we have delivered on that. There are more reports to come. This report gives us the state of the Canadian military.

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THE SENATE

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, in a speech given in Alberta in October 1990 the Prime Minister said: "The Liberal government in two years will make the Senate elected. As Prime Minister I can make that happen".

• (1155)

The words are very clear. In two years the Senate will be elected.

I ask the Prime Minister what is the meaning of these words spoken.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Prime Minister tried very hard to carry out what he said in 1990 through asking for the support of the Canadian people and the Reform Party on the Charlottetown accord.

The Reform Party opposed the Charlottetown accord. This was a major factor in it's not being adopted. Reformers have to bear the blame for the fact that the Charlottetown accord was defeated and that we do not have an elected Senate right now. Let the record show it is the fault of the Reform Party. It speaks one way and acts another.

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*[Translation]***SOLICITOR GENERAL OF CANADA**

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, my question is for the Solicitor General.

Yesterday, my colleague from Mercier appealed to the dignity of the Solicitor General to put an end to the circus atmosphere into which this House has been plunged for the past week because of him. I am offering the minister another chance.

Will the Solicitor General do the honourable thing and step down, so we can get on with real issues when we come back in another week?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, if there is a circus atmosphere in this House, the hon. member and his colleagues in the opposition are the ones responsible for it.

They are the ones who need to ask forgiveness for sullyng the atmosphere of this House. That is another reason why the Solicitor General does not need to resign.

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*[English]***APEC SUMMIT**

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, last night the Prime Minister hopped on the old Challenger and jetted out to my riding for a \$300 a plate Liberal fundraiser.

There he revealed what he and his party really feel about the APEC pepper spray incident. He made a joke about having pepper steak instead of rubber chicken whenever he is in western Canada.

The only thing more sickening than the Prime Minister's dirty little jokes is the fact 1,000 Liberal Party faithfuls clapped and laughed.

What kind of people make jokes about blinding Canadian kids with pepper spray? What is the government's excuse for the second time the Prime Minister has made callous and insensitive jokes about blinding Canadian kids with pepper spray?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, can the hon. member explain why there are dozens of editorial page cartoons on this very subject? Does he want to censor them as well?

* * *

CANADA POST

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, Canada Post has announced that on December 1 it will slash the earnings of its retail franchise owners from 17% to 5%.

This will force many of the franchisees out of business and the remainder will have to drastically reduce service to their customers.

The reason the franchise system has worked at Canada Post is the stores are not owned by the corporation but by small business people who understand and meet the needs of their customers.

Why is the minister so intent on reducing customer service and driving the franchises out of business?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I announced in the House

that the implementation of the new commissions for the franchises has been postponed until December 1 so Canada Post can explain how it works because there will be some decrease in commissions.

For the first time Canada Post has insured from \$6,000 to \$25,000 commissions that anybody will get if they do not reach the amount they are supposed to reach.

I think Canada Post is taking care of its franchises. It wants their business because through that system it is better serving Canadians.

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THE ARCTIC

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, my question is to the parliamentary secretary for environment.

I would like to know what the government is doing about pollutants in the Arctic where we have young mothers worried about breast feeding due to unknown substances in their environment.

Ms. Paddy Torsney (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, as the member knows, Canada's eastern Arctic is seriously affected by these pollutants. Domestically and internationally Canada is leading the way to limit or eliminate toxic air pollutants that enter the Canadian environment.

Following the June signing of regional agreements with 33 other countries on 12 toxic air pollutants the recent Arctic council ministerial meeting in Iqaluit adopted a program of action which focuses on persistent organic pollutants and heavy metals.

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● (1200)

SOLICITOR GENERAL OF CANADA

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, before we break for Thanksgiving, one final question to the solicitor general.

He said he had confidential information about the business arrangement between Karlheinz Schreiber and Elmer MacKay, a business relationship that even Elmer MacKay's son did not know about.

Obviously the member for Palliser did not make this up. How did the solicitor general know? Exactly who told him?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the relationship in question has been a matter of the public record for many years.

Routine Proceedings

ROUTINE PROCEEDINGS

[English]

CREE-NASKAPI COMMISSION

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages and in Cree and Naskapi, the 1998 report of the Cree-Naskapi commission.

I want to thank the Cree-Naskapi commission for its important work. I look forward to reviewing the recommendations of the commission.

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[Translation]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, 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.

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[English]

COMMITTEES OF THE HOUSE

FISHERIES AND OCEANS

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, I move that the second report of the Standing Committee on Fisheries and Oceans, presented to the House on Thursday, April 2, be concurred in.

It is an interim report on the west coast of Canada concerning fisheries management issues which was tabled in the House on April 2, 1998. The government's response was tabled in the House on September 16.

The government, through the Department of Fisheries and Oceans, is letting down the west coast big time. Earlier this week I spoke about how the issue of foreign fishing on the east coast has totally compromised the ability of fisheries managers to properly look after Canadian interests and the environment.

On the west coast the introduction of the aboriginal fisheries strategy pilot sales program in 1992 has compromised the ability of DFO to manage the fisheries resource in order to optimize social and economic benefits of the resource and to balance necessary conservation measures.

Routine Proceedings

• (1205)

I will talk more on this subject later.

The first five recommendations of the interim report deal with transition programs for displaced fishermen, salmon licences and gear buyback. Since the tabling of this document in April we have seen a \$400 million promise announced on June 19 by the minister with regard to those types of programs. None of this money has shown up to date. The minister claims that \$20 million has been expended. But if so, where?

The salmon fishing community had a terrible season. Many people are in desperate straits and still they wait. Successful programs such as the North Island fisheries initiative are waiting for funding. Human Resources Development Canada program managers are concerned because anticipated funds from the \$400 million program have not arrived and still they wait.

The minister has already announced the details of the east coast buyback program while no announcement has been made on the west coast. Still they wait.

The fisheries committee travelled to 11 coastal communities in British Columbia. The committee held hearings and tabled a set of practical recommendations. The minister accepted two. He maintains staffing at British Columbia light stations that had not already been destaffed three days before the Port Moody-Coquitlam by-election, knowing the committee recommendation was the people's choice and knowing the by-election race was close. The other they bought into was the implementation of a voluntary salmon licence holiday for 1998.

In virtually every other aspect of the report the bureaucratic response to the report essentially maintains the status quo or pays lip service to the recommendations.

New fishery opportunities are stonewalled by DFO. The west coast is losing new fisheries jobs because of the lack of biological and advocacy staff at DFO and a prevailing attitude that it is much easier to say no than to say yes.

DFO is costing British Columbia thousands of jobs by choking the aquaculture industry in red tape and inertia. Although it is the lead agency, DFO has allowed competing jurisdictions and bureaucracies in the Department of the Environment and the Canada Food Inspection Agency with its policies to inhibit existing growers and it has stymied significant new investment through red tape and lack of advocacy.

The creation of a big budget aquaculture commission in Ottawa is not the answer. What is needed is a clear progressive mandate and a budget for more biologists to vet project proposals.

The committee heard from private investors who either had already or were prepared to invest their money in labour intensive aquaculture only to see their hopes and dreams dashed on the bureaucratic rocks.

I read into the record a portion of a letter I received from one of the people who appeared before the committee as an aquaculture proponent:

In my view you could raise up Jesus Christ himself and put Him in charge of making abalone farming a reality in Canada, and He wouldn't get any further than us mortals. The civil service runs this country to a much greater extent than they should; even the courts have more to say about the direction things will head than our elected representatives in the capital. Don't waste any time on this issue, John. It's a non-starter.

That is how great the cynicism has gone. This is from someone who has spent years trying to deal with the bureaucracy and invested a lot of time and a lot of money. The jury is still out on whether DFO is serious about some of the other recommendations such as the crushingly expensive and excessive at sea observer requirement for the groundfish trawl industry on the west coast.

• (1210)

There has been no movement at all on the beam trawl monitoring program which is also crushing that industry. In the hake fishery the department failed the community of Ucluelet which invested \$7 million to upgrade its water system. This tiny community of 1,800 people was able to attract private investment for onshore hake processing only to be excluded from meaningful consultation when DFO changed the rules to reduce the portion of the catch which would be directed to the community at great cost and with lost jobs. The government makes no apologies, pays lip service and carries on as before. The callousness is insidious.

The same can be said regarding recommendation 12 of the report. It deals with maintenance of drainage ditches in agricultural lands in the Fraser Valley and other B.C. jurisdictions. Once again the department initiated major changes in 1997 without consultation. That added red tape and bureaucracy. It ignored successful protocols that had been developed over decades between farmers, municipalities, the provincial government and DFO. It added immensely to costs and derailed normal ditch maintenance. It imposed burdens on private lands, the equivalent of expropriation without compensation, and it totally frustrated municipal and provincial jurisdictions. The government's response ignored our recommendation to revert to pre-1997 protocol and to develop a dispute resolution mechanism.

While DFO is expending huge resources on this counterproductive program, it can find no new resources to fill the shortfall in field supervision of major projects affecting fish habitat in a major way. I will give the example of the Vancouver Island highway project.

What does this all mean? I will go back to the aboriginal fisheries strategy, the AFS. DFO, the minister and the government continue to defend AFS pilot sales program despite continued and growing opposition. It is no surprise that the latest initiative opposed to the AFS comes from band members themselves. Natives from Campbell River, Port Alberni and Alert Bay gathered in Victoria a few weeks ago to protest what they called damaging pilot sales under this program.

Routine Proceedings

Commercial fishermen both native and non-native are against this program. They want the minister to stop reallocating their livelihood. They claim that illegal sales of salmon resulting from unmanageable pilot sales are completely out of control. But the minister does not want to hear this.

For the benefit of viewers I should explain that there are two aboriginal fisheries. There is a fishery for food, ceremonial and social purposes which no one objects to. This is based on aboriginal rights. It is constitutionally protected and no one has a problem with it. It is basically designed in most cases as a food fishery. The department has set up a racially segregated, separate commercial fishery based on racial lines under the AFS pilot sales program. That is where we have the problem.

I will talk about a case in point. At the start of the season DFO indicated that it would allow a catch of 300 sockeye salmon in the Sto:lo area on the Fraser River. These are fish to be used by the Sto:lo people for food, social and ceremonial purposes. What actually occurred, according to DFO statistics, is that the actual Sto:lo harvest up to September 18 of this year equalled 324,000 fish.

• (1215)

With a Sto:lo population of 6,000, this equals 341 pounds of salmon for every man, woman and child. This is far in excess of legitimate requirements for food, social and ceremonial purposes and is an encouragement, an enticement, for illegal sales, in particular when we think that half of the Sto:lo population does not live anywhere near the Sto:lo communities.

DFO also states that it is concerned about any illegal activity, meaning the selling of fish not being used for food or ceremonial purposes. However it proposes to merely consult about this activity and so far consultation means "do nothing".

DFO also states that it cannot assume that food levels have been achieved as a result of the action of some individuals. This means that in spite of allowing more than 300,000 food fish to be caught, DFO is not confident that there are enough of these fish being used for food. In other words, DFO is assuming that most of these fish are going to be sold illegally by a few people.

The lack of control by DFO over the AFS pilot sales program is appalling. The all-Canadian commercial sector, which consists of native and non-native fishermen, has since implementation of the AFS pilot sales program in 1992 seen its share of the catch shrink. It has gone from what averaged more than 90% of the Fraser sockeye harvest to as low as 50%. More boats are on the river and DFO conservation goals have become impossible to manage effectively.

This racially segregated fishery is beginning to be exposed for what it is. What did native commercial fisher Gerald Roberts from

the Campbell River Band say in Victoria last month? "We cannot survive with pilot sales programs continuing to destroy our lives. This aspect of the AFS is wrong, divisive and destructive. Minister Anderson must take a serious look at the industrial solution". I could not have said it better myself.

He went on to say: "Not only do the pilot sales programs threaten the management of the salmon resource, they are also crippling the businesses and families who cannot access available harvest". That says it all.

The minister must end the illegal and divisive aboriginal-only commercial fishery on the west coast to bring order out of chaos. If the minister wants to encourage aboriginal fishing, DFO can increase the 30% current aboriginal participation rate in the all-Canadian commercial fishing industry by providing grants and loans to aboriginal people to buy existing commercial fishing boats and licences.

The committee opposes allowing the minister to have discretionary powers such as those proposed in the new fisheries act which died before passage in the last parliament, which, by the way, would enable the minister to do what he wanted on this aboriginal file.

The minister should not be given wide discretionary power on grants to the fisheries. The principle of public right of access to the fishery must be maintained.

I have finished on that subject. I am now going to talk about the Canadian coast guard on the west coast.

The minister is presiding over a disaster.

• (1220)

There are four major coast guard radio stations on the west coast to monitor and control large traffic, to respond to distress calls and to provide weather information.

Comox station is currently two staff members short of the minimum required, Tofino is four or five short, Prince Rupert is four short and Vancouver is ten short. It is a disgrace. There does not appear to be any commitment to replace workers as they leave. Since there is a high attrition level, the situation will only get worse until something is done to remedy it.

British Columbia has the largest coastline of Canada, the most shipping and it is operational year-round. While the federal government has designated the workers at the communication stations as essential workers, DFO has been unwilling to maintain staffing at essential levels.

Budgetary shortfalls are compromising the safety of marine traffic. Operational minimum standards are not being met. When serious conditions have been brought to the attention of DFO, some band-aid money is found for temporary solutions. However, there

Routine Proceedings

are no long term, systemic changes being implemented and they are required for marine safety.

In a letter to the minister written just two weeks ago the chairman of the Campbell River Local Marine Advisory Council advised that the reduction or elimination of the 24-hour weather service which is being proposed "could pose a serious safety hazard to all mariners on the B.C. coast". This advisory council has worked for the past three years to assist the coast guard. The chairman says "To my knowledge, none of these suggestions has been acted upon".

This very board was encouraged and set up by the coast guard in order to make it more responsive to community needs. Three years later the proof is in the pudding and cynicism grows. DFO pays lip service to the public.

The only thing that will change the current situation is political leadership. That is what we need.

The amalgamation of the coast guard with DFO has been, on the west coast, a major hardship to the coast guard. Coast guard interests have been submerged by DFO interests. The west coast is much worse off now. The Reform solution is to put the coast guard and the Department of National Defence together. This concept is gaining much currency.

I was pleased to be a member of the standing committee that produced this report. I believe that the committee filled a very important role among fishermen since DFO is extremely poor at dispute resolution.

Low level disagreements get elevated to a political level almost immediately because no simple protocol exists. This leads to simmering and unresolved disputes. DFO must implement systemic change in its organization. It must have an organization capable of delegating authority so that it does not become a political exercise.

It is extremely disappointing that the government is not paying more credence to the committee report. DFO needs all the help it can get.

Fisheries are forever, while ministers and even bureaucrats are temporary. The department needs a minister who has vision and is not captive of the bureaucracy. The current minister may have some vision, but he is completely captured by his bureaucracy on most of the major issues and it is getting very late in the day to break this mould.

We will not achieve the changes we need until we move most of the entrenched senior bureaucracy out of Ottawa, end the command and control management style and create accountability for results within the bureaucracy.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I am very pleased to join the debate responding to the hon. member's motion.

I come from the central interior of British Columbia. Only recently, just before the last election, has my riding even touched the coast.

• (1225)

Members may wish to know why I would be so interested in a motion concerning fisheries and oceans.

Despite the fact that my hometown is about 600 kilometres north of the Vancouver area, the Fraser River runs right up the centre of the province of British Columbia.

Running into the Fraser River are many tributaries: the Thompson River, the Chilcotin River and the Quesnel River. These rivers are all major fish spawning grounds.

It has been very interesting for me since being elected as member of parliament for Cariboo—Chilcotin to come to understand what a large part this part of the province plays in the fishing industry and in the replenishment of fish stocks.

One of the first concerns I had was when fisheries decided to close down a fish hatchery at a little place called Likely, a fish hatchery on the Quesnel River.

Some dozen years or more ago this hatchery was built, at considerable expense, to enhance the chinook stocks. These are large salmon that come up the Fraser and Quesnel rivers.

The essence of this is that fisheries decided this was no longer an economically feasible project and so, after diminishing the results of this, cutting back the two million fish that were supposed to come out to 200,000 or less, they decided to close the hatchery.

The people of the community of Likely are today sustaining that 200,000 a year level of fish spawning and entry into the river at their own expense. They capture the fish, they strip the eggs, they nourish and feed the young salmon as they are growing and they open the gates and let them go.

What is the federal government contributing to this? Absolutely nothing.

I would also like to talk about another fishing system in the Horsefly River. Last year fisheries failed to even open the spawning channels for the sockeye salmon. The people wrote to the minister of fisheries about this and the response was that they did not need those fish stocks. In the face of the decline that we hear about this year, they were told they did not need the fish. Those salmon were practically crawling up the banks looking for a place to lay their eggs. It was so bad that the spawning grounds were being destroyed by the fish that needed them.

In Cariboo—Chilcotin the fisheries department has badly mis-managed its project of enhancing fish stocks and keeping them at a sustainable level. One of the frequent complaints I get from my

constituents concerns the destruction of fisheries and the lack of attention that is needed to sustain the stocks.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, as the member for Vancouver Island North and the Reform member indicated, there is serious trouble happening within DFO and its management.

As they are aware, we have had 16 ministers in the last seven years and most of them have used that portfolio as a revolving door to move somewhere else. They do all the damage they can do and then they try to destroy another department.

Given what is going on now with the fisheries crisis on all three coasts and in our inland waters, does he not think it is a good idea that the current Minister of Fisheries and Oceans resign?

Mr. Philip Mayfield: Mr. Speaker, I have not had a lot of co-operation from the Minister of Fisheries and Oceans. He certainly has shown no credibility in his administration of the department in the part of the country where I live. It goes beyond the lack of caring for fish stocks to the way that other people using the rivers are being troubled.

● (1230)

I had a representation from the Cariboo Mining Association indicating that fisheries officers were trying to drive the miners away from the rivers despite the fact that they jump through all the hoops and keep all the laws.

The hon. member does not make an unreasonable suggestion.

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

Some hon. members: Question.

The Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 45 the recorded division stands deferred until Monday, October 19, 1998, at the ordinary hour of daily adjournment.

Routine Proceedings

Mr. Bob Kilger: Mr. Speaker, there have been discussions among all parties with regard to the interim west coast report of the Standing Committee on Fisheries and Oceans and I think you would find consent to re-defer that vote until the expiry of Government Orders on Tuesday, October 20.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

BUSINESS OF THE HOUSE

BILL C-235

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, discussions have also taken place between all the parties and the member for Pickering—Ajax—Uxbridge concerning the taking of the division on Bill C-235 scheduled for today at the conclusion of Private Members' Business. I believe you would find consent for the following motion:

That at the conclusion of today's debate on Bill C-235 all questions necessary to dispose of the said motion for second reading shall be deemed put, a recorded division deemed requested and deferred until the expiry of the time provided for Government Orders, Tuesday, October 20, 1998.

The Deputy Speaker: Does the chief government whip have unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

PETITIONS

DIVORCE ACT

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I have a petition signed by many constituents in the national capital region and from elsewhere across the country requesting that parliament amend the Divorce Act to include a provision, as supported in Bill C-340, regarding the rights of spouses, parents and grandparents to access or to custody of the children.

MARRIAGE

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I have the honour to present a petition from the constituents of Cariboo—Chilcotin, primarily from the city of Quesnel, British Columbia.

My constituents petition parliament to support Bill C-225, an act to amend the Marriage Act and the Interpretation Act, so as to define in statute that a marriage can only be entered into between a single male and a single female.

Government Orders

INDONESIA

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I rise today to present a petition signed by approximately 16,000 Canadians from the Vancouver area.

They draw the attention of the House to the human rights abuses occurring in Indonesia. Over 1,300 people have been killed, hundreds of ethnic Chinese women have been brutally raped, and property has been destroyed and looted.

The petitioners call upon parliament to appeal to President Habibie of Indonesia to protect the rights of the ethnic Chinese and to bring to justice those who masterminded and participated in the racial riots.

• (1235)

JUSTICE

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, I have a petition from my riding of Vancouver Island North.

The petitioners are asking parliament to repeal Bill C-68 and to redirect the hundreds of millions of tax dollars being spent on the licensing of responsible firearms owners and registration of legally owned guns to more cost effective measures to improve public safety, such as having more police on the streets, providing more crime prevention programs and anti-smuggling campaigns, and to more resources for fighting organized crime and street gangs.

MARRIAGE

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition today from 327 British Columbia residents who want to ensure that marriage, as it has always been known and understood in Canada, is preserved and protected.

The petitioners pray that parliament enact Bill C-25, an act to amend the Marriage Act and the Interpretation Act, so as to define in statute that a marriage can only be entered into between a single male and a single female.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, I ask that the questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

EXTRADITION ACT

The House resumed consideration of the motion that Bill C-40, an act respecting extradition, to amend the Canada Evidence Act, the Criminal Code, the Immigration Act and the Mutual Legal Assistance in Criminal Matters Act and to amend and repeal other acts in consequence, be read the second time and referred to a committee.

The Deputy Speaker: The hon. member for Pictou—Antigonish—Guysborough has nine minutes remaining in his allotted time.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I appreciate the opportunity to conclude my remarks with respect to Bill C-40 which, as I mentioned at the outset, the Progressive Conservative Party is supporting in principle. I was at a point in my remarks where I was generally referring to the lack of resources that the Liberal government has committed to frontline police services.

Not to get into a rant on that particular subject, obviously there is a bit of contradiction when we see legislation brought forward that is aimed at improving the criminal justice system without a doubt. I do not in anyway castigate the government for its intent behind the legislation, but we have seen contradictory statements with respect to its true commitment to the issue of justice, in particular to the issue of resources for frontline police officers who are inevitably tasked with the extremely important role of protecting Canadians in an effective way.

Those brave men and women are constantly faced with high public expectations, the need to fight an ever increasing and complicated criminal element that exists and is growing out there.

At the same time they are loosing confidence that those who are responsible, we in the House and particularly the government who give them the necessary tools to carry out that important task, are not behind them. It is demonstrable when they see significant cuts to their budget like, as I previously mentioned, the \$74 million slashing of the RCMP crime budget. These figures are not imaginary by any stretch of the imagination. They come from the auditor general.

The auditor general is Canada's top accountant and the person charged with the crucial task of bringing forward the figures. One would hope, in light of the recent track record of the government, that we will not see the auditor general fired for being truthful in

Government Orders

his statement and recitation of facts when it comes to the numbers and the budgets of particular departments.

I want to take a very brief moment in my remarks to pay special tribute to the law enforcement agencies, the fire services, the emergency response teams, those involved in the clean up and the initial rescue attempts at the crash site of Swissair Flight 111 near Peggy's Cove, Nova Scotia. This week those individuals were given a very sad and in many ways gruesome task of cleaning up the wreckage on that site.

Individuals from my riding of Pictou—Antigonish—Guysborough have been engaged in that exercise. They have been in the hangar going over material and remnants of the crash. They are engaged in this very heart-wrenching exercise.

• (1240)

Certainly the quality of mercy has not been strained for all of those who have given up their time and their effort to take part in the aftermath of this very tragic event. Individuals such as Constable Kevin Scott and Reverend Matheson of the town of New Glasgow and many others who, like the law enforcement agents themselves, are doing their very best at times with limited support and resources. They are doing their very best with their hearts, hands and minds. I certainly want to recognize that effort.

I look forward to giving my support to Bill C-40 and partaking in the scrutiny that will take place at the justice committee. I reiterate the hope I expressed earlier in my remarks. The government indicates a greater willingness to allow opposition amendments to improve legislation. That was articulated by the parliamentary secretary in her remarks on the bill.

On behalf of the PC Party I express support for the particular piece of legislation. It is a positive initiative, but there are certainly more questions that will have to be addressed at the justice committee. I hope a spirit of non-partisanship is now permeating the government benches when it comes to fundamental issues of justice.

Other private member's bills are coming forward by government members and opposition members alike, important legislative initiatives and changes such as changes to the consecutive sentencing provisions that currently exist in the Criminal Code. I again look forward to and anxiously anticipate the opportunity to partake in that debate both at the justice committee and in the House of Commons.

I will conclude my remarks with well wishes to you, Mr. Speaker, and to all for a happy Thanksgiving weekend.

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, I rise to speak to the bill which deals with profound issues of justice and jurisdiction. We would all like to see Canada not used as a haven

for criminal acts and we oppose other countries or other places being used as havens for criminal acts.

Numerous times we have talked in the House—not only myself, not only the opposition, but the government across the way—about the need for a fair process. The member for Edmonton West has stated that “Canada needs modern legislation to succeed”. She went on to add “laws over 100 years old no longer allow us to deal with” and then went on to describe the problems with the status quo. We need some change with regard to the issues of justice and jurisdiction, and I think it is good that she recognized that.

Calgarians and Albertans know this issue only too well. I think back to the issue of Charles Ng where there were serious concerns with regard to justice and jurisdiction. I could list off others.

Before I get into the meat of my debate I would like to have consent of the House to table 7,000 petitions that I have with me which deal with the issues of justice and jurisdiction so that all members can look through them to see what real Canadians feel about the status quo.

The Deputy Speaker: Does the hon. member have unanimous consent of the House to table these petitions? Are these uncertified petitions or is the member asking for leave to revert to petitions?

Some hon. members: No.

The Deputy Speaker: It appears there is no consent in any event, but the hon. member may wish to clarify that point. If they have been certified he can table them the next time we are dealing with petitions on our first sitting day back.

Mr. Rob Anders: Mr. Speaker, unfortunately a lot of them are in the form of letters, e-mails and faxes and as a result are not in formal petition form. Therefore it would be much easier to submit them this way with unanimous consent of the House than go through the process through the Clerk. Can the question be now put?

The Deputy Speaker: Does the hon. member have unanimous consent of the House to table these petitions?

Some hon. members: No.

The Deputy Speaker: I am afraid there is no consent.

Mr. Rob Anders: Mr. Speaker, that is unfortunate. I had hoped these people from Alberta would have had the chance to have their views heard in the House. The people of Alberta would like the opportunity to submit the petitions, to have them recognized and to have their voices heard. That is only fair. They took the time to write down their names, to send in faxes and to compose e-mails. They took the time to make the phone calls and do everything. To have them denied the ability to have the rest of the members of the House take a look at these petitions and peruse through them is a real denial of the fundamental justice. Is this what we have to put up with while we are in Ottawa?

Government Orders

• (1245)

I would like to speak about how we obtained these petitions. They were given to us by Dave Rutherford on behalf of the people of Alberta. Many of the responses are from clip-outs that ran in the Calgary and *Sun* newspapers. There are many different forms of the petition but I would like to read briefly what a few of them have to say. They are addressed to the Prime Minister. They say on behalf of these people who have written in that they demand that the Prime Minister and his government respect the will of Albertans for choosing their own senators.

That is a pretty simple, straightforward request and it speaks to the issue of jurisdiction and justice because we have jurisdictions across the country. We have 10 different provinces and two territories and they believe they should have fundamental justice and have the ability to choose for themselves who represents them in the other place. They are being denied that today because these petitions are not allowed to be presented. We were denied unanimous consent to present them on behalf of the people of Alberta who have taken the time to fill these in.

I would like to talk about the extradition that we should have performed. Today we are talking about extradition, about justice and about the whole idea of jurisdiction.

Not so long ago there was a character I will call extradition Andy. He was not in Canada. He was in another place which we will call Mexico. In the criminal sentence the maximum he would have to sit was 65 days a year. He gave himself his own parole. He gave himself his own walking papers. Instead of serving the 65 days he should have served only two. He served one in the spring and one in the fall. What penalty did Andy get for all this? He got a salary, \$64,000 a year. That is what he got in return for only showing up once every spring and once every fall.

On top of that it was not just a salary. He had a tax free allowance of \$10,000. He also had a budget with regard to his parliamentary staff on the Hill. All these things were the sentence that Andy had to serve while he was in the other place. But that was too much to ask of Andy, 65 days a year for a salary of \$64,000 and a \$10,000 tax free allowance. It was too much and Andy figured that he only had to serve two days of that sentence. As a result he spent the rest of his time in a safe haven down in Mexico, his hacienda that cost him about \$300,000. Most Canadians cannot afford that but he certainly had that luxury.

Today we are speaking of the idea of international crime of people outside the jurisdiction of Canada, people we want to be able to bring back to serve their time in this country. Andy did not serve his time. Andy was not serving the people of Ontario. Andy was not serving the people of Canada and that is a real travesty.

There should have been extradition to bring back Andy from Mexico but that did not happen, did it?

We have stood up in this place time and again and criticized the slowness and the complexity of the extradition process. This was one of those times when there should have been a much faster process, but year after year Andy was not extradited. Andy was in Mexico serving a sentence to his own fitting at \$64,000 a year and never a word from the government in terms of extraditing Andy. Andy was never asked to come home during all those years. Year after year he spent his time down in Mexico in his hacienda and the government did not say a word, not a whisper about extradition for this type of crime that Andy was committing against the people of Canada and the people of Ontario, misrepresenting them. That is a shame. That is something this government should hang its head in shame for. It is not just that it was something that was right to do.

• (1250)

The Prime Minister, when he was running for the Liberal leadership in 1990, made promises that this type of thing would not happen. He said he believed in reforming the Senate. He promised the people of Alberta, the Liberal Party membership and the people of this country that he was going to go ahead and reform the Senate so that we would not have to consider extradition for some sort of truant like Andy. But that did not happen. It was another broken promise yet again that was not fulfilled, one of those red book promises that was not made good.

The people of Alberta took the time to draft and compose 7,000 different petitions, letters and e-mails to address this issue and today it has fallen on deaf ears of this government—

Ms. Eleni Bakopanos: Mr. Speaker, on a point of order, I remind the hon. member of the bill before the House, an extradition bill which has nothing to do with the Senate. He has not understood what extradition is all about. That is obvious from the rhetoric we have been hearing for the last 10 minutes.

I would like the member to stick to what we have before the House, Bill C-40, a bill on extradition of criminals and organized crime.

The Deputy Speaker: The parliamentary secretary does have a point. The hon. member for Calgary West is really stretching the point to try to get extradition for a non-attendance as some kind of means of enforcing attendance. I think perhaps having made his point he will want to move on and discuss the content of the bill.

Mr. Rob Anders: Mr. Speaker, once again it was up to this government to define and it has failed to do so with regard to a host of other justice issues. But it should be a crime for somebody to take a salary in this land and only serve two days a year. That should be a crime. That speaks to the Criminal Code. Should the

Government Orders

justice minister and the parliamentary secretary not be concerned about that?

Mr. Derek Lee: Mr. Speaker, on a point of order. Despite your admonishment the hon. member persists in straying from the topic of debate which is the Extradition Act. He may think it is cute in his snide remarks straying from the topic but from the point of view of most of us here this Friday afternoon, I think it is a bit of rhetorical masturbation on his part—

The Deputy Speaker: The hon. member was I thought about to heed my admonition and proceed with remarks relevant to the bill before the House.

Mr. Rob Anders: Mr. Speaker, those types of low comments across the way indicate to us the lack of respect that the people of Alberta get in this institution and around this place when proposing these types of fundamental changes.

Let me talk about extradition in Bill C-40. It is about extradition. It is about international crime and international criminals and havens for crime. It is about slowness and the complexity of the extradition process and the judicial process in general. Bill C-40 is about modernizing the law and bringing it up to speed with the current day. It is about flaws in the actual mechanics of the law. It is about political intrusion in the process.

That is what Bill C-40 is about. That is what we are addressing today. We have all those problems in spades with what is going on with regard to extradition in this country. It is a crying shame in this House today that we have Liberals who have reneged on their promises which they made in 1990, Liberals who reneged on the promises they made in their red book because they said they wanted to see a transparent and open process. We are not seeing that because I am not even allowed to present these petitions on behalf of the people of Alberta who would love to see somebody extradited who is spending their time down in Mexico and violating Canadians by not doing what they should be doing when they are receiving a salary on behalf of the people of Canada. I will have to find some other way to address these things, to bring them forward and to make sure that the Prime Minister is able to peruse through these petitions as the hon. members across the way should have the ability and should also have the duty and the responsibility to go through these petitions and consider what Albertans have to say about this issue of extraditing criminals who are serving outside of Canada in safe havens away from Canadian law and from the responsibilities here in Canada.

• (1255)

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I listened with amazement. I cannot believe the member who just spoke is not going to support this bill.

I believe the people of Alberta and the people across Canada would be appalled to know that he does not want to see criminals expedited in an expeditious fashion out of this country. They want to know this bill is going to pass and that we will have the ability to rid Canada of those people who should not be here, and also that we send a message to those who would want to come to Canada as a safe haven. They know this bill will be a deterrent to those.

I feel very strongly about this because unfortunately Canada for too long has had the international reputation of being a place where people could come because our laws were not strong enough.

This bill fixes that problem. I am proud to support it and I ask the member to stand in his place on behalf of his constituents to support it.

Mr. Rob Anders: Mr. Speaker, I have news for those across the way. This bill is about extradition, not expedition. The “x” in Federal Express and Fedex is not about extradition, it is about expedition. So if the member wants to talk about Federal Express or UPS or Purolator or whatever, she is more than welcome to do so.

I support extradition and so do the constituents in Calgary West. We want to see people extradited when they are violating Canadians, that they do not have a safe haven down in La Paz, Mexico. What is wrong with this country, that somebody can go to Mexico and get away from their Canadian responsibilities and obligations to taxpayers here at home.

Ms. Elinor Caplan: Mr. Speaker, on a point of order, the member trivializes a very important debate. I would ask that he address himself to the issues of this important bill which will expedite extradition in this country and ensure that we send a message to all those around the world that Canada will not be a haven for criminals. I ask him to stand and support the bill and stop this nonsense, which is trivializing a very important issue that Canadians care about.

The Deputy Speaker: The hon. parliamentary secretary under the guise of a point of order really made a question or comment on the hon. member's speech to which he may reply.

Mr. Rob Anders: Mr. Speaker, members bellyache across the way, but I remember in Calgary when we had Charles Ng, a repeat murderer and rapist in the city of Calgary, and this government lollygagged and did nothing to make sure that man went back to serve his time in California.

Albertans and Calgarians know too well the problems with extradition in this land, or expedition in this land, as the hon. member will have it. But it is also wrong for somebody to go down to Mexico and have a safe haven just the same way that there was a safe haven for Charles Ng in my community.

Government Orders

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I find it quite appalling that the parliamentary secretary, who knows the rules very well in this place, would use a bogus point of order to endeavour to ask two questions in a row when other people were standing and wanted to pose questions and comments to my hon. colleague from Calgary West.

• (1300)

I enjoyed very much the member's comments and dissertation on extradition. He raised a very important issue and that is, exactly how bad does it have to get as far as senators hiding out in other lands before we will consider that to be a criminal offence in this country?

The Deputy Speaker: Order, please. I think the hon. member knows that is not relevant to the bill before the House.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, there is a prominent urologist in my riding. He is a professional of very high standing. He has the misfortune of being a Libyan national. For three years this very fine medical practitioner has been trying to get landed immigrant status in this country. He has been declared clean by CSIS, he has been declared clean by the RCMP, but the people in immigration are still bracing their feet.

Does the hon. member believe that if this physician were a known terrorist or perhaps a fugitive serial rapist that he would have a better chance of staying in Canada?

Mr. Rob Anders: Mr. Speaker, that is a good question. The sad thing is that I think my hon. colleague is right.

That prominent urologist would probably have a better chance of staying in this country if he were a serial rapist or a serial killer. The reason for that is sad: it is politics, political intrusion. That is exactly what has happened in situations a number of times. If the government feels it is a hot potato, it does not want to touch it with a 10 foot pole. Even if it were a promise in the red book, a promise in the election and a promise in the leadership campaigns, the government avoids it like a 10-foot pole. It is terrible. The Liberals toss that hot potato around and never deal with it. That is a shame.

I will address the question that was posed to me previously regarding how bad does it have to get. There was a senator who was only serving 2.6% of the time. That senator should have been extradited to Canada to serve his time here. We have other senators who only serve 10% of their time—

The Deputy Speaker: Order, please. I am wondering if wild turkey is being served in the lobbies for lunch today. It is Friday afternoon and the House is somewhat unruly. I have urged hon. members to make their questions and comments relevant to the bill before the House and we seem to drift off the topic at every turn.

Perhaps we could now move on. If there is a further question or comment that is relevant to the hon. member's speech and to the bill, I will be glad to entertain that. Otherwise, we will resume debate. Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

[*Translation*]

The Deputy Speaker: Pursuant to Standing Order 45, the division stands deferred until Monday, October 19, 1998, at the ordinary hour of daily adjournment.

[*English*]

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, I rise on a point of order. I believe you would find consent to further defer the recorded division requested on second reading of Bill C-40 to the expiry of Government Orders on Tuesday, October 20, 1998.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. I am probably stretching this as a point of order but I want to make the point that many of us will be involved in committee hearings.

• (1305)

I am on the finance committee. We are travelling across the country and the rules of the House do not permit us to vote. Therefore we are effectively disenfranchised when these votes take place.

I wish that the House leaders would undertake some discussion to try to arrange for one day when no committees are out in the country so that we can all be here to vote.

The Deputy Speaker: I am sure that the representations of the hon. member have been heard by the persons responsible for these kinds of decisions.

Mr. Bob Kilger: Mr. Speaker, I rise on a point of order. I believe if you were to seek it, you would find consent to see the clock as being 1.30 p.m.

The Deputy Speaker: Is it agreed that we call it 1.30 p.m.?

Some hon. members: Agreed.

The Deputy Speaker: For all intents and purposes, it being 1.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

COMPETITION ACT

The House resumed from September 22, consideration of the motion that Bill C-235, an act to amend the Competition Act (protection of those who purchase products from vertically integrated suppliers who compete with them at retail), be read the second time and referred to a committee.

Mr. Julian Reed (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, Bill C-235 proposes substantive amendments to the Competition Act. They are intended to address pricing practices in industries, particularly the petroleum industry which are characterized by vertical integration and dual distribution, that is, industries where firms carry on operations in wholesale and in retail markets and compete in retail markets with firms to whom they supply at the wholesale level.

I would like to take a moment initially to commend the hon. member for Pickering—Ajax—Uxbridge and his colleagues for their work on the Liberal committee report on gasoline pricing in Canada. The committee report deals with wide ranging, significant issues in a professional and constructive manner. It provides all stakeholders with a solid foundation on which to move forward.

The thrust of Bill C-235 as I understand it is to prevent the vertically integrated suppliers from squeezing the margins of their unintegrated customers' competitors in a manner which threatens the competitive viability of the unintegrated firms, generally referred to in the petroleum industry as independents.

Private Members' Business

I would also congratulate the member for Pickering—Ajax—Uxbridge for his work in preparing the bill as well as his laudable efforts to find solutions to the problems facing many of our independent petroleum firms today. His efforts are very well intentioned.

The proposed means to resolve these issues quite unhappily will not bring about the results he seeks. They will most certainly have serious adverse consequences on the Canadian economy in general and on a number of specific industries and consumers. I doubt very much that these negative effects which I will try to explain were intended by my colleague and others when the bill was drafted.

Bill C-235 contains two proposed amendments to the Competition Act. I will have to be very careful as I read this because it is complicated.

First, it would create a new criminal offence which would prohibit a vertically integrated supplier who both manufactures a product and sells it at retail from selling to a retailer who competes with it at a price that is higher than the vertically integrated supplier's own retail price, less its marketing costs and a reasonable return. The objective of the amendment would be to preclude conduct which would have the effect of decreasing or eliminating the profit margin available to an unintegrated retailer.

• (1310)

Second, the bill would insert an additional anti-competitive act into the Competition Act's abuse of dominant position provisions, prohibiting a vertically integrated supplier from coercing or attempting to coerce a customer who competes with the supplier at the retail level in the same market area into adhering to prices dictated by the supplier rather than allowing the customer to remain free to set his or her own retail price.

Before discussing the means by which the bill proposes to achieve these commendable goals, I feel it should be brought to the attention of my colleagues that provisions addressing both of these potentially anti-competitive behaviours are already embodied in the Competition Act and are vigorously enforced by the Competition Bureau.

Price maintenance cases, as they are known, brought before the courts involving charges of the specific coercive behaviour targeted by this bill have proven highly successful for the crown. They have led to many hundreds of thousands of dollars in fines and have deterred the repetition of the conduct in question.

Similarly, conduct by firms that have abused their dominant position in a market and which has been reviewed by the Competition Tribunal has led the tribunal to issue orders prohibiting them from repeating the anti-competitive acts, thereby restoring the level of competition in the market affected.

These provisions already exist and are vigorously enforced. I must ask why we are contemplating redundant legislation.

Private Members' Business

In order to ensure that vertically integrated suppliers are not squeezing competing retailers, the bill proposes that the government or the courts establish what acceptable marketing costs and a reasonable rate of return would be for all manufacturers in Canada. Further, for every price change in a market, no matter how often the prices may change, a manufacturer would be obliged to ensure that a competing retailer's margin has not been affected.

Prices in many markets in Canada change daily or even several times a day, depending on the level of competition and the nature of the product being sold.

I also remind my colleagues that this bill as drafted is not restricted to the petroleum sector for which it is specifically designed, but proposes amendments to an act which affects the entire Canadian economy.

I believe it will be found that many of our companies rather than cease to function under the burden of this kind of regulation will adopt a long term policy of constant prices with no opportunity for offering the various forms of discounts normally available.

This kind of price rigidity will negatively affect the ability of Canadian firms to compete against foreign competitors, will dissuade foreign investors from locating in Canada and will have a profound effect on the cost of any downstream users of the product, including of course consumers. I do not believe the proposed bill intended to lead to less rather than more competition and inhibit rather than encourage competitive pricing.

The amendments could also provide an umbrella for independents, shielding them from competition from integrated firms who are likely to refrain from retail price competition in order to escape criminal liability under the Competition Act.

In the extreme, such amendments could create a whole new set of problems by inducing integrated firms not to supply independents as a means of preserving their ability to set their own prices and limit their exposure to criminal investigation and prosecution under the Competition Act.

• (1315)

In either case, competition is likely to be reduced, leading to higher prices for end users, including consumers.

I refer to the words of the hon. member for Huron—Bruce who spoke in this House on May 27 of this year expressing the following concerns:

When independents are gone they will be gone forever.

Then what we will have is an uncontrollable monopoly that has the ability to unilaterally dictate price and availability to one of the country's most essential commodities. In short, there will be higher prices and fewer competitors.

Before I close I must also say that in order to properly address this very complex issue we must realize that the matter of directing legislation toward a specific industry under our Constitution is the purview of the provinces. Therefore it would behove all of us concerned about this issue to direct the effort to the provinces.

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, it gives me great pleasure to speak to this bill today. The stated purpose of Bill C-235 is to establish fair pricing for products at the wholesale level. It is also to prevent anti-competitive acts such as predatory pricing and price discounting in industries where suppliers compete with their own customers.

As some of the other speakers to this bill have commented, the existing Competition Act already deals directly with the subject matter of this bill. If members read sections 78 and 50 of the Competition Act they will see that suppliers are already prevented from doing the things denounced by Bill C-235.

One of the problems with this government is that wherever it perceives a problem it thinks that the solution is to pass more legislation to fix the problem. Bill C-235 is a perfect example of this kind of behaviour. It seems that there was a perceived problem with vertically integrated suppliers fixing the price of a commodity. In other words, there is a feeling that big petroleum companies are driving small suppliers of gasoline out of business.

Because predatory pricing, price fixing and anti-competitive practices are seen to be negative activities, and indeed they are, Bill C-235 was drafted to overcome these problems. Unfortunately, in attempting to expand on sections 78 and 50 of the existing Competition Act, Bill C-235 muddies the water and complicates the issues.

The Independent Retail Gasoline Marketers Association of Canada supports the bill, saying it will be the first step in re-establishing retail competition in the oil industry. The Canadian Petroleum Products Institute does not support the bill. It says that the effect of this bill is to create a price premium for consumers to protect them from the benefits of open competition.

Which of these positions is correct? IRGMA also says that once competition is reduced through lack of public policy initiatives by any level of government the consumer will pay in the final analysis.

Reform believes that competition is essential in the operation of a free market system. However, we do not believe that competition should be artificially created and promoted. It should merely be enforced.

CPPI makes a good point when it asks: Is the proposed legislation of benefit to consumers, and by what tests has this been determined? It is not a good idea to draft, promote and pass legislation just because someone thinks it is a good idea. There

must be facts and reality behind any attempt to govern what people do in business.

It seems that everyone, whether for or against the bill, is for fair competition. What we have to determine is whether this bill stands in the way of fair competition.

● (1320)

There is considerable concern in the business community about the way this bill is worded. Although we understand that the bill was drafted with vertically integrated petroleum companies in mind, it is not worded with those specifics. The telecommunications industry has expressed concern that there have been no studies done on the economic impact of this bill on markets and industries in Canada. Since we already have a similarly worded section existing in the Competition Act, why are we taking risks in fiddling with the wording of these sections and perhaps undermining the intent of that act, which is to promote proper competition in the marketplace?

The bill could possibly result in wholesalers and retailers communicating and agreeing on prices in order to comply with the provisions of the bill. If this occurs, the bill could actually encourage illegal price maintenance between wholesalers and retailers, exactly the opposite of its intent. It is also possible that if companies have to go to court to determine whether the provisions of this bill are being complied with, then the courts, and not competitive markets, would be used to determine fair prices. Do we really want to see this happen?

Another possible effect of this bill might be that efficiencies resulting from vertical integration could be ignored. If efficiencies in business are ignored or discounted or discouraged, consumers fail to benefit from the savings that those companies might experience.

A summary of the bill says that it would provide for the enforcement of fair pricing. We have to look long and hard whenever a government gets involved in enforcing fairness. Who decides what is fair? How do they do this? Invariably this becomes government rewarding friends and being subject to all kinds of things, such as favouritism and influence peddling.

What is true competition? How many businesses does it take to make true competition? If the point of competition is to provide price benefits to consumers, how do we determine when this has occurred? Under current provisions of the Competition Act suppliers are already prevented from price fixing, abuse of dominant position and unfair market practices.

The petroleum industry has been investigated several times by the Competition Bureau. Currently the cost to the consumer and the retailer's profits are affected by the high level of tax that exists as part of the gas price. The consumer would be much happier to see

Private Members' Business

the price of gasoline drop. We all would. Naturally, the retailer would be happier to see an increase in profits.

Realistically, these things will only happen if taxes on gasoline are reduced. The resulting positive effect on industry, business and the consumer would be a more competitive marketplace.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, it would be a very rare day that I would agree with anyone on the government side. However, today, on behalf of my party, I plan to definitely do that.

First I want to speak about my colleague, the hon. member for Regina—Lumsden—Lake Centre, whose riding is in the beautiful province of Saskatchewan. He has made tremendous efforts throughout his entire political and business career trying to get the gas and oil companies and governments to listen not only to his concerns and those of his constituents, but also to the concerns of Canadians right across the country.

I want to send the hon. member who is presenting this bill today kudos. Although it may not be strong enough, it is a step in the right direction and we compliment him on that.

I will speak as a consumer. I have always believed that the gas companies get away with far too much. They are much too friendly with the government of the day.

My colleague from the Reform Party says that they can look after themselves. Today in Toronto gas prices went up 8 cents per litre, just before the Thanksgiving holiday long weekend. That is an absolute outrage.

● (1325)

There are two people in my riding who have done an exceptional job in trying to focus this issue on the gas companies and protection not only for consumers but for jobs and independent retailers. They are Mr. David Collins, the vice-president of Wilson Fuels, and Mr. John Holm, the MLA for Sackville, which happens to be in my riding of Sackville—Eastern Shore. These two individuals have fought very hard.

I wish to read from a letter that Mr. Collins wrote to my hon. colleague from Regina—Lumsden—Lake Centre.

Bill C-235 aims to amend the Competition Act so that all market participants treat Retailers in a fair and equitable way, and ensures that wholesalers of fuel (both Refiners and Marketers who wholesale) market their fuel in a non-discriminatory fashion. Furthermore, Bill C-235 will go a long way towards breaking the oligopolistic practices of the major oil companies, and their efforts at market control through the widespread use of "Zone Pricing".

The practice of "Zone Pricing" is frequently used to target Independent Marketers by offering certain outlets who are in close contact to Independents preferential pricing. The impact of this preferential pricing technique is to discipline smaller players into price conformance. This is why prices in Canada are routinely uniform through a region.

Private Members' Business

It is important to note that this is not the case in the United States. The reason for that is simple—the U.S. has many rules, which serve to encourage competition, and hence through the practice of increased competition—a wider choice and lower prices benefit customers. Manju Sekhri will be forwarding copies of the U.S. legislation, which applies to gasoline Marketing in the U.S., and as a comparison what we have in Canada.

We will all be startled by the disparity which exists between ourselves and our free trade partners. This important element between our two countries was left out of the free trade agreement.

I wish to get a little closer to my own riding and deal with the Ultramar plant. In 1990 Ultramar took over the Texaco plant, in the home of Eastern Passage—Cow Bay, with the assistance of provincial and government financing of \$50 million. The object of that \$50 million was to protect jobs and create competition in the market.

Unfortunately, the deal was for seven years. Ultramar decided in 1994 to leave town halfway through its commitment to that loan. One hundred and sixty extremely well paying jobs were devastated and gone. There was less competition within the area and not once did the provincial or the current government ask Ultramar for any of that money back. It was gone.

To throw salt into the injury, the Economic Development Corporation, which this government tends to lean on quite heavily, insulted workers and families in Nova Scotia. An oil company in the United Arab Emirates came with cap in hand to Canada saying they would like to pick off the finer parts of the refinery and shift it over to their country to create their own employment. That is an extremely wealthy nation. They could have reached into their pockets and paid for it themselves.

What did we do? We gave them \$25 million of our tax dollars to dismantle the plant as well as two other refineries in British Columbia to create employment in that country. We continuously destroy jobs in this country. I am ashamed.

As part of the 1990 takeover of Texaco by Ultramar, Ultramar undertook the competition directorate to continue operating an oil refinery in Eastern Passage, Nova Scotia for seven years. In 1993 Ultramar further agreed that if it ceased operations it would give the director evidence of efforts to publicly sell the refinery.

In 1994 Ultramar gave notice of its intention to close the refinery. They did not even look for a competent buyer to buy the plant, even though we have record after record showing that there were enough buyers out there to buy the entire plant, the wharves and the docks. Ultramar refused with provincial and federal capitulation. It is absolutely scandalous that this continues. I should also say on behalf of my colleague from Regina—Lumsden—Lake Centre that if Bill C-235 does not fulfil all the aspirations of what we are looking for and what consumers are looking for, my hon. colleague also has a bill on the order paper, Bill C-384, an act respecting the energy price commission.

● (1330)

The bill would establish a commission to regulate the wholesale and retail price of gasoline, taking into account both the public interest in having reasonable and consistent prices and the need for manufacturers, distributors and wholesalers to have reasonable costs covered. The commission could also conduct hearings on competition in the oil industry referred to it by the competition tribunal.

In Canada we accept that some prices of goods and services which are central to the economy and often controlled by monopolies or near monopolies ought to be regulated in the public interest. That is true for telephone rates, cable TV and other prices.

I certainly cannot let something like competition go without mentioning the bank mergers. I am hoping that if we cannot get it through on the opposition side a member of the government side will bring in a private member's bill to stop and halt the bank mergers because that also would destroy competition in this country.

Independent gas retailers are small business people who promote competition and keep prices down. But they are vulnerable to the pricing practices of major oil companies. It is absolutely scandalous that this would continue.

Last summer there was a gasoline price war in the city of Moncton where things almost came to blows because gasoline was so low. All it did was be destructive. Although the consumers enjoyed it for a while in the end it was more harmful than it was good.

On behalf of Mike Williams, the head of the Atlantic Oil Workers Union of Nova Scotia, and his 160 workers who have worked so diligently to try to get a bill like this passed, I want to say to the member presenting this bill he has the full co-operation of this union and he has the full co-operation of our party in putting this bill forward.

Mr. Speaker, I wish you and your family, all members and those people in the gallery a very happy Thanksgiving.

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, I commend the member for Pickering—Ajax—Uxbridge for bringing forward Bill C-235. This bill would amend the Competition Act and reverse a devastating trend against small business, entrepreneurs and the consumer.

The member for Pickering—Ajax—Uxbridge has pursued this issue for years because he sees a long established Canadian industry, our independent gasoline retailers, being pushed out of existence by unfair and predatory wholesale practices. He also sees consumers with less and less real choice and an overwhelming

sense of powerlessness at the hands of the large integrated producers.

In many ways Bill C-235 is about protecting the fundamental elements of Canadian entrepreneurship. Throughout this country in every business sector there are Canadians who have mortgaged all they own to establish their own enterprise, their own business, their own job. They are determined to compete by working harder, by working longer hours, by being more innovative, by taking smaller margins and, most important, by serving the customer better.

It is these entrepreneurs who have built Canada's thriving retail sector. They have provided consumers with choice, with service, with better value. In return these retailers eke out a living for their families, are a main source of first jobs for young people and contribute to the local community through their taxes and community work.

These independent entrepreneurs are able to offer the consumer competitive choice only when there is genuine competition among their suppliers, only when they can get an acceptable margin because suppliers want business and are willing to provide product at legitimate market rates. Regrettably, this is not the case today in several sectors, most particularly in the gas industry. It is now proven beyond serious debate that integrated suppliers of gasoline have sought to forward integrate into the consumer market, not by buying successful retailers or establishing more efficient retailers but by exterminating independent competition through manipulation of wholesale prices.

• (1335)

Recently the stories of gas retailer being forced out of the market have been publicized because of the threat posed to all small resellers by the same practices. In one report documented in the *Financial Post* illustrative of the overall situation a retailer in Georgetown near Mississauga received a notice from his supplier Shell Canada informing him that after more than 65 years as a retailer of Shell products he would be cut off from any supply at all. It was not enough that his margin had been squeezed as Shell raised wholesale prices and independent look alike outlets emerged in his markets.

Clearly Shell was not satisfied with the retail market share it was winning by normal business practices and had to use its power as a producer to weaken retail competition. It is my view that we cannot allow Canadian consumers to be at the mercy of a few large integrated providers of gasoline or any other commodities. We cannot allow Canadian resellers and small entrepreneurs to be driven out of the market by predatory pricing by less efficient integrated competitors. Canada will be most productive if we reward and protect efficiency at every stage of service delivery.

If Canada's oil companies want to win 100% of the retail market they should have to win it by fair competition. They have enough

Private Members' Business

natural advantages, brand names, access to capital, ability to build service centres and restaurants to fuel sales. They must not be able to win the market by squeezing out the competition by raising wholesale prices close to or above retail.

We need Bill C-235 most because the current Competition Act is failing to protect Canadians against pricing that is clearly intended to reduce their choices and ultimately increase prices where no independent competition remains.

This week again motorists in southern Ontario awoke to another holiday weekend price gouge. Yet there is nothing they can do because there are so few independents left they have no choice but to buy from one of the big integrated producers. So let us not pretend we have an acceptable level of competition even today.

I ask all members of the House to cast a vote for Canada's small independent business people and protect consumers at the same time by supporting Bill C-235. If we want to preserve a country where independent, hardworking entrepreneurs can thrive we need more legislation like Bill C-235. We need more legislation to guarantee competition, more legislation against producers and brokers constricting and manipulating supply to destroy the small retailer, and more legislation to protect consumers from being at the mercy of those industries where genuine independent competition has already gone extinct.

It is time to send a message that this House will always put consumers first and will act decisively whenever confronted by an industry that abuses its position in the market to deprive Canadians of the competition.

Let me close by commending once again the member for Pickering—Ajax—Uxbridge for his unbending resolve on this issue in the face of an intense lobby. Consumers need this kind of initiative to put the spine back into competition laws in Canada.

• (1340)

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, it gives me great pleasure to speak to Bill C-235, a bill that if passed would have a profound effect on the way companies do business in Canada. The bill is sponsored by the member for Pickering—Ajax—Uxbridge, the chair of the Liberal caucus committee on gasoline pricing. Since its inception last September, the committee has conducted a number of meetings across Canada to receive comments on gasoline prices.

This bill is similar to the bill introduced by the same member in the 35th parliament. It was then known as Bill C-381. In reality the member's intent to adjust the Competition Act with this bill is born from the fact that in several complaints to the competition tribunal, independent retailers have been unable to prove either of the

Private Members' Business

following infractions took place, predatory pricing or abuse of dominant position.

Instead of accepting that there is a competitive unregulated market, Bill C-235 seeks to skew the playing field in favour of the independents. Occasionally it is warranted for the Parliament of Canada to intervene in the marketplace. However, in this situation we have to ask if Bill C-235 as it stands is such a reasonable intervention.

In order to judge the merits of the bill we need to look at the potential impact of the bill. My colleague, the member for Markham, addressed the point that the infractions the bill seeks to address are already covered by the present Competition Act. Section 50(1)(c) of the act already deals effectively with potential predatory pricing. Section 61 deals with price maintenance. Section 78(a) addresses price squeezing by vertically integrated companies.

Now that we have established that the act as it stands already addresses the member's concerns, let us discuss what ramifications could result from Bill C-235. The fundamental problem with this bill as seen by the Progressive Conservative Party is its blatant manipulation of basic free market principles.

In this case the bill would create a regime whereby gasoline pricing would be set based on a formula that would include a combination of market forces and a provision for a minimum profit margin. Clause 50.1(2)(a)(ii) would allow the courts to interfere in what constitutes a reasonable profit. This situation is worsened by the fact that the bill would entrench certain conditions between vertically integrated suppliers and their customers. Whether or not governments should be interfering in that relationship at all is certainly a point for debate.

However, the issue that most disturbs me is that this bill completely disregards any efficiencies that arise from vertically integrated companies. For example, Imperial Oil would fall under the definition of a vertically integrated supplier. It operates refineries, it has its own retail outlets and it sells to independents that are its competitors. Under the terms of Bill C-235 it would not be permitted to pass on savings realized by its economy of scale to its customers without doing two things. First, it would have to ensure that its price reduction was in compliance with Bill C-235, a decision that would have to be adjudicated by the competition bureau. Second, it would have to make a corresponding reduction to any competitors that buy from it.

Advocates of this bill have come to the conclusion that this is fair and proper. However, I respectfully submit they are living in a fantasy world. A more reasonable expectation would be that Imperial Oil would make a smaller price reduction if any were made at all. That way it could remain compliant, the independents would receive a small benefit and the consumers would lose. This point needs to be stressed.

Different spokespeople for Bill C-235 have tried to sell it as a bill that would protect independent retailers as well as consumers. The harsh reality is that consumers would only be victims under this bill.

● (1345)

I want to go a step further with my analogy. Another possible outcome of the situation facing our analogous company, Imperial Oil, could be a decision on its part to discontinue supplying independents altogether. If it is no longer a vertically integrated company, it would not have to deal with the Competition Bureau every time it wanted to lower its prices, offer coupons or give away a two litre bottle of pop. This is not an unreasonable outcome to predict, and it would be the exact opposite effect of what the bill's sponsor is trying to achieve.

My party has spoken to many stakeholders on this issue and through those interviews we have come to learn a great deal about the whole industry. Several years ago Canada and its provinces began moving from a regulated to an unregulated gasoline industry. Instead, we have preferred to maintain general rules of competition, as embodied in the Competition Act. This situation does not exist in the United States and as a result rules change from state to state. I am sure my hon. colleague can understand what kind of inefficient marketplace this creates.

There can be no doubt that the result of Bill C-235 will be to increase gasoline prices across this nation by creating an artificial profit margin. This quite frankly is legislated protection of inefficiency.

Up to this point my comments have focused on the oil industry and I have done so for a reason. This bill has been developed to specifically target that industry. Unfortunately, just as indiscriminate tuna nets catch dolphins, this bill will impact many other industries.

One aspect that should disturb us all is that if passed we would enter a new retail environment, one where wholesalers and retailers would be encouraged to communicate and agree on retail prices in order to comply with provisions of the bill. The result would be an increase in the likelihood of illegal price maintenance clauses. That is not my opinion but instead the reasoned opinion of the president and CEO of the Stentor Company.

The letter also goes on to concur with what my colleague, the member for Markham, said in this House previously. Bill C-235 will create another level of bureaucracy with inefficient, burdensome compliance regulations. The following point bears repeating. The courts will be used to determine prices and margins and not market forces. This would have to be the case because no definition exists for the bill's provision of what constitutes a reasonable profit.

Private Members' Business

The last point I want to make is that we have in existence right now a comprehensive world class Competition Act which was enacted as such by the previous Conservative government in 1986. I take this opportunity to assure my hon. colleague that the foresight of that government saw to it that necessary protection for all sizes of companies was implemented.

The act covers perdition, pricing with the express purpose of destroying a competitor. It covers below cost selling. It covers abuse of dominant position.

In short, there is nothing in Bill C-235 that is not already effectively and fairly addressed by the act. Legislation that benefits only special interests and not the whole marketplace cannot be supported. Therefore we will be voting against Bill C-235 in its present form.

Mr. Peter Stoffer: Mr. Speaker, I rise on a point of order. I beg the indulgence of the House. I forgot to wish my mom and dad who are watching a very happy Thanksgiving.

The Deputy Speaker: I am sure all hon. members join the hon. member for Sackville—Eastern Shore in that expression.

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, I have heard a lot from all sides of the House. I know there are members who feel very passionately about this. Those happen to be the very members who have actually taken the time to study this, who have not allowed CPPI or an oil company or the Competition Bureau to help them write their speech or to find out some kind of mythical idea about what this industry is all about.

The member for Tobique—Mactaquac and his colleague from Markham are good examples of people who simply do not want to engage in a real cerebral discussion of what this bill is all about. That is exactly why they do not want it to go to committee.

• (1350)

That member who comes from New Brunswick made a statement about the fact that everything is hunky-dory in this industry. He should look at the New Brunswick select committee all-party resolution of that province last year which indicated that we needed effective laws dealing with predatory pricing that currently do not exist.

I want to get into the Stentor question because Stentor has written a letter expressing surprise that it was possible for the Competition Bureau to go around looking for people to find opposition to the bill. It is kind of ironic that it is this bill which is in fact giving them the tools to resolve the problem that exists. Stentor may have a huge problem with respect to the power of the vertically integrated suppliers that relate to the Internet service provider.

The opposition is correct that the bill was about the oil industry, but it seems to me there are a lot of other industries and small businesses, which the people on the other side wish to advocate, that are being decimated day in and day out. That is not hypothetical; that is reality.

With respect to the retail industry, we are asking in Canada to do what the parent companies cannot do in the United States. The legislation is designed very specifically to bring the Competition Act up to speed with the rest of the world before we recognize that in Ontario, where gas prices have increased by eight cents a litre, it is not a function of competition.

I do not know what it takes for members of parliament to try to understand this issue. There were 20,000 retailers a few years ago. There are less than 10,000 now. There will probably be fewer in days to come.

Consumers across the country know that when gas prices move up uniformly or fall uniformly it is a function of the wholesalers that have absolute control over the retail price. They are not separate. They are not segregated. The bill simply tries to address a safeguard which, in summation, was the recommendation of the Competition Bureau in 1986.

I ask the House to put aside the biases, the willingness to play politics, to stand up for small business and to stand up for the truth. At the end of the day that would ensure what we do not have today in the oil industry in Canada, a truly competitive Canadian market.

[*Translation*]

The Deputy Speaker: It being 1.52 p.m., the time provided for debate has expired.

[*English*]

Pursuant to order made earlier today, the question on the motion is deemed to have been put and a recorded division deemed demanded and deferred until Tuesday, October 20, 1998, at the expiry of time provided for Government Orders.

May I join with hon. members, who expressed their wishes for a good Thanksgiving to our colleagues, friends and the people watching, to extend the very best wishes for the weekend from me and the other chair occupants. I look forward to seeing hon. members on our return after a week of constituency work, which I know members will enjoy.

It being 1.53 p.m., the House stands adjourned until Monday, October 19, 1998, at 11 a.m. pursuant to Standing Orders 28(2) and 24(1).

(The House adjourned at 1.53 p.m.)

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(As of October 9th, 1998 — 1st Session, 36th Parliament)

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Jacques Saada	to Solicitor General of Canada

CONTENTS

Friday, October 9, 1998

GOVERNMENT ORDERS

Extradition Act

Bill C-40. Second reading	9027
Mr. Martin (Winnipeg Centre)	9027
Mr. White (Langley—Abbotsford)	9029
Mr. Easter	9030
Mr. White (Langley—Abbotsford)	9030
Mr. Bailey	9031
Mr. White (Langley—Abbotsford)	9031
Mr. Penson	9031
Mr. White (Langley—Abbotsford)	9032
Mr. Lee	9032
Mr. White (Langley—Abbotsford)	9032
Mr. MacKay	9032

STATEMENTS BY MEMBERS

Transport

Ms. Guarnieri	9034
---------------------	------

The Senate

Mr. Epp	9035
---------------	------

The Homeless

Mr. Caccia	9035
------------------	------

Hockey

Mr. Clouthier	9035
---------------------	------

Thunder Bay Regional Arts Council

Mr. Dromisky	9035
--------------------	------

Unemployment

Mr. Mayfield	9035
--------------------	------

Royal Canadian Mounted Police

Mr. Easter	9036
------------------	------

Member for Bourassa

Mr. Dumas	9036
-----------------	------

United States Immigration Act

Mr. Provenzano	9036
----------------------	------

The Senate

Mr. Anders	9036
------------------	------

Jacob and Mathew Brown

Mr. Murray	9037
------------------	------

International Day for the Elimination of Poverty

Ms. Davies	9037
------------------	------

Davie Industries

Mr. Dubé (Lévis—et—Chutes—de—la—Chaudière)	9037
--	------

United Nations Secretary General

Mrs. Jennings	9037
---------------------	------

United States Immigration Act

Mr. Thompson (New Brunswick Southwest)	9038
--	------

Canadian Economy

Mr. Bélair	9038
------------------	------

ORAL QUESTION PERIOD

Solicitor General of Canada

Mr. Strahl	9038
Mr. Scott (Fredericton)	9038
Mr. Strahl	9038
Mr. Gray	9038
Mr. Strahl	9038
Mr. Scott (Fredericton)	9039
Mr. White (Langley—Abbotsford)	9039
Mr. Scott (Fredericton)	9039
Mr. White (Langley—Abbotsford)	9039
Mr. Scott (Fredericton)	9039
Mrs. Tremblay	9039
Mr. Gray	9039
Mrs. Tremblay	9039
Mr. Scott (Fredericton)	9039
Mr. Bergeron	9039
Mr. Scott (Fredericton)	9040
Mr. Bergeron	9040
Mr. Scott (Fredericton)	9040
Mr. Blaikie	9040
Mr. Scott (Fredericton)	9040
Mr. Blaikie	9040
Mr. Gray	9040
Mr. MacKay	9040
Mr. Gray	9040
Mr. MacKay	9040
Mr. MacKay	9041
Mr. Scott (Fredericton)	9041
Mr. Reynolds	9041
Mr. Gray	9041
Mr. Reynolds	9041
Mr. Gray	9041
Mr. Marceau	9041
Mr. Gray	9041
Mr. Marceau	9041
Mr. Scott (Fredericton)	9041

APEC Summit

Mr. Cadman	9041
Mr. Scott (Fredericton)	9042
Mr. Forseth	9042
Mr. Scott (Fredericton)	9042

Solicitor General of Canada

Mrs. Gagnon	9042
Mr. Scott (Fredericton)	9042
Mrs. Gagnon	9042
Mr. Scott (Fredericton)	9042

Agriculture

Mr. Hilstrom	9042
Mr. Vanclief	9042
Mr. Penson	9042
Mr. Vanclief	9042

Solicitor General of Canada

Ms. Girard—Bujold	9043
Mr. Gray	9043

Veterans Affairs	
Mr. Jordan	9043
Mr. Wood	9043
Agriculture	
Mr. Hoepfner	9043
Mr. Vanclief	9043
Mr. Morrison	9043
Mr. Vanclief	9043
APEC Summit	
Ms. Davies	9043
Mr. Scott (Fredericton)	9043
Solicitor General of Canada	
Ms. Desjarlais	9044
Mr. Gray	9044
Air Atlantic	
Mr. Power	9044
Mrs. Chamberlain	9044
Mr. Power	9044
Mrs. Chamberlain	9044
Taxation	
Mrs. Finestone	9044
Mr. Dhaliwal	9044
Forestry	
Mr. Duncan	9044
Mr. Goodale	9045
Solicitor General of Canada	
Mr. Laurin	9045
Mr. Gray	9045
The Environment	
Mr. Laliberte	9045
Mr. Goodale	9045
Canada Post	
Mr. Bernier (Tobique—Mactaquac)	9045
Mr. Gagliano	9045
National Defence	
Mr. Lee	9045
Mr. Eggleton	9046
The Senate	
Mr. Epp	9046
Mr. Gray	9046
Solicitor General of Canada	
Mr. Ménard	9046
Mr. Gray	9046
APEC Summit	
Mr. Martin (Winnipeg Centre)	9046
Mr. Gray	9046
Canada Post	
Mr. Bernier (Tobique—Mactaquac)	9046
Mr. Gagliano	9046
The Arctic	
Mrs. Karetak—Lindell	9047
Ms. Torsney	9047
Solicitor General of Canada	
Mr. Hill (Prince George—Peace River)	9047
Mr. Scott (Fredericton)	9047

ROUTINE PROCEEDINGS

Cree—Naskapi Commission	
Mrs. Stewart (Brant)	9047
Government Response to Petitions	
Mr. Bélanger	9047
Committees of the House	
Fisheries and Oceans	
Motion for concurrence	9047
Mr. Duncan	9047
Mr. Mayfield	9050
Mr. Stoffer	9051
Mr. Mayfield	9051
Mr. Kilger	9051
Division on motion deferred	9051
Business of the House	
Bill C-225	
Mr. Kilger	9051
Motion	9051
(Motion agreed to)	9051
Petitions	
Divorce Act	
Mr. Harb	9051
Marriage	
Mr. Mayfield	9051
Indonesia	
Mr. Murray	9052
Justice	
Mr. Duncan	9052
Marriage	
Mr. Forseth	9052
Questions on the Order Paper	
Mr. Bélanger	9052

GOVERNMENT ORDERS

Extradition Act	
Bill C-40. Second reading	9052
Mr. MacKay	9052
Mr. Anders	9053
Ms. Bakopanos	9054
Mr. Anders	9054
Mr. Lee	9055
Mr. Anders	9055
Ms. Caplan	9055
Mr. Anders	9055
Ms. Caplan	9055
Mr. Anders	9055
Mr. Hill (Prince George—Peace River)	9056
Mr. Morrison	9056
Mr. Anders	9056
Division on motion deferred	9056
Mr. Kilger	9056
Mr. Epp	9056
Mr. Kilger	9057

PRIVATE MEMBERS' BUSINESS

Competition Act	
Bill C-235. Second reading	9057

Mr. Reed	9057
Mr. Duncan	9058
Mr. Stoffer	9059
Ms. Guarnieri	9060
Mr. Bernier (Tobique—Mactaquac)	9061

Mr. Stoffer	9063
Mr. McTeague	9063
Division deemed demanded and deferred	9063

Appendix

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