

CANADA

House of Commons Debates

VOLUME 135 • NUMBER 196 • 1st SESSION • 36th PARLIAMENT

OFFICIAL REPORT (HANSARD)

Monday, March 15, 1999

Speaker: The Honourable Gilbert Parent

CONTENTS

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

HOUSE OF COMMONS

Monday, March 15, 1999

| The House met at | t 11 a.m. |
|------------------|-----------|
| | Prayers |
| (1105) | |

POINTS OF ORDER

TABLING OF DOCUMENTS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, on Friday during question period the member for Laval Centre asked that documents be tabled referring to the road to the Prime Minister' residence.

If there is unanimous consent, and there has been consultation with the parties, I would like to table those documents now.

The Deputy Speaker: Is it agreed that the parliamentary secretary table these documents?

Some hon. members: Agreed.

PRIVATE MEMBERS' BUSINESS

[English]

YOUNG OFFENDERS ACT

Mr. Chuck Cadman (Surrey North, Ref.) moved that Bill C-260, an act to amend the Young Offenders Act, be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased to have this opportunity to initiate debate on my private member's legislation, Bill C-260.

It is a simple bill in that it consists of one minor amendment to the Young Offenders Act. I have used the words simple and minor to describe the content and the construction of the actual legislation. The ramifications of the legislation are I believe a little different and quite important. They address an issue which Canadians have demanded be addressed for years, that the parents or guardians of young offenders be called to account when they fail to discharge their responsibility to supervise.

This amendment changes section 7.2 of the Young Offenders Act from a simple summary conviction offence to a dual procedure or hybrid offence.

Should this bill be accepted and passed, offenders of section 7.1 would become subject to either imprisonment of up to two years or the normal summary conviction penalties. As I am sure members are aware, the Minister of Justice introduced long awaited new youth justice legislation last week.

Furthermore, members may be aware that the legislative change proposed in Bill C-260 has been incorporated into the new youth criminal justice act. One must assume the Minister of Justice and her government see merit in the changes proposed.

Members may therefore be wondering why I have chosen to proceed with this amendment now. Quite simply, I do not anticipate that the new youth justice legislation will be implemented for some time yet. I have heard possibly by year's end at the earliest, but even that may be wishful thinking. I believe this amendment is important enough to be incorporated within the current youth justice legislation, the Young Offenders Act.

I will now take a moment to outline the reasons for this proposal. Section 7.1 of the Young Offenders Act permits a youth court judge or justice to allow an accused person who would otherwise be detained in custody to be placed into the care of a responsible person who undertakes in writing to be responsible for the attendance of the young person in court when required, and to ensure compliance with such other conditions as a youth court judge or justice may specify.

The young person also undertakes in writing to comply with the arrangements and to comply with any other conditions that the judge or justice may specify.

In simple terms, instead of keeping a young accused in custody, the law permits an individual, usually a parent or guardian, to undertake to properly supervise the young person until the charges are decided. This is essentially just another form of custody. It is bail.

The court wishes to ensure that both the young person and the parent or other responsible person agree to abide by the conditions of release. A signed undertaking, a contract, is agreed on.

There are of course other provisions that permit changes to the terms of the undertaking or even cancellation of the release.

● (1110)

A parent need only apply to the court to be relieved of their responsibility should they find that they were unable to fulfill their obligation. If that were to occur, the young person would be returned to custody unless another person were to come forward to sign a new undertaking.

The problem that occurs and the reason for introducing this legislation is that some parents or guardians enter into these undertakings and then wilfully fail to provide proper and sufficient supervision. This failure can then result in additional repercussions to the young person and may even result in additional criminal charges should the young person proceed on to other criminal offences. It is this type of situation where parents or guardians shirk their legal responsibility that the bill seeks to address.

I will provide an example. Suppose a young person gets involved with the wrong crowd and ends up with others causing some form of physical assault late one night on an innocent citizen on the streets of a community. The police are called. An arrest is made and a charge is laid. We can all probably understand why a youth court judge might be hesitant to detain this young person for this type of offence, especially if it is a first offence.

I am sure we can also understand that the same judge would wish to ensure the young person does not get into further difficulty prior to the resolution of the charges. The judge may want to order the young person to stay away from the influence of other accused. The judge may want to order that the young person refrain from being out on the streets late at night. In other words, the judge may impose a curfew.

Suppose the young person's parent then agrees to provide a written undertaking to supervise this young person to ensure conditions are fulfilled such as staying away from a listed number of individuals and being at home during a set period of night hours.

What if the parent has been part of the problem all along? What if the parent has never properly performed parental responsibility toward their young person? What if the parent signs the undertaking or so-called contract with the court and then deliberately neglects to control or supervise the young person? Is this type of situation not a serious problem within our justice system?

Canadians far and wide have long called for more responsibility and accountability on the part of parents or guardians of young offenders. In instances such as I have just described, we have cases where parents or other adults sign an undertaking with the court to be responsible and accountable. Should they not at least be held accountable to the level of a dual procedure offence?

If the young person merely breaches a condition of release then the parent may face a summary conviction procedure for their failure to comply with the undertaking to supervise. If the breach of the release condition leads to the commission of a serious offence by the young person, that same parent might be subject to an indictable proceeding. Like all hybrid offences, the crown has the option. Of course the judge, as always, has the final decision on the appropriate punishment should the charge be proven.

Some individuals opposed to these proposed changes to the legislation might argue that we may not want to exacerbate the situation between a young offender and their parent. If the young offender breaks the conditions of release and the parent is found to have wilfully failed to uphold the promise to properly supervise, that parent may end up facing more severe repercussions through this change to a dual procedure offence.

Some may worry that relations between the youth and the parent may become further strained. To this I say that if the parent wilfully participates in ignoring a court imposed condition, then the parent should be held accountable as it is obvious that the parent is a major part of the problem in the first place.

A parent, by definition, should be setting a proper example for the child. An improper example is certainly being set when an adult signs a court order, ignores the consequences and wilfully supports the young offender with inappropriate and illegal activity. Of course the parent should be made to account for this failure.

My amendment to the law is merely one step to broaden this accountability. It may be a large step toward protecting citizens and communities once we impress on delinquent parents how serious we consider their failures to control their children placed in their custody at their own request until the original criminal charges are heard.

I would be remiss if I did not inform my colleagues that this relatively unknown section of the Young Offenders Act is of particular relevance to my family and me.

• (1115)

I think that by now some are aware that back in 1992 my son, Jesse, was murdered by a young offender late one night. Jesse was 16 years old at the time. He and two friends were heading home after getting off a bus near home. They were attacked at random by six strangers, without provocation. A young offender, who was free in the community on a section 7.1 undertaking, knifed him in the back. One of the conditions of release into his father's custody was a dusk to dawn curfew.

Obviously the young offender was not complying with that condition on that night. He had also failed to appear in court some three weeks earlier, another failure to comply.

In my opinion, the parent who signed that undertaking to supervise wilfully failed in his responsibility before the court and my son paid the price. That young offender was convicted of the crime and is serving a life sentence in a penitentiary.

The House will note that I stated that it was in my opinion that the adult offended section 7.2, as it has never been determined in court. That is the injustice of this case. I do not know if the situation would have ended up any differently, but the failure of the adult to properly supervise and control that young offender certainly did not help Jesse. It may well have failed to help that particular young offender as well. Who knows, perhaps compliance with the undertaking to supervise might have been enough to keep that young person at home that night.

All I know is that particular adult promised the court he would properly supervise the youth. He promised that the youth would attend court. He promised that the youth would abide by a curfew condition. He failed to fulfil those promises and a young life was snuffed out at 16.

Some have said that this amendment seeks to blame parents for the crimes committed by their children. That is utterly ridiculous. The young person is solely accountable for their own criminal activity. For the purpose of this legislation the parent is guilty of the offence of failing to comply with an undertaking. Even if the young person does not go on to commit another offence beyond a breach, the parent is still accountable for the failure to comply with their own promise to supervise. They have broken a contract.

Others suggest that some parents are unable to control their children. If that is the case, then they simply have no business entering into such an undertaking. I do not suggest for one minute that a parent or guardian should be expected to chase their son or daughter down the street or physically drag them into the house at two o'clock in the morning should they decide to breach their curfew. What I do expect, however, is for that parent to pick up the phone and notify the police of the breach. By doing that the parent has acted in a responsible manner. The parent who merely shuts the door and goes to bed is clearly demonstrating a wilful failure to comply with their undertaking to supervise.

I believe that members of the Standing Committee on Procedure and House Affairs understood the significance of this bill, so they made it votable. As I said at the outset, although the content of Bill C-260 is contained in the new youth criminal justice act, I seek to amend the current Young Offenders Act, as the new legislation is still a long way off.

I fervently request and seek the support of my colleagues in this place for this initiative. I do so for all concerned. It is in the interest of the safety of our citizens and our communities. It is in the interest of our youth who are most often the victim of young offender crimes. It is in the interest of young offenders who are afforded the opportunity to return to our communities while they await resolution of their initial charges.

My amendment is simple. It is solely to make adults more accountable and responsible to properly supervise when they promise to do so before the courts. Is that really too much to ask?

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I would like to take this opportunity to commend the hon. member for Surrey North who has introduced Bill C-260 to amend the Young Offenders Act.

As the House will know, the Minister of Justice introduced youth criminal justice legislation last week. The new legislation will replace the Young Offenders Act. It represents one element in the strategy for the renewal of youth justice which was launched last May.

I appreciate my colleague's valuable contribution to the justice committee. Indeed, he asked a number of very thoughtful questions. He was a major contributor to our victims report and largely generated many of the very good recommendations that are in it.

It is a rare day when the government recognizes a private member's initiative and adopts it as its own. In some respects it is the ultimate compliment of the government to a private member to accept their initiative and to incorporate it into legislation. I would point out that in large measure this has been incorporated into the new bill.

• (1120)

I refer members to Bill C-68, in particular clause 31(1), which states that a person who has been arrested may be placed in the care of a responsible person. Subclause (b) states that the responsible person has to be willing and able to take care of the person and has to, in turn, undertake that they will take responsibility for the young person. The young person, in turn, has to undertake in writing to comply with the terms of the order. That in itself is quite a scheme.

Where the bill addresses the concern of the hon. member opposite is in clause 138(1). Herein lies the change. Every person who wilfully fails to comply with clause 30 or with an undertaking entered into under clause 31(3) is guilty of an indictable offence. Subclause (b) refers to a summary offence.

The effect of the bill is to give the crown an election as to whether to proceed against the responsible person as an indictable offence or as a summary offence. It is called a hybrid offence. It is a worthwhile and laudable initiative on the part of the member opposite.

It is therefore my intention to discuss the objectives of Bill C-260 in the context of the youth criminal justice bill. The legislative response announced last week represents an important element in the government's overall strategy to address the issue of Canadians concerned about youth crime. There is no single solu-

tion, no magic bullet which will solve the problem of youth crime. Last year the crime prevention strategy was announced. Obviously the most effective answer to crime, and to youth crime in particular, is prevention.

I want to take this opportunity to address some of the nonsense that is in the news media about the responsibility of parents. My hon. friend has addressed a couple of the issues, such as parents who are accountable for recidivist youth. There is no way that is incorporated in either his bill or in the new legislation. That notion is nonsense and it needs to be said in the House.

I do not see anything with respect to vicarious liability for parental responsibility in the bill. I stand to be corrected, but I cannot quite imagine how parents are going to be held responsible for the crime of their children, vicariously or otherwise.

The bill addresses crime with respect to children and parental responsibility in clause 11 of the new bill. The bill deals with extra judicial sanctions, namely the giving of a notice to a young person that they are having some serious difficulties with the law. That does not initiate a judicial process. However, there is an obligation on the part of the police officer to, in turn, give the notice to the parent so the parent or the responsible person is aware of what is going on.

If that does not work, then the next stage falls under clause 26 of the bill where the youth is arrested. When that youth is arrested there is an obligation under clause 26 to give a notice to the parents. The notice contains the name of the young person, the charge against the young person and a statement that the young person is entitled to be represented by counsel. That is the second level of parental responsibility.

The third level of responsibility with respect to parental attendance is found under clause 27. If a parent does not attend proceedings held before a youth justice court in respect to a young person they may be, by order, required to attend. In certain circumstances they may be found in contempt of court if they fail to attend.

I suggest that these are reasoned and balanced responses to parental responsibility.

● (1125)

The legislation reflects this commitment to safer streets. As stated in the preamble of the bill, the protection of society from youth crime is the most important objective.

At the outset, the legislation sets out its clear goal to establish a youth criminal justice system that commands respect, fosters responsibility and ensures accountability through meaningful consequences and effective rehabilitation and reintegration.

It is easy to state, but much more difficult to put into legislation. However, I would respectfully submit that with the nudging of Bill C-260 and the response of Bill C-68 that in fact some areas of accountability and responsibility have been addressed.

In the context of addressing problems with the current youth justice system through the new youth justice legislation, Bill C-260 was taken into account. The objective of the hon. member's bill corresponds to the one objective of the new legislation; that is, to foster greater accountability.

Individuals, including persons and their parents, must be held accountable for their actions. Consequences must flow from the wrongdoing. The modifications suggested in Bill C-260 were therefore included in the new legislation.

Bill C-260 would apply after the bail criteria has been applied and the young person has been found to be ineligible for judicial interim release. In other words, the choice is whether the person wants to go to jail or whether someone is going to take responsibility for the youth. In such cases the proposed provisions of the youth criminal justice bill permit youth to be placed in the care of a responsible adult instead of being detained in custody.

The responsible adult must undertake, in writing, to take care of the young person and ensure that he or she complies with the conditions of the court. As it now stands, if the responsible adult wilfully fails to comply with the undertaking, the responsible adult could be found guilty of only a summary conviction offence. That, in certain circumstances, as the hon. member has pointed out, is woefully inadequate for this kind of criminal liability.

Bill C-260 proposes to make the offence a hybrid offence so that prosecutors have the choice to proceed summarily or by way of indictment. An undertaking given to the court to act as a responsible adult is an extremely serious responsibility. As an aside, if I were a drafter I would insist on independent legal advice.

If we are to impress upon young people that the justice system must be respected and should foster values such as accountability and responsibility and that criminal behaviour will lead to meaningful consequences, then we must also apply those values to responsible adults who play a role in the judicial system.

Throughout the proposed legislation there are measures such as the one suggested in Bill C-260 which underscore the importance of accountability and meaningful consequences. The seriousness of the crime will be reflected in the seriousness of the consequences rendered by the proposed youth criminal justice system.

The parents, police, schools and others in the community will have a significant role to play in ensuring that the young person in question understands and appreciates the gravity of his or her actions. It may be more appropriate for the young person to be

accountable through retribution, community service or, in certain circumstances, confronting his or her victim. The full weight of the criminal law will be brought to bear when a crime committed warrants such consequences.

I would suggest that the hon. member can at this point bring a small measure of closure to the tragedy of his family. He has acted honourably and in the finest traditions of a parliamentarian. He brings honour to his son, to his family and to all members of this House. I congratulate him personally on behalf of the House for his initiative.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I would also like to add my personal feelings as I open my remarks on Bill C-260. It is certainly the feeling of our caucus that we have great admiration and personal respect for the member for Surrey North for the work that he has done to champion this cause. There are not many issues that our caucuses will find any community of interest on, more than likely, but this is certainly one where I have the greatest admiration not only for the issue but for the way the issue has been put forward and handled over many months.

● (1130)

It is not easy to champion any cause, much less a cause of such great personal interest. It must have been that much more difficult for the member to deal with the issue. Our caucus feels strongly that he has handled it very well.

Bill C-260, as we have heard from previous speakers, will be covered under the new Bill C-68 so many of the merits of Bill C-260 will be incorporated into the new act. It is for that reason that our caucus will not be voting for Bill C-260. It has nothing to do with the content or the merits or the arguments that we are hearing today, and certainly nothing to do with the issue. It is simply the fact that we believe it is redundant at this point and is not necessary. Still, it gives us a valuable opportunity to speak to the issue and to raise the many merits Bill C-260 certainly brings forward for us.

My understanding is that under the current Young Offenders Act there is a maximum penalty of six months in jail and/or a \$2,000 fine for parents or guardians who fail to meet the requirements of the custody and supervision orders. Certainly it is not as though this issue has been left unaccounted for at all.

People have obviously contemplated the problems that come with releasing somebody into the custody of another person and holding that person accountable for doing what they promised to do or undertook to do, which is to keep the person in some form of custody until such time as a trial can relieve the issue.

Coming from Winnipeg and with the street gang problem it has, this issue comes up all the time. It is a very frequent occurrence. It certainly needed to be addressed so we are very pleased that Bill C-68 will put stiffer measures in place to try to give some satisfaction in that regard.

Our caucus has tried to wrestle with the issue and in doing so has tried to be tough on crime but also tough on the causes of crime. That is the best way I can put it briefly.

Looking at the issue in Winnipeg Centre, the riding I come from, the whole idea of releasing children to the custody of their parents and having parents act in a responsible manner is actually compounded by the aboriginal population there and the parenting skills of the middle aged group of aboriginal people who live in the inner city of Winnipeg due to the fact that they were lifted out of their homes as children and put into residential schools.

This is something we have finally come to grips with. We learn our parenting skills from our parents. When we remove a whole generation of people from their family homes where they would pick up those skills, they do not have the opportunity to learn how to be parents. I am not saying this in a critical way or a generalizing way, but that has come to be recognized as one of the issues we are facing with a generation of youth in various kinds of trouble with street gangs or whatever.

The parenting that normally goes on in any family home has not been going on properly because of the unnatural intervention in in the lives of that middle aged population when they were ripped from their family homes, dumped in a residential school and just did not have the opportunity to learn many of those skills.

Scratching deeper under the surface of the whole issue of youth crime and street crime, we have to look at how these youth gangs and street gangs are actually structured. A lot of the kids who are involved, the 10, 11 and 12 year old kids, did not actually seek out to be members of these gangs.

As more and more of them are finding refuge in safe houses and being interviewed by people, it turns out that they are getting muscled into taking part in these gangs. Quite often it is an 18 or 19 year old who comes to a 10 or 11 year old and says "If you do not do this B and E for us we will beat up your sister or bring harm to the rest of your family". The kids literally have no choice. That is often how they get sucked into it.

I am not saying that should change the way we view crimes.

• (1135)

We have to take a dispassionate view of the impact on victims of crimes. We also have to take into consideration the fact that a lot of these youth involved in this stuff did not do it by choice, that they were often pulled or drawn into it from unnatural circumstances.

I have an issue in my own personal family that happened to us and made me wrestle with the issue to try to get a grip on how we feel about youth crime and the treatment of youth. In my own family we were broken into by two youths who were 15 and 16 years old. I actually caught them in the act of breaking into our house, which is a very nerve wracking thing. When I drove home one night there they were in the process of breaking into our home.

I managed to hold one of them down while my wife phoned the police, but my four year old boy was obviously curious about why I was fighting in the snowbank with these kids. He came outside. The other youth grabbed my four year old son by the hair and pulled him down the street and said "I'll trade with you. You let my friend go and you can have your kid back". It was sort of a kidnapping incident in the middle of a dark, cold winter night in Winnipeg. It was very terrifying for my whole family.

Naturally I dropped the one kid and went after the one that had my son and gave him a bit of a licking. The end of the story is that I wound in court for six months fighting charges that I had assaulted this kid who had broken into my house. It is fundamentally wrong. It made me a very angry guy for a long time. As I said, it made me wrestle with the issue of whether we get into a hang them high kind of punishment for 15 and 16 year old kids who break into our houses and threaten our families or we work harder to try to understand the root causes and try to deal with it in that way.

This was eight or nine years ago. I have had the fullness of time to try to wrestle with the issue. I believe that some of the measures undertaken in Bill C-68 address the right direction in which we should be going. I compliment the member for Surrey North that some of the issues dealt with in Bill C-68 had their origins in the issue the member brought to the House as the issue he wanted to promote. There should be some satisfaction there, I would hope, for the member.

The whole issue of inner city youth gangs and street gangs—and I do not want to harp on it—is an overwhelming problem in the inner city of Winnipeg. There are 1,500 kids actively involved in street gang activity. They actually have break and enter rings where they divide up neighbourhoods. One person will be in charge of a little crew of break and enter artists. They will have maybe a six block area that is their turf until they wear it out. Then they sell the rights to the area to another sub-gang leader.

It is actually structured to the point where it is beyond kids just doing random acts of violence. It is almost getting to be an organized crime ring of young people.

The reason I call them street gangs and not youth gangs is that they are not driven by young people. There is always an older ring of people managing the young people who are undertaking the actual crimes. It is incorrect and it is actually maligning young people to call them youth gangs.

Obviously as parents we know that most kids are not engaged in any illegal activity. It is only a very few when we look at the larger picture.

Families that can least afford decent affordable housing, education, sports and recreation for their youths, are the ones most likely to be affected by the tragedies of crime, violence, street activity and all the predictable consequences of those things. Not to draw too tenuous a connection, we can bring the issue down to one of socioeconomics. It is a natural fact that the have nots are more likely to have some kind of violent crime as a part of their daily life and more likely to experience some sort of violence or crime because the incidents are that much higher. Desperate people take desperate measures.

Last week I spoke about the issue of arson in my area of Winnipeg where the housing stock is so beat up, atrocious, and dominated by slum landlords that arson is getting to be almost epidemic. These properties are not worth rehabilitating or renovating in any way. We have had 85 arsons in a three month period in a 12 square block area. Sometimes two or three places a night are going up in smoke. It is like the big American inner cities during the race riots of the 1960s. These people are torching the whole community. It is burn baby, burn again. That is an indicator of the type of social unrest we are prompting through many of our social and economic policies.

● (1140)

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I will first comment on the speech of my colleague from the NDP who has brought another issue to the House of great concern to all of us. It is beyond belief to accept for a moment that he, in an attempt to save his son from what could have been serious injury, would end up being subject to legal proceedings. It is beyond belief we have come to a state where we no longer have the right to protect our property or even our children from what seems to have amounted to a kidnapping and a threat against the well-being of a four year old child. It is abhorrent that we as parents or as citizens do not have the right in law to use reasonable force to protect our children and our property and are subjected to criminal proceedings. We as a parliament ought to take a look at that.

I am honoured to rise today to speak in support of my colleague's private member's bill. The hon. member has dedicated the last seven years of his life to changing the Young Offenders Act to rightfully hold youth more accountable for their criminal actions. Unfortunately the member for Surrey North had suffered an inconceivable tragedy, the loss of a child, which brought him to this point in his life. I empathize with him and his family for their terrible loss to the extent my understanding allows me. I commend

his fortitude to redress the inadequacy of the Young Offenders Act in the face of such an event. I am confident my colleague's efforts, particularly in Bill C-260, will help prevent other Canadian parents from enduring a similar horrifying loss.

As pointed out by my colleague, section 7.1 of the YOA permits a youth court judge to allow an accused to be placed in the custody of a parent, guardian or responsible person. The designated person must sign an undertaking to take care and be responsible for the attendance of the youth in court and to abide by the conditions imposed by the judge.

As the law currently stands under section 7.2 of the YOA, if the person who signs the undertaking fails to provide proper and sufficient supervision he is possibly guilty of an offence punishable on summary conviction but summary conviction only. Bill C-260 would change this to a dual procedure offence. Therefore a parent or guardian may be subject to imprisonment of up to two years or the normal summary conviction penalty for a violation.

As already pointed out today, the Minister of Justice has incorporated Bill C-260 within the new youth criminal justice act. This provision of the new act has received considerable attention and criticism since the minister's announcement last week. In my opinion this criticism is the result of a confusion and misunderstanding that must be clarified.

My colleague from Surrey North and others who have spoken in the House have addressed the issue, but all members speaking on the issue ought to clarify this misunderstanding and confusion for the benefit of the Canadian people and particularly for the news media upon which we depend to communicate in a clear, unmistakable and unconfused manner the laws that are being recommended and put forward by the Government of Canada.

● (1145)

Parents will not be jailed for their children's criminal behaviour. They may however, if Bill C-260 is passed, be subject to imprisonment if they fail to comply with a duly and willfully signed undertaking. That is in my opinion reasonable and responsible.

Two years ago this April, the Standing Committee on Justice and Legal Affairs tabled a comprehensive report containing 14 recommendations for amending the Young Offenders Act. This report was the result of six months of extensive consultations and travel throughout the country at an expense of almost half a million dollars. Over 300 people representing various sectors of the youth justice system and society in general testified before the committee. That testimony was incorporated into the committee's report.

On April 22, 1997 on behalf of the Reform Party I published a minority report containing 17 recommendations. It proposed a comprehensive three pronged approach to deal with the complexi-

ties of youth crime and the contributing factors including: one, early detection and intervention as an effective means of crime prevention; two, community based resolutions and sentences in cases of minor offences; and three, strengthening the Young Offenders Act through significant amendments.

Two years after the Reform Party proposed this plan the government has introduced its youth criminal justice act. I want to point out at this time that neither the committee's report nor my report caught the issue that is the centre of Bill C-260. It is all the more reason I am grateful to the member for Surrey North that we heard 300 or more witnesses testify. This deficiency within the Young Offenders Act was not pointed out by any of the witnesses.

I might add that the member, who was a private citizen at the time that our committee was in Vancouver, British Columbia, was to attend before the committee but for some reason or other he was not allowed to appear and testify before the committee. Had he done so, his testimony together with his recommendation that now forms the brunt of Bill C-260 I am sure would have been placed before the committee. Nevertheless, it was not placed before the committee. Again, I thank the member for his tenacity in coming to this place and going through what he had to go through to be here so that he could speak not only on the floor of the House of Commons but also to bring this bill forward by embracing and encompassing the legal process to do so within this House.

I know we will go into extended debate once the government's new bill to amend the YOA has been brought forward. However, I would like to point out that I have concerns that the government's own committee recommendations have been set aside with regard to lowering the age, including recommendations from many of the attorneys general and from experts in the business, such as Professor Nicholas Bala who was commissioned by the justice department to look at lowering the age from 12 to 10.

It seems that the government has abandoned these young people who by their criminal acts signal to society that they are in need of help and assistance. To leave it to the provinces is wrong. It is going to create a checkerboard approach to dealing with these young people. There is no standardization in the criminal law governing the administration of the law in the provinces by the attorneys general. I have some concerns in that area.

I also have some concerns about the restrictions placed on what otherwise seems to be a fairly progressive move to allow for the publicizing of names of young offenders, particularly violent and repeat violent offenders.

I have concerns in those two areas. We will be addressing them as the bill goes further through the process and certainly before the committee.

In closing, in view of the comments made by my colleague who sponsored this bill and the fact that it may be a long time before the amendment to the Young Offenders Act produced by the government comes into effect, I would like to move a motion. I ask for unanimous consent to proceed with all stages of Bill C-260 now.

● (1150)

The Acting Speaker (Ms. Thibeault): Is there unanimous consent of the House for the member to propose the motion?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Steve Mahoney (Mississauga West, Lib.): Madam Speaker, there are a couple of rather interesting points.

First, I find myself rising today to speak in support of a bill, principles and comments put forward by a member of the Reform Party. For me, that is quite an unusual experience to have and I admit that openly.

Then I see what just happened. I see the politics of the Young Offenders Act which, until this previous attempt to involve politics, was going in the right direction. The member asked for unanimous consent when we have not even finished the first hour of the three hours of debate which have been allocated to this worthwhile bill. I am sure the member who did that will be sending out a press release saying is it not awful the government will not allow this bill to go through. I thought for a moment we actually had a chance to get along, yet I see the opportunism taking place. I just had to comment on that.

I want to go back and try to get along on this bill for a couple of reasons; I think it is important and the government has recognized in the new legislation that the issue is very significant. Also, the bill comes clearly from the heart of a member of this place and his family who have had to suffer the worst possible experience that any parent could ever imagine. He has come before this place and has put a bill forward that might prevent other families from having the same experience.

I suppose it could be seen as being condescending for members on this side of the House to congratulate the member, but I believe that in this case, and hopefully in many more cases, there are reasons we should understand the passion someone brings to this place. We should understand that someone has had to go through a terrible experience and is now trying to do something about it.

I want to quote from the letter sent to all of us by the hon. member for Surrey North asking us to support his bill. He states:

The impetus for this bill comes from personal experience. Some of you may be aware that my son, Jesse, was murdered by a young offender in 1992. What you may

not know is that his killer was free in the community on a section 7.1 undertaking, one condition of which was a dusk to dawn curfew. The murder occurred at midnight.

—obviously in violation of that curfew. The member goes on to say:

In my opinion, the person who signed that undertaking willfully failed in his responsibility to supervise. My son, my family, paid the price.

Frankly, the point the member has made is one of the more thoughtful positions I have heard in this place. The supervising parent of the now convicted murderer who is doing I believe 25 years at the present time—I can be corrected, but he is in jail—made an undertaking to supervise the individual. The member clearly said that knowing that the young offender was violating the terms of that undertaking and the terms of the parole, had the parent made a phone call to the police, there is a possibility, one never knows but there is a possibility, that the authorities could have taken some action. That is so critical in this.

The Minister of Justice has recognized the significance of this kind of an amendment. I say to the member that if for some reason he has heard some members say that they are not going to vote in favour of his bill, one member earlier said because it was redundant and would be in the new legislation, I too would share his concern that we do not delay things too long to make this new amendment reality.

• (1155)

By introducing Bill C-68 dealing with young offenders, the government is saying that it wants to see this implemented. Hopefully the opposition, for a miraculous moment or a slight change, will co-operate with the government so that we can fast track the new bill dealing with young offenders. Why am I skeptical that that will not happen?

The politics of the Young Offenders Act that are played out by the extreme right wing make it very difficult to put in place thoughtful amendments such as the one the member is putting forth today.

We hear about boot camps being the solution. I remember pre-1995 and knocking on doors during the provincial election campaign. As I campaigned, a lot of people said that they really liked the idea of boot camps and getting these guys into some kind of a disciplinary situation where they would have to wear uniforms and perform military service. People thought that was the solution.

I do not say this with reference to the case that impacted on the family of the member for Surrey North, but the real tragedy in many cases with young offenders is that there are parenting problems. There is a lack of direction. There is a lack of a role model. There is a lack of discipline. There is a lack of love. Often that is the case. Young offenders too often come from broken families, from poverty, from the bad part of town if you will.

Sometimes they get in with the wrong group. Drugs may be involved.

For us to adopt the rhetoric we hear so often from the Reform Party, that we are not hard enough on 10 year olds is the latest one with regard to the new bill, would be unfortunate. I wish more members opposite would learn from the experience of the member for Surrey North. None of us can really understand the pain of that, but let us learn from it. The member has put forward a very thoughtful solution to a very serious problem.

It is also important that we get the message through to the media that this does not mean a parent is suddenly going to pay the price for a young person's crime. Although there are members opposite who I am quite sure would agree with that sentiment. I know. I have heard speeches by members in this place and in the Ontario legislature where the sole solution to reducing youth crime was to simply find a way to make the parent pay the price.

I had a call very recently from a constituent who suggested we should go further, that we should make school teachers pay the price if the student in their classroom committed a crime. Where do these kinds of half-baked ideas come from? They are destructive. The real long term solution to dealing with youth crime is to reintegrate and help these people.

I am reminded of a time I spent on the licence appeal board when I was a municipal councillor. It pales in comparison to the kinds of issues we are talking about. We have to realize that 87% of the crimes committed by young people are not violent crimes. Thirteen percent is an enormously high figure in my view and something we cannot ignore, but the vast majority of crimes do not fall into that category.

I would like to go back to my example because it very much shaped my thinking on justice issues. We were a three person body that had to sit in a judicial format. It was not like a council meeting where we could leave the room. We heard about a very high profile case in the community that generated a petition for the return of capital punishment.

• (1200)

Because we had to get into the details, we were able to understand that without a doubt there was a tragedy but there was also tremendous remorse. A serious problem had occurred to another family and it totally changed the position of the members on that committee. Justice issues and violence issues are not simple.

Let me once again commend the member for Surrey North for his doggedness and dedication in memory of his son. He does his son's memory proud. I congratulate him for bringing this forward. He and his family can take credit for this being part of the new legislation. Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Madam Speaker, I am also very pleased to take part in this important debate which, as has been mentioned several times already, is a real tribute that the hon. member for Surrey North has paid to the memory of his son.

Aside from some of the rhetoric that tends to emerge in debates such as this, I will not say there is no merit in some of the changes that have been brought about through this legislation. However, I do believe there is also a great deal of missed opportunity when I read through some of these sections, in particular the subject of this debate under Bill C-260, parental responsibility.

This section, proposed in its current form, is very commendable. It will have an effect, one hopes, in terms of sending the proper message to parents and guardians who are predisposed to ignore the conditions put in place by a court.

However, there is a misconception about the actual effect this will have on the ability of the courts to hold a parent or guardian responsible for the actions of a young person. This is after the fact treatment. This is not the ability of the courts to have any true sanctions against a parent ignoring or abdicating their responsibilities for their young person, whether their child or a person for whom they are acting as a parent.

The wrong impression that many have is that somehow through some sanctions a person will be brought into court if their child has been accused or is being charged with an offence before the courts and that somehow the courts will actually be able to hold the parent or guardian accountable. That is not the case at all. It is important for that to be clarified.

This amendment through the new young offenders legislation will allow the courts to hold criminally responsible a parent in certain cases. For example, a young person enters the process and is released on a form of recognizance, which is merely a contract to the court to comply with certain conditions such as a curfew, non-association, an abstention from contacting a person or place or staying away from drugs and alcohol if they were involved in the commission of an offence. If that young person does not comply with those court ordered conditions and the parent or guardian who signs that contract similarly with the court is not holding up that standard, which would be expected, if they abdicate that responsibility and willfully do not ensure that every effort is made to ensure that the young person complies, then they can be charged criminally and brought into court.

This section will accomplish that. It also raises the level of accountability because it brings it from a six month maximum to a two year maximum, making it instead of just a summary offence a hybrid offence. It does accomplish that and does so with the best of intentions. The member for Surrey North should receive great accolades and great congratulations for this.

In the broader scheme we need to take a more holistic approach when it comes to youth justice. We need to ensure there is an entry

level emphasis and a proactive approach taken. In order for that to happen the existing social services, child welfare and the social welfare net, need to be enhanced and up to par. Currently that is not the case.

When we talk about an integrated approach and this new legislation working cheek and jowl, hand in glove with existing legislation that unfortunately will not happen.

• (1205)

The Speaker: The member has six minutes remaining. He will have the floor, if he wishes, the next time.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the order paper.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—PAN-AMERICAN MONETARY UNION

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ) moved that:

That, in the opinion of this House, a Special Committee of the House of Commons should be struck in order to consider the possibility of Canada's participation in the creation of a pan-American monetary union.

Mr. Stéphane Bergeron: Mr. Speaker, I merely wish to indicate that the Bloc Quebecois members will be dividing their time for the remainder of the day.

Mr. Gilles Duceppe: Mr. Speaker, the matter we are debating today is a very important one. I believe we are, moreover, the first parliament in any of the three Americas to hold such a debate on the creation of a pan-American currency.

The point today is not to decide on the need for such a currency or to agree or disagree with this measure, but rather to agree to debate it. I would remind my colleagues that, where the free trade agreement and the signing of NAFTA were involved, the opposition was very vocal in its criticism of the government for making decisions without sufficient consultation. The Liberals were in

opposition at the time, and demanded that a debate be held prior to signing any such actions and agreements.

Such a mistake must not be made a third time. I believe that this question of the existence of a common currency must be examined thoroughly.

I first threw out this idea last December, and there have been a number of reactions since then. The Canadian ambassador to Washington, Mr. Chrétien, wondered the same thing, and Quebec Finance Minister Landry supported the undertaking. My colleague from Charlesbourg, who will be speaking a little later on, has studied the matter. Thomas Courchesne and other economists have spoken and written about it. The Minister of Finance, the Prime Minister and the Director of the Bank of Canada have spoken out against such a notion. I should clarify that this was for all of North America, and that they have not ventured any opinion about a common currency for all of the Americas.

The fact that so many are reacting to this issue, asking questions and giving opinions indicates that we are all aware that our world is moving toward the formation of three major economic and political blocks, not just economic but political as well.

The European Economic Community is, naturally, the most developed. Its beginnings date back to the Monnet-Shuman Agreement on carbon and steel. The treaty of Rome followed, with all its developments, and then the Maastricht agreement and the creation of the euro barely a few weeks ago, the first block, with highly developed expertise.

The second block is was formed by NAFTA, which brings together all the countries in North America—Canada, the United States and Mexico, with Quebec joining soon, I am sure. With last year's financial crisis behind it, Asia will also move toward this model with a political giant, China, and the economic giant, Japan.

The problems of some concern in Africa remain for the world as a whole. It is not the focus of today's debate, but we should—ant this is my suggestion—hold a debate on the economic aid that should be given Africa, which is really outside the movement taking place on the other continents.

NAFTA, I repeat, brings together the countries in North America. At the Miami summit a few years ago, a proposal was put forward to create a free trade market within the three Americas, from Tierra del Fuego to Baffin Island. As I speak, negotiations and discussions are underway with Chile and Venezuela. The Caribbean countries have also established a form of economic co-operation. In South America, Brazil, Argentina, Paraguay and Uruguay have the MERCOSUR.

(1210)

It must be realized that, 20 years from now, the countries of the three Americas will be part of NAFTA. Canada signed a free trade agreement with Israel and, very recently, one with the Palestinian Authority. It is also conducting important negotiations with the European free trade association, which includes Norway, Iceland, Liechtenstein and Switzerland.

The establishment of an economic bloc also implies, within a rather short term, the creation of a common currency and of common political institutions, as in the case of Europe. We do not need to reinvent the wheel. We can learn from the European experience.

This is an issue that should really concern Quebeckers and Canadians regardless—and I want to be clear on this today—of the outcome of the constitutional debate between Quebec and Canada. It is all the more important to hold this debate now with the emergence of the Eurodollar, because 11 national currencies, and major ones at that, are about to disappear. The German mark, the French franc and the Italian lira were created a long time ago. These countries have a much longer political history than ours. These countries will lose their currency.

Twenty years from now, there will only be three major currencies: the American dollar, the Japanese yen and the Eurodollar. A large number of less important currencies are surviving alongside these three major ones. There is an intermediate category, which includes currencies such as the pound sterling. Negotiations are well underway in Great Britain to start using the Eurodollar. We have the pound sterling, the Australian dollar, the Swedish krona and the Canadian dollar, which means that the Canadian dollar will be of much greater interest to speculators in the years ahead. We saw what happened in Asia last year and in Brazil just recently.

Therefore, if we know what things are like now, and if we anticipate the highly predictable situation of a large economic block consisting of the three Americas in 20 years' time, the issue is much more one of how to effect the transition between the present and the future, with the advantages and disadvantages that will come up along the way.

We must realized that, as the Minister of Human Resources Development said in a recently published book, no government can claim to control its monetary policy, to have an independent monetary policy. I rarely agree with the Minister of Human Resources Development, but this is one area where we are on the same wavelength.

There is no doubt that the main problem for Quebec and for Canada during this transition period is exports. Right now, our exports are primarily affected by the weakness of the Canadian dollar. I wonder whether it is not worse in the medium term to base the strength and success of our exports on the weakness of the Canadian dollar rather than on the productivity of Quebec and Canadian enterprises. To ask the question is to answer it.

We cannot allow a situation to develop where the Canadian dollar would increase in value because of the devaluation of the American dollar, probably in competition with the euro, while our

Supply

productivity remained unequal to that of the Americans. There would be repercussions to this.

Is it not our duty as parliamentarians, as elected representatives, to carry out a careful examination of this situation in order to be prepared for it, instead of just letting it happen?

The question was raised about what would happen to our social policies during such a transitional period, if there were a common currency.

(1215)

Ought we to abandon them, or ought we instead to do as Europe did, and adopt mechanisms to ensure that the deficit cannot exceed 3% of the gross domestic product, thus leaving leeway for policies leaning more to the left, or more to the right? Free trade, or a common monetary policy, are not policies of the right.

Looking at the situation in Europe at the present time, Germany has Schröder, a social democrat; France has the socialist Jospin; Great Britain has Blair of Labour.

To conclude, this is an important debate, of equal importance to the sovereignists and to the federalists. The economic developments that will occur in the world will take place regardless of the constitutional choices we will make as Quebeckers, and you will make as Canadians. I believe we Quebeckers will have an even greater role to play, but that is another matter.

I think that by agreeing to hold such a debate today we are affirming our role as elected representatives, one which must rise beyond petty politics and affirm the importance of having Quebeckers and Canadians debate such issues in preparation for the future.

[English]

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, just for clarification, the motion reads a single pan-American currency. Is the member suggesting a north American currency or a western hemisphere currency?

[Translation]

Mr. Gilles Duceppe: Mr. Speaker, it is neither. When I say pan-American, I mean the three Americas, which represents less than the western hemisphere, and more than North America alone.

I am talking about a common currency for North America, Central America and South America, since I think that, in twenty years, all of the countries in the three Americas will be signatories to NAFTA and, according to the Miami resolution of a few years ago, which was adopted at the summit of the countries of the three Americas, we will have a vast economic market stretching from Tierra del Fuego to Baffin Island.

That is why I am using the term pan-American.

[English]

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, my question is for the leader of the Bloc Quebecois. Has he considered that the European Union, which took 40 years to reach a point where it even considered a common currency with the Maastricht treaty in Holland, first had a political union with the European parliament and was very much focused on defence issues and other issues that superseded economic issues?

It seems from my perspective that the Bloc is potentially cherry-picking one element of the European Union policy when in fact holistically the European Union has dealt more predominantly with defence and political issues.

A floating exchange rate provides an ability through that mechanism for the exchange rate to reflect relative levels of productivity. Without that unemployment would emerge as potentially the main floating mechanism to reflect those changes.

Would he be satisfied with an unemployment rate in Canada higher than it is now? Considering the fact that Quebec has a relatively high provincial debt, would he be satisfied with higher unemployment rates for Quebec?

[Translation]

Mr. Gilles Duceppe: Mr. Speaker, there are two questions there. I am told I am taking only one of the elements of the European construction. If we were offered the Maastricht option today, the Quebec sovereignists would be happy.

Debating one element does not mean rejecting the whole. I am aware, though, that it has taken 40 years to build this political and monetary agreement in Europe. I say that it would be in 20 years, half the time.

I remind my colleague that we do not know who invented the wheel. However, the next individual, the one who put it to use, did not take as long to do so as the one who invented it. We can draw on the experience of the Europeans in this matter.

As for the issue of unemployment, I am concerned about the unemployment rate and this is why I am talking about a transition period. The situation is all the more worrisome if, in the middle term, our economic success is primarily based on our exports and on the weakness of the Canadian dollar.

● (1220)

Anyone will tell us that if we are doing our utmost to strengthen our economy, this should be reflected by a stronger Canadian currency, which means that the gap between the American and Canadian dollars should be lesser.

If, instead of working to improve our businesses' productivity, we had merely and blissfully watched the success of a temporary

policy, we would then have had to deal with an extremely high unemployment rate and, more importantly, with one that might have been permanent.

So, in order to deal with the dangers of an unemployment rate that would increase because of the low productivity of Canadian businesses, we must increase that productivity and make sure, among other things, that machinery costs us less. The weakness of the Canadian dollar works against us when we have to buy machinery from abroad.

This is just the opposite of what the hon. member said, although we are aware of the issues that he raised.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témis-couata—Les Basques, BQ): Mr. Speaker, is the Prime Minister not taking the same attitude now that he did with respect to free trade and the GST? Today, the answer is no, but is this not another case where he will have to change his position before very long in order to ensure the economic future of Quebec and of Canada in the—

The Speaker: The hon. leader of the Bloc Quebecois.

Mr. Gilles Duceppe: Mr. Speaker, very likely, one more flip flop would not bother him, but as parliamentarians we must decide if we want to leave something this important to the C.D. Howe Institute, the Fraser Institute, the whole Canadian business community, and government mandarins, or whether we should not, as parliamentarians, play our role and examine all aspects of the issue. That is what we were elected to do, and we should assume

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, I am very pleased to rise today to take part in this important debate.

The issue before the House today is rapidly moving to the forefront, particularly since the introduction of the Eurocoin on January 1 of this year.

I am very proud to say that the Bloc Quebecois is the first political party to raise this issue, not only in Canada but, to my knowledge, in all of America.

Everybody knows I have been interested in this issue for some time. I circulated a study paper on this at the beginning of the year, which sparked a debate in Quebec, in Canada and even among our neighbours to the south.

It would be sad, inappropriate and most of all unfortunate for the Parliament of Canada not to consider this issue, particularly since even the Canadian ambassador to the United States himself, Raymond Chrétien, the Prime Minister's nephew, raised this possibility.

This brings me to talk about the wording of the motion, which does not imply the adoption of a common currency, but rather the striking of a committee to consider the issue. The Bloc is not

asking that a common currency be adopted tomorrow, but that we, as parliamentarians, elected by the people, study the issue.

We are all aware of the globalization of the economy, which brings as a consequence the regionalization and continentalization of markets. The European Union, NAFTA and MERCOSUR are examples of that.

We also need to take into account the fact that there are only three major currencies left in the world, the U.S. dollar, the euro, and the Japanese yen, the other world currencies being tied to these.

Where does the Canadian dollar fit into all this? I believe that the Canadian dollar, being only an intermediary currency, will become the object of increasing speculation, since the birth of the euro last January 1 deprived speculators of 11 currencies. This makes it all the more important to think things through carefully.

As has already been said, monetary and trade issues cannot be separated one from the other. Perhaps, then, the Canadian trade situation ought to be looked at.

Since the Free Trade Agreement, Canadian trade, which had been primarily east-west, has rapidly become north-south and south-north. In 1984, Canadian exports to the rest of the world were 113% of interprovincial trade. In 1996, this figure was up to 183%, and Canada-U.S. trade is now greater than interprovincial trade.

• (1225)

By way of comparison, on average 62% of exports of countries in the European Union are with each other, whereas 82% of Canada's exports go to the United States.

In terms of GNP, exports among EU countries represent only 16% of their GNP, whereas Canada's to the U.S., represent 30% of Canada's GNP.

Canada is therefore more economically integrated with the United States than the countries of the EU are with each other. Also the fact that 11 EU countries have decided to adopt a common currency argues strongly in favour of establishing a formal link between Canadian and American dollars.

In addition, it is logical for monetary integration to follow economic integration. Thus a pan-American currency would probably apply to Canada and the United States first, before possibly extending fully to the three Americas in the wake of the liberalization of trade that is on the agenda for all countries in the western hemisphere.

In October 1998 Canada's money supply represented \$364.5 billion U.S. By comparison, at the same time, the American money

supply totalled \$5,841 billion U.S., an increase of 10,7% from October 1997.

The Canadian money supply amounts to 6.2% of the American money supply. This means that, for the United States, the adoption by Canada of a dollar tied to their currency represents barely a few months of the normal growth of their money supply.

We must also talk about the main advantages and drawbacks of a single currency. The main argument against a single currency was mentioned by the Conservative member and has to do with the principle of monetary independence. What about the independence of Canada's monetary policy? There is no such independence, it is a myth. There is no Canadian monetary independence.

This is not my opinion but that of several, including Sherry Cooper, chief economist and senior vice-president at Nesbitt Burns.

Let us take a closer look at the figures. For example, between 1950 and 1986, in order to get the Bank of Canada rate, we simply had to add 1.1% to the rate of the U.S. federal reserve bank.

In 1996-97, for the first time in 50 years, with the exception of 1973, the Bank of Canada rate was lower than the American rate. As we all know, this resulted in the Canadian dollar taking a nose dive and falling to 63 cents U.S. It is to correct this situation that the Bank of Canada increased its rate to 1% above the U.S. rate. This is a return to the old econometric model.

What would be the main advantages of a common currency? First, it would eliminate the risks of devaluation and the losses that result from converting national currencies. Second, it would lead to greater transparency of costs and prices within a monetary zone, thus facilitating comparison. Finally, it would allow optimal allocation of capital, largely because certain regions have a savings surplus while others have trouble coming up with the capital needed to develop their projects.

In short, as parliamentarians, we should be debating all of the above. The train is already leaving the station. Before it goes too far, we should get on. Not only can we be on board, but we can even be in the locomotive pulling the whole train.

I wish to move an amendment to the motion moved by the member for Laurier—Sainte-Marie. I move:

That the motion be amended by adding after the word «struck» the following: «immediately».

In conclusion, I would argue that, if 11 European countries decide, for their own interests, to create a monetary union, why could Canada and the other countries of the Americas not do the same? The elected representatives of the House must ask themselves the following question: how can Quebec and Canada now make the most of the new economic context of globalization?

We have an opportunity to take the time to examine this important issue. I put it to the House that we must not let this opportunity slip through our fingers.

(1230)

The Acting Speaker (Ms. Thibeault): In my opinion the amendment is in order.

[English]

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Madam Speaker, I listened with interest to the debate. I find it a fascinating discussion so far. I cannot help but think about what this place would look like if we were filled with political eunuchs.

We have seen many times in the past legislation passed that makes this place irrelevant. To call us a palace of eunuchs makes me nervous. I cannot help but think about this when I listen to my friends in the Bloc. In my judgment they seem to be advocating some sort of Quebec as a banana republic, with no control over its monetary policy, no control over the value of its currency and abandoning decisions on these crucial matters to others.

Are members of the Bloc Quebecois prepared to give up any sense of sovereignty over currency? Is this an extension of their zealous approach to NAFTA and all of the other implications of a free trade agreement?

[Translation]

Mr. Richard Marceau: Madam Speaker, I am a little bit disappointed by the question asked by my colleague from the NDP for two reasons. First of all, as I mentioned in my speech, right now Canada does not have an independent monetary policy. We could study the issue in committee and I think we would come to the conclusion that our monetary policy is not independent and we would have to take it from there.

Second, I do not see why such proud countries as France, Germany with its Deutschmark, Belgium, Italy and Spain, old countries that were built on a very strong brand of nationalism, would be willing not to give up their monetary sovereignty, but rather to pool it. Maybe the notion of sovereignty in the 21st century is more like a pooling of individual sovereignties.

Here is an example. The Eurocoin, the new European currency, is France's idea. The franc was very closely linked to the Deutschmark, Germany's currency. France saw it had no influence on German monetary policy. It had no representative in the Bundesbank. What did it do? It proposed the adoption of a common currency. As a matter of fact, France was behind the adoption of the Maastricht treaty.

What happened? France now has a representative in the European Central Bank, whereas previously it did not have any control

over European monetary policy, which, for all intents and purposes, was Germany's monetary policy. France did not lose any sovereignty; it gained some.

(1235)

[English]

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I listened with great interest to what my colleague from the Bloc said. He has been quoting these examples from Europe.

It seems to me that on this side of the Atlantic the better example at the moment for the extension of the U.S. currency is the commonwealth of Puerto Rico. For 107 years Puerto Rico has had the U.S. dollar but nothing else. It is simply a source of cheap labour and occasionally a source of ball players for the United States.

In the western hemisphere, has my colleague studied the case of Puerto Rico in the last 100 years?

[Translation]

Mr. Richard Marceau: Madam Speaker, I am pleased to note the tone the Liberals will be adopting in this debate. It is rather distressing.

They are comparing apples and oranges. This is the first time I have heard the Liberals comparing Canada to Puerto Rico. This gives us some idea of how low they can stoop.

Canada is G7 country. Its economy ranks 7th in the world. They are trying to compare Puerto Rico, which is a political dependency of the United States, with Canada, which is not, and where we could have a say on the North American and pan-American monetary policy. This is an opportunity we must not let slip through our fingers.

[English]

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I am pleased to lead off the government's response to the Bloc's motion on the pan-American monetary union.

I am sure that the blatant irony of this motion is clear to most hon. members. We have a party that is dedicated to breaking up one of the world's truly blessed unions, Canada, and at the same time asks us to jump into bed with American monetary policy.

If we look at the real question and issues at stake here it quickly becomes clear why this motion deserves to be rejected. Would a monetary union with the United States or the rest of the hemisphere give us a better monetary policy? Would it be good for Canadian firms? Would it lead to higher living standards for Canadians? The answer to these questions is absolutely not.

Remember when in the 1960s Canada had a system of fixed exchange rates. However, this did not eliminate speculation against the value of the Canadian dollar. In fact, it in some cases led to currency misalignment. Eventually the fixed exchange rate regime was abandoned in the 1970s.

Many other countries adopted a system of fixed exchange rates after World War II. Like Canada, some of them chose to move to flexible exchange rates while others moved to make adjustments to their currency.

Today there is the Euro. That is the basis of this whole motion. The move of 11 European countries toward monetary union might seem applicable to this hemisphere but this is the sort of false apples and oranges comparison, or maybe I should say tourtiere and strudel, that falls apart the minute we look at it intelligently.

Consider the facts. The European project involves several countries with key members of a similar economic size and at a similar level of development. These countries have adopted a common currency administered by a common central bank with a board of 11 national directors.

In contrast, a pan-American monetary union would be dominated by one mega country, the United States. There would be the influence from another group of countries with records of sometime high cosmic inflation.

The bottom line is clear. In such a union, even if it were put into practice, it is doubtful that Canada would have a significant role to play in the formulation of North American or pan-American monetary policy.

This takes me to the underlying point. No matter how members try to phrase or disguise it, a monetary union actually amounts to fixed exchange rates which eliminate forever Canada's ability to conduct a flexible and independent monetary policy. This is no small or abstract sacrifice.

A flexible exchange rate regime has served Canada very well over the years, helping our economy adjust to important economic shocks and allowing our country to conduct an independent monetary policy.

Some might ask about the recent movements in the Canadian dollar. Do these movements not show that we would have been better off with a fixed exchange rate and a monetary policy under the control of others? Absolutely, definitely not.

These movements represent the natural response to international shocks. In fact, it is the currency fluctuation that has actually helped us to adjust to these shocks.

As Bank of Canada Governor Gordon Thiessen has explained on a number of occasions, the dollar weakened last year because Canada was being sideswiped by events beyond our borders. Foremost among these have been the Asian financial crises and more recently the development in Russia and Latin America. (1240)

Let us put this into context. Canada was certainly not the only country to be affected by these recent developments. Since the Asian crises began the currencies of other major commodity exporters such as Australia and New Zealand were affected even more.

Although Canada's dependence on commodity based exports has steadily declined, Canada remains a net exporter of primary commodities. Accordingly, the movements in commodity prices have had a significant impact on the Canadian economy. The U.S. on the other hand is a net importer of primary commodities. As a result Canada suffers income losses when commodity prices fall while the U.S. economy benefits. This is an important difference between Canada and the U.S.

The world prices of primary commodities have a major influence on the value of the Canadian dollar because the exchange rate adjusts to balance trade and capital flows in a flexible exchange rate system. When world commodity prices fall the Canadian dollar tends to depreciate against the U.S. dollar. This is truer of our relationship with the U.S. than other G-7 countries.

Over the past two years the ratio of export to import prices in Canada and the United States has moved in opposite directions. Our terms of trade declined by 6% while the U.S. terms of trade rose by 5%. In other words, we are receiving less attractive prices for the goods we sell abroad compared with the prices we pay for products we import while the U.S. enjoys the opposite situation.

There is an important corollary that we must remember. Canada's exchange rate flexibility has helped buffer the Canadian resource centre by limiting the damage from plunging global commodity prices. It has helped up to continue to sell goods around the world, especially in the U.S. market. The flexibility has helped more than hurt the aluminium industry in Quebec, Ontario metal mines, Alberta oil and B.C. forest companies. These industries would have suffered severely and more so if we had a fixed exchange rate, virtually pricing us out of any global sales at all.

The basic fact is flexible exchange rate arrangements are more suitable when countries tend to have different monetary policy objectives, different industrial structures and face different economic shocks. It is not the situation Canada faces as anyone who can look beyond their narrow provincial borders can say.

Let me again emphasize that a flexible exchange rate allows Canada to conduct independent monetary policy that puts Canada and Canadians first. The benefits of the greater monetary policy autonomy and macroeconomic stabilization made possible by flexible exchange rates are large. On the other hand, a fixed exchange rate would significantly curtail the autonomy of Canadian monetary authorities.

The main objective of monetary police with respect to the domestic economy is to preserve the value of money, to achieve and preserve a low and stable inflation rate. Anyone who remembers Canada of the mid-1970s and beyond understands that a high and variable inflation rate can be very costly for the economy and that aiming at low and stable inflation is the best contribution that monetary policy can make for the achievement of economic well-being.

A flexible exchange rate plays a crucial role in the operation of monetary policy in an open economy like Canada. We know that capital is highly mobile between Canada and the U.S. and it would be impossible for Canada to set an independent and effective monetary policy under a fixed exchange rate.

Independent monetary policy also allows us to better absorb what are called macroeconomic shocks. We are seeing right now that we have been able to escape the worst of last year's Asian crises. Although both the Canadian and the U.S. monetary authorities are currently dedicated to maintaining low inflation in their respective countries, it is a recognized fact that Canada has recently made more progress in this regard and we have been able to do so more explicitly about our longer term objective.

The record of many other countries in the hemisphere is by no means as good as Canada's. Would we want our monetary policy to be dictated by a board of governors that would include representatives who had run hyper inflations in the past? Fixing the exchange rate also sacrifices our ability to use monetary policy for short term economic stabilization. For Canada and the United States to be an optimum currency area they would have to face very similar economic shocks and be very integrated in terms of the movement of workers.

• (1245)

Here is something for the hon. member of the Bloc to think about. Although Canada and the United States are bound together in many ways, we actually face very different economic shocks. Some would argue that a fixed exchange rate would reduce transaction costs in international trade and capital flows. We have evidence that shows the opposite, that in fact the costs are very small compared to the benefits.

If the costs of currency volatility were so high, why has there been such a drastic jump in two way trade and direct investment between our two countries?

I do not think any of these attributes can be found in today's motion or in the political game playing that is going on here. If we pursued the suggestion of the Bloc, we would end up trying to tread water in tough seas, having thrown away the life preserver of our sovereign, independent, made in Canada monetary policy. It is not an option the government will ever accept on behalf of a vast majority of Canadians.

I encourage all members of the House to vote against the opposition motion.

[Translation]

The Acting Speaker (Ms. Thibeault): In light of the interest being shown in this matter, I am going to ask hon. members to kindly limit their questions to one minute.

Mr. Richard Marceau (Charlesbourg, BQ): Madam Speaker, I was interested to hear what my colleague from the Liberal Party had to say. Some of his points merit more thorough study.

That is precisely what the purpose of the Bloc Quebecois motion of today is: to look at both sides of the issue. There are arguments both for and against.

My colleague has decided to vote against the motion presented by the Bloc Quebecois. Is this not missing an opportunity to look at such an important issue in greater depth, instead of being restricted to a single day as is the case today?

[English]

Mr. Tony Valeri: Madam Speaker, I thought I indicated quite clearly that I would be voting against the motion by the Bloc. In the remarks I made I thought it was very clear the government has as its objective to ensure that we put Canada and Canadians first.

The motion is essentially saying to the House and to Canadians that they would like to go back to a fixed exchange rate system. When they draw comparison between the North American hemisphere and the European Union, members of the Bloc fail to recognize that within the European Union are countries of similar size and economic power. There are countries that want to integrate their economies. There is a free flow of labour mobility in the European Union which forms part of its agreement.

Does the hon. member who asked the question think that it would not be in the best interest of Canada and Canadians to ensure that we direct our own monetary policy? We have seen the impact of that. As we experience what goes on around the world, we must have as a country the flexibility to ensure that we can respond and continue to grow our domestic economy in spite of what goes on globally.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I listened with great interest to the remarks of my colleague. I understand his points about the differences between the European Union and the scale of our economies and the differences in the western hemisphere.

I mentioned before the case of Puerto Rico. It seems to me the debate is about extending the U.S. dollar. It was extended to Puerto Rico well over 100 years ago, which has simply resulted in the

slowing of the economy of Puerto Rico. By the way, there are no increased ties between Puerto Rico and the United States.

We were speaking about the western hemisphere and I would like to ask my colleague about the U.S. dollar being extended to Liberia. I am not sure if it is still true, but it may well be that for many years Liberia has used the U.S. dollar at par. The country of Liberia is in the eastern hemisphere and its economy is very weak. Would my colleague care to comment on these two examples? Has Puerto Rico been a success? Has Liberia been a success by extending the U.S. dollar?

• (1250)

Mr. Tony Valeri: Madam Speaker, one just has look at what most economists are saying. It is very clear that the argument against any sort of monetary union with the United States far outweighs any of the benefits.

The two examples brought to my attention by the hon. member for Peterborough have to be looked at, but when we look at what Canada has done in the past and what Canada intends to do in the future, our economy is not completely and directly synchronized with the economy of the United States. Canada needs to have the flexibility to respond to what goes on around the world. Just extending the U.S. dollar does not in any way solve the challenges that any country faces.

The two examples the hon. member has drawn upon speak for themselves. The arguments are there. The support of Canadians is in tact. We will continue with our own monetary policy to ensure the domestic economy continues to prosper.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, this is one of those motions where one cannot help but think that those people to our left, the members of the Bloc who put forward a motion like this one, are playing a game of chess. They are not thinking about the current move but about the next move or maybe the one after. We ought to give them a reluctant commendation for at least thinking ahead.

The level of our currency is a measure of our economic health. When we look at Canada's present economic health we get a 6.5 on a scale from 1 to 10. Compared with the American dollar we have a 65-cent dollar.

They are asking us to strike a committee to debate the issue. I am certainly in favour of debate. I might even be persuaded to vote in favour of a motion to strike a committee because perhaps this ought to be dealt with in considerably greater depth than we can do here. Perhaps we ought to listen to expert witnesses which a committee could do and which unfortunately we do not often get to do here because not many members are economic experts.

My initial reaction is that perhaps we ought to enter into the debate in such as way as to say yes, let us enlarge the debate.

However, the underlying reason for this committee and for this study is intriguing. It has to do with the use of currency and the proposal behind the one we are debating.

We are debating a proposal to strike a parliamentary committee, but the idea behind it is to have a common pan-American currency so we will not have to do all the conversions and somehow, I suppose, hide the red faces of the Liberals for its economic policies which have brought us into such dire straits in this country. Our dollar's value on the world scene and particularly as it is pegged against the American dollar is at an abysmal low rate.

An analogy might be appropriate. I do not know if members have ever seen a house going down the road. I have seen this in Saskatchewan and Alberta. Quite frequently they move buildings down the road on many wheels. It could be 20 wheels or 24 wheels set underneath the building. It is intriguing. For a number of years a friend of mine was in the business of doing this and among other things used to haul huge grain elevators that go 100 feet into the sky.

• (1255)

The analogy I want to draw is how those wheels were constructed. If a large building is being moved along the road and goes into a hole, if there is not some sort of equalization between all the axles one axle stops carrying its load. Two things can happen. Additional weight transferred to adjacent wheels can blow the tires on that wheel, causing instability and if an elevator is being hauled it could tip. As a matter of fact my friend tipped one of his elevators because the technicians were not paying particular attention.

I was intrigued when I looked at the mechanism. Every one of the axles is tied together with hydraulic hoses and hydraulic rams so that when one wheel goes into a hole the pressure is immediately reduced, but as the other wheels pick up the load the pressure is transferred back to the wheel during the time it is in the hole. It is never relieved of carrying its share of the load.

Conversely, if one of the wheels were to go over a rock or a high spot on the road, again it could cause the structure to tip. It could result in the tires on that one axle exploding immediately because of the additional pressure from all the weight of the building being on one set of wheels when it is meant to be distributed.

As the pressure increased, the pressure on the rams was transmitted via the hoses to the other wheels supporting the structure. Two things happened. It prevented any one of the wheels from exploding because of increased pressure on it and it kept stability to the whole structure so it could go straight along. There was an additional mechanism available to raise one side to keep it straight if the road was uneven, but that has nothing to do with what we are talking about here.

What happens if we have a larger currency? It has been suggested that we should protect the Canadian currency by tying it to the American currency. A constituent in my riding, if he happens to be watching CPAC this morning, which I know he does from time to time because he is a retired person and has time for it, will be pleased to know I am now presenting his case. He strongly said we should tie the Canadian currency to the American currency, just do it arbitrarily and say this is what it is. My constituent suggested a time line. Perhaps it could be one cent per month over 30 months which would bring our currency back up to par with that of the Americans so there would not be a sudden change.

There is merit in that suggestion. When our economy has a fluctuation, when it goes down the tube, because we are in the larger package they pick up the slack for us and we do not feel an immediate hit in that situation. Eventually we would anyway, I believe.

The general principle of broadening the currency is to give strength to all countries that participate based on the overall average instead of on the vagaries of an individual partner.

One needs to be very practical when one thinks about and does any reading at all on the European Union, the new Euro coin and the Euro currency that is under way. As an aside, Westaim in my riding is a coin plating plant which, among other things, is providing blanks for the new Euro coin. I thought I would throw in that free commercial. That is proceeding.

Why would we not want to do this? I think there are a couple of reasons. I seriously question it. There are some countries in our hemisphere that are not carrying their load. They are inefficient, perhaps worse than Canada. They are very highly taxed as is every Canadian citizen. As a result, our overall economic efficiency is too low.

• (1300)

One really wants to ask the question: Why does the separatist party from Quebec put forward this motion today? I think perhaps, as I said in my introduction, it is thinking a move or two ahead in what it expects will happen, that Quebec will eventually separate. I suppose what we are hearing today is a tacit admission that when that happens the currency and the economic well-being of that province will be seriously threatened. I think that is a political reality.

Members of the Bloc are hedging against the future and hoping they can tie themselves to a larger currency so that the weight of that very uneconomic decision would be distributed over and carried by Canada, the United States and the other countries in the union.

I believe that in the move to do this the separatists better have a good share of realism. There are a number of countries which are

being denied entry to the European Union because their economy is not strong. The European Union is working to make sure that its currency is strong, viable and very stable. The European Union literally is not permitting some countries to join because of their economic stability. Economic stability correlates very closely to political stability.

I would give advice to my separatist partners, whom I wish would simply stay in Canada. Let us work together and let us motor on. If they are going to go down this route, they should recognize realistically that there is a possibility that they would not even be permitted in because they would not be meeting the criteria for membership.

[Translation]

Mr. Richard Marceau (Charlesbourg, BQ): Madam Speaker, I was fascinated by the remarks of my Reform colleague, especially his explanation as physics professor of the mechanics of moving buildings and grain elevators across the prairies.

The Reform Party boasts of being a party that encourages debate, is opposed to secretive meetings behind closed doors and is desirous of bringing all Canadians from across the country into the debate. In this vein, will it support the motion by the Bloc Quebecois, that is, open doors and windows and ask everyone to express their opinion—experts, lobby groups, unions, management and so on. Let us have a debate in society rather than a closed debate as some, unfortunately, would like.

So, will he support this motion in agreement with the principles he claims to support?

[English]

Mr. Ken Epp: Madam Speaker, the answer is maybe, and that is final.

I will give the hon. member a reason for this. Over and over we see the Liberals on the other side not having debates. In fact on Friday they used a short day to engage in a so-called debate on a bill on which they had imposed closure.

The member is absolutely right. I like debate. We need to debate, not only in this place, but with Canadians across the country on these issues.

In that sense, I would support a wider debate and I would support this motion. However, in the interest of that I intend to sit here all day today to listen to this debate. I have to tell the member that at this stage I literally have not made up my mind whether I am going to support this motion or not. I am going to decide that after listening to more debate and more thinking. At the end of the day I am going to decide whether or not to support this motion. My present inclination is about 52 to 48 to vote for it.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I am sure the hon. member knows

that when we spend our time in the finance committee we do have some constructive debate. There are members on all sides of this House who certainly enjoy debate.

• (1305)

The hon. member talked about the economic health of the country of Canada. I believe he ranked it at about 6.5 out of 10 in his opening remarks. He made reference only to the exchange rate. What about inflation rates in Canada, the growth of the GDP and the unemployment rate declining?

He talks about fixing the currency to the U.S. dollar. He has a constituent who has put forward that proposal. I ask the hon. member whether he thinks that the B.C. forest industry could survive a fixed exchange rate with the U.S. dollar. Does he have constituents in business who would feel when they are exporting that in fact taking away Canada's ability to buffer what goes on around the world with flexible exchange rates would not help companies to export? By fixing it what we have is just one unitary exchange rate and our cycles are different than those of the United States.

Mr. Ken Epp: Madam Speaker, the parliamentary secretary has gone on to stage two. If we have this committee these are the things we are going to have to talk about. I agree, there are many, many measures of economic health. The value of one currency against the American currency is only one of them.

However, the truth of the matter is that we export a great deal to the United States. That means that every prairie farmer, every British Columbia lumberman, everybody who produces something and exports it to the United States now gets paid 65 cents on the dollar because those things are measured in American dollars. Whether we do that conversion using a calculator to multiply by .65 or whether we have a common currency, it means that every worker now, instead of getting \$10 an hour, would get \$6.50 an hour.

If we want to be competitive at our present rate of inefficiency and with our high level of taxation, especially employer taxation, if we take all of those things into account, I think the bottom line is yes, the currency can act as a little bit of a buffer locally. However, it in no way solves the final problem and that is that we have policies in this country that just do not permit us to be as efficient as we ought to be.

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Madam Speaker, I say first of all that I love debate and I like to talk about any topic, and will debate and discuss almost any topic at any time. However, we only have a certain amount of time.

The hon. member for Lac-Saint-Jean brought forward the suggestion today that we strike a committee to look into the widening gap between haves and have nots and the growing gap

between the rich and the poor in the country, in the world and in our communities. That is a laudable suggestion.

The motion put forward by the Bloc today has me puzzled. I wonder why the Bloc Quebecois would put forward a motion to at least consider seriously a Pan-American currency. Then I thought of one idea. If I was a separatist in Quebec and I was successful in separating, and then I had to have the Canadian dollar as my currency and the Bank of Canada setting monetary policy for an independent Quebec, this would be somewhat embarrassing. What else could be done? If we had a North American currency we could avoid this little dilemma and we could avoid this discussion in the whole debate around separation.

I now understand at least why we are having this discussion today. It is part of getting the fundamentals in place for a move toward another vote on separation. I will set that aside. That is the motivation. I think it is a useful discussion for us to have in the House today because I hope we can set this thing aside once and for all.

I must say that from time to time I feel a bit like a political eunuch. We pass legislation in the House and then the United States says it does not like the legislation and we yank it off the table. We saw that with the MMT legislation. The House of Commons passed legislation to protect the health of Canadians and then an American company said "Hold it. That is not right. We do not like that legislation", and the government bent over, said it was sorry and backed off.

Now we have Bill C-55, the split-run magazine legislation. The Americans say they do not like it, so the government is saying it will see if it can come up with another deal. It goes on and on. We are losing our sovereignty.

• (1310)

We have seen imposed on us a form of economic feudalism. Our country was founded by people who fled feudalism. They fled those regimes around the world where they had no say, their voice was unheard. They had no power. They were unable to have elected representation. If we agree with the thrust of this motion, that is were we will move on monetary policy.

Let us face it, our economy with the United States is very much integrated. Eighty per cent of our trade is with one trading partner. There is not a single country in the world, other than a banana republic, that would even come close to that. To suggest that we now use the Yankee dollar as our currency, so that when we go to buy CDs or to the movies we reach into our pocket and bring out Uncle Sam's currency, that is not the Canada that Canadians want for the future.

If members went out on the streets and asked Canadians "Do you really want to have American dollars as your currency?", they would think we were nuts. They would say "Of course not. We are

proud to be Canadians. We are proud of our currency. We are proud to have a separate currency from that of the United States".

I am having trouble with this debate. I am a bit critical about monetary policy. I think we are too integrated with our monetary policy as it is. It should be much more independent.

I am not saying that our monetary policy and our central bank do a great job. They do a good job, but they could be doing a much better job in terms of fighting issues like high levels of unemployment

Let us acknowledge those who argue "Look what Europe has done". I listened to my friend and I respect him. He said that we are seeing the French franc go out the door. We are seeing the German mark go out the door. It is quite a different situation in Europe where they have 11 economies which are relatively the same size. There are certainly four economies that are almost identical in size, influence and power. Here it is us against the U.S.A. I never slept with a mad grizzly bear or an elephant, but I can imagine what it must be like. I would not want to move. I would sit there paralyzed.

The point is that for us to be up against the U.S.A. on an equal basis is, first, laughable. I do not have to go any further than to look at today's *La Presse*. In *La Presse* the American government is pointing out that in the discussion of a North American currency it should not be suggested for a moment that it is interested in modifying any of its policies to correspond with problems in Mexico, Canada, Guatemala, Chile or wherever. It is an independent country. It has an independent monetary policy. It is basically saying to hell with anybody else. That is the American way.

The American government has made its views very clear about any form of Pan-America currency. We are not talking about the North American loonie or the North American dollar; we are talking about the American dollar, the American currency. In other words, everybody else in the Americas would join in on some aspect of the American currency. That is not on.

Let us look at an example of what is happening in Europe. After the Maastricht Treaty of 1992 and the Treaty of Amsterdam in 1997, the European Council of Prime Ministers was set up. It has an incredible amount of power. I know there is a European parliament and other assemblies, but the real thrust comes from the European commission. It has the power. It is fair to say that when it decides on a particular course of action other governments have to abide by that decision. It can overrule legislation in other countries to fit in with the monetary union in Europe and so on. What Europeans have done is to say that they are going to give up some of their sovereignty to be part of that great economic union. That is what it is.

My friends previously talked about the mobility of workers between countries and so on. My friend in the Conservative Party reminded us that it took 40 years to develop a very integrated approach in Europe, and not simply on monetary policy. Here we are talking about monetary policy.

Let us face it, in Europe when it comes to economic issues and currency issues, the decisions are not made by those who are elected and representing the people, they are made by 20,000 faceless bureaucrats in secret. That is the way that system is operated. We have too much of that now. We have decisions about the trade between our countries being made in secret. We almost had the MAI imposed on us. We found out about it at the last minute. Again, negotiations were basically held in secret, behind closed doors. That is not what Canadians want.

• (1315)

Canadians have this sinking feeling that their voices are not being heard. They have a sinking feeling that they are alienated from the political process. There is a good reason for that feeling, because they are. The voices of Canadians are not being listened to.

To suggest that we will now integrate our currency with the United States is absolute folly. I feel a little reluctant to say that we will vote against this motion because debate is often helpful and useful, but if we totally disagree with the premise of the reason for having the debate and completely disagree with the reason to proceed with even considering a North American currency, why would we?

If my friends in the Bloc Quebecois are successful in proceeding with this, they are articulating a call to be a banana republic. They want Quebec to be a banana republic.

What is a banana republic? A banana republic is a country that has no voice over its monetary policy, no voice over fiscal policy. It just goes along with the dictating country, in this case the United States. Some of the representatives from Quebec may want this as an option. I do not think Canadians do generally and quite frankly I do not think Quebeckers do. The idea of turning Canada even more so into a banana republic, kowtowing to the United States, to adapt this version of economic feudalism is absolute folly.

Everyone has probably got the impression that we in the New Democratic Party are not that keen on the suggestion of currency integration. We have all kinds of other reasons to set out why this is not a good idea.

The chairman of the European Central Bank, Wim Duisenberg, who now is sort of king of the European Euro said the other day that unions no longer have a part to play in the new Euro Europe. I wonder if the people of Quebec know that this is what is being said about the Euro, and that the Quebec unions would have no role to play in a future Quebec based on a single currency for North America. That is what the chairman of the European Central Bank is saying about the new Euro.

I believe that when we revisit this issue in a few months or perhaps even in a few years, the reality of the Euro dollar will be in disrepair. Countries in Europe will realize the folly of continuing with this and those countries that have not opted into this situation will be doing much better.

In the end, later today we will not be supporting this motion.

[Translation]

Mr. Richard Marceau (Charlesbourg, BQ): Madam Speaker, it was in 1988 that I voted for the first time in my life, and the main election issue was free trade.

I have the impression I could take any speech the NDP made at the time and I would find the same arguments, the same facts, the same fears and the same anxieties.

That said, my question is very simple. My colleague, whose oratory skills I highly respect, said "Voices of Canadians are not listened to". That is what he said.

Let us give Canadians the opportunity to express their point of view. Let us vote in favour of the motion. Let us give unions, management groups, student groups, all Canadians throughout Canada and Quebeckers the opportunity to say what they think on this issue.

If he really wants the voices of Canadians to be heard, let him give them the opportunity. A vote against this motion is not the way to let Canadians say what they think.

What does the hon. member think of that?

[English]

Mr. Nelson Riis: Madam Speaker, this hon. member does not think much of that suggestion.

Behind the initiative of a North American currency is corporate America. The BCNI headed up by our friend Thomas D'Aquino said that the best thing for Canada to make us highly productive was to privatize, to adopt free trade, to deregulate, to balance the budget, to impose the GST, to cut social programs, which would make us more like the United States and that would boost our productivity.

We have done all those things. We as a country followed the advice of the BCNI. We followed the agenda of the corporate voices of Canada, which are the voices behind the Euro and the voices behind this call now for a North American or Pan-American currency.

• (1320)

The problem, as we read in the papers today, is that we are not that productive. Having taken all of these steps, Canada has not increased its productivity. What is absent from this discussion is the high level of unemployment and underemployment and the relatively low wages people are being paid and therefore the relative lack of purchasing power. Those are some of the reasons we have to discuss.

Rather than discuss a North American currency, I would go along with my friend's partner, the hon. member for Lac-Saint-Jean, and talk about the growing gap between the rich and the poor in Canada, the growing gap between the rich nations and poor nations. That kind of discussion would have much more merit than talking about integrating Canada's currency with that of the United States of America.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I too have a question for the NDP finance critic. He is a man of considerable insight in a lot of things.

How do I put this without insulting him after what I just said? Does he really understand what the measure of currency is versus the wealth of the country? I can buy a piece of equipment and pay \$1 Canadian for it or I can buy the same thing for 65 cents American. It is the same item and has the same value, it is just in a different measure. We have different ways of measuring things. We used to measure things in inches and now we measure in centimetres.

To what degree is his understanding that all we are talking about here is the debate on which measure of our economic health we are going to use?

Mr. Nelson Riis: Madam Speaker, as usual my hon. friend has a thoughtful question so I will respond in kind.

It is fair to say that the value of our currency is a reflection of what international financiers feel is the health of the Canadian economy.

My friend will be well aware that in terms of our commodity exports, the present value of our currency is certainly helpful during these difficult economic times. We would agree that major changes are required to the economy of the country in order to make us more productive in a positive sense, meaning better, more secure and better paid jobs for men and women and higher productivity meaning a more appropriate knowledge based economy of the 21st century. We might have different views on how to get to that point, I would suspect, but nevertheless we might agree on the end run.

In terms of the one sector of the economy that is experiencing incredibly hard times because of international markets, the commodity sector, it is being assisted by our relatively low currency vis-à-vis the United States dollar. I would also agree that it is a reflection of what others feel is the health of our economy. They are not always accurate. I think some of them are evaluating in old fashioned ways and are not appreciating some of the—

The Acting Speaker (Ms. Thibeault): I must interrupt the hon. member as his time is over.

Mr. Scott Brison (Kings—Hants, PC): Madam Speaker, I would like to thank the Bloc Quebecois for bringing this important issue to the House of Commons for debate.

It is extremely important that as members of parliament we take time to debate not only the important issues facing us today but the important issues that will face Canadians in the future. We in this place can play a significant role in preparing Canadians for the risks and opportunities of the future. That is what this motion is all about

The leader of the Bloc Quebecois spoke earlier today. I guess he previously had some ties to the Marxist-Leninist Party. Perhaps he was so disappointed that Marx was proven wrong about communism that he was anxious for an opportunity to prove that maybe Marx was right about capitalism. I can say that I am not in favour of a common currency for the Americas certainly at this time.

The European comparison and the Euro comparisons that have been made are highly specious. The European Union was a very intentional political union first which evolved over a 40 year period. It was focused on defence related issues and ultimately evolved into an economic union, particularly in the post cold war environment.

The 1992 Maastricht Treaty was reached after a considerable amount of debate and discussion. Ultimately a lot of sacrifice and work went into ensuring the countries that eventually signed on to the Euro complied with the Maastricht criteria.

• (1325)

This is a very complicated issue. I would hope that the Bloc Quebecois is not supporting some race to a common currency in the short term because clearly Canada is not ready for it.

If we were to look at the weakness of the Canadian dollar and the secular decline in the Canadian dollar over the past 30 years, our Canadian dollar would now be at record lows. It would be extremely inadvisable for Canada to entertain participating in a common currency now when we would not be negotiating from a position of strength. To permanently entrench that position of weakness would be inadvisable.

If we were to try to strengthen our currency in the short term with interest rate policies, the Canadian economy simply could not stand the increase in interest rates necessary to strengthen the Canadian dollar to be in a strong negotiating position in a common currency for the Americas.

It was interesting last summer to see the Prime Minister's approach to the Canadian dollar. At one point he even had the

audacity or economic naiveté to say that the lower Canadian dollar was actually good for tourism.

I think most members in this House would agree that a nation cannot devalue its way to prosperity. In fact, the logical corollary of the Prime Minister's arguments last summer would be that if we reduced our dollar to zero and gave away all our merchandise, we would be the greatest trading nation in the world. The fact is that we would not be getting any money for those goods. A country cannot devalue its way to prosperity and it is naive to assume that a country can.

A secular decline in the Canadian dollar has occurred, a significant amount of which has been due to the secular decline in Canada's productivity. Productivity in Canada needs to be addressed with taxation issues, the differences in the Canadian tax system, our levels of taxation and the structure of our tax code relative to our trading partners. Those issues need to be addressed. Interprovincial trade barriers, our regulatory burden, all these issues need to be addressed. It is going to take a long time to strengthen our Canadian currency through that type of systemic, holistic approach to very complicated issues.

Some proponents of a common currency say the positive of a common currency would be that it would take the power away from the government to make bad economic decisions. I have more faith in parliamentarians, in this House, in the ability for a sovereign country to make the right types of decisions for the future than those who would advance that type of argument. That is a very perverse argument to make, that to make the types of decisions necessary for Canadians in the future, we somehow have to rip more power away from this sovereign parliament and away from our sovereign Canadian institutions in terms of the Bank of Canada.

Without the exchange rate mechanism which currently compensates for the disparity between our productivity and that of the U.S. for instance, our unemployment rates would become the operative mechanism. The leader of the Bloc Quebecois concurred with me this morning that in fact in the short term this would be a major issue.

I do not believe that Canadians want to see as part of any step toward a common currency an increase in unemployment rates. I do not believe Canadians can afford an increase in our unemployment rates, particularly in the riding I represent in Atlantic Canada which has seen insufferably high unemployment rates. In the process of embracing this common currency or further globalization and emasculation of our national institutions, a higher unemployment rate as a cost or a casualty of that is not acceptable.

In the long term, many of us will recognize trends toward global integration, in some cases political and in some cases economic. As the party that introduced and supported free trade, we recognize and continue to believe that free trade and the free trade agreements

have led to increased opportunities for Canadians. We believe there are opportunities in globalization. We also believe that Canadians have to be prepared to embark on that journey. That takes certain types of economic policy.

For instance, the replacement of the manufacturers sales tax with the GST was one of the domestic changes necessary to embrace freer trade. It ensured Canadians had an opportunity to participate in freer trade and had an opportunity to prosper as a result of freer trade and Canadians have. We believe all Canadians need to be positioned to prosper in a more global environment.

• (1330)

To relentlessly pursue one element of globalization, a common North American currency, without dealing head on with the issues that have consistently hurt our Canadian dollar, productivity issues such as taxation, interprovincial trade barriers and the regulatory burden in Canada, would be naive.

I have a great deal of respect for my colleagues in the Bloc Quebecois. I am sure they would understand my position as a Canadian and my value of Canadian sovereignty. They would understand the importance of our defending the sovereignty of our nation and preparing Canadians to participate in any global opportunity and challenge in the future.

I would hope this is not an issue being advanced by the Bloc Quebecois in some way to further reduce Canadian sovereignty with the hope somehow that it would increase Quebec's sovereignty. As a Canadian I believe that the recognition of Quebec as an inextricable part of Canada is fundamental. I believe very strongly that the distinctiveness of Quebec is extremely important and I defend that, as does my party as a national party in the House of Commons. I would certainly hope that reciprocally members of the Bloc Quebecois would not be advancing this argument to somehow reduce the sovereignty of our country. I would not be so cynical as to assume they would be advancing this as a uni-dimensional attack on Canadian sovereignty.

Sovereignty is a very important issue. While the U.K. has for a significant time, since Mrs. Thatcher, implemented types of changes necessary in the U.K. to prepare the British for the opportunities of the future and to undo a lot of the damages the Labour Party had inflicted on the English prior to her election, U.K. arguments against the common currency in Europe have not been economic arguments solely. They have been arguments on the sovereign right of a nation to determine its own future.

I believe parliament and Canadian institutions have the authority and can make the right decisions. I do not believe we need to remove power from Canadian institutions to somehow ensure Canadians become competitive. [Translation]

Mr. Richard Marceau (Charlesbourg, BQ): Madam Speaker, I find it rather intimidating to rise after such an eloquent speech by my colleague from the Progressive Conservative Party.

My first comment will deal with the notion of loss of sovereignty which underlies the whole of his argument. There is no perfect example, but a moment ago I gave the example of France which, before the Euro was introduced, had no say over its monetary policy because the French central bank was linked to or influenced by the Deutschmark. The bank had no say over the European monetary policy, which was, for all intent and purposes, the German monetary policy.

With the introduction of the Euro, France now has its say. For countries like France and other European nations it does not mean a loss of sovereignty, but an increase in sovereignty.

My question is simple. I heard all the arguments, and some deserve more in depth consideration. Will the Progressive Conservative Party support this motion which is aimed at exploring further all the issues raised by my colleague? These important issues transcend party lines.

[English]

Mr. Scott Brison: Madam Speaker, I thank the hon. member for his question.

The Conservative Party will be supporting this motion this evening. We believe it is fundamental for this parliament to discuss and explore these types of alternatives with debate that is respectful of the issues and respectful of other members of parliament.

However, I continue to have significant concerns about a common currency. It will be up to those proponents to debate their side of the argument and up to people like me to offer our views on the common currency. Where there is significant common ground on this issue is the recognition of some of the structural issues that need to be addressed in the Canadian economy either way.

• (1335)

One thing I failed to mention during my discourse is that if we were to have a common currency the U.S. could use the Canadian toonie for its new one dollar coin. We need to address this issue seriously and with a great deal of debate that will occur over a long period of time.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I listened intently to the hon. member. I have a problem with his approach.

He wants to get this on the table and he said he will vote for the motion. I wonder whether he actually thinks we should be letting the Liberals off to basically provide them such a cushion to defend their totally inadequate policies which have brought us the 65 cent dollar. It is simply true that if there is a unified currency all the countries act as a shock absorber for the other mistakes.

Mr. Scott Brison: Madam Speaker, I thank the hon. member for his question. I do not see supporting this motion and supporting the notion of further debate on a very important issue as in any way letting the Liberals off the hook. I have heard arguments that common currencies take away the sovereign ability for governments to implement bad economic policy. I would argue that if the Liberals listened to and perhaps took more Progressive Conservative policies, even they would have the capacity to implement some good economic policies. I commend the Liberals for having kept free trade and the GST and for maintaining the deregulated transportation, energy and financial services. Those were the policies of the Conservatives.

The only thing worse than the Liberals taking so unabashedly Conservative policies would be if they were to implement their own.

[Translation]

Mrs. Pauline Picard (Drummond, BQ): Madam Speaker, I am very pleased to take part in this opposition day debate on the motion introduced by the leader of the Bloc Quebecois and by the hon. member for Charlesbourg. I thank them for their initiative.

The motion reads:

That, in the opinion of this House, a Special Committee of the House of Commons should be struck in order to consider the possibility of Canada's participation in the creation of a pan-American monetary union.

On January 1, a new currency came to existence: the Eurodollar. Over the next three years, national currencies, some of which have been in existence for several centuries, will be relegated to museums and private collections. The decision to have a new reserve currency, in addition to the U.S. dollar and the Japanese yen, is an important event in the economic history of the world.

The signing of the Maastricht treaty allowed European Union members to enjoy the free movement of people, goods, services and money on their whole territory. A monetary component has now been added to that economic alliance, with the result that, in the future, there will be only one currency and one key interest rate in effect in 11 countries of Europe. One cannot witness these changes without wondering what is going on in America.

The lesson to be learned from the adoption of the Eurodollar is that, sooner of later, economic integration raises the issue of monetary integration. Within about 50 years, Europe has gone from experiencing one of history's most bloody wars to creating a common market, which was restricted at first but later expanded

through the Treaty of Rome, and finally establishing a true monetary union.

• (1340)

Why? Because there are many benefits associated with using a common currency when there is a high volume of trade between countries: it reduces uncertainty and the costs of currency transactions, there is increased pricing transparency, resources are better allocated, and there are many other pluses.

Naturally, there is a downside to abandoning national currencies. A currency is first and foremost a trade tool and a store of value, but it can serve as a buffer when our economy is undergoing stresses different from those of neighbouring nations.

The new currency must also be given time to settle in. Some people are still worried about the initial performance of the Euro in the markets and will wait until it is well established before they are prepared to trust it.

But the decision to convert to the Euro means that the 11 nations that did so felt that these disadvantages were offset by the benefits associated with the new currency. Otherwise, the Euro would never have seen the light of day.

The immediate result of the arrival of the Euro on money markets is the drop in the number of so-called intermediate currencies. The Euro replaces the French, Belgian and Luxembourg franc, the German mark, the Finnish markka, the Italian lira, the Austrian schilling, the Irish pound, the Dutch florin, the Spanish peseta and the Portuguese escudo.

In the medium term, the Euro will very likely also replace the English pound, the Greek drachma, the Swedish krona and the Danish krone. This is of direct concern to us; with so many currencies disappearing, what currency will international speculators settle on?

We have only to remember the ravages of the Asian financial crisis, when everyone rushed to the safety of the American dollar, to understand the concrete impact of the Euro. If the Canadian loonie had a rough ride in 1998, so did most European currencies to some degree.

However, it seems clear that, with the Euro on the scene, a new international financial crisis would not have the same repercussions in Europe. Unfortunately, such a crisis would still hit Canada just as hard, perhaps even worse, because those speculating on the rise and fall of currencies during a financial storm have now lost 11 of the horses they can bet on, thus increasing our chances of attracting their interest.

In 15 or 20 years from now, what major currencies will there be left, apart from the U.S. dollar, the Euro, the Japanese yen and maybe the Chinese yuan? In that context, in order to protect ourselves from the harmful effects of the growing speculation on

currencies, some have proposed a tax on financial transactions, like the so-called Tobin tax.

But we cannot avoid analysing seriously the alternatives offered to us if we do not want to become one of the main targets of international speculators. For example, we could abandon our marginalized national currency and replace it by a strong currency. But still, which one should we choose?

Both Americas may be destined to have a common currency, from the north pole to the south pole, under an extended free trade agreement. But before we consider creating an all new currency, we should remember that there already exists a very strong currency very close to us, a currency which is used as a refuge when the global economy crumbles, that is the American dollar.

The Canadian money supply totals approximately \$600 billion Canadian, or almost \$400 billion U.S. In comparison, the American money supply is close to \$6,000 billion U.S. and increased by approximately 10% in 1998 over 1997.

Considering that the Canadian money supply in American dollars represents only 6 or 7% to the American money supply, the "dollarization" of Canada, that is the conversion of our economy to the U.S. dollar represents, from the American point of view, barely several months of growth for the American money supply.

It is also interesting to note that in some regards, the new European central bank operates like the U.S. federal reserve. In both cases, the central bank establishes the common monetary policy in consultation with a number of regional bank representatives. Therefore, a system where the Bank of Canada would be the thirteenth regional bank of an American network is quite conceivable.

• (1345)

All this is hypothetical, at least for now. But this issue is already raising hackles, particularly in Canada. The main argument is that by giving up its currency, either through freezing the exchange rate relative to another currency or adopting the U.S. dollar, Canada will lose all flexibility with regard to its economic policies.

However, looking at the evolution of the Canadian and American bank rates over the last 50 years, one is forced to recognize that the independence of Canada's monetary policy exists only in some people's mind. In fact, the best way to determine the bank rate in Canada from 1950 to 1986 is to take the bank rate they had in the United States at a particular point during that period and increase it by 1.1 percentage point.

Of course, some may point out that in 1996 and 1997, the Canadian bank rate was lower than the American bank rate for the first time in 50 years. However, we became very aware of the limits of this so-called monetary autonomy on August 27 of last year,

when the loonie plunged to record lows and the Bank of Canada had to intervene by raising the bank rate to support the Canadian dollar.

By rejecting this motion as if they were holders of the absolute truth, the Liberals are burying their heads in the sand, as if what goes on elsewhere will never affect us. This refusal to accept change reminds us of their historical position against the free trade agreement.

Recent developments in Europe, including the introduction of the Eurocoin, raise new issues. From whichever point of view, Quebec's or Canada's, federalist or sovereignist, one cannot escape the issues related to economic globalization. These issues are being raised today, and by addressing them in a timely fashion, we increase our chances of taking in stride this inevitable and already noticeable turn towards a new economy. This requires a great deal of thought. That is why the Bloc Quebecois is inviting all members of this House to think about this issue, to take part in this debate and to vote in favour of this motion.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I would have thought, with a debate as important as this one on the future of the Canadian currency and the use of a North-American currency, or perhaps a pan-American one, there would have been more interest forthcoming from the government side. They have had virtually nothing to say right from the start, with the exception of using their speaking time for a ten-minute speech of highly dubious nature.

I would like to begin by congratulating my colleague from Charlesbourg, the man behind this most important debate. The question, as set out in the motion, is not whether we must change to some other currency starting tomorrow morning. The question is this: are we going to put on blinkers in the next few weeks, months or years, when debates arise concerning economic interdependence and the future of macroeconomic tools such as monetary policy?

The question is this: are we going to isolate ourselves from major world trends, or are we going to start right now looking at the pros and cons of changing the way we do things.

What I have heard so far has been pretty esoteric. I did not believe we had reached the stage here in parliament of being so blinded by narrow Canadian nationalism as to declare ourselves "staunch defenders of our independence". Prepared to fight to the death to maintain the Canadian dollar. Ready to fight to the death to prevent Canada from becoming a banana republic". I will come back to the remarks by the member for Kamloops, Thompson and Highland Valleys, which were totally out of the current debate.

Let us consider some of the arguments we heard from the other side of the House. We heard the Secretary of State for Financial Institutions, not just anyone, but someone who is supposed to be somewhat more open to changes in economic development and in

international world trade. He said "Canadian sovereignty is vital. We will not hand Canadian sovereignty over to the Americans".

(1350)

We have to recognize the fact that the economic interdependence that was built over the past 50 years, in fact since the start of the first GATT agreement in 1947, is practically complete.

There are 134 countries who are signatories to the WTO agreements. Almost all trade is governed at the moment by rules that are liberalizing it, rules that became rules of law with the creation of the WTO and the establishment of the Marrakesh agreement of 1994.

The government is so far behind that it is now avoiding any debate on the use of a North American currency or one for the three Americas. However, the World Trade Organization, in which Canada is represented, is entertaining the idea that, some day, we might have a world currency. Members can imagine how far behind we are right now. And the one who brought up the ides of a world currency is not just anybody, but the WTO's current director general, Mr. Ruggiero.

We are so far behind here that we forget that, while goods and services have been moving freely under the GATT, and now the WTO rules, capital is not subject to such strict rules that would provide similar protection. As we saw with the Asian crisis, the financial sector is not subject to strict enough rules. The result is that secondary currencies such as the Canadian dollar are subjected to devastating speculation.

It must be pointed out that daily capital movement is currently 30 to 40 times greater than the movement of goods and services throughout the world. If we want some form of protection, we should wonder about the recent Asian crisis, which may not be the last financial crisis to occur in the world. We must ask ourselves questions about the forms of protection that we can create. And one of them is to consistently reduce the number of secondary currencies in the world. Eleven of them have already been merged into a single currency, thus eliminating 11 possibilities for unscrupulous speculators, who destroy national currencies, thus threatening the countries' economic future and job creation efforts.

The Liberals are not interested in talking about this. They would rather talk about Canada's independence. I have never heard so much talk about economic sovereignty in parliament as I have this morning. Independence, as they are using the term however, misses the whole point.

Do the Secretary of State for International Financial Institutions and the Minister of Finance think it is more important to have symbolic, artificial independence, or real powers within a North American organization of the three Americas or an international organization?

My colleague, the member for Charlesbourg, earlier told us how European monetary policy worked, explaining that France had only just recently acquired a say in the future of the French franc, because the future of currencies in Europe was determined by the Bundesbank.

With the creation of the Euro, France will have a say in German policy. That is real power, real sovereignty. France has exchanged an ultimately artificial—because it no longer had any power at all—independence with respect to monetary policy for real power. It did so by banding together.

The same is true for international economic integration, economic interdependence. All members of the House should know this, but they are obtuse. There was the case in 1997 of Costa Rica, a small country of 2.5 million inhabitants, winning an international case against the claims of the American government. Imagine that. Costa Rica never would have thought itself capable of swaying decisions of the United States, the strongest power in the world. Because of economic interdependence and common rules, these small countries have gained extraordinary powers. That is real independence, true national sovereignty.

I listened to the speech of the member for Kamloops, Thompson and Highland Valleys. It was a despicable speech. We are fortunate that the NDP will never have a chance to be the government because if there is a party that would establish a banana republic, it is that party.

I thought it was so preposterous of the member for Kamloops, Thompson and Highland Valleys to ask "Do we want to avoid, after the separation of Quebec, a debate on the use of the currency and a situation where a sovereign Quebec would have no right to use the Canadian dollar?" I am sorry, but the member is really out of touch with reality.

● (1355)

We hold 25 per cent of the money supply. Twenty-five per cent of the money circulating in Canada belongs to Quebec. Whether there is sovereignty or not, this money will always belong to Quebeckers. That is very clear.

Whether we have a North American currency or not, they will have one heck of problem when this happens and it is decided that we will be using the Canadian dollar whether they like it or not. They do not want to hear about it. I can understand that. It would bother me too.

The member for Kamloops, Thompson and Highland Valleys quoted the governor of the new European Central Bank, who said something along these lines "Countries of the European Union will not have any say in the monetary policy of the new bank". This goes without saying, since in every industrialized country the monetary policy is essentially independent from political power.

S. O. 31

Even under the Bank of Canada Act, the powerful Bank of Canada, which he reveres and which does not have any power left according to us, is said to be independent from the political powers in Ottawa. The member told us, quoting the governor of the new European bank, that the use of a common currency generates a loss of sovereignty. Obviously, the hon. member does not know how monetary policies work.

The Parliamentary Secretary to the Minister of Finance said "We cannot have a monetary integration of the three Americas. We have different economic realities, different inflation rates, different unemployment rates". So what? Do the 11 European countries that adopted the Eurocoin as their common currency have similar inflation rates? Do they have similar unemployment rates? Do they have similar domestic policies? Come on. What we heard here makes no sense at all.

I would have liked to have a real debate on this issue, the kind of debate this motion brought forward by my leader and by the member for Charlesbourg deserves. Instead of that, what we have heard so far today is just political bragging about Canada's sovereignty, about the need to defend that sovereignty at all costs. But Canada is losing this debate and it will cost us dearly in terms of our sovereignty.

Canadians may have an identity problem, but Quebeckers do not. We are able to have a debate on economic, monetary and global integration without fear of losing our identity. Quebeckers are sure about their identity. Canadians are not.

The Speaker: I must interrupt the hon. member. I remind him there are five minutes remaining for questions and comments. It being almost two o'clock, we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

CANADIAN RED CROSS

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I am pleased to inform the House that March is Canadian Red Cross Month.

In my riding of Kitchener Centre and across the Waterloo region the local Red Cross branch is holding its 7th annual jelly bean blitz. This event raises not only awareness for it but much needed funds.

I commend and acknowledge the hard work of the 200 local volunteers who assist the Red Cross each year. The Canadian Red Cross is a humanitarian organization that delivers valuable programs ranging from water safety and first aid to abuse prevention

and breakfast programs. It is also active overseas in helping victims of war and natural disaster.

I take this opportunity to recognize this organization which dedicates itself to the welfare of people all over the world and wish it a successful Red Cross Month.

* * *

YOUNG OFFENDERS ACT

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, in 1994 two high school girls attending Mount Boucherie Secondary School were so concerned about the inadequacies of the Young Offenders Act that they launched a petition asking the government to strengthen it. They will be disappointed.

The proposed legislation takes only minimal steps toward recognizing their concerns and ignores the recommendations of the minister's own justice committee.

British Columbians have additional concerns. The recent nonaction by both the Minister of Justice and the Prime Minister regarding the recent Shaw decision about child pornography has incensed Canadians.

I appeal to both the Minister of Justice and the Prime Minister to change their attitudes toward justice in deference to law-abiding Canadians by making sure Canada has a justice system that protects us and our children, not a system of legal technicalities that allows judges to refuse pleas of guilty by perpetrators of crime.

* * *

FARMING

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, farming is a way of life for over 200,000 Canadian farm families from coast to coast. Too often, however, it is also a way of injury and death. Six hundred and ninety-seven Canadians died in farm related accidents between 1990 and 1996. Most of these deaths could have been prevented.

● (1400)

During National Farm Safety Week, March 10 to 17, Agriculture and Agri-Food Canada and the Canadian Federation of Agriculture, together with corporate partner, John Deere Limited, are urging farmers and their families to think about how they can protect themselves from the possible hazards of living and working on a farm.

Lambton Farm Safety Day is held every summer in my riding to teach children some of the safety concerns on the farm. I congratulate the organizers of this well attended program. This year's national theme of "Safe Farming is Smart Farming" highlights the need for everyone involved in agriculture to promote safety awareness and to follow safe practices.

S. O. 31

[Translation]

MIDDLE EAST

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, yesterday, March 14, was a day of solidarity with southern Lebanon and the western Bekaa Valley, and especially the people there.

This day of solidarity is a reminder of the eight day invasion of these areas by Israel 21 years ago. It also marks the security council's adoption, on March 19, 1987, of Resolution 425 proposed by the American representative calling for respect of the sovereignty, independence and territorial integrity of Lebanon and the withdrawal of Israeli forces from that country.

Unfortunately invasions and acts of aggression have continued—in 1982, 1993, 1996 and right up to today.

A few days ago hundreds of unarmed students pushed back Israeli forces that had annexed the village of Arnoun.

Just a few days ago, even Ariel Sharon said he supported the unilateral withdrawal of Israeli forces from Lebanon.

Only the implementation of Resolution 425 will bring about a just and lasting peace and security for all in this troubled area of the Middle East.

[English]

POVERTY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on December 4, 1998, the United Nations Committee on Economic, Social and Cultural Rights issued a report which dealt in part with poverty. Article 13 noted that although Statistics Canada's low income cut-off was widely used by experts to measure poverty the Government of Canada itself did not accept it as a poverty line.

The UN committee has therefore recommended that Canada establish an official poverty line so that we can measure and respond to the tragedy of poverty and be held accountable for our progress.

I encourage the government to quickly respond to the call of the UN to establish a credible poverty line so we can target our resources to relieve real poverty in Canada from sea to sea to sea.

HOCKEY

Ms. Val Meredith (South Surrey-White Rock-Langley, Ref.): Mr. Speaker, on behalf of the official opposition I congratulate Canada's National Women's Hockey Team that was crowned world champions for the fifth consecutive year with a 3-1 victory yesterday over the arch-rival American team.

The U.S. scored first threatening to repeat its Olympic upset, but Team Canada answered with three goals demonstrating its true character and skills. Kudos to Daniele Sauvageau's excellent coaching for Canada's world tournament record of 25 wins and zero losses.

This record is due in large part to Toronto's Sami Jo Small's acrobatic goal tending. In recognition of their excellent play, Small along with Calgary's Hayley Wickenheiser and Kingston's Jayna Hefford were selected as first team all stars.

Once again Canada's women's hockey team has done us proud. It is the guys turn now.

[Translation]

QUEBEC GAMES

Mr. Réjean Lefebvre (Champlain, Ind.): Mr. Speaker, I rise today to draw attention to the tremendous success of the Quebec Games in the Mauricie region.

As the member for Champlain, I congratulate Yves Charpentier, president of the 1999 Quebec Games, which were the 34th provincial finals, and Réjean Lemay, director general, and the major organizers, for their superb management of these games, resulting in a budget surplus.

Also I wish to thank and salute the 3,500 volunteers who helped run the show, making the games a memorable success in our Mauricie region.

I also want to congratulate all the athletes who are the reason for such a success. I congratulate and encourage all our young athletes in the Mauricie region for doing their personal best in their respective disciplines. These young athletes represented us so well, by winning 19 medals at the 1999 Quebec Games.

* * *

SEMAINE DE LA FRANCOPHONIE

Mr. Benoît Serré (Timiskaming—Cochrane, Lib.): Mr. Speaker, in this Semaine de la Francophonie, all Canadians should celebrate.

French speaking Canadians outside Quebec have every reason to be proud. By working hard to protect and promote the French language and culture, they give our country a truly Canadian identity.

(1405)

Each Canadian province has to face different realities, but this concern to maintain high quality French is a plus for all Canadian

The federal government contributes in various ways to support agencies or groups interested in stressing the importance of this Semaine de la Francophonie.

SEMAINE DE LA FRANCOPHONIE

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, the Semaine de la Francophonie is a major contribution to the Canadian identity.

Incidentally, let me remind the House that the summit in Moncton will help the international community to get better acquainted with the various facets of the Canadian Francophonie and emphasize the important contribution of Acadians to our rich national heritage.

This summit will also give all Canadians the chance to show their pride and their sense of belonging while making new friends in the rest of the French speaking world community.

My best wishes go to all organizers of this event, which is of the utmost importance to all of us.

* * *

[English]

CURLING

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, today it is my pleasure to congratulate the winners of the 1999 Labatt Brier, the holy grail of Canadian curling.

On Sunday, March 14, Manitoba skip Jeff Stoughton, third Jonathan Mead, second Garry Van Den Berghe and lead Doug Armstrong defeated the Quebec team of Guy Hemmings, Pierre Charette, Guy Thibaudeau and Dale Ness.

The game was a classic epic battle between two curling giants. Quebecers can be proud of their congenial champion and the people of Edmonton can take pride in staging a tremendously successful brier with the highest fan attendance ever.

All Canadians, especially Manitobans, wish Jeff Stoughton and his team good luck as they go on to represent Canada in the 1999 world championships at Saint John, New Brunswick.

HOCKEY

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I rise in the House to join others in taking the opportunity to congratulate Team Canada winners at the 1999 Women's World Hockey Championship.

Team Canada won its fifth straight world championship this past weekend spanning back to 1991. Led by five time world team leaders, France St-Louis of Saint-Hubert, Quebec, and Geraldine Heaney of North York, Ontario, the team went through the tournament undefeated and now own a perfect 25-0 record in world championship competition.

S. O. 31

The 20 women who compromise Team Canada 1999 are remarkable role models for the thousands of young girls and women taking up the game of hockey in this country. I know all hon. members and Canadians everywhere join me in congratulating Team Canada.

* *

[Translation]

EASTERN ONTARIO FRANCOPHONES

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, Professor Charles Castonguay has written an affidavit for SOS Montfort on the situation of francophones in Eastern Ontario.

The Liberal members from this region, who represent these French speaking Canadians, ought to read it.

We learn from this document that, in the nation's capital and surrounding area, the assimilation rate of francophones has grown from 13% in 1971 to 24% in 1996 overall and from 19% to 32% for people 25 to 34 years old.

"For the Ottawa—Carleton residents born in Ontario only, the net assimilation rate of young francophone adults reached 41% in 1996", according to Professor Castonguay.

* * *

[English]

HOUSE OF COMMONS

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, when visitors look around the Chamber do you know what they see? They see men and women who essentially have become political eunuchs or human rubber stamps.

The budget debate takes place in the media as a result of leaked details, and parliament rubber stamps the budget. The government works hard to introduce the MAI and committing future governments for up to 20 years, and parliament is all but ignored. Ministers rarely make public policy statements in parliament but choose instead the national press theatre. The government negotiates NAFTA in secret with its dispute settlement panels operating in secret, locks in future governments and basically ignores parliament.

Parliament conducts take note debates on peacekeeping missions and the government essentially ignores the content of the debates. Parliament passes a motion calling for a moratorium on water exports and the government then asks the United States government to join Canada to study the pros and cons of water exports and water diversion. We pass legislation banning MMT and then back down when the U.S. pressures us just like we will do with Bill C-55 later today.

S. O. 31

Parliament has become Canada's national theatre and parliamentarians speak not in the House of Commons but in the house of eunuchs.

* * *

(1410)

[Translation]

WOMEN'S HOCKEY

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, the headline on the *La Presse* sports section this morning reads "Canadian women—world champs for fifth year in a row. 3-1 win over U.S. makes up for Olympic defeat".

The Bloc Quebecois congratulates all members of the women's hockey team, which has been victorious for the fifth year in a row at the Women's World Hockey Championship, held in Finland this past weekend.

The Bloc Quebecois joins in paying tribute to player France St-Louis of St-Hubert, who announced that she would hang up her skates after this tournament.

This past weekend, team Captain Thérèse Brisson described the retiring player as an exceptional athlete who had made a great contribution to women's hockey.

The Bloc Quebecois hopes that, one day, France St-Louis will be honoured as a member of the Hockey Hall of Fame.

. . .

[English]

VIAGRA

Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, I am pleased to announce that my great riding of Renfrew—Nipissing—Pembroke is home to the Viagra capital of Canada.

The Pfizer plant in the town of Arnprior will be the only Viagra packaging and distribution centre in the country. This is tremendous uplifting news for all men who have experienced dysfunctional problems. I can already picture a number of prescriptions for opposition members, a dysfunctional group if I have ever seen one. According to doctors the psychological benefits of Viagra include improving one's self-esteem and strengthening relationships.

The leaders of the Reform and Conservative Parties are certainly in dire need of an urgent remedy for their ongoing political impotence. A Viagra prescription would improve their strained relationship and inject much needed self-esteem in all their depressed members who have been limp, listless and lugubrious for many years.

[Translation]

Also, the Bloc Quebecois leader had better make sure all his people get a healthy dose of Viagra too, so that they will have the vigour to stand up and understand that Canada is the greatest country in the world.

* * *

SEMAINE DE LA FRANCOPHONIE

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, as the hon. members are aware, today is the first day of the Semaine de la langue française et de la francophonie.

As a bilingual country, Canada has seized this opportunity to celebrate the success of biculturalism. This week also provides unilingual anglophones with the opportunity to enrich their contacts with French and to increase their knowledge of it.

I am therefore encouraging all hon, members to make as much use as possible of French when speaking in the House this week.

The first simultaneous interpretation facilities in the House of Commons were installed by the Progressive Conservative government of John Diefenbaker.

I invite all hon. members, particularly the unilingual and bilingual anglophones, to use, or to try out, their knowledge of French in order to show Canada's francophones that we support them and are proud to be representatives of a bilingual government.

Let us learn to appreciate our rich heritage.

* * *

OFFICIAL LANGUAGES

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, last week, the Minister of Canadian Heritage announced that an additional \$70 million a year would be put into official languages support programs.

These \$70 million that will be reinvested in this area will allow us to reinforce our support to official languages communities as well as our support to the provinces and territories for the teaching of official languages and for the provision of services in the minority language.

The announcement was well received by the Fédération des communautés francophones et acadienne, which believes that the minister kept her promise to increase direct support to communities, and by a number of associations, which are pleased to see that funding for official languages support programs is being restored.

I would also like to mention that the member for Dauphin— Swan River took a stand in favour of Canada's linguistic duality before the Standing Joint Committee on Official Languages by

ORAL QUESTION PERIOD

congratulating the government on its decision to invest in education. I applaud him for supporting our official languages.

[English]

[English]

BILL C-55

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, last year Canada received two unfavourable rulings from the World Trade Organization on its magazine policy. The heritage minister created Bill C-55 to get around these WTO rulings. This evening's vote on Bill C-55, the magazine bill, could trigger the beginning of a trade war with the United States, putting thousands of Canadian jobs at risk.

The official opposition has been alone in the House of Commons defending textile jobs in Montreal, defending plastic jobs in Toronto, and even defending steel jobs in Hamilton against the heritage minister's magazine bill.

In the interest of protecting Canadian jobs and in the interest of the current trade negotiations, why does the Prime Minister not use his common sense and defer this evening's vote on Bill C-55 until after the Easter recess?

* * *

• (1415)

ROYAL CANADIAN MOUNTED POLICE

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, worries persist about the future of the RCMP training academy depot in Regina.

Last week the solicitor general made and then cancelled his plans to attend the cadet graduation ceremony and his deputy minister made and cancelled his plans to attend the same event.

Although cadet training will resume in the new year the civilian workers at the depot still have not received word on the safety of their jobs given the government's shortsighted policy of privatization or alternate service delivery.

Representatives of the civilian workers asked to meet with the solicitor general to discuss this issue during his scheduled visit last Monday. When he cancelled they were referred to the deputy solicitor general. Then he cancelled. What is the reason the minister and his deputy are afraid to meet with these workers? I met with them. They perform a valuable, loyal and dedicated service to Canada.

I call on the solicitor general again to drop any move to privatize civilian services at the RCMP training depot in Regina.

INVESTMENT

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, how pathetic that the government's main selling point to attract investment to Canada boils down to that we have low wages and a weak currency.

According to a recent study by KPMG consulting and endorsed by the Prime Minister's office, that is the best argument this government can muster to attract investment to Canada.

Is the government proud of the fact that its big argument to attract investment to Canada boils down to come to Canada because we have a weak dollar and we will work for peanuts?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, anybody who has read the study knows that there was a long list far more extensive and far more profound than the points the hon. member has raised.

The real issue is why is it that when a non-partisan study comes out, a study that shows that Canada is doing well, the Reform Party cannot support it? Why is it that it feels it is its only job in life to knock the country, like last summer when the dollar was under pressure and the leader of the Reform Party went through Asia saying to the rest of the world that Canada was not doing well? Why can it not be—

The Speaker: The hon. member for Medicine Hat.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I think it is very interesting that the minister now says that we are doing well with the 65 cent dollar.

The Liberals were not always so blase about the weak dollar. When the finance minister was running for the Liberal leadership the first time, he viciously attacked the Tories when the dollar fell under 80 cents. This is what he said back then: "The only choice is the way you manage it down to 78 cents. Michael Wilson's way, it drops down to 70, it collapses. The Canadian dollar should be 78 cents".

Why did the finance minister let our dollar drop to 78 cents, then 75 and then 70? If 70 cents—

The Speaker: The hon. parliamentary secretary.

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, it is important to note that every Canadian province and municipality is using this study to promote itself, to promote Canada and to show how good it is to do business in Canada.

In the member's own province the Edmonton *Journal* said Edmonton was a good city for doing business. The Lethbridge *Herald* says it is cheaper to do business in Canada.

Why can the hon, member not see how good it is to do business in Canada and to promote Canada rather than trying to bring it down?

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the reason it is so good to do business in Alberta is that we have very low taxes. Unfortunately the minister did not borrow a page from Stockwell Day's book.

This is the minister's record, the weakest currency in Canadian history despite what he said when he was running a few years ago, falling wages, falling productivity and falling personnel savings. He does not have Mike Wilson to blame anymore.

Why will the minister not admit that the reason our productivity is falling and we have a weak currency is because of his high tax policy?

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, first of all, I do not agree with the premise of the hon. member's question.

The fact is communities across this country are supporting studies like this to show how well Canada is doing around the world in terms of not only its productivity gains but in doing business in Canada.

That is why all the major communities across this country are supporting studies like this, to show how well we are doing in Canada.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, this government is stuck in a fog of unreality. Every objective study from the OECD to Statistics Canada shows that Canadian productivity is falling.

• (1420)

The government is saying that we are more productive because it has slashed the value of the Canadian dollar and because it is now cheaper to buy goods from our overregulated, overtaxed economy. Devaluing our currency means foreign countries will take more goods off our hands. I am sure if the dollar were 50 cents or 10 cents we would do even better.

Does the finance minister not realize that selling our products and services for pennies on the dollar makes us all poor?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, first, I challenge the member to find a single study that says Canadian productivity has been falling. He will not be able to find one.

Second, in the KPMG study released a few days ago we see a series of criteria, including all kinds of costs, construction costs, municipal tax costs, income tax costs at the corporate level and on it goes, that shows Canada as the low cost provider of services. Instead of helping us to sell Canada as an investment destination, why does the Reform Party prefer to stand up and put its own country down?

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, what we are putting down is a government that has given us a 65 cent dollar and the highest income tax burden in the OECD, a country whose per capita GDP is falling through the floor in the OECD and among other industrialized countries. Does the finance minister not understand that just as with a company, foreign investors look at the state of a country's debt and the value of its currency? They see a country with a 65 cent dollar.

Does the finance minister not recognize the 65 cent dollar he has given Canada is a sign that we are less competitive and have a diminishing standard of living in the world?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Reform Party seems to have some difficulty finding good things to say about its country. We have the third lowest corporate income tax rate for manufacturing in the G-7. It is lower than in the United States. We have the lowest cost for transportation and electricity in the G-7. We have the lowest initial investment cost for setting up a new facility. If the Reform Party were not so bound and determined to knock its country, it would start looking at the real facts of the matter.

* * *

[Translation]

QUEBEC'S CULTURE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the latest rantings of the Minister of Canadian Heritage cast doubt on Quebec's place in Canada.

According to the minister, in the past 30 years, Quebec has gone from founding people, to distinct society, to principal focus, to unique character and now to regional component.

Does the latest brainwave of the minister not faithfully explain the government's thinking on the ever shrinking place of Quebec within Canada?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, if we look at the merits of what we have done together, we can see that, in parliament, the policy on copyright was supported by the Bloc, the policy on the Parks Canada Agency was supported by the Bloc, the politic on the Saguenay marine park was supported by the Bloc, the politic on the sound recording surcharge was supported by the Bloc, the supplementary assistance program for the publishing industry was supported by the Bloc. And today the periodical protection legislation was again supported by the Bloc. I thank them for their co-operation.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, that proves we understand certain things, which does not seem to be true on the other side of the House. It proves nothing else.

The dynamics of the federal system, of which the Minister of Canadian Heritage is a strong partisan, denies the existence of the Quebec people. We would not exist as a people, that would be our heritage, the title of the minister as her Prime Minister calls her.

Quebeckers, however, are sure they are a people and so they are very interested, indeed intrigued, by the words of the minister. Could the minister tell us what regional component means?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, what I proposed to Ms. Beaudoin was that she participate with Canada in the discussions. I invited her to take part in the international network, and she refused. I invited her again last week and she again refused.

Why did she refuse? Because she does not want to be part of the Canadian delegation. If she does decide to participate someday, she will be the most welcome of all the provinces.

• (1425)

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, Quebec's culture is thriving all over the world, thanks to performers such as Céline Dion, Luc Plamondon, the Cirque du Soleil and many others. It is this culture, which belongs to one of the country's founding peoples, that the minister calls a regional component.

Does the Minister of Canadian Heritage not realize that, far from being a mere regional component, the Quebec culture is first and foremost a national culture that thrives at the international level?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, if we are currently supporting the Cirque du Soleil, it is precisely because we believe in it. If we are supporting the Montreal Symphony Orchestra, it is because we believe in it. If we are supporting the publishing industry's policies, it is because we believe in them.

We can work in partnership. Those who do not want to do so are those who have a single goal in mind, that is to break up the country. Such is the policy of the Bloc Quebecois and of the Parti Quebecois.

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, it is kind of amusing to see how the minister always gets off the subject.

Does the minister not see a serious discrepancy between the secondary role that it attributes to Quebec's culture and the fact that it is so thriving that direct contact between Quebeckers and the world is fully justified?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, there is direct contact on a daily basis. I believe there

is a direct contact between the Government of Quebec and the Government of Catalonia.

There is nothing preventing Quebeckers from establishing contacts all over the world. All we want is respect of countries' sovereignty.

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[English]

PLUTONIUM

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the U.S. government appears on the verge of approving the export of weapons grade plutonium to Canada.

Canadians have not been consulted about these initiatives or about their possible consequences. Before this goes any further, before any decisions are taken about the importing of these nuclear materials, will the government commit today to full public consultation, particularly with those communities directly affected?

Mr. Julian Reed (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, as the hon. member knows, there is a report that was placed by the committee on foreign affairs into the hands of the minister. The minister has 150 days to reply and I am sure there will be commentary on that very subject.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, that is right. It strongly recommended against because weapons grade plutonium is highly retroactive. It may be coming across our border and through our communities. It is highly radioactive.

Canadians have a right to have their say. Governments spend big bucks these days to convince our kids that nuclear is safe. Will the government now consult their parents on the prospects of welcoming weapons grade plutonium into our country?

Mr. Julian Reed (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, plutonium may be retroactive as well. I suggest that the NDP raising this at this time really proves that it is beyond its half life.

VETERANS

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, Canadian merchant navy veterans will be appearing before the veterans committee on Thursday to make their presentation on compensation

I want to thank all the committee members, the parliamentary secretary and the minister for giving them this opportunity to present their case.

Merchant navy veterans are dying at a rate of 13 per month. If the government takes the full amount of time allocated to respond to this study, it is possible that another 70 could die waiting for an answer.

Will the Minister of Veterans Affairs today commit to a quick response to the study when it is completed?

Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, at the outset I would like to thank all those who were instrumental in helping Bill C-61 with very fast passage last week.

With respect to the merchant navy veterans and their situation, the hon. member is right. They will be coming before the parliamentary committee in the near future. I am delighted this is happening. I am delighted that parliamentary processes kicked in.

When the parliamentary committee is finished with its work, it will pass it on to us and we will treat it so that it will be reported to the House in due course.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I have to say that the due course process gives them about 160 days in order to respond to the House. That means it would be when we come back after the summer break.

● (1430)

What I am asking of the minister is this: Will he please fast track this and make sure we get answer in the House before we break for the summer?

Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, I say to the hon. member and to all members of the committee, let us have a look at the report and then we will see where we will go.

THE ECONOMY

Mr. Richard M. Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the Liberals actually believe that the only way to sell Canadian goods and services, the only way to keep us competitive in world markets, is to slash our dollar to 65 cents or 66 cents. In other words, sell Canada at bargain basement prices.

Does the finance minister really feel good about selling Canadian goods and services at 40% below their real value? Does he feel good about that?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I feel very good about selling Canadian products.

I would simply ask the hon. member, when the Canadian dollar was under pressure last summer, if he is sincere in his concern, why did his leader—not in the House, not anywhere in Canada, but outside Canada—go through Asia knocking Canada and knocking the Canadian dollar?

The fact is that if members of the Reform Party are sincere, the next time they might ask their leader to stay home.

Mr. Richard M. Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the finance minister and the government are knocking Canadian manufacturers and providers of Canadian services by continually telling them through the low dollar that their products and services are not worth 100 cents on the dollar. That is what they are telling them.

Our high taxes and costly overregulation are keeping us uncompetitive.

Instead of giving foreign buyers a bargain when buying Canadian goods, why does the finance minister not give manufacturers and Canadians a break here at home by lowering taxes and easing regulation?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member knows, first of all, that in the last two budgets we have indeed lowered taxes.

The hon. member knows that in fact we have the third lowest corporate taxes of any of the G-7 countries.

The hon. member also knows that in the KPMG study the industries that were looked at were high tech industries, high value industries and the pharmaceutical industries; all industries which have grown and were spawned as a result of the government's research and development policies. That is why they have done well.

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[Translation]

EMPLOYMENTINSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the Minister of Human Resources Development has been in charge of the EI scheme for over two years now.

In this morning's *La Presse*, spokespersons for Force Jeunesse announced their intention of filing a lawsuit against the minister for discrimination.

What does the minister, who has seen the conclusions of several reports on the EI regime, have to say to these young people, who are accusing him of discrimination?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, obviously, I am unable to comment on complaints that may be before the courts.

As a government, we have carried out a reform of employment insurance. Naturally, we feel that this reform meets all our constitutional and legal obligations. Since we live in a free society, people who feel otherwise may turn to the courts.

I do not think that young people are being discriminated against in this country. On the contrary, we have given them the youth

Oral Questions

employment strategy, which helps them get into the job market and for which they are very grateful.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témis-couata—Les Basques, BQ): Mr. Speaker, does the minister, who told the House on June 1, 1998 that access to EI had purposely been made difficult for young people so as to discourage them from applying, not realize how extremely vulnerable a position he is in?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, clearly it is a mistake to make access to EI too easy for young people.

It is an error the preceding generation made for 30 years. We encouraged people to leave school too early. We encouraged young people to leave school, to embark on a precarious job cycle and rely on unemployment insurance.

We want to free young people from this dependence and from the precarious cycle of short term jobs, by helping them to further their education and by ensuring that real jobs are available in the labour market.

* * *

[English]

PUBLIC SERVICE OF CANADA

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, as of this morning grain shipments in Vancouver had completely stopped.

PSAC has now set up picket lines at all five terminals and they have shut down as a result. Other labour unions are not crossing the picket lines.

• (1435)

Daryl Bean stated in an interview last week that grain is now a primary target and boats are starting to line up.

How long is the Treasury Board minister going to force farmers to wait for their grain to be shipped?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, it is very unfortunate that PSAC members have chosen to put up picket lines.

We are encouraging them to get back to the bargaining table. Unfortunately an impasse has been reached.

I had the opportunity last week to speak to some of the purchasers of our reliable products. They are beginning to get nervous as well. The unfortunate thing in the very end is that it is the producers who will be hurt when the product does not get shipped.

I encourage everybody to get back to the bargaining table to settle this and get the product moving.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I will say who had better get back to the bargaining table. It is that government over there.

There has been a wage freeze for six years and the government is doing nothing to settle the strike. I want to know why in the last six months or in the last year it has not been able to do anything. What is the excuse? What is the reason? How many more millions of dollars do farmers have to lose while boats are lined up in the Pacific Ocean waiting for grain?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we have offered the blue collar workers increases that are slightly higher than those which have been accepted by 85% of public sector employees.

They have broken the negotiations. What they are asking for now is not only almost impossible to meet, but at the same time it would force the taxpayers to pay much too much. In this case we must tell the blue collar workers that they have to be reasonable and accept rates which all other public servants have accepted.

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[Translation]

BUILDING CONTRACTS

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, according to documents tabled in the House in justification of the fact that a contract was awarded without tenders for construction of a road and a guard house at the Prime Minister's cottage, the security factor was foremost.

My question is for the Minister of Public Works. How can the awarding of this contract to Construction R. Cloutier Inc., which apparently had undergone security clearance, be justified, when the work was done by two subcontractors? Had these two subcontractors been security cleared?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, as I have indicated a number of times, the RCMP recommended that the road be built. It is important to note that the Prime Minister was not involved.

The RCMP indicated that it was needed for security reasons and Treasury Board guidelines were followed in this case.

[Translation]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, of course this minister cannot answer the question I asked.

I would ask the minister responsible for public works whether Continental Asphalt was security cleared before it acted as a subcontractor for this contract to construct a short stretch of road and a guard house at the Prime Minister's cottage?

Oral Questions

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, as we have indicated a number of times in the House, the RCMP recommended this firm. It was recommended for security reasons and that is why it got the contract.

BILL C-55

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, it is another day, another episode of the cabinet soap opera called Bill C-55, the split run.

The trade minister is worried about a trade war with the U.S. The heritage minister talks tough and is calling those Americans bullies using blackmail.

Bill C-55 is poor policy, period. Is that not the reason the heritage minister just tried to stare down the U.S. and she blinked first?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am not surprised that once again when looking around this place there is only one party that does not stand up for Canada and that party is the Reform Party. Its members showed us that today in their comments on productivity.

Once again, the only members in the House of Commons which refuse to stand up for Canada are Reform members. They should be ashamed of themselves.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, in fact we are trying to stand up. This is about censorship and losing a lot of Canadian jobs. That is what it is all about.

Bill C-55 is dead and this minister knows it. Sure, it may pass the vote today, but it will never been enacted. The heritage minister can put it on her resume maybe, but that is about it.

Is it not true that Bill C-55, the split run, will never see the light of day in the long run?

• (1440)

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, the Reform Party talks about censorship. There is not a country in the world that would put up with the situation where 85% of the magazines on their national newsstands are from another country. If there is a demand across this country to save some free speech, it is the demand by Canadians to make sure that in this great country there is some small space left for Canadian stories.

It is unfortunate that in kowtowing to the Americans the Reform Party once again is prepared to sell out Canada. [Translation]

INDUSTRY CANADA

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, according to this morning's *La Presse*, Industry Canada has decided to interrupt a program announced just months ago, a program involving work placements in industry to develop exports. Oddly enough, a pilot project was already up and running in Quebec.

Why did the Minister of Industry not allow the Quebec pilot project to continue, instead of compromising the program in Ouebec and in Canada?

Hon. Martin Cauchon (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, in November 1996, a program was indeed created by Economic Development Canada and the Alliance in Quebec. The latter had the responsibility of recruiting for this program—perhaps an excellent opportunity for young people—20 young people for 20 international business internships in 20 businesses.

After a time, the program had to be deferred because of insufficient recruitment. An independent company was then commissioned to carry out an analysis, and unfortunately the program had to be terminated.

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[English]

PUBLIC SERVICE OF CANADA

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, my question is for the Minister of National Revenue.

How is he responding to the growing labour unrest and work disruptions among federal employees at the Revenue Canada tax centres and buildings, and will this delay Canadians' income tax returns?

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, I thank the member for her excellent question. It certainly shows that our members on this side of the House are on the ball and want to ensure that we provide full service to Canadians.

We regret any disruption of service to Canadians as a result of the rotating PSAC strike.

I want to assure members of parliament and Canadians that we are doing whatever we can to provide this service. We will not tolerate any illegal activity at our tax service offices. In fact, we got an injunction against the union in B.C. and will continue—

The Speaker: The hon. member for Surrey North.

YOUNG OFFENDERS ACT

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, my question concerns the publication of names within the proposed youth criminal justice act.

The proposed act provides judges with the discretion to issue a ban on publication for even those who commit murder and sexual assault. We are not talking about protecting the identities of nice people.

Why is the minister proposing to protect the names of such violent offenders and what possible reason could she have for keeping the name of a sex offender from the community?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as the hon. member is probably aware, when one deals with the publication of names and young offenders one is dealing with two important and competing values in society. One is obviously the public's right to know and the value that we place on open courts in our society.

However, the other value, and I know the hon. member is well aware of this, is the fact that we believe young people are capable of rehabilitation and that young people are different and at a different stage of maturity and development than adults.

In fact, it is for us a case of balancing those competing values. We believe that in our new youth criminal justice legislation we have balanced effectively those competing values.

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, six and a half years ago a six year old girl was murdered by her sixteen year old neighbour who was on probation for sexually molesting a child one year earlier. The murdered girl's parents knew nothing about the danger that was lurking in the townhouse next door.

Again, how can the minister possibly justify protecting the identity of predators?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we are in fact not protecting the identity of predators.

As the hon, member is probably aware, in relation to some of the most serious offences committed within our society, if the attorney general seeks an adult sentence there will be a presumption that the name of that offender will be published.

BILL C-55

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, U.S. deputy trade representative Richard Fisher has made it clear that the White House believes Bill C-55 will never be proclaimed into Canadian law. I have wondered that myself since the Liberal report stage

Oral Questions

amendment and Liberal closed door negotiations with the Americans.

• (1445)

Someone asked a question in the letters to the editor in today's *Globe and Mail* which reflected my own dismay and that of thousands of other Canadians on this issue. I am wondering if the minister could answer Brian Mossop's questions for all of us: "Has our Constitution changed while I wasn't looking? Do Canadian laws now have to be passed by the House of Commons, the Senate and U.S. trade officials in Washington?"

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, no. I want to thank the hon. NDP critic for the question. It permits me to make abundantly clear that Mr. Fisher was in no way reflecting on any of the discussions. Mr. Fisher is completely wrong when he says that Bill C-55 will not see the light of day.

I hope tonight the support of all members of this House with the exception of the Reform Party will send a very strong signal to Washington that in this country we still make our own laws.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, the minister introduced the amendment allowing cabinet to kill the bill after parliament passes it. Her government is directing the closed door talks.

Will the minister guarantee in this House that if parliament passes the bill, it will become law?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, the particular clause I introduced at report stage of the bill is the exact same clause that exists in many pieces of legislation. I will say that in the course of the discussions around other possibilities, we have made it very clear to the Americans that Bill C-55 will proceed. We have no intention of abolishing Bill C-55. We have made it very clear also that any future discussions must hinge on the concept of majority Canadian content. We believe that reflects not only the letter but also the spirit of the legislation.

YOUNG OFFENDERS ACT

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, massive Liberal cuts to transfer payments for programs like child welfare and social services have left Canadians with a very tattered social safety net.

The new criminal youth justice act will now divert non-violent youth offenders into an already overburdened system. Since 1993, cuts to existing programs currently prevent youth from getting the necessary direction they need. This coupled with the refusal by the minister to strive for a 50% share of administrative costs smacks of double talk.

Oral Questions

How will the minister's youth criminal justice act deal with reformation for non-violent youth without greater resources?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I mentioned last week in this House, I received an additional \$206 million over the next three years. The vast majority of that money will be sent to the provinces to do the very thing the hon. member is talking about.

[Translation]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, last Thursday, on the subject of the criminal justice system for young offenders, the Minister of Justice noted that members of gangs that help carry out crimes could be charged.

I wonder how a person could be charged for being an accomplice to a crime when it is not possible to charge the youths committing the primary offence.

[English]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am not sure what the hon. member is referring to but I do think he should look at the existing Criminal Code. I take the point that the hon. member as a prosecutor is well versed in the Criminal Code, but I do believe recruitment in a certain number of circumstances does constitute a criminal offence.

PERSONS WITH DISABILITIES

* * *

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development. The persons with disabilities community is extraordinarily upset that the most important and crucial source of data for public policy on persons with disabilities has not been completed since 1991. Can the minister assure this House that the health activities limitations survey, HALS, will be completed in 2001?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it is quite clear that our government is committed to helping persons with disabilities. We have made progress in this area. The lack of useful data on persons with disabilities has been a serious concern for all those who work on public policy in this area. That is why I am pleased to announce that my department will be providing \$1.2 million to the development of the 2001 health activities limitations survey known as HALS.

* * *

NATIONAL REVENUE

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, last month this government tried to downplay its decision to move the

processing of eastern Ontario tax returns to the Prime Minister's riding of Shawinigan. Now even the Prime Minister's own backbenchers are speaking out against this blatant pork barrel giveaway to Shawinigan. Last week the member for Timiskaming—Cochrane said the decision was stupid and he wants the decision reversed.

• (1450)

Who will admit that the PM is just buying votes with pork and patronage in his own riding?

The Speaker: We are getting a little bit close, my colleague, so be judicious. The hon. Minister of National Revenue.

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, as usual Reform does not have its facts right.

The hon. member for Calgary Southeast a few weeks ago said that hundreds of jobs have been transferred to Shawinigan. I gave him the real facts. One job was transferred. I would hope the member would check his facts more appropriately before asking questions.

* * *

[Translation]

BUILDING CONTRACTS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Solicitor General has just said in the House that the companies with contracts for the Prime Minister's cottage got them without a call for tender for security reasons. He also said that Continental Asphalt was recommended by the RCMP.

How can he say such a thing, when the only investigation at issue is the one done by the RCMP of Continental Asphalt that led to a charge of fraud, currently before the court in Shawinigan? It involves 119 of its employees. How can he say that?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, what I did indicate was that the RCMP recommended that this company receive the contract. I did say it received the contract for security reasons. That is why the Prime Minister was not involved.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, in this very memo tabled today in the House, the RCMP requested approval from public works to award one untendered contract worth \$80,000 to the Prime Minister's personal contractor. In fact, the contractor received two untendered contracts worth \$137,000.

Given that taxpayers already pay for 24 Sussex Drive and Harrington Lake, where did the \$57,000 go and how much more will it cost us to keep the Prime Minister safe in Canada?

Oral Questions

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, it is the RCMP's responsibility to provide protection for the Prime Minister of this country. The Prime Minister did build a home. It is a private matter. He paid for it. He had his own road. The RCMP indicated it needed another access road and that is why the access road was built.

* * *

INDUSTRY

Mr. Jim Jones (Markham, PC): Mr. Speaker, the federal government is productivity's worst enemy.

Since 1994 the cost recovery program introduced by this government has hiked regulatory fees by 153% for Canadian manufacturers. These user fees are among the fastest growing costs of doing business in Canada. They are undermining the productivity and international competitiveness of Canadian businesses.

How can the Minister of Industry call for higher productivity when his own government is hammering the private sector with these hidden taxes?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the cost recovery policy has a very simple basis. It is that the people who get the benefits from certain services should be the ones to pay the costs for it.

We have dealt with the business community and have had discussions. They are now part of our stakeholders group. We continue to have discussions with them. I must say the policy has been quite well received.

FOREIGN AID

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, increasing numbers of natural disasters, armed conflicts and financial crises have placed an enormous strain on the ability of many developing countries to provide enough food to feed their people. Is Canada prepared to provide additional humanitarian assistance to help feed these starving people?

Hon. Diane Marleau (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, yes. In light of recent natural disasters, CIDA was given additional moneys in the past budget.

I am pleased to announce that we will be purchasing \$29 million worth of Canadian wheat, beans, oil and other agricultural commodities. This will not only feed these starving people but it will also have spinoff benefits for our own agricultural producers.

TAXATION

Mr. John Nunziata (York South—Weston, Ind.): Mr. Speaker, my question is for the Minister of Finance.

Canadian tax law allows large Canadian companies to incorporate in tax havens like Barbados to avoid paying Canadian taxes. In the result, Canada is losing billions of dollars in taxation.

When will the Minister of Finance close these unconscionable tax loopholes and put a stop to this government sanctioned tax avoidance scheme?

• (1455)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as the hon. member knows, measures have been put in place over the course of the last number of years. The government has moved to close those loopholes that allow Canadian companies that ought to be paying taxes not to pay them. We are one of the leaders in this area. At the same time we have led with the OECD because it will be required that all countries act in concert.

AGRICULTURE

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, today is chainsaw day in the Okanagan Valley. Two years of weather related disasters and low market prices are forcing apple producers to cut down their trees. The government has responded with a disaster relief program that makes apple growers a poor cousin to other agricultural commodities. What is it going to take for this government to get disaster relief to apple producers, or is this government in favour of clear cutting orchards in the province of British Columbia?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member's memory may be short but he should be fully aware that as long ago as last December this government, with the co-operation of the provinces including the province of British Columbia, put in place a program that will make available up to \$1.5 billion to hard pressed and hurt Canadian farmers in situations like this.

[Translation]

SHIPBUILDING

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, through his recent statements, the Secretary of State for Agriculture had generated legitimate expectations among residents of the Quebec City region and the potential buyers of MIL Davie, but the Minister of Industry put him in his place.

Points of Order

How can the Quebec City region feel protected within cabinet if the secretary of state responsible for the region knuckles under to the Minister of Industry, who refuses to lift one finger to save MIL Davie's 1,500 jobs?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I explained a few days ago that we already have major tax shelters for the shipbuilding industry.

I also want to point out to the hon. member that, since the eighties, the federal government has invested \$1.6 billion in MIL Davie. Is it not enough?

* * *

[English]

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, public confidence in the health protection branch or what is left of it is at an all-time low. Too many Canadians have seen corporate interests put ahead of the public good. Even the unelected, unaccountable Senate has called for an independent review into the drug approval process. When will this government finally see the light, investigate the HPB and stop letting industry expectations take precedence over public safety?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I welcome the report from the Senate committee. Many parts of that report are excellent. The whole thrust of the report fits very nicely with what we are doing at Health Canada: reviewing the way the health protection branch does its job, reaching out to the science advisory board, getting independent scientists of international reputation to advise on hiring good science for the department. There are the steps we took in the budget. We added some \$60 million for health protection to strengthen our food and safety branch. These are all going in the same direction which is toward protecting the safety of Canadians because that is our bottom line.

. . .

INDUSTRY

Mr. Jim Jones (Markham, PC): Mr. Speaker, in 1996-97 alone the federal cost recovery program was estimated to cut Canada's GDP by \$1.3 billion costing 23,000 Canadian jobs in the process. Yet for every dollar in user fees charged to business, the feds are only gaining 20 cents in additional revenue. Why did the President of the Treasury Board not listen to the pleas of small, medium and large businesses and put a freeze on new or increased user fees until a new fairer framework could be put in place?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, once again the principle underlying cost recovery is quite clear. It has to be equitable to all Canadians in the fact that it is the people

who get the benefit who must pay for it. We have had discussions with all parts of Canadian industry. We have listened to what they had to say. Nobody likes to pay more money except that most of them accepted in the end that this was a fair way to deal with their problems. We have dealt with them and we now have a better system.

* * *

(1500)

[Translation]

CANADA LABOUR CODE

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, my question is for the Minister of Labour and concerns the amendments to the Canada Labour Code, more specifically part I on labour relations, which came into effect on January 1, 1999.

Could the minister inform the House of the benefits of that reform for workers who come under federal jurisdiction?

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, when the government decided to modernize the Canada Labour Code, it chose to consult union organizations and groups of employees that are under federal jurisdiction. This led to a reform of the federal labour legislation that is based on a consensus between management and the unions.

I would like to congratulate all those who have contributed to that reform and I reiterate the government's commitment to free collective bargaining and constructive settlement of disputes.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of His Excellency Giancarlo Aragona, Secretary General of the Organization for Security and Cooperation in Europe.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

STANDING COMMITTEE ON CANADIAN HERITAGE

Mr. Inky Mark (Dauphin—Swan River, Ref.): Mr. Speaker, I rise on a point of order with regard to a breach of Standing Order 106(3) by the chairman of the Standing Committee on Canadian Heritage.

On June 20, 1994 and on November 7, 1996 the Speaker made the following ruling:

—while it is a tradition of this House that committees are masters of their own proceedings, they cannot establish procedures which go beyond the powers conferred upon them by the House.

In both these cases the committees in question were in breach of the provisions of Standing Order 114.

In this case the chairman of the Standing Committee on Canadian Heritage is in breach of Standing Order 106(3) which directs the committee as follows:

Within ten sitting days of the receipt, by the clerk of a standing committee, of a request signed by any four members of the said committee, the Chairman of the said committee shall convene such a meeting provided that forty-eight hours notice is given of the meeting. For the purposes of this section, the reasons for convening such a meeting shall be stated in the request.

I submitted a letter pursuant to Standing Order 106(3) to the clerk of the Standing Committee on Canadian Heritage on February 18, 1999. The contents of the letter are as follows:

We are writing pursuant to Standing Order 106(3) to convene a meeting of the Standing Committee on Canadian Heritage for the purpose of hearing testimony from former National Arts Centre Director John Cripton and possibly other expert witnesses, and to examine additional information concerning the NAC which has not been available to the Committee to date.

• (1505)

Today is the 12th sitting day and the standing committee has yet to convene such a meeting. What the committee did was deal with the issue in a routine steering committee meeting instead of convening a specific meeting to consider the request.

If you check, Mr. Speaker, every request under Standing Order 106(3), you will note that in every case the chairman convened a specific meeting to deal with the request. It is no coincidence that every committee does this.

If we allow committees to deal with requests under Standing Order 106(3) at a routine steering committee then Standing Order 106(3) becomes redundant. We do not need Standing Order 106(3) to propose a motion at a routine steering committee. The intention of Standing Order 106(3) is to allow the minority on a committee to have a specific meeting convened to consider its request.

A routine steering committee is often in camera and crowded with other items. The actions of the Standing Committee on Canadian Heritage rendered Standing Order 106(3) redundant. We cannot allow a committee to enjoy that kind of independence from the House. Beauchesne's sixth edition, citation 760(2), states:

Committees receive their authority from the House itself and the authority of the House overrides that of any committee.

Mr. Speaker, I would ask that you rule on this matter. I would ask that you consider if the chairman of the Standing Committee on Canadian Heritage is in breach of an order of the House and guilty of a grave contempt.

Points of Order

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I listened with great interest to the request of the hon. member opposite.

In the beginning I think most of us felt that no meeting had been held. Initially I would have been prepared to say that it would have been inappropriate if no meeting at all been held. What the hon. member is telling us is not that. It is that a meeting was held but because other items were on the agenda he does not consider that a separate meeting was held for the purpose of Standing Order 106(3).

The Chair might, I submit, have to rule as to whether or not a meeting for the purpose of Standing Order 106(3) has to be a separate meeting where no other items are dealt with, or whether it is appropriate to deal with items under Standing Order 106(3) while other items are on the agenda.

The hon, member opposite also said that if the interpretation was that other items could be discussed at the same time as an item under Standing Order 106(3), it would render Standing Order 106(3) redundant. Those were his words.

I would challenge that and say I do not believe that such is the case. This offers a protection for members in the event that a committee is not scheduled to sit for a long period of time. This would actually cause a meeting within 48 hours. I would suggest that this is not meant to replace the regular rule that exists whereby an item can be discussed if the committee is meeting anyway.

This does not make the rule redundant. Standing Order 106(3) offers a measure for the protection of members in the event that a committee is not scheduled to sit. It offers them a quick step on having the committee meet to discuss the item in question. That is the appropriate interpretation.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, thank you for listening to this point of order which I think is a serious one.

I would ask, Mr. Speaker, as you consider the problem which has been raised by the member from Dauphin, that you also consider the other thing happening with Standing Order 106(3). Routinely the chair of the committee or the committee itself moves in camera upon receipt of one of these letters.

This format allows not just one party but at least two of the opposition parties to find an issue or agree to an issue that should go to a committee and should have a meeting to deal with the specific subject matter. As the standing order states, it has to describe in detail what the matter is and how it should be dealt with.

• (1510)

Instead of giving the opposition parties a chance to publicize what they might consider a very serious issue, the committees

Routine Proceedings

move in camera and then dispose of the matter by saying that they will not deal with it further. In other words, the intent of Standing Order 106(3), which is to allow opposition parties on occasion to raise the profile of an issue, is being thwarted by a routine in camera meeting.

The member is describing a kind of two pronged problem for an opposition party. Standing Order 106(3), which is one of the few tools left to us in committee, is being thwarted on two counts. Not only is it wrapped up in other business but it also routinely goes in camera, is disposed of, and no one sees it. That means this standing order is of little use to members of parliament.

The Speaker: The points that are being raised cause a bit of concern to the Chair. I would address myself to the member for Dauphin—Swan River. I think he mentioned that this matter was discussed in a steering committee.

Was it a steering committee or was it the standing committee which met in camera? Could he please clarify his statement for me?

Mr. Inky Mark: Mr. Speaker, the item was discussed in a business agenda meeting, just a general meeting which, as my colleague indicated, was held in camera. The order was very specific in terms of what the request was to the committee.

The Speaker: Was it a steering committee or was it the standing committee which met in camera? Could he please clarify that?

Mr. Inky Mark: Mr. Speaker, it was the standing committee meeting in camera.

The Speaker: Therefore the question that I have to decide is whether the mandate given to the committee was carried out.

There were four members, as I understand it, who signed a request that a meeting be held in a certain period of time. I believe you said 10 sitting days. Was the meeting held? According to the hon. member the meeting was held.

Was it held in public or was it held in camera? I do not know if there is a difference. I would say there is not, providing it was the standing committee which was sitting.

In the absence of any other information and judging from what the hon. member said, this was not a steering committee. This was the standing committee and it met in camera, which is its right. Is what I am saying so far correct? I just need a yes or a no.

Mr. Inky Mark: Mr. Speaker, yes, it did, but the problem was the standing committee did not deal with the directive under Standing Order 106(3) which was to have a meeting with Mr. Cripton.

The Speaker: I will deal with that now. The committee met—this is my word—legitimately as it was supposed to meet. The hon. member is saying that because other issues were dealt with at that time it was not only for that specific case.

● (1515)

I would rule that when a meeting is called, it is not necessarily for one specific thing to the exclusion of all the others.

If indeed the committee did meet and this matter was brought up, however fleetingly, I would rule that he does not have a point of order in this case.

However, I will check with the clerk of the committee and if it is necessary for me to come back to the House, I will.

ROUTINE PROCEEDINGS

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 61st report of the Standing Committee on Procedure and House Affairs regarding its order of reference from the House of Commons of Monday, March 1, 1999 in relation to the main estimates for the fiscal year ending March 31, 2000 with regard to Vote No. 5 under Parliament, House of Commons. The committee reports the same.

I also have the honour to present the 62nd report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Industry.

If the House gives its consent, I intend to move concurrence in the 62nd report later this day.

CRIMINAL RECORDS ACT

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.) moved for leave to introduce Bill C-69, an act to amend the Criminal Records Act and to amend another act in consequence.

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

PARLIAMENTARIANS' CODE OF CONDUCT

Mr. Gordon Earle (Halifax West, NDP) moved for leave to introduce Bill C-488, parliamentarians' code of conduct.

He said: Mr. Speaker, I am very pleased to table my private member's bill, the parliamentarians' code of conduct.

The purpose of this bill is to establish a code of conduct for all parliamentarians, that is members of the Senate and the House of Commons, and to provide for an officer of parliament to be known as an ethics counsellor, to advise members, to administer disclosures of interest and to carry out investigations of complaints under the direction of a joint committee of the Senate and the House of Commons.

I believe the passage of this bill would provide a framework to assist parliamentarians to carry out their responsibilities with honesty, integrity, transparency and in a manner that dignifies the trust placed in them by the electorate.

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

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move that the 62nd report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to)

* * *

• (1520)

PETITIONS

HUMAN RIGHTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition signed by a number of Canadians, including from my own riding of Mississauga South, on the subject of human rights.

The petitioners draw to the attention of the House that human rights abuses continue to be rampant around the world in countries such as Indonesia. They also acknowledge that Canada continues to be recognized internationally as the champion of human rights.

The petitioners call on the Government of Canada to continue to speak out against human rights abuses around the world and also to seek to bring to justice those responsible for such abuses.

Routine Proceedings

ASSISTED SUICIDE

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Mr. Speaker, I rise under Standing Order 36 to present a group of petitions from constituents in my riding calling on the government to prohibit assisted suicide and that parliament make no changes in the law which would sanction or allow that.

IRAO

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present another petition on behalf of people concerned that the people of Iraq have suffered untold hardship and trauma in the wake of the gulf war.

They say that sanctions, far from helping to destroy the repressive government there, have actually strengthened it and destroyed any useful opposition since instead of struggling for its rights the civilian population has to struggle for survival.

These petitioners call on parliament to strongly appeal to the United Nations, the United States and Britain for a rejection of any further military action against Iraq and call for a serious attempt at peace negotiations with Iraq and its neighbours.

WATER EXPORTS

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, it is an honour to present three petitions pursuant to Standing Order 36. The first one has to do with international trade agreements and water. The petitioners are concerned about the recent developments of the government, which seems to be getting into bed with the United States administration in terms of future exports.

CRUELTY TO ANIMALS

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, in the second petition the petitioners are concerned about the lack of reasonable sentencing for people who do harm to animals. They point out a whole variety of ways the courts seem to take this in a rather cavalier fashion and they say people who mistreat animals in whatever way and who are found guilty of this conduct should be fined and dealt with more harshly.

PENSIONS

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, in the third petition the petitioners are concerned about the long term viability of our pension system and are worried that the existing pension system does not ensure an adequate pension for all Canadians and they are asking for a complete review.

CRTC

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure to present a petition on behalf of the Oakridge Lutheran Church of Vancouver,

Routine Proceedings

calling on parliament to review the mandate of the CRTC and asking for a new policy encouraging the licensing of single faith broadcasters.

MMT

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am honoured to present a petition signed by residents of Sarnia and St. Thomas who urge parliament to ban the gas additive MMT, noting that studies underway at the University of Quebec are showing adverse health effects, especially on children and seniors.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

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

[English]

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I rise on two points of order. The first point is that on November 23, 1998, I placed Question No. 169 on the order paper asking how many gun smugglers and illegal gun traffickers have been identified, prosecuted and convicted in Canada using the gun registration system.

In accordance with Standing Order 39, I asked for a written answer within 45 days. My constituents have been waiting 112 days

The disconcerting fact here is that this happens every time I ask a question.

● (1525)

Every time I put a question on the order paper I have to wait beyond the 45 days. Why can the government not answer our questions in 45 days as promised? When can my constituents expect an answer to Question No. 169?

Mr. Peter Adams: Mr. Speaker, I know the member is concerned about this question. As members are aware, sometimes when these questions are submitted they go to one department and we get a response. In other cases they may be required to go to every department and in some cases they will go to one department, get part of an answer and then go to another. Then and only then can they go back to the first department to get the rest.

I assure the member that I will look very seriously at the whereabouts of the response to Question No. 169.

Mr. Garry Breitkreuz: Mr. Speaker, my second point is that on December 9, 1998, I placed Question No. 185 on the order paper asking for a list of contracts between the government and the consulting firm KPMG Peat Marwick Thorne. In accordance with Standing Order 39, I asked for a written answer within 45 days and my constituents have now been waiting 99 days.

I have been waiting twice as long as the standing orders require. Why do I have to raise multiple points of order to get answers to my questions? The government is interfering with my ability to do my job. If the government answered one question every 45 days, I would get eight answers in a year. If I used all four of the order paper questions to full advantage, I would get 32 questions answered a year. As it is, I am getting fewer than two answers per year.

At what point does this become a question of privilege? When can my constituents expect an answer to Question No. 185?

Mr. Peter Adams: Mr. Speaker, as I explained to the previous question, sometimes the responses are more complicated than in other cases. For example, in tabling responses to petitions, we have well over 2,000 petitions and we are running at well over a 90% response rate.

I assure the member that in this case I will look into the whereabouts of Question No. 185.

The Deputy Speaker: I am reluctant to get into any discussions with the hon. member about when his privileges have been interfered with.

I know the parliamentary secretary is aware that at one time I was chair of the Standing Committee on Procedure and House Affairs. That committee deals with, among other things, changes to the rules of the House. If the hon, member feels he has a grievance in respect of the answers he is not getting to his questions, I suggest he raise the matter with that committee which has the power to change the rules and allow him to put more questions on the order paper. At least he could get his questions asked even if he did not get answers. He would not have his four places tied up in the way he is complaining about today. That is something the committee could consider and report to the House on. I know the hon, member might want to be vigorous in his pursuit of such an aim with the committee. I know he would find a very receptive ear in that of the parliamentary secretary.

I suggest we leave the matter there. The parliamentary secretary is the chair of the committee and so in appealing to him, the member would be appealing to two people at once. That is always a helpful thing and will save time.

Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—PAN-AMERICAN MONETARY UNION

The House resumed consideration of the motion and of the amendment.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, before Oral Question Period, I carefully listened to the debate on our motion and the speech by the member for Saint-Hyacinthe—Bagot. He carefully explained why a special committee should be struck to consider the creation of a pan-American monetary union. There is a possibility we might participate in the creation of a pan-American monetary union.

In his speech, my colleague argued the response of members on the government side was quite weak. Their arguments are half baked. They are putting them forward saying "No, we do not want such a committee, we do not want to debate the possible creation of a pan-American monetary union".

(1530)

Moreover my colleague for Saint-Hyacinthe—Bagot reported the Secretary of State for International Financial Institutions had argued that Canada's monetary policy was very important for Canada's sovereignty.

My question is this: could my colleague tell me how independent Canada's monetary policy is from the United States? Is this not merely an illusion?

Mr. Yvan Loubier: Mr. Speaker, I thank the member for Drummond for her excellent question.

In fact, when we look at the evolution of monetary policy since 1950, the independence of the Bank of Canada's policy is highly suspect. Since 1950, almost 100 basis points, or 1% in terms of Canadian interest rates, have been added to American interest rates

In other words, each time the U.S. Federal Reserve Bank makes interest rate decisions, the Bank of Canada follows suit. That is entirely natural because we are in lockstep with the American economy. There is capital circulating at the speed of lightning, and increasingly freely. Given Canada's weaker performance compared to the United States, more money may leave the country if there is a difference between Canadian and American interest rates.

There was 1996-97, when the Bank of Canada boasted that it operated independently from American monetary policy, when Canadian interest rates were over 1% lower than American rates. What was the result? The Canadian dollar took a nosedive, made even worse by the Asian crisis.

Supply

Apart from 1973, when the Bank of Canada made a decision completely unconnected with the U.S. Federal Reserve Bank, this was the only such occasion.

In the circumstances, therefore, any talk about the independence of the Bank of Canada is complete nonsense. The Bank of Canada is not independent.

We had another example of this as recently as August and September. The president of the U.S. Federal Reserve Bank lowered American interest rates by 100 basis points. Fifteen minutes later—not one or two days, not one week, but 15 minutes later—Mr. Thiessen, the governor of the Bank of Canada, lowered Canadian rates by exactly the same amount. We are continually following the evolution of American monetary policy. A common currency for the three Americas, or even an international currency, would not be such a great loss of autonomy.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, the member across the way knows that the United States is one of the most powerful countries in the world. Is it true that the only currency the Americans would accept would be their own currency, the American dollar? Is that true?

Mr. Yvan Loubier: Mr. Speaker, that is not the point. The members opposite should try to show a glimmer of intelligence for once.

The issue is whether we are going to take a back seat to global progress. Will Liberals refuse to have a real debate, as they are asked, and in particular to hold a forum at the finance committee? I have asked for a two to three-day forum bringing together experts from Quebec and Canada.

We could examine the pros and cons of a monetary union, see what the conclusions could be drawn and prepare members of parliament to hold debates which would be more enlightened than those we have heard today from the Liberals and the New Democrats in particular. That is what we are asking for.

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, first of all, I want to inform you that I will share my time with the hon. member for Scarborough East.

• (1535)

The motion introduced by the Bloc Quebecois proposes a monetary union between Canada and United States.

An hon. member: That is not it.

Hon. Jim Peterson: Excuse me.

[English]

The example which members give us is that of the European Union. The European Union is very different from the United

States and Canada. There were 11 countries all trading with one another in 11 different currencies. Together they are roughly the same size economically as Canada and the United States.

Can we imagine the complexity of doing business in a market where there are 11 currencies and 11 different borders to cross in order to have the same economies of scale? A monetary union had transactional cost savings inherent in it.

Another advantage, and we have to look at it, is that with a single currency there is no possibility of the currency either going up or down against a foreign currency. Perhaps this causes difficulties when doing business over a long period of time. The costs from a supplier cannot be guaranteed for six months because the exchange rate may differ.

We could find ourselves producing goods or services in Canada which are not competitive. However there is a way around that. All businesses involved in international trade which need to deal with international currencies do what they call hedging. They buy a currency six months ahead if that is when they will need it. Or, they sell a currency six months or a year ahead, if that is when they will be selling their products, in order to ensure that their costs are ascertainable and fixed.

That is what we in Canada do with the United States. We do not have the huge problem of 11 different currencies; we have just two. If we were to go into a monetary union it would be very unlike the European Union which involves many countries. However there is a certain homogeny, a certain sameness about the countries. The United States vis-à-vis Canada is about 11 times as big economically. The inevitable result would be that we would lose our monetary policy independence.

[Translation]

The member of the Bloc Quebecois who just spoke said that Canada never had an independent monetary policy. This is not true.

Mr. Richard Marceau: Since 1950.

Hon. Jim Peterson: When our government took office in 1993, Canadian interest rates were 2.5 points higher than in the United States. Today, our short and long-term interest rates are almost the same as in the United States.

In the meantime, we followed an independent monetary policy that everyone benefited from, because the huge decrease in our interest rates led to many more benefits, including a drop in the unemployment rate that now stands at 7.8%, down from 11.4%.

We also saved a lot on debt service charges. Our independent monetary policy greatly benefited to all Canadians and each and every region of the country.

[English]

There is another reason it is very important for us not to follow the course of the Bloc. When we have our own currency we have a buffer against changes in economic circumstances, against economic shocks. Canada, side-swiped by the Asian crisis, has seen commodity prices around the globe fall approximately 25%.

● (1540)

Canada is a net exporter of commodities while the United States is a net importer. Just because of global commodity prices the terms of trade with the United States have gone against Canada by about 6% and in favour of the United States by about 5%.

If we had the same currency, what would have been the result? It is very simple. We would have seen a cut-down in Canadian production. We could have seen workers leaving Canada and being able to move to the United States which is experiencing the upturn, but we know that is not feasible. We would have seen price declines, wage declines where there were no fixed wage contracts, and job losses.

In spite of commodity prices falling, the Asian crisis followed by Russia on August 17, and the flight to security of currencies everywhere, in spite of being hit by those crises our unemployment has continued to fall. Our currency, the Canadian dollar, has gone down a bit. It has gone down 7% vis-à-vis the American dollar.

We could look at other countries in the world that have suffered. South Africa's is down 34%; it has been sideswiped completely. Australia's is down about 15% and New Zealand's is down about 19%. Norway's is down a tremendous amount.

Thanks to the fact that Canada had put its economy in good order we were able to get through it. Thanks to the fact that we had a flexible independent monetary policy, jobs continued to increase in Canada and workers did not suffer. That was the great benefit we enjoyed as evidenced through the last nine or twelve month period.

[Translation]

I cannot help but asked myself if the Bloc is not being a little bit naughty in putting this motion before the House? Could it be their way of trying to create some kind of link with the United States? If another referendum were to be held, would that not make them somewhat closer to the United States?

Never before has such an idea been put forward in the House, and it is being put forward by the Bloc for the whole of Canada. Most of the time, their ideas only affect Quebec, not the whole of Canada.

Let me conclude by saying that the Bloc believes this motion will promote separatism in Quebec, because the people will feel that there is some kind of pre-agreement with the United States.

Never will we support such an assumption or such ideas. We will protect our economic independence and our independent monetary policy, while recognizing what is going on in the rest of the world.

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, I was somewhat surprised when I heard the member across the way say that our monetary policy has had a positive influence on the unemployment rate. I would ask him to compare it with what it is in the United States. It might wake him up.

Here we go again with this notion of Canada's monetary independence vis-à-vis the United States. I would like to know how independent Canada's monetary policy has been, since we know that from 1950 to 1986 all one had to do, to determine the Bank of Canada rate, was to add about 1% to the U.S. federal reserve rate for the same period.

• (1545)

He was right when he said the gap in the bank rates was even wider between 1986 and about 1993, this is when the recession was worse in Canada than in the United States. John Crow, the Governor, who was responsible for raising the interest rates to such high levels, is now defending an independent monetary policy.

What is the point of having an independent monetary policy if it jeopardizes jobs?

Where was the independent monetary policy of the Canadian government when the Canadian dollar collapsed in 1997-1998, the Bank of Canada had to raise its interest rate 1% above the Americans', returning to the same econometric model we had between 1950 and 1986?

Where is the monetary political independence when both curves are parallel? I wish I could show them to the House. They are exactly the same. Where is the independent monetary policy in all this?

Hon. Jim Peterson: Mr. Speaker, in a globalized world, we must look at what other countries do.

I would like to mention the six points our finance minister presented to the IMF. Among these was the suggestion that all western countries, countries with a strong economy, should recognize that the world economy is at risk and should lower their interest rates to stimulate growth within their economies and to encourage imports from Asian countries or from other countries that had problems because of the Asian crisis.

Supply

We worked together with other countries that have a strong economy. That is not a lack of independence. On the contrary, working in co-operation with our allies is a sign of independence.

I must repeat. When we took office in 1993, our interest rates were a lot higher than those in the United States. Thanks to our low inflation policy and our tax programs, we have managed to eliminate the deficit. Our interest rates have gone down and were really lower than American interest rates six months ago.

Because of the changes occurring worldwide, we have had to adjust our interest rates little by little, sometimes by increasing them and sometimes by lowering them.

Today, we can see the results of our independent monetary policy in terms of economic growth and jobs.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I sometimes wonder when I see our Liberal colleagues worry about the intentions of the Bloc Quebecois.

Let us look at the facts. When the issue of free trade came up, whether it was about the original agreement or the one we have now, Quebec was at the forefront of these changes. Quebec was the one with a vision for the future.

The situation here is exactly the same. Trade between Canada and the United States totals \$1 billion a day, maybe more. As for trade between Quebec and the United States, 55% of our exports go to the United States.

Now imagine the problems related to the exchange rate, to a dollar that goes up, that goes down, that is unpredictable. Sooner or later, we will have to go the way of a common currency, and I would rather we thought about it now and not when it is too late. That is what the Bloc Quebecois is proposing with this motion, the creation of a committee. What does my hon. colleague has to say about that?

• (1550)

Hon. Jim Peterson: Mr. Speaker, our exchange rate is floating. It is not fixed, it is not set. It fluctuates depending on the U.S. dollar and the currencies of all the countries in the world.

[English]

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I appreciate the opportunity to speak in this debate. I must admit that when this resolution came across my desk this morning at about 10 o'clock, I scratched my head and could not quite fathom why a sovereignist party, a party dedicated to sovereignty should propose a motion which reads:

That, in the opinion of this House, a Special Committee of the House of Commons should be struck in order to consider the possibility of Canada's participation in the creation of a pan-American monetary union.

I first of all became a little suspicious and thought there was some mischief here.

It reminded me somewhat of the free trade agreement where our first struggle in the free trade agreement was to try to get the Americans' attention. Frankly, as far as the Americans were concerned, we were a small economy, somewhere close to the size of California, nothing more, nothing less, approximately the same number of people. The Americans were not overly concerned about entering into any kind of agreement with us.

It was somewhat difficult to get them to take us seriously to the point where we actually ended up for the first part of the negotiations negotiating both sides of the agreement so that we could have some framework with which to move forward. We finally cut a deal with the Americans and entered into what was the free trade agreement and then became the North American Free Trade Agreement. As they say, the rest is history. I will leave it to others to debate the merits of that agreement.

The real problem as I see it is that Canada is perceived to be a bit player in the entire exercise, particularly in world economic terms and indeed in North American terms. We take some pride I suppose in being the largest trading partner in the world with the Americans. As others have pointed out, basically \$1 billion a day goes back and forth across our borders. Might I suggest that the Americans perceive it, particularly through the lens of Washington, as nothing more than a state border, a bit of a strange state border but a state border nevertheless.

If the government were persuaded to proceed with this resolution as is urged by the hon. members, I would argue that in fact that issue is even more exaggerated. If Canada has a problem being perceived by Washington as a bit player, imagine how Quebec would be perceived by Washington or New York.

I am sure that people in the offices that control the American monetary policy, particularly Mr. Greenspan, would be in a bit of a scramble to find out where Quebec City was. Then they would probably be told that they speak French up there. That is kind of nice, sort of like Louisiana. And that Quebec has civil law. That is kind of quaint, a novel idea. And really it is a distinct society. That is different altogether.

Mr. Greenspan and others who determine that kind of policy would not be interested only in issues of culture and language, because frankly for them, what counts is the bottom line, who has the most dollars. The issues that are of the greatest concern to Quebec and also of concern to the rest of Canada are very minor issues as far as Mr. Greenspan and his people might be concerned.

The monetary policy for a North American currency will be set in Washington. Let us make no bones about that. That is a reality. What Ottawa thinks or what Mexico City thinks or what Quebec City thinks will be utterly irrelevant if this resolution goes forward and if we have a unified currency. To think otherwise would be completely naive.

It is a perfect case of taxation without representation. In particular, this is the creation of monetary policy without representation. It will be the ultimate in alienation. It will be the ultimate in frustration and it will be a colossal error.

If this resolution goes forward and if the contemplated result occurs, we might as well say goodbye to sovereignty for all of us. If sovereignty is an issue now, and it has been for 150 years, it will be an even more exaggerated issue.

● (1555)

In the final analysis, he who has the most toys wins in an issue of this kind, and he who has the most bucks wins.

One of the speakers from the opposite side used the analogy of the European Union. The argument was that it went relatively smoothly. There were 11 countries, 11 currencies, 11 different sovereign jurisdictions, et cetera, et cetera. What the speaker failed to mention was that one of the countries did not have about 80% of the economy. This would be a strange analogy. If for example Germany had 80% of the economy in the European Union, do hon. members think that Berlin would really care what Madrid thought about fiscal or monetary policy? I would argue that all it does is encourages assimilation.

We have to ask ourselves at some point what is the game, what is the real resolution behind the resolution? There is a certain cleverness to the resolution. I have to admire the other side in that respect. I suppose that instead of going through a painful four step process we might as well just eat the pain and go for it.

If I understand the resolution and the desire on the part of the members opposite, I would first of all understand that they would want separation. That is clearly the reason they are here in Ottawa. That will cause a certain amount of pain for Canada and a certain amount of pain for Quebec. There is just no getting around that.

Then we would have this strange understanding of a joint use of the currency. That is probably more pain for Quebec and a little less pain for Canada, because frankly Ottawa will not give a hoot what Quebec City thinks about monetary policy and the joint use of the Canadian dollar. We will do what we want.

Then I would assume a certain element of frustration will set in on the part of a sovereign Quebec and there will be a desire by Quebec to go to a separate currency. We can skip that stage and go directly to an American currency, but I think that would be the logical outcome of the inevitable frustrations between Ottawa and Quebec City over the management and joint use of the Canadian dollar, which I would argue is basically pain for Quebec.

The final stage would be stage four, which is to go to the U.S. dollar. Inevitably I think that is where we would all end up, which would be pain for everyone. I would say pain for everyone in Canada, but not for the Americans who will not care.

I commend the hon. member for the cleverness in his resolution. He is basically skipping all the stages and going directly to the American dollar and who cares about what the rest of Canada might think about the issue. If we need high interest rates to provide a stimulus, forget that. We are not going to get that. If we need low interest rates to reduce inflation, there is no point in having that. We will not be able to achieve it in any event. We will have absolutely no control over fiscal or monetary policy in this country. We have to then ask whether we would have any control over any other policy in this country.

We have already gone through the pain of the federal government trying to get control over its fiscal situation. If it had not gotten control over its fiscal situation, we would not have been able to talk about the health budget. There would not be anything to talk about because we would still be in deficit. If we have no control over our fiscal and monetary policies, we will have no control over any other policies in this country and we might as well kiss sovereignty for all of us goodbye.

I mentioned the analogy of the European Union which I would argue is a false analogy. It is an analogy which simply does not make sense. It is as if Germany had 80% of the economy and let all of the other bit players join in the European Union. That makes no sense. It is a false analogy and needs to be denounced as such.

This is a stalking horse motion. It is there to promote Quebec sovereignty. This is part of trying to develop winning conditions and trying to convince the rest of Canada that we will agree to what will, by any other name, be the U.S. dollar. That will in one respect create winning conditions. We will just go from stage one to four like that. There will be pain all the way around and I do not know that any of us will be a great deal better off.

• (1600)

I would urge hon. members to see this motion for what it is, a stalking horse motion that is part of creating winning conditions with the ultimate result being a great deal of pain for us all.

[Translation]

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, the poor content of the member's speech is not surprising. The member himself explained why it is so: he began thinking about this issue at 10 o'clock this morning. One can understand why his arguments are so weak.

He said the Americans give no thought to this debate. He should read this morning's *Miami Herald*. The columnist Andres Oppenheimer, whose by-line is also carried in 40 other newspapers across the U.S., mentions today's debate.

Maybe the member should also know that the Florida trade secretary spoke about this subject and thought about it; the president of Argentina, Carlos Menem, gave some thought to this issue too, as well as the Inter-American Development Bank and the Mexico Business Council. Finally, the Canadian ambassador in Washington, the Prime Minister's nephew, also said we should discuss this issue. That all brings us to the original motion proposing such a debate.

I have a question: how is it that the Liberal members who were so in favour of holding a debate on the free trade agreement with the Americans in 1988, who wanted to extend it, are now doing their best to avoid this debate?

[English]

Mr. John McKay: Mr. Speaker, I would correct the hon. member in one respect, namely that I started thinking about his motion at 10 o'clock this morning. I have thought about the issues it raises on many occasions. In my view, as it is phrased, the motion is a nonsense motion and not one that yields a serious conclusion.

As to whether people in Florida are discussing this issue, I am not privy to that information. It may be that Quebec is going to annex Florida or Florida is going to annex Quebec. I am not sure. However, I understand that there are a number of people down there who would like to do that.

I would address my hon. colleague's attention to an article in this morning's *National Post* entitled "The Case for a World Dollar". I read that article initially not even knowing the debate would occur here today. I put the article down and thought it incoherent. It made no case for a world dollar, let alone a North American currency. With the greatest of respect to my hon. colleague, I would suggest that his case has not been made and that in fact he has created for himself difficulties that he has yet to anticipate.

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I thoroughly enjoyed my colleague's speech. As we all know, this is about the Bloc Quebecois seeking security under the wing of the mother hen of the U.S. dollar. We all know that it is not a hen, it is actually an eagle.

Two examples have been used today of countries that have sought the protection of the U.S. dollar, Puerto Rico and Liberia. I know my colleague is a very quick study. He has proved that by the fact that he developed that wonderful speech in a relatively short time. I know he follows the economy of Africa with great interest.

Liberia is a country which long ago took the U.S. dollar. It moved under the protection of the U.S. dollar.

• (1605)

I am wondering if my colleague has any thoughts on whether the people of Liberia feel they have been better off under the protection

of the U.S. dollar these many years. Has the Liberian economy become better or worse in his view?

Mr. John McKay: Mr. Speaker, yes this is a motion about going under the mother hen of the U.S. dollar. I would respectively suggest that this motion lays an egg. The only question is how to poach it.

The real issue is that no country has fared better under the U.S. dollar. Puerto Rico, in particular, is an excellent example of a country that is without sovereignty, without direction and a country that cannot make an impact because it has no control over its finances or its fiscal or monetary policy.

If the hon. member wishes to have Canada or, more particularly, Quebec become another Puerto Rico in this hemisphere, then he is welcome to it. We on this side of the House will resist very strongly.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I will split my time with one of my colleagues.

I am pleased to participate in this debate on the motion which I will read for the benefit of those who have just tuned in:

That, in the opinion of this House, a Special Committee of the House of Commons should be struck in order to consider the possibility of Canada's participation in the creation of a pan-American monetary union.

Why are members of the Bloc Quebecois calling for the creation of such a committee and why are we holding this debate today? Because in this rapidly changing world, because of globalization—as members opposite keep telling us—members of Parliament must be able to see further down the way.

Yet, the attitude of the members opposite concerns me; it reminds me of the attitude that prevailed during the debate on free trade. The Liberals started by shouting their indignation. We all remember what they said, that free trade would be the mother of all evils and that if they were elected, they would never sign the agreement. Once elected, the new Prime Minister, Mr. Jean Chrétien, finally signed the agreement.

I would say finally with pleasure—

The Deputy Speaker: I remind the hon. member that we must not refer to an hon. member by name, but by his or her constituency or title, as the hon. member knows well.

Mrs. Francine Lalonde: Mr. Speaker, I was talking about the hon. Prime Minister. I hope you will forgive the history teacher when she gets the upper hand.

Just after his election, the hon. Prime Minister finally signed the free trade agreement. But more importantly, he became the defender, the grand champion of free trade areas all over the world because Canada is ready to establish free trade areas with APEC countries, the Americas, as well as EFTA—Canada has ambitious plans but it also has more modest ones—whose members are Norway, Switzerland, Iceland and Liechtenstein.

There is no doubt that, after a positive vote on sovereignty, we will be able, if that is deemed desirable, to create a free trade zone that will include Quebec. But if the future is influenced by what is happening in Europe—and chances are that it will be—should we not examine the impact this will have and prepare for that?

(1610)

Why should we prepare? I am my party's critic for industry, and I know how serious the productivity problem is in Canada, and the Canadian monetary policy did not help.

The secretary of state has suggested that the depreciation of the Canadian dollar preserved jobs, but the low value of our dollar has also made Canadians considerably poorer compared to the Americans. This low value of the dollar, based on a lack of productivity and low salaries, does not only make us poorer, but also makes improving our productivity more difficult, since that involves buying new equipment. But two thirds of equipment purchases in Canada come from abroad, and 90 % of this is from the United States

The lower the value of our dollar, the more difficult innovation is for Canadian businesses. While we hear flattering pronouncements on that extraordinary Canadian economy, we find a more sobering description of our reality in reports from the industry department. The truth is that if our productivity had improved at the same pace as in the United States, for example, each Canadian would be richer by \$7,000. That is a lot of money.

This is not just more separatist trickery, but a real issue that more and more people want us to grapple with, because there are good reasons why we should.

We do not suggest this should be done tomorrow. We say this matter ought to be examined by parliament, because it poses a number of problems, including Canada's increasingly lag behind the U.S.

It is all very fine to go on about an independent monetary policy, but I would point out to my hon. colleagues from Ontario that they have not experienced the chill the eastern provinces have as a result of the Canadian monetary policy. The east has always had the opposite reaction to the rest of Canada. When Ontario was overheating, the rest was just beginning to warm up a little.

I am most anxious to see a committee struck to continue this debate. The debate is under way, however, and it is going to

continue, because we are lagging further and further behind the United States, and the rest of the world as well, moreover. In the past 25 years, Canada has recorded the least growth in productivity of all G-7 countries.

The Alliance of Manufacturers of Canada has developed a competitiveness index. For each factor, the country's performance is compared with the top performer in the OECD, and the rating is expressed as a percentage. In 1997, Canada—proud of its performance that year, moreover—was rated at 76%, compared to the Americans' 89% and the OECD countries' 82%.

Michael Porter, the universally respected guru when it comes to competitiveness, judges Canada harshly in a study he has carried out on us. Among Canada's five greatest weaknesses he lists the poor growth in productivity, and the little invested in science and technology.

This prompts me to say that, under those circumstances, one would expect the Canadian government to take a lead role in improving Canadian productivity.

• (1615)

Of course, there were a number of initiatives promoting the knowledge economy, but the truth of the matter is that the budget this year provides \$80 million less for science and technology than it did last year.

From an economic point of view, from now on, will our hon. colleagues opposite want to bury their heads in the sand or look at the development tools we will be needing?

Canada can no longer base its sovereignty on an economic policy that has its citizens getting poorer all the time and its exports, which we are so proud of, rely on costs whose main features are our low wages.

[English]

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have two questions for the member. I listened very carefully to what she had to say.

The first question is one which I posed previously. I would be grateful if the hon member would comment on the success of the country of Liberia taking the U.S. dollar as its own currency and giving up power over its economy and financial affairs. Does she consider that the economy of Liberia and the people of Liberia benefited from that experience?

Second, I wonder if the hon. member would comment on this. This is from today's issue of *l'Actualité*. It is an article by Professor Pierre Fortin, who is an economics professor at the Université du Québec à Montréal. I will read the last paragraph of the article:

[Translation]

Times have changed. To let the smallest change in world prices for our raw materials disrupt our currency is a notion that dates back to the 1970s and that we need to drop. Texas does not have a monetary policy distinct from that of Washington and that has not stopped it from prospering. Even Honduras does not let its currency vary according to the world price for bananas.

[English]

Would the member care to comment on Professor Fortin's article?

[Translation]

Mrs. Francine Lalonde: Mr. Speaker, two fine questions from my colleague. However, the first one concerns me.

What is being proposed is a committee for Canada. He is prepared to compare Canada's weight with that of the United States and that of Liberia. As we try look at a future with a pan-American or North American currency, he agrees to consider the question. He is assuming that the model will be that of Liberia.

Let us all use our brain a little. Should discussions occur, can we not ask our colleague whether the Americans might not wonder what would be in it for them? Naturally, the United States is elephantine, but living next door to it can be costly too.

As to his question on Pierre Fortin, I do not understand it at all. He is talking about Canadian policy, which the secretary of state said had fluctuated with the price of natural resources, permitting jobs to be saved. What Pierre Fortin said is that for a self-respecting country, it made no sense, and doubtless he would agree with me, the effects on productivity are terrible in the end.

I am not saying that in the short term this should not be done, but the situation must be seen for what it is. Everyone is becoming poorer. That is what it means.

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, we will vote in favour of the Bloc Quebecois motion, because no one can oppose studies. Everyone here is on continuous training these days. So we agree to go on.

Mr. Fortin said that a common currency was absolutely unacceptable and that the furthest one could go would be monetary association.

● (1620)

Any thought of a common currency involves the assumption that the Americans would forgo their national currency, the strongest in the world, even stronger than the Euro. In this vein, I would ask my colleague what she thinks.

In the event it would be possible to negotiate a date for the establishment of a common currency, I would ask her what fiscal measures should be passed to strengthen Canada's monetary and economic position.

Mrs. Francine Lalonde: Mr. Speaker, first I am pleased by the announcement made by the whip of the Progressive Conservative Party.

As for his question on Pierre Fortin and L'Actualité, as I said earlier regarding the notion of fluctuation—the secretary of state boasted about this—there is no doubt that issues such as the distinction between a union and an association must be discussed. The idea is to look beyond the Canadian dollar and the monetary policy, and to try to anticipate what the North American and tricontinental economy will be in the years to come. This is what we must look at.

It would be a good sign if members opposite agreed to discuss this issue, because the situation is changing and will continue to change whether we want it to or not. This is true for the economy, but also for other areas. The government would be well-advised to create a serene atmosphere to discuss this whole issue, because the future of our fellow citizens and of our children is at stake.

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, I thank the hon. member for Mercier for sharing her time with me.

I say to the deputy government whip that if he wants to quote *L'Actualité*, he does not have to go that far. On page 10 of the magazine, we find the following: "I anticipate a North American currency within five years. It is unavoidable". That comment is from Sherry Cooper, the chief economist and vice-president of Nesbitt Burns. Incidentally, Ms. Cooper is not a member of the Bloc Quebecois.

The Secretary of State for International Financial Institutions said he was opposed to the motion of the Bloc Quebecois on a monetary union with the United States. Up to that point, I understand him, because he is not referring to today's motion. He is opposed to something we are not discussing. The Liberals are off the track, but we are used to that. It is par for the course with them.

However, today's motion calls for a committee to consider a pan-American currency. We cannot presume to know at this time what conclusions such a committee would reach, as the Liberal members are doing.

It is also puzzling why there is such vehement opposition to a committee to consider the possibility of a form of monetary union in North America and in the Americas at the very time when members of this House are giving thought to a free trade zone for the Americas.

How can the Liberal members be so removed from a topic such as a common currency at the very time when we are debating international and intercontinental trade? These same individuals who, as my colleague, the member for Mercier, pointed out, are now supporting the elimination of barriers between all countries in the Americas, are the same folks who said in the red book, and I quote from page 24, for my colleague, the member for Outremont:

A Liberal government will renegotiate both the FTA and NAFTA to obtain a subsidies code, an anti-dumping code, a more effective dispute resolution mechanism, and the same energy protection as Mexico. Abrogating trade agreements should be only a last resort if satisfactory changes cannot be negotiated.

Thought was even given to abrogating this agreement.

• (1625)

All members remember that, in 1993, the Liberals campaigned against NAFTA, against the lack of consultation and information with respect to these agreements, and that they said on page 24 of their red book that they were prepared to abrogate the FTA.

What have they done since? They have signed it without a word, they have let in Chile, and they recently signed with Israel and Palestine. This was another promise they broke, along with the GST and many others.

One might wonder why our Liberal colleagues want to drag the debate down to partisan levels. What we are suggesting today to our colleagues is to act as responsible parliamentarians. What they are telling us is that it is bad thinking and plainly bad to suggest to this House that we act as responsible parliamentarians.

If a review committee concluded that under no circumstances should we adopt a common currency with the Americas, we would certainly abide by and support its decision. It might decide, surprise, surprise, that we should have a fixed exchange rate with the U.S. dollar, set at 80 cents, for example, after negotiations, to avoid the uncertainties—a word we hear often from our Liberal colleagues—regarding exports, which account for one job out of three in Canada.

It might decide we should adopt the American dollar or a pan-American dollar. We are not experts, so today we are suggesting that a review committee be struck to hear what experts, economists, exporters, the Canadian Manufacturers Association, the Canadian Exporters' Association might have to say on the matter. If they tell us "Yes, we should go ahead with this", why should we as parliamentarians stubbornly refuse to have a quality debate and not do our job?

I will ask this to my colleagues, because soon we will have a question and answer period. I would like them to respond to my arguments. Why do they not want to do their job as parliamentarians? They opposed free trade, what is their opinion of a free trade zone? Do they oppose it too? I have news for them. Their government and their party are in favour of this American free trade zone and even presided over the first 18 months of negotiations. Why not then take advantage of this forum to expand the debate to the possibility of a unique currency for all those partners?

The question is legitimate. Why do they not want to talk about this, and why do they always come back with the same message "the bad separatists are only introducing this debate to be able to

separate more easily". This has absolutely nothing to do with today's debate.

They also raise the objection that, as far as exports are concerned, we have an advantage now. The Quebec minister of finance was saying that it was because our weak dollar. He was saying "Yes, but all this has a pernicious effect, a little bit like drugs. At the outset, it is pleasant, but in the long run, it can be very detrimental to our health". It is the same thing for the economic well-being and the low Canadian dollar.

It might be that today it is easier to export our goods on certain markets because our dollar is weaker than the U.S. dollar. Who knows. Those who have travelled to the United States lately have certainly noticed that the Canadian dollar is worth very little compared to the U.S. dollar.

Mr. Richard Marceau: You know it.

Mr. Benoît Sauvageau: Yes, I know. But if the value of the Canadian dollar increased, would this automatically means that our exports might be penalized? Should we therefore set up a monetary policy to keep our dollar at 63, 65 or 70 cents? Is that the federal government's monetary policy? Perhaps it should tell us that too.

As for the independence of our monetary policy, my colleague for Charlesbourg, my colleague for Mercier and my other colleagues who took part in the debate have shown it very well. Since 1950, if we look at the line of the U.S. dollar value in relation to the value of the Canadian dollar as well as the interest rates, we can see that the lines are following the same curve, they look like exact copies of each other, with one exception, in 1993, if I am not mistaken.

• (1630)

Today, we are doing 80% of our trade with the United States, where our exports are going; we are more closely linked with the United States than the European markets are among themselves, yet the European countries, after ten years of discussion, opted for a single currency.

Why are they closing their minds to any potential discussion and study of such a possibility? Why do they absolutely want to rule out a debate on that subject, in spite of the fact that the Canadian ambassador to the United States, Mr. Chrétien, said that it was something to consider, in spite of the fact that the chief economist and vice-president of Nesbitt Burns said that this was inevitable within five years, and in spite of the fact that several economists and experts said that we should look at this issue today?

Why should we Parliamentarians want it all done for us? Why should we want the people at Finance to discuss this matter, and then we will just vote on the bill to implement it, as was done with the free trade agreement with Chile?

Why should we want to do as we did with the free trade agreement with Israel, and just vote on the bill to implement it?

Is this what MPs should be, mere rubber stamps? Should we adopt implementation legislation and say yes, this is fine, the public servants did a good job? No. Like the hon. member for Charlesbourg, I too believe our job is to study it, to examine all the possibilities, and then to be in a position to make enlightened decisions.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, in my opinion there is already a pan-American currency, one that is used throughout the world, and that is the U.S. dollar. Many countries do not like this situation, among them France, England and the other European countries.

I have a question for the member across the way. Is it true that the real reason the Europeans created the euro was to protect European sovereignty?

Mr. Benoît Sauvageau: Mr. Speaker, I believe that, indeed, the euro was created, among other reasons, to strengthen the monetary policy and the world situation vis-à-vis the United States, the U.S. dollar and the possible fluctuations of the exchange rate.

Take, for example, what George Sauras did to the pound sterling. Over a period of just a few days, he was able to get the value of the pound sterling to go down by gambling on that value. Today replacing these 11 European currencies by the euro provides increased protection against this type of speculation.

We are not here to examine this issue, but to ask that a committee be set up to undertake that task. As we demonstrated today, in the past, speculators could gamble on 11 different currencies that have now been strengthened by creating a single new currency, the euro. These speculators will have to look around to find a currency that is not as strong and as economically important. They will be able to gamble on that currency and, perhaps, create more problems for it.

Given that all these other currencies have now been grouped together and are better able to protect themselves against such speculation, it is likely that these speculators will turn their attention to the Canadian currency and will target our dollar.

This is an issue which the committee could examine. I suggest to the hon, member that he should submit this issue to the committee. Said committee will determine if the Canadian dollar is indeed strong enough to withstand international speculation. If it is unnecessary, as in the case of trade rules, why is Canada such a fervent supporter of the WTO? We might put this question to my colleague.

Together, the various countries in the world can stand up to the United States in the case of a trade dispute. Could Canada withstand speculation over its dollar, given that the Europeans will

perhaps consider going elsewhere? That question could be raised in committee.

Now, how financially and fiscally independent is Canada from the United States?

• (1635)

What is the extent of this independence when we look at the curve since 1950? When 80% of our trade is with the United States, how independent are we in trade terms from them?

In 1993, and during the last election campaign, in 1997, the Canadian government said "In terms of foreign trade, we will open our market to other sectors of activity, toward Asia, Europe and Africa". In the meantime the curve of trade with the U.S. continues to climb.

We are economically dependent on the U.S as well as commercially dependent on them. We must make sure that we are prepared for potential speculation and for a potential change in direction in relation to them. Perhaps a study on the subject could help us prepare for an increase in the value of the Canadian dollar, for potential speculation on it.

This is the question my colleague from Charlesbourg is trying to answer by asking parliamentarians to assume their responsibilities. However if Liberal members wish to disregard their responsibilities when they vote, the people of Canada will know about it.

[English]

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I think one of the biggest features of our currency and its value today has to do with uncertainty. A lot of the uncertainty has been created by people across the way.

The Bloc motion alludes to the desire of the separatist movement to copy the European Union. As we know, European countries have come together to create a common currency. I think it is appropriate that we ask ourselves why they did that. Basically the reason is that they wanted to lessen their sovereignty because their history has not been a happy one.

We can think of the two world wars and how nationalism devastated some of those economies. People who have travelled to Berlin or Warsaw have seen that most of the buildings date from the 1950s. It does not take a lot of thought to realize what the sovereignist movement in Europe has done. The people have said they are trading sovereignty for economic growth and stability. They want to come together to have a common currency. As other speakers have mentioned, there are 11 independent countries. The thought process is quite different in Europe than it is in North America.

We talk about currency as if it is unique. People have traded in coins. Indeed in this country we have used beaver pelts. Seashells have been used in other places. These things only represent a

modicum of the exchange between people. The important thing is the value of the trading relationship.

Members of the Bloc seem to think this is entirely in reverse, that somehow exchange rates influence productivity. In fact productivity and the underlying economics that exist in the country reflect the exchange rates, not the other way around.

I will deal with the issue of a Pan-American monetary union.

Other members have alluded to the reality that within the North American structure economic forces are divergent. We know that our neighbour to the south dominates the economy of North America.

I looked at the Canadian *Almanac* today because I was interested in what the comparative economic relationships would be in North America. The GDP of the province of Quebec is about \$185 billion. That represents approximately 20% of Canada's GDP. The U.S. GDP, on the other hand, is something like \$6.740 trillion. These figures do not include Mexico. Quebec's economic strength just within the United States and Canada would be less than 2%.

● (1640)

Do these people really think they are going to have some say about currency evaluations when they would only have 2% of the economy in the Pan-American relationship? I doubt that. I think we all know fundamentally that if we entered into an agreement like that we would not be controlling the foreign exchange of currency calculations, it would be someone in Washington.

It seems odd to me that separatists would actually bend themselves out of shape. Now they want to give up their sovereignty movement and make themselves simply a fiefdom of the United States.

Why do we have our own independent foreign exchange rate and currency? It allows us to manage the economy. The exchange rate actually represents the underlying economic forces. It allows us to adjust foreign exchange rates to deal with certain shocks that occur in the economy.

Right now we are living through a period in which commodity prices are depressed in world markets. Unfortunately Canada is very susceptible to that because a significant portion of our economy is related to commodity pricing. Commodity pricing has changed through global forces which are quite often beyond our control. Russia has been dumping commodity prices and the demand in southeast Asia has also declined. These have all had an impact on commodities in Canada.

Governments have choices. Do we change our foreign exchange rate, our internal currency, or do we try to maintain an artificially high exchange rate? I would suggest, in the wonderful fairyland of the Bloc, that if it had an American currency, suddenly that economic tool would no longer exist. The only ways one could

adjust for economic forces would be through unemployment and high interest rates.

This is a commodity based economy to some extent, but in the same almanac it was interesting to see the breakdown of the province of Quebec and how the GDP figure is arrived at. It basically stated: primary manufacturing, electric power, mining and pulp and paper. Quite frankly, those are all commodity based industries.

What members opposite are proposing is to adopt a Pan-American currency, the result of which, under our current economic conditions, would be increased unemployment in the province of Quebec and increased local interest rates. On top of that, it would also reduce their sovereignty.

I find it quite incredible that this is the debate that the Bloc has brought forward to us today.

It is strange to have this kind of misguided approach to foreign exchange. I was also surprised to find that the Conservative Party supports this.

I think back to the history of this country, of John A. Macdonald, the building of the great railway and the national dreams. What has happened to them? They have become so demented along the way that we are now accepting a separatist agenda to reduce Canadian sovereignty at the behest of our big brothers to the south? It is a sad day indeed for the House of Commons when we have to go that full circle.

Speaker after speaker from the Bloc has given us an economics 101 lesson. I find it quite incredible that somehow we are in bad shape in this country because of our foreign exchange rates.

I was greatly pleased to go to the unveiling of the KPMG book that everybody has been talking about recently. It states that Canada is number one in the world with respect to its competitive position. Yes, foreign exchange is part of that. They say that at a 79 cent dollar Canada will start to lose that competitive position.

● (1645)

These people are suggesting that somehow we enter into a monetary union, the net effect of which would be that we would lose our competitive position that we now have, and at the demise of the province of Quebec I might add. From sector to sector, from the software sector to the high tech sector, Canada has been rated as the number one place in the world to do business. I do not think we want to give up that competitive position just at some whim of the Bloc which is totally misguided. It does not even seem to suit the Bloc's own agenda.

We should be celebrating the fact that the Canadian economy is robust. It has the opportunity to be competitive in world markets. I would encourage all members of the House, including those in the Conservative Party, to stand up four square and object to losing our sovereignty and losing our ability to make our own economic decisions.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, this does not make sense. First of all, the member says that, if we had the same currency as the United States, Quebec would have no input into monetary policies.

Quebec forms 25% of Canada, and we already have no input into Canada's monetary policy. Is the member making fun of us? We had no input into the Constitution or the social union agreement. We never have any input. This will not change in an American context.

Now let us look at the facts. Canadian businesses already have bank accounts in U.S. dollars. Why? Because there is a tremendous amount of trade between Canada and the United States, to the tune of \$1 billion a day. What country is the United States' largest trading partner? Is it Japan? Not at all. Is it Great Britain? Absolutely not. It is Canada, and 55% of Quebec's exports go to the United States.

Our businesses here in Canada already work in U.S. dollars. They try to stabilize uncertainties due to fluctuations by buying what is called future contracts on the value of the U.S. currency. We already have a highly integrated economy.

So, Mr. Know-it-all over there, holder of the absolute truth, who refuses that a committee of the House of Commons be struck to consider these issues, really does not know anything at all and above all does not want to know anything.

[English]

Mr. Alex Shepherd: Mr. Speaker, I do not think it would take a lot of intelligence to realize we do not start studying something which means the demise of our own economy and of our own constituents. The member talked about what he believes to be the fact that somehow the Quebec people have no say in monetary policy. I would like to point out the obvious. Some of the directors of the Bank of Canada come from the province of Quebec and Quebec does have a say in how we arrive at monetary policy.

We deal in foreign exchange relationships all the time. As a matter of fact I was surprised to learn the other day that the largest flow of American dollars outside of the United States is not in Canada but in the Soviet Union. People are using the American dollar as a source of foreign exchange in world denominated currency. That does not mean we have to be part of that hegemony of the American system. In fact foreign exchange conversion is quite healthy and quite easily done.

A lot of countries thought the American dollar was so wonderful that they were going to peg themselves to the American dollar and this would create stability within their own economies. We do not

have to think back further than Southeast Asia and the Indonesian crisis and so forth and of countries which were unable to make it. Brazil just devalued its currency. Countries could not maintain that support level because it was artificial.

• (1650)

The reality is that if countries cannot adjust the foreign exchange rate domestically, someone will do it for them by the loss of jobs, by high interest rates. It would be a brutal and costly tool to inflict on their own population.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, listening to the hon. member's comments, I wish to clarify our party's position on this motion. We are supporting this motion.

We believe this is an important issue that deserves discussion by members of parliament. Economists are discussing this issue as we are here today. They have been discussing this issue for months. I suggest that there are probably bureaucrats in the Department of Finance who are discussing this issue. As their elected officials, we owe Canadians at least that amount of respect to discuss the issue in this House.

I spoke to the reasons I am personally opposed to a common currency at this time. They are many of the same reasons the hon. member articulated. His party was the same party that opposed free trade in 1988. His party in the 1993 election in which he was elected opposed the GST. We cannot take the Liberals seriously.

Mr. Alex Shepherd: Mr. Speaker, it is odd that the opposition from time to time comes out and says "Is it not a terrible thing that you whip your caucus?" This man just said he disagrees with his own party's support of this motion yet he is going to stand up tonight and support it. Where does that put him?

The Deputy Speaker: It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Yukon, Aboriginal affairs; the hon. member for Winnipeg North Centre, The budget.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, this is not really a debate about monetary policy. My colleague from Durham came closer to the truth when he mentioned words like sovereignty in this debate. This is really a debate about national identity and the preservation of national identity.

As far back in time as money began, in the ancient city states of Greece, money represented and contained on it the images of the state. Usually on one side was a god or goddess and on the other side, some symbol of the state. In Roman times, the Romans put the effigy of Caesar on their coinage. They used that effigy to establish their identity throughout the civilized world at the time, all of the Mediterranean. In about 100 AD a coin with Caesar's

head on it could be found anywhere, even in Britain. That coin said Rome.

Money still conveys that image. It still has that purpose. No country knows that better than the United States of America. The Americans know full well that when their dollar is circulated around the world, it says to the world "We are the most powerful country in the world". It also says "We are successful. These are our values". As the member for Durham mentioned, in the Soviet Union the real money of commerce is the American dollar.

Earlier this year I was on holiday in Belize. Belize is a small English speaking country on the shoulder of the Yucatan Peninsula in Central America.

Belize uses the Belizean dollar. It looks identical to the Canadian dollar, complete with the Queen. On the reverse of the Belizean dollar, the paper currency, there is a scene of Belize. Nevertheless, when it is flipped over, the Queen can be seen. It is similar to a Canadian bank note. I suspect that the Belizean dollar is actually manufactured in this city. Of course, the Canadian authorities print money for many countries around the world.

In Belize things can equally be bought with the Belizean dollar or the American dollar. I suggest there already is a pan-American currency in use everywhere in the western hemisphere and that is the American dollar.

In any store on Sparks Street paying in Canadian currency is fine, but paying in American currency is fine as well. We already have precisely the kind of pan-American currency that is proposed by the Bloc motion.

● (1655)

In Europe there is a long tradition of national independence, especially in France and England. The arrival and the power of the American currency in Europe has caused great concern and distress. Particularly France is concerned about losing its national culture, symbols and sense of identity to a kind of American hegemony worldwide.

This sentiment is echoed worldwide, the fear that the United States will establish its values everywhere. We have reason to fear that because global television now penetrates every corner of the world. English and American values are dominating the cultural message that is going out across the world.

One of the few things we as national identities have left to preserve our sense of self is our money. I was absolutely mortified and distressed in the 1980s before I ever became an MP when the previous government, the government of Brian Mulroney, came along and changed the Canadian currency, changed it to make it more neutral, less patriotic, less Canadian.

When I was young, as a paper boy I can remember the first time I obtained my own earned money. Collecting door to door I would be given a one dollar bill or a five dollar bill. Money in those days had scenes of Canada. I remember as a child looking at those bills and thinking that is my country.

Mulroney came along and as part of this whole pandering to the Quebec nationalists, the Quebec sovereignists, Mulroney tried to take away many symbols that represented Canada from things like our postage stamps and our money. I suggest that if we, and when I say we I mean all of us, French-speaking Canadians and English-speaking Canadians, want to preserve a sense of who we are, whether we think of ourselves in one region or another region, then we have to preserve those few symbols that are left to us as Canadians.

I suggest that in no independent country of Quebec is there ever going to be a currency that could survive for more than two weeks. Even in the proposition of independence was the suggestion that a separate Quebec would adopt a Canadian currency.

If that is the rule, that Quebec separate, alone or together, cannot have anything better than the American dollar bill to represent the French-speaking fact of this country, then how long would that French-speaking fact survive? It would not survive because the Americans are not tolerant of the nature of this land. The nature of this land is this beautiful country that includes two very strong linguistic cultures. That has no part in the American plan.

I see members of the Bloc Quebecois smiling. If they were to go to France they would hear the French talk about the Americans and the dominance of the English language in France, of Disney World and all the symbols of the United States that are invading France. The French understand how necessary it is to protect their country with its own symbols.

I suggest there is a reason for the Euro. It was recognized in Europe among those 11 countries that if they were going to survive not just as an economic entity but as a sovereign entity against the American cultural power, they had to have their own currency.

What is behind all of this is not monetary policy because it really has nothing to do with that. We are in a global economy. This really has to do with images, symbols and a sense of ourselves, be we Canadians or Albertans.

● (1700)

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I think the member said "be we Canadians or Albertans". I think Albertans are Canadians as well.

That being said, I agree with what the hon. member said in his speech today. I just want assurance that the Liberal Party will not change its position.

Supply

I remember back in 1974 when Liberal leader Pierre Trudeau campaigned against price and wage controls against Bob Stanfield from Nova Scotia and the famous line "zap, you are frozen". He won a majority government and all of a sudden in came wage and price controls.

I remember the famous GST debate when the predecessor of the Reform Party, its hero Brian Mulroney brought, in the GST. Who campaigned against the GST? The Liberal Party. It is in power. I just checked today and the GST is still there. The Liberals changed their minds.

I also remember a famous free trade debate once again brought in by the Conservative Party. I see free trade is still there. The Liberals changed their minds.

Will the Liberal Party to be a chameleon from here to eternity or can we trust that what the member is now saying will remain as Liberal policy for at least the next four or five years?

Mr. John Bryden: Mr. Speaker, I am delighted to inform the member that since 1993 with this Liberal government, backbench Liberal MPs have been fully engaged in helping to create policy. I can assure him that through committee, through caucus, we will set the government on the right course, protecting our national sovereignty.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, the chronicle by the previous speaker is so accurate. All this was of course set out in the red book, which is almost as red as some of the government members' faces whenever these inconsistencies are brought up.

I think the hon. member does raise a very good point when he talks about the actual issue here being sovereignty. It is not so much sovereignty. The Bloc, in fairness, has brought this motion forward to examine the issue, an issue that is taking place everywhere else in the world and, as previous speakers have indicated, something that is very likely going on right now in the Department of National Revenue. The issue is not necessarily about sovereignty today. It is about examining something that needs to be looked at.

We want to make it very clear. I do not know if there is some hidden agenda here that was alluded to by the hon. member. Perhaps we should beware the ides of March. The Conservative Party is not supportive in any way, shape or form of having a dollar tied to the Americans or having a common currency. We are supporting, however, looking at this issue further in a committee. That is the position we are putting forward.

Mr. John Bryden: Mr. Speaker, I submit that when a party supports a motion like this, it has to take whatever is behind the motion as well as the motion at face value.

It is very obvious in my mind that the question of money and the symbolic importance of money is very central to how we identify ourselves as countrymen. I caution the member that perhaps he has not thought of this aspect. I have raised this aspect and I had hoped in view of that he might consider how his party will vote on this motion.

[Translation]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I have been listening to the debate from the very beginning, and I think the last Liberal speaker gave us a very good illustration of the Liberal position. Liberals are stuck with symbols of the past, they are looking to the past, and they have a hard time getting involved in modern debates that are forward looking, because they feel threatened and they are afraid of coming to grips with their own identity.

In his remarks, the hon. member has never mentioned economic arguments or the impact on exports, which would make an interesting debate, or the transition to be made if we are to have a new currency. There is not a single economic argument in his remarks. His favorite words were pride, symbols, and value. That reminds me a lot of the debate on free trade.

Here is my question to the hon. member. Since he said that our currency represents his pride of being Canadian, his identity, the sense of belonging he feels when he looks at the Canadian dollar, could he explain why this proud symbol represents the Queen of England? Is that symbol of the past what makes him so proud of being Canadian? He is not even able to have on his own currency more proper symbols of Canadian culture.

[English]

Mr. John Bryden: Mr. Speaker, I cannot thank the member more for his observation because I believe absolutely that it is high time we changed those symbols. I would like on all Canadian dollars and all Canadian currency the symbol of the Canadian flag.

The hon, member is absolutely right. It is high time this country cut those symbolic ties to Britain and stood up for itself, Canada united, all of us.

• (1705)

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to address the Bloc motion today which I shall read into the record so members and people watching this on television will understand what we are doing:

That, in the opinion of this House, a special parliamentary committee of the House of Commons should be struck in order to consider the possibility of Canada's participation in the creation of pan-American monetary union.

On behalf of the Reform Party, I think my colleagues do not have anything against the motion or do not have great concerns about this motion. It is well and fine to discuss this and send it to some kind of committee. That is not a problem at all. What I am concerned about is that in doing this we will start to take some of the attention away from the dreadful record of this government when it comes to the Canadian dollar. I will address that in a moment.

First let me address some of the pros and cons of having a pan-American currency. Many people have discussed this lately with the advent of the Euro. There are some good aspects and some bad aspects. The sovereignty issue is one of the biggest issues people are concerned about. Their concerns are very valid. The Canadian currency is a repository for many of our symbols. My colleagues in the Liberal Party have made some good arguments about that. That is fine. We acknowledge that that is a big issue.

Some of the pros of doing this, of having a pan-American currency, would be things like business issues. Some businesses have for a very long time been sheltered from competitive pressures because the dollar has been used as a buffer to protect them. All of a sudden that would be gone. They would then be forced to compete and improve their products and services. In doing that they would raise the standard of living of Canadians. That is one of the great advantages.

There are disadvantages too. We are in a country where so much of our GDP is dependent on commodity prices. We have seen this recently. If all of a sudden commodity prices go in the tank and the dollar cannot adjust for it, we run into a situation where we may have some dislocation, some unemployment and those sorts of things. We should have that discussion but it is not timely to have that discussion today.

The real issue today and the things we have discussed in the House of Commons in the last couple of days are the ones we should keep discussing. I am talking about this government's dreadful record in protecting the Canadian dollar under the system we currently have.

This is an important issue not because it is important that our dollar be at some particular number or figure but because where the dollar is tells us something about the state of the Canadian economy. Many people regard the dollar and the level it is at as a barometer of the health of the Canadian economy. We should become concerned when we see it fall to record lows. We saw that happen this summer. Frankly, it has barely budged from that point.

It was not long ago, in fact just a few years ago, when we had the current finance minister, at the time running for the leadership of the Liberal Party, rip the Conservative finance minister at that time, Michael Wilson, because the dollar had fallen below 80 cents. He said it would be a free fall. It would collapse if it went below 70 cents. Under this government it is at 65 cents. It is bad enough that the dollar has fallen. When our dollar is that weak it effectively

means that Canadian families have to face a pay cut because they are now buying imports with those cheaper dollars. That in and of itself is a bad thing.

It goes beyond that. As I said, the state of the dollar is also a barometer of the health of the economy. When the dollar falls that dramatically and is so listless as it is today that tells us a lot about the policies of the government. It tells us a lot about the fiscal policies of this government.

• (1710)

Let us discuss some of those. We know Canadian productivity is absolutely in the tank. We have report after report drawing attention to this. We see the OECD issue a report that talks about Canadian productivity falling dramatically although at one point we were one of the leaders in the world. We know from companies like Nesbitt Burns that our productivity is in the tank. The industry department of the Government of Canada has pointed out that Canadian productivity is lagging.

As we know from economics 101, if we are producing less, not as much as other countries, if our productivity is not staying up there, we are not producing as much wealth and our standard of living is falling. That is one of the primary reasons why Canadians today feel hard done by. They do not necessarily understand all the arguments being made in this place today but they know they just do not have as much money as they used to have at the end of the month to pay the bills. That is a tragedy. This is not just an economic debate. It is a debate about the situation many Canadian families are in today.

Just before Christmas the industry minister revealed, perhaps unwittingly, the policy of this government when he said that high taxes aid productivity in Canada. That is what the industry minister, the would-be finance minister, said. The Reform Party, the official opposition, thinks the industry minister is off his rocker. We say that high taxes are one of the things that kill productivity in the country. We say that high taxes make us less competitive. We say that when you have high taxes you have a weak currency. That is exactly what we told the government again today.

The government's defence is to drag out a report done by KPMG consulting that states that the two biggest selling advantages of Canada when we try to promote it around the world to attract investment are low wages and a weak currency. Talk about trying to put the best face on a bad situation. It does not talk about how our taxes are so competitive and how we are attracting business that way, in the manner Ireland has done it over the past several years, or the United States, the U.K. or other countries.

The government trots out these arguments which at best would seem to be acts of desperation when it starts boasting that we have low wages. The fact that we have low wages may attract some business but my friends across the way would have to admit it is a third world argument. The people who are being paid those low wages are not very thrilled about it. They want to see wages going up.

We see this pattern over and over again where the government is faced with all this bad news and tries desperately to put some good face on it. It would take 100 Mary Kay beauty consultants to dress that argument up and make it look good. Canadians do not buy it for a second. They are tired of seeing their standard of living eroded, and they see it over and over again under this government. They see taxes going through the roof, they see a \$580 billion debt and they intuitively understand that is connected to the state of the Canadian dollar and their eroding standard of living.

We ask the government to set aside the feeble arguments it has been making about Canada being attractive because we do not pay our people very well and Canadians are willing to work for peanuts. Set those arguments aside and address the issue head on and say we have a tax problem. Our taxes are 30% to 40% higher than in the United States.

Hon. Jim Peterson: Say don't come to Canada.

Mr. Monte Solberg: I am being dressed down by the junior minister of finance, the selfsame member who dressed down homemakers the other day. Do not get me started on that. I do not think the minister wants to hear about that again.

We encourage the government to face this issue head on. Instead of getting engulfed in a debate about a pan-American currency, which is a fine debate to have at some point, let us address the things we can do something about to not only improve the productivity of the Canadian workforce and make our businesses more productive but to put more money into people's pockets, to reward them for the job they have done in balancing Canada's budget, to reward them for creating the wealth that makes Canada one of the greatest countries in the world to live in.

● (1715)

Those people should be rewarded. In so doing we will find that our dollar will start to strengthen. My friends in the Bloc, in the Liberal Party, in the Conservative Party and in the NDP would agree that if we ever had a debate on a pan-American currency and decided for some reason to actually proceed with a pan-American currency, it would be an awful leap to go from 65 cents Canadian to a full \$1 and not have all kinds of dislocation as a result.

In the meantime, why do we not take some steps with the tools we already have to improve the strength of the Canadian economy and thereby the Canadian dollar? Why do we not start to cut taxes? Why do we not pay down the debt?

The government had a golden opportunity with the last budget. What did it do? It blew it. Instead of taking what would have been a very large surplus and using it to start to cut taxes in a meaningful way, it dramatically increased spending. Its spending budget was \$104.5 billion. Instead of sticking to that budget it decided to go over budget by almost \$8 billion.

If I were in the private sector and did something like that, I would be kicking stones down the road and without a job. However, each and every year the government goes over budget. It raised next year's spending projections by \$4 billion. It goes on and on.

The government has the tools to begin to address the problem of a weak Canadian currency. It simply refuses to act. Despite all the rhetoric we heard from the finance minister when he was on this side of the House and pursuing the Liberal leadership, the government has the tools and it refuses to use them.

Now all of a sudden the spectre of a pan-American currency is raised as some way to get us out of this mess. We say that debate is much too premature. We do not need to have that discussion today. In fact, we think it takes the heat off government which for too long has delayed dealing with the issue of productivity and strengthening the dollar. We would much rather see it address this issue head on.

I have talked a lot about the failure of the government's record. It is a record it should be embarrassed about. I simply ask my friends across the way to not take my word for it. Let me quote from people who watch the performance of the government. Here is a March 5 press release from Nesbitt Burns:

Canada's poor productivity performance is the result of confiscatory and uncompetitive tax rates—and dramatic tax cuts are urgently needed in order to boast economic activity, job creation and income growth.

We have all kinds of quotes from the Conference Board of Canada, CIBC, Wood Gundy, and on and on they go, about the horrible performance of the government when it comes to productivity.

I will not only criticize. I will offer some concrete solutions on what to do about this problem. The first thing we should do is not get sidetracked on this debate about a pan-American currency.

The second thing we should do is take the surpluses we have and instead of spending them on all kinds of ridiculous programs, as the government does each and every year—

Mr. Tony Valeri: Like on health care and education.

Mr. Monte Solberg: My friend across the way says "health care". No, I am not talking about health care. I am talking about regional development grants which the government uses year after year despite the fact that the auditor general and many of the

pro-business groups in the country find them completely distortionary and completely wasteful. They actually do much more harm than they do good.

Once we freeze the level of spending at \$104.5 billion and reallocate money within that envelope toward higher priority programs like health care, we argue the government would be able to run up some large surpluses and use those to start the process of giving Canadians tax relief.

● (1720)

The government will argue it gave tax relief. If we look at the numbers and calculate the tax relief the government gave against the tax increases it brought in, we find that over the next three years Canadians will be \$2.2 billion worse off. That is no solution. We need to have dramatic net tax relief.

That is why we are advocating \$26 billion in tax relief, which would amount to \$4,600 for the average single income earner with a family of four. This would be a tremendous amount of money left in the pockets of Canadian taxpayers. That money could be used to spend on things they want to spend it on. That would help our productivity. We need \$17 billion to pay down the record high levels of debt in Canada today of \$580 billion. We need to start paying that down.

Instead of getting into the argument about a pan-American currency, instead of trying to hide behind the very feeble arguments that we found in the KPMG report which came out the other day, we urge the government to face the issue head on.

It is time to give Canadians a break. They are the ones who balance the budget. They are the ones who produce the wealth in the country. Let us give them a break. Let us not continue to find ways to waste this money like the government always does, without fail. No matter what government it is, Liberal or Tory, it seems to find a way to waste it. Let us give that money back to taxpayers. They are the ones who balance the budget. They are the ones that deserve to benefit from the money going to the government.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Madam Speaker, I listened to the arguments of our Reform Party colleague and I was under the impression he agreed we should study the issue but then it became clear that he wished there were other priorities.

I would like the member to answer my questions. Recently, our dollar has been falling and this helped Canadian companies in the natural resources area to maintain their export levels. However, as the dollar falls, other businesses in Quebec and Canada see the cost of importing raw materials and finished products rise. Our econo-

my is not just based on primary products. Our economy is more diversified. We have problems with the rate of exchange.

Let us consider hockey players, for instance. Earlier, another member talked about the symbolic importance of a currency for national pride. Now in our national sport, hockey, players want to be paid in U.S. dollars. I think something is wrong and we should ask ourselves questions.

Executives of large businesses also often ask to be paid in U.S. dollars. Why? Because our dollar can be worth 66 cents today and only 64 cents a year later. This represents a loss of salary of almost 3 to 4% for someone who is paid in Canadian dollars compared to U.S. dollars.

Let us consider the long term development plans of a business wishing to export to the American market in five years. How much will the Canadian dollar be worth then? Let us go back five years. Our dollar was worth 70 cents. It lost about 12%, but regained some of its value. How can we have long term export plans to the American market in those circumstances? We have problems.

There are many issues we should address and I will conclude on that. Should we have a common North American or pan-American currency? Should we have a floating dollar or a dollar on a par? Should we have new monetary instruments? The bottom line is there are solutions but we will find them only if we raise issues. This is why the Bloc Quebecois is suggesting that a committee be struck.

[English]

Mr. Monte Solberg: Madam Speaker, I recognize and agree with many of the points my colleague from the Bloc has made. I think we need to have this discussion somewhere down the road.

I am concerned that in getting involved in this discussion the heat will come off the government for its disastrous track record when it comes to the Canadian dollar. The government has allowed the productivity of the country to fall because of its high tax, high debt policies. As a result we see the ability of many Canadian companies being in peril when it comes to competing around the world.

The way to fix this is not to let the government off the hook by becoming involved in some wide ranging debate about monetary union and that sort of thing. The way to deal with it is to go back and undo the disastrous policies of the government.

• (1725)

We do not need any more high tax policies. We have to reverse the trend to regulate the Canadian economy to the point where business almost chokes on the amount of paperwork it has to go through in the course of a day.

Supply

We are saying the emphasis is the bone of contention of the Reform Party. We need to put emphasis on fixing the fiscal policies of the country. Then we will see a stronger dollar and at that point have this debate in full.

Mr. John Bryden (Wentworth—Burlington, Lib.): Madam Speaker, the member for Medicine Hat connected the standard of living with the low dollar on several occasions in his speech. Would he not agree that the standard of living is actually tied to purchasing power as well as to the level of the dollar? As a matter of fact it is more tied to purchasing power.

All the member has to do is travel to Italy, England, any European country or Japan, for that matter, to find that the real cost of consumer goods, particularly essential goods, is far higher in comparison to Canada. I am talking about rent, foodstuffs and whatever.

This is probably the reason we are still considered by the United Nations as one of the richest countries in the world. Our standard of living is very high. Even though our dollar is low relative to other countries, its purchasing power in Canada is still very high.

The argument he presented, in particular with respect to the low dollar, does not hang together very well. What we are talking about is that when we have a low dollar relative to other nations it attracts investment in the country and encourages the buying of exports. It is a net positive thing rather than a negative thing.

I would like to pose a direct question to the hon. member on the suggestion that somehow the Americans would agree to set their dollar aside for some kind of pan-American special currency. Does he not agree that is pie in the sky, a total dream? The Americans are tough guys in the world when it comes to monetary policy, fiscal policy and economics, and there is no way they would ever give any time to such an idea.

Mr. Monte Solberg: Madam Speaker, as the member knows, never is a long time. In a sense I think the debate is irrelevant. At this point we are far from being in a position where the Canadian public would even consider having a debate about it. I do not see the point of going down this road at this time.

The far more important issue, and the issue that is important to the pocketbooks of Canadians today, is the fact that our low productivity means we have a lower standard of living and that is reflected in a low dollar.

My friend has said that a low dollar is a positive thing. I say to him that if a low dollar is a positive thing we should hope for a 40 cent dollar, a 20 cent dollar, a 10 cent dollar. Then we could imagine how prosperous we would really be.

We heard about the KPMG study where the government is saying low wages are a great reason to come to Canada. The government should be bloody well ashamed of that argument. It is

embarrassing to the government and to members across the way that they would trot that out as a reason for people to come to Canada. I hope they apologize.

Mr. Peter Adams: Madam Speaker, I rise on a point of order. As far as I am concerned bloody well is not appropriate language for the House of Commons.

I think you should rule, Madam Speaker, that the member is out of order and should ask him to apologize. We are on television. School is out completely in Ontario and in many other parts of the country. Children are watching this broadcast and I do not think bloody well is appropriate.

The Acting Speaker (Ms. Thibeault): I would ask the hon. member to be very prudent in his choice of words.

[Translation]

Mr. André Harvey (Chicoutimi, PC): Madam Speaker, our Reform Party colleague scornfully tells us that the debate is irrelevant.

(1730)

He would like speedy tax reform to increase productivity, but there are always two ways of attaining one's goals in life: get there directly through tax reform, and he knows very well that the present government does not seem to want to move quickly in that direction; or get there indirectly.

If one wants to establish a balance of power during negotiations, this debate about striking a committee to consider the matter will certainly put us in the position of having to carry out a tax reform.

I think the debate is badly aligned. If the motion is well drafted, and I believe that it is, it contains no mention of a common currency. It talks about a pan-American monetary union. This in no way excludes national currencies.

I would like to ask the member if he in fact makes a distinction between a common currency and a pan-American monetary union that retains national currencies as is, with a strict variation in the rate of exchange.

I think the motion has been well drafted but very badly understood by all members of the House, and I would ask him to provide some clarification.

[English]

Mr. Monte Solberg: Madam Speaker, I guess I see the actual motion as a bit of a distraction from the important issue of the day which is that Canadians are seeing their standard of living eroded. We see the government coming up with trumped up, very feeble arguments as to why that is somehow a good thing and the way to attract business.

I would hate to see the debate get off track and get away from that when the government has something to account for. That is why I am not really opposed to having the discussion but opposed to having any amount of emphasis put on it at this time. It may be a discussion for somewhere down the road.

There is no magic bullet to fixing this problem. There is no single solution that will fix it. The best way to address the issue of a weak currency is to ensure that Canadian business and investment is competitive. The way to do that is to start to cut taxes and pay down debt. That is the way to address this.

Mr. Steve Mahoney (Mississauga West, Lib.): Madam Speaker, I feel like I have been watching a ping-pong match and wondering who the players are because we have a member of the Conservative Party saying this is not about common currency. We have a member of the Reform Party saying the Canadian public does not want to have this debate but he thinks it should go to a committee anyway.

It is really quite bizarre but it has helped me today in one way. I finally discovered what the united alternative is. I see the member for York South—Weston who would be their leader. Let me tell the member what he will be leading. He will be the Conservatives and the Reformers, and the bed will be awfully crowded because it will be full of separatists. It is truly mind boggling. That is what we are hearing.

We should take this debate today and play it back for the members opposite just to see how much they have gone from here to there during today's debate. It is quite remarkable. The member for Saint John must be shaking her head. She is coming out to give some leadership to her caucus colleague, to say "you didn't really say we were going to support this". She is probably having apoplectic attacks over the fact that someone in her caucus has committed her caucus to vote in favour of this.

Why would that bother a true Canadian? My colleague from Wentworth—Burlington hit the nail on the head. For someone else to suggest there may be a hidden agenda is bizarre. What is the driving force behind the Bloc every day?

An hon. member: It's the Bloc.

Mr. Steve Mahoney: The member says it is the Bloc. It is worse than that. Every day its raison d'être, its reason for coming to work, is to destroy Canada.

An hon. member: It's a paycheque.

Mr. Steve Mahoney: Maybe it is a paycheque. That is a bonus, and only in Canada would we be stupid enough to give paycheques to people who want to destroy the country. It is absolutely amazing.

An hon. member: Point of order.

Mr. Steve Mahoney: There is a point of order over there. He does not like the amount of his paycheque, I guess.

• (1735)

[Translation]

Mr. Pierre de Savoye: Madam Speaker, I rise on a point of order.

The member opposite is trying to say that I do not earn my pay cheque. I am a duly elected member just as he is. I do my job and I ask him to withdraw his words.

[English]

The Acting Speaker (Ms. Thibeault): Once again I advise members to please use their words very judiciously.

Mr. Steve Mahoney: Madam Speaker, I thought I did. I made the point and I will make it again. Only in a country like Canada, where our dedication to democratic principles is clearly the highest in the world, would this institution allow for paycheques to be handed out to individuals who are dedicated to the destruction of this place and this country. If they want to take offence that is their problem. It is really quite amazing.

What we see is this crowded bed. It is clear to me that the so-called hidden agenda is not really so hidden. Their counterpart, the Premier of Quebec, Mr. Bouchard, a former cabinet minister in a Conservative government, has said that he is dedicated to creating winning conditions. Those would be winning conditions so that he could win a referendum, so that he could lead the province of Quebec out of the federation of Canada. That is their goal. No one can deny that. They can rise all day long if they wish.

Since Bloc members have been elected by certain people in the province of Quebec I presume that they support Mr. Bouchard's position. If not they should rise on a point of order and tell us they do not agree with their premier. Clearly they are attempting to create winning conditions so they can take their province out of this country.

This motion is supposedly not about common currency. It is about a united pan-American monetary policy without currency. We will have funny money, Canadian Tire money. Maybe they will accept that.

An hon. member: What is wrong with Canadian Tire?

Mr. Steve Mahoney: Nothing is wrong with Canadian Tire. It is great. This member would obviously try to build an economy on a foundation of coupons. We have a policy on the books being debated that we should convert to a system of coupons. It would not surprise me if that is where the supposed would-be leader of the united alternative tried to lead this great country.

The point I want to make is that the Bloc is interested only in undermining anything Canadian. It would undermine anything that stands for principles of democracy in this country. That is its goal.

Supply

It wants to destroy the country. It is in its interests for it to pass a motion if it believes or subscribes to that particular policy.

Let us be soft and gentle. Let us send it to committee. It really will not hurt anybody. It is interesting. This is an opposition day. This is the opposition's opportunity to put on the floor of the House of Commons issues of concern to its constituencies, to its party, to the people of the nation.

Why would it not talk about some of the things that concern all parliamentarians if it is doing its job on an equal footing? Why would it not talk about poverty? It is a problem. We in the government have to acknowledge that. It is a problem that we intend to do something about. We will work with the Canadian people toward ending it.

Why would it not talk about housing programs? We know what the provinces have done across this land. I know what happened the minute Mike Harris took office in Ontario. He cancelled all social housing in the entire province.

● (1740)

Why would we not have a debate about that? Maybe it is time the federal government got back involved along with the provinces, along with the area municipalities, along with the regions, along with the non-profit housing corporations, along with the charitable sector and along with the private sector. It is time we got involved in housing.

Why would we not have a substantive debate over something like that? Opposition members want to put forward nonsensical motions the Canadian public could care less about. It is concerned about those issues that hit it.

I want to talk about the Reform for a minute. I do not often do that. I will take a minute because I was very interested to hear the member for Medicine Hat say Canadians are not producing. It is fair game for these members opposite to stand up in this place and take their best shot at the government. Go ahead, we are big boys and big girls. We can handle it. They have trouble taking it back.

Why would that respected member, the finance critic for his party, criticize Canadians and say that they are not producing? Why would he lead an attack on the Canadian people? The truth is the Canadian people are hardworking, honest, dedicated and community oriented. We have a wonderful country with wonderful people in it.

It seems to be in the interests of members of the opposition to stand up and denigrate Canadians right across this land. I fail to understand it. He then said Canadians do not understand what we are debating here today. I wrote it down the minute he said it.

Let me tell the member what they do understand. They understand they are not Americans. They understand they are not separatists. They understand they are not extremists. They are

Canadians. They understand and they do not want to be any of those things.

A Conservative member made reference to the ides of March. It reminded me that we are only two days away from St. Patrick's Day, which then reminded me of that wonderful photo op that occurred when Ronald Reagan and then Prime Minister Mulroney sang "When Irish Eyes are Smiling". There was a wonderful sense of warmth and feeling in this country as Mulroney climbed into bed with the elephant on one side and the separatist on the other side. This is clearly déjà vu all over again.

The Tories will support this motion. That is remarkable. The Tories are actually agreeing that we should go to committee and discuss what amounts to the break-up of this nation. I find it astounding.

An hon. member: Every sparrow that falls.

Mr. Steve Mahoney: I am not sure what the member means by that.

The opposition is uniting to support a motion because its members see an opportunity to derail and to set the agenda. The NDP has not said it will support this, so there is a tad of common sense on the left extreme in this place. I am pleased to say that.

In this section why are those members doing this? They want to drive the agenda. They want to throw a cog into the wheel of government any way they can. It does not matter. They have principles and if we do not like them, they have others. It is not a problem.

If we have to mess things up in this place by supporting a Bloc motion, one of the most nonsensical ideas I have ever heard of, they are not beyond doing that. They will lower themselves to whatever level of expectation or non-expectation, and the Tories agree.

Why would they not? If they were prepared to go dancing with Mr. Bouchard, why would they not climb into the sack with these guys here? It does not surprise me at all.

What we have is a regionalization of the political spectrum across this country.

An hon. member: Who did that?

Mr. Steve Mahoney: Brian Mulroney did that. I thank the member for asking the question. Keep throwing me more little tidbits. It helps.

• (1745)

We have regionalization. We have a western based party that is so confused it has actually gone to the rank and file in the Reform Party and said it wants to close shop. It does not think it can go any further than it has been.

I had an interesting opportunity when I was an observer delegate on behalf of the federal Liberal Party at the united alternative conference. It was like sticking a thousand pins in my eyes for the entire weekend, but I did it and saw the most incredible thing I could not believe.

When Jean Allaire, a committed separatist, stood to speak to the gathered throng of some 1,500 mostly Reformers, there was a standing ovation. Can anyone imagine a standing ovation? Then Rodrigue Biron, a noted economist from the province of Quebec who is also a committed separatist, addressed this august or not so august body, and once again a standing ovation occurred. I could not understand how this could happen.

For the last couple of weeks I travelled throughout the west on a task force meeting with folks from Richmond, Vancouver, Calgary and Winnipeg. There are no separatists out there. They are all true, red blooded Canadians. They believe in this land and the sea to sea to sea motto in spite of the fact that the political poobahs of the Reform Party ran those disgusting adds during the last election campaign. People in western Canada want Quebec to stay in Canada. Of course there are some who do not but the vast majority in their hearts want to keep this land strong and united.

It was quite remarkable to sit at this united alternative conference, which I must admit was only attended by two members of the Conservative caucus who were there more as spies than as any kind of supporter. They were not very happy and a little confused. I am sure they have been whipped into shape now and are back in line.

A number of the Conservative riding associations fired any of the delegates who attended. They kicked them right out of the party. That is called inclusiveness. It was quite interesting. In a certain way I do not blame the Conservatives. Why would they want to do that? They just went through a process where they elected an old leader to come back and help lead them to the promised land. Even though the leader of the Reform Party is throwing his entire party into the waste bin, at least the Conservative Party had the common sense not to do that.

We all agree in this place, even the Bloc members, their main goal or reason for being here is to lead their province out of Confederation. They want to enter into negotiations to have a pan-American monetary policy. The question has been put as to whether it would be the American dollar. Would the Americans just sit down and say that it does not matter, that they will cash in their chips and start a new dollar of some kind?

If that happened, would that be the thin edge of the wedge that would eventually lead Canada to no longer having a currency, an identity or a position on the international monetary scene? We would be seen as just sort of a hick-up on the side of some new pan-American dollar. That might lead to the break-up.

We would have a Canada divided along monetary lines. Its characteristics and its strengths would be totally destroyed and Quebec would see itself as being on its own. Who would Quebec have to deal with in that event? It would have to deal with the Yankees.

I want to know how many here think the Americans would tolerate separatism for more than a hick-up. Not a chance. In no circumstances would separatists be able to go into the hallowed halls of congress and debate that they should be allowed to separate from that body. It just would not be accepted or tolerated.

• (1750)

One Bloc member made the comment that living beside an elephant can be quite expensive. It is a heck of a lot better than sleeping with one in case it rolls over. That could be a little more than expensive. In essence that is where this would lead us if we were to follow it.

What a terrible waste of time, effort and money in this place and in our committee system when we should be talking to Canadians about what we will do for our youth, how we will help our young people. I am chairing a task force on youth entrepreneurship. I am honoured to do so, to be able to travel the country to meet with young people, to listen to their hopes and their dreams, to listen to what government should be doing to assist them in creating a future for themselves.

The reality is that young people realize economic times have changed. They may not simply be able to rely on a job from a large company any more. They might have to be more creative. It is amazing how creative our young people are. I met with eight young entrepreneurs in Regina at a round table. They told me their stories of how they had opened their businesses, how they were proud to be Canadians, and how they were proud to be young, working and succeeding.

There is such a positive story to tell but all we hear is the doomsayers, the negatives, the Reformers, the sky is falling. I have news for them. The sky is not falling; the sky is the limit in this great country.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, should we laugh or cry? It would appear some people are suffering from microcephaly.

First, my colleague across the way suggested sovereignist members from the Bloc were lucky to receive a salary. Quebec contributes 24% of the funds in the federal coffers. Year after year my riding alone sends around \$400 million to Ottawa, and my paycheck is paid by my constituents, like every member of this House.

It is insidious on the part of my colleague opposite to suggest that because we are sovereignists we are lesser democrats, we do not do our job as well as others and we are less deserving of our salary. This is unacceptable, and I hope my colleague opposite will withdraw what he said.

Supply

Second, the motion introduced in this House by the Bloc is aimed at striking a committee to review extremely important matters regarding trade within the Americas. This issue deserves to be reviewed. It is extremely timely, which is being raised not only here, but also in Argentina and in the United States.

I point out that for years Panama's currency has been at par with the US dollar. Of course, its trade situation is very special because of the Panama Canal. In my previous life as a computer consultant, I visited Panama and realized that using the American dollar made trade a lot simpler.

Would it be the same here if we had the tools to prevent exchange rates from fluctuating? These are questions we have. They are important.

In conclusion, the Liberal member, and all his Liberal colleagues who took part in the debate today, would be well advised, instead of showing their ignorance of facts, to let such a committee do what it takes to inform us.

Mr. Steve Mahoney: Mr. Speaker, with a pan-American monetary agreement, Canada would no doubt have to adopt the American currency or a new currency, a new, completely new dollar system, which would be dominated by the American political interests.

Under that new system, Canada would give up its national monetary policy, which is an integral part of its sovereignty.

• (1755)

[English]

This is about giving up sovereignty. This is about destroying the country. I do not care if the member is happy with his paycheque. I am not happy that he is getting paid to sit here and destroy Canada.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, this is a very solemn moment for me. I have been sitting here in silence for some 20 minutes while the member illustrated to me, to the House of Commons and to the people of Canada why there is a separatist party and why there is a Reform Party. I did not create it.

We in the west, the people of Quebec and the people of Atlantic Canada have tolerated for too many years being denigrated, being minimized and being insulted. It went all the way from Trudeau and his famous one finger salute to his denigrating statements against farmers. It continued with Mulroney and his arrogance and his father knows best attitude over the whole country, and it continues. I humbly want to say that illustrates why the Reform is here.

It would be good advice for Liberal members to watch the speech on television again, to review it and ask themselves the heart rending question: "Do you win friends by ripping into them the way the member did?"

We had a speaker at the united alternative who told us about the concerns of Quebec. He saw in our group some hope for solving the problem and staying in the country. We gave him a proud standing ovation and I would do it again. This member who was present has it all wrong.

Mr. Steve Mahoney: Mr. Speaker, I was fumbling around looking for some Kleenex and I am sorry I could not find any. Are members aware of what the separatist said at the united alternative conference? He closed his remarks with these words: "My language, my country", and the member across gave him a standing ovation.

As a Canadian it is my view that no one who believes in the country should give a standing ovation to an avowed separatist who came before a group legitimately trying to start a new party because the old one is dead. I understand that. Obviously they have to do something. For them to give a standing ovation is nothing more than an embarrassment to the people they represent.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I too have a question for the quiet, shy, unassuming, modest, very low key, low profile member from Toronto.

An hon. member: Mississauga.

Hon. Lorne Nystrom: Mississauga. I want to know whether the member will maintain his position of being against the common currency for the next few weeks or months because Liberals tend to speak one way and then suddenly change their minds.

I think of the promise against wage and price controls in 1974 when Trudeau said "Zap, you are frozen". What did he do? He brought them in. I think of the GST. The member for York South—Weston is here. He campaigned against the GST. The GST is still here. I think of the free trade debate and all of the sanctimonious speeches made on this side of the House when they were here, and the free trade accord is still with us.

How long will it be before the member changes his mind?

The Deputy Speaker: The hon. member for Scarborough—for Mississauga West.

Mr. Steve Mahoney: Mr. Speaker, what is the problem? Scarborough. Toronto. It is Mississauga. It is a beautiful city. It is the fifth largest city in the country. It has a wonderful mayor and a wonderful council. It is a great place. It never rains or snows in Mississauga. What else can I say?

Let me say to the hon. member that I do not have the longevity in this place that he does and I cannot answer for what happened in the era of Mr. Trudeau, but I can tell him that when I was elected in the last election I did not run on cancelling the GST. Not this member. This member will not run on that.

I believe most Canadian subscribe to what this party stands for. It was obvious in the election results. We have eliminated the deficit, no thanks to the Tory party. We have the country working again. We have created 1.6 million new jobs since we took office.

• (1800)

I cannot help it if members from Kicking Horse Pass or wherever cannot see the success that has accrued during the term of this government, but that is the reality. Let the hon, member read it and weep.

Mr. John Nunziata (York South—Weston, Ind.): Mr. Speaker, I have listened to the hon. member speak and he certainly likes rhetoric. But surely the member does not think it is helpful to the efforts of Canadians right across the country, who are trying to unify this country, for him to be so partisan and so disrespectful of the people of Quebec.

Well over one and a half million Canadians in the province of Quebec voted for the Bloc Quebecois. As distasteful as he may find it that there are members of the House who believe in a separate Quebec, they were given a mandate by about one and a half million Canadians in that province. Surely he should respect the people of Quebec.

What I read between the lines, between the rhetoric, is an anti-French attitude that is simply not helpful. Surely the member from Mississauga owes the people of Quebec an apology for some of the disrespectful comments he made a few moments ago. I am wondering whether the hon. member is speaking with the authority of the Government of Canada. I noticed that the House leader was here. The least he could do is—

The Deputy Speaker: The hon, member for Mississauga West.

Mr. Steve Mahoney: Mr. Speaker, it is quite amazing to hear this member make remarks like that. If we want to research *Hansard* we will find three words uttered by that very member. These are not my words; they were his words. He said "Separatists are traitors". Is he telling me that he would make a remark like that and somehow be denigrating the people of Quebec? That is nonsense.

At no time have I spoken against the people of Quebec. I speak against the Bloc. I will always speak against the Bloc because they are trying to destroy my country.

The future leader of the united alternative had better watch out. As I have pointed out before, if he is on their hockey team, they should not let him shoot on their net because he will score against his own team.

The Deputy Speaker: The time for questions and comments has expired.

[Translation]

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, I will share my time with the hon. member for Beauharnois—Salaberry.

I am pleased to rise today in this debate on a motion put forward by my party, the Bloc Quebecois, asking for a committee to be struck in order to consider the possibility of the creation on a pan-American monetary union.

This is a very serious issue and I am very proud to speak to it. I am not dealing with it the way opposite members are doing nor in the way they have been behaving for the last few minutes.

On the eve of the year 2000, in a world where economy, science, politics and energy are changing rapidly, we must deal with this issue within the broad modernization process in the context of globalization.

Every day, the media report large business and economic mergers. How can we remain passive in the face of the strong possibility of the creation of a joint pan-American currency?

The arrival of the Euro on the market last January was the trigger and the real beginning of this important reflection.

Who would have thought that only 40 years of negotiation would be needed for European countries to decide to create the Euro? The creation of the Euro gives back to Europe the look of an economic power resulting from the interdependence of eleven different countries.

The printing of the first Euros is the tangible result of the hard work of European countries after the second world war on the economic and social reconstruction of Europe.

We will soon be in the third millennium, and we will enter into multilateral negotiations at the World Trade Organization.

• (1805)

The debate on a common currency for the three Americas should start right now. While the Prime Minister of Canada and the governor of the Bank of Canada oppose this concept, the deputy premier of Quebec, Mr. Bernard Landry, who was an adamant proponent of the free trade agreement in 1988, is supporting the position of the Bloc Quebecois and its leader.

The FTA, followed by NAFTA have given Canada and Quebec a better access to the American market, and exports from Quebec have risen annually by 7% or 8%. Mr. Bernard Landry was right, and this trade agreement was fitting nicely in our agenda for Quebec sovereignty.

The creation of a common currency is another political and economic issue that should be dealt with seriously, in the context of

Supply

discussions and negotiations over international trade agreements and more particularly in the context of a sovereign Quebec.

That is why the Bloc Quebecois is requesting that a committee be set up to study this important issue. Even if the Prime Minister of Canada and his finance minister are completely opposed to this, all members in this House should do something concrete and demonstrate that a common pan-American currency is a most realistic project that should be examined right now.

The position of the Bloc Quebecois is that a sovereign Quebec should keep the Quebec-Canada monetary union, but we should go further than that in our thinking. We know that sovereignists are for change. They are open to this worldwide debate, contrary to the federal Liberals who do not want to move away from the status quo and who refuse any kind of change.

I remind members of the position taken by the Liberals in the 1988 debate on free trade. They were against the idea, including the then premier of Ontario, David Peterson. In 1999, it is the same scenario. Ontario Liberals are opposed to change and show no openness to prepare for the next 10, 15 or 20 years.

A few weeks ago, the Bloc Quebecois, a democratic party that listens to its grassroots members, formed a task force to examine the place of a sovereign Quebec in the world. The issue of a common currency will also be considered.

Personally, I support the creation of a common currency, as do my colleague from Charlesbourg and our leader. I am still convinced that, by the year 2020, three currencies will dominate the world market, namely the U.S. dollar, the Eurocoin and the Japanese yen. Twenty years is not a long time. Therefore, we must prepare ourselves for that economic possibility.

Members of the House of Commons must follow our lead immediately and consider the possible creation of a common currency. The federal Liberals still have closed minds and are incapable of dealing with such an important issue. They just refuse to get away from their old conservative way of thinking, from their unhealthy obsession with the status quo and from their narrow vision of Canadian nationalism.

I understand them. How can we expect them to be proactive and to renew their rhetoric when they are led by a man who is mostly inspired by the Trudeau philosophy of the 1970s? And what about the position of the New Democrats, who are also stuck on their old centralizing paradigms that are very close to those of the federal Liberals who are unable to have a world vision?

The Bloc Quebecois has taken the lead. Our members want to talk about this issue right now. We are a sovereignist party that anticipates the exceptional interdependent relationship of a sovereign Quebec with its other economic partners throughout the world. We are a party that looks forward to the future, not an old fashioned party like the Liberal Party opposite.

[English]

Mr. Bill Graham (Toronto Centre—Rosedale, Lib.): Mr. Speaker, I appreciate the opportunity to ask a question of the last member who spoke.

I think this is a very important motion and certainly one which is worthy of debate. I am not one of those who believes we should not be discussing this issue. This is probably an issue which will be the subject of discussion in the House and in the country for the next 10 years.

As the last member who spoke said, it is very clear that we are moving into a new community in the world where there will be three major currencies. The establishment of the Eurodollar has established conditions where in fact it will be very difficult for other currencies, smaller currencies, those that are not part of a block, to survive, whether it is the United States currency or the European currency.

People who are interested are very concerned about this. However, I think that the problems Bloc members have in terms of bringing up this issue are several.

The first is the paradox of wanting to jump immediately into a Pan-American currency over which they will have no control, when they would be leaving a currency which they presently, through the Minister of Finance who comes from Quebec and through their members of parliament from Quebec, have a direct interest in preserving. I do not understand that paradox from their perspective.

• (1810)

I ask the member another question. For those of us who are looking seriously at this issue, and who recognize that it is an issue, we realize that we are going to have to deal with the Americans. We are going to have to deal with the American Congress.

The member opposite and every member of the House knows that the American Congress today acts in a very unilateral way. Does the member seriously think that it is in the interests of Quebecers to abandon a system in which they have a direct role in participating in the decision making process to go to a system where the Americans will not allow us to have any input? Or does the member actually believe that we will get a seat on the federal reserve board of this new currency?

[Translation]

Mr. Odina Desrochers: Mr. Speaker, I am very pleased to see that there is at least one hon. member who is open to the possibility of a committee being struck. The pan-American currency is a project for the future. We have to talk about it. This is our position and we want to set up a committee. Is there anything more democratic that a committee?

Members opposite have chosen to address today the issue of Quebec's sovereignty. Let us be serious here. What we are proposing today is becoming a more and more distinct possibility in a global environment. The hon, member opposite, who is the chairman of the Standing Committee on Foreign Affairs and International Trade, should know this.

[English]

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, the member for Mississauga West early on in his speech today severely insulted me along with many western Canadians. He also gravely inflicted damage on the people of Quebec.

Mr. Peter Adams: Mr. Speaker, I rise on a point of order. It is my understanding that we are in questions and comments following the speech of a member of the Bloc. Is this relevant to that speech?

The Deputy Speaker: The parliamentary secretary is correct. The hon. member making his comments is supposed to make the comments and questions on the speech just heard. I am sure he was getting to that point.

Mr. Howard Hilstrom: Mr. Speaker, I was coming to that point, precisely.

The records of this House are meant to reflect what went on in the House and to reflect what happened.

I stand once again to ask the member from the Bloc if the debate today from the Liberal side does not make him want to cry out, as I do, for an apology from the Liberal government for what it has said and done to the people of Quebec and to the people of western Canada.

[Translation]

Mr. Odina Desrochers: Mr. Speaker, it is with great pleasure that I rise to demand one too.

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, I just learned a few moments ago that, according to a poll the FM 93 radio station in Quebec City held during one of its shows, 91% of its listeners are in favour of a pan-American monetary union.

So, my question to my hon. colleague from Lotbinière is the following: Is he surprised at the results compiled by the FM 93 radio station?

Mr. Odina Desrochers: Mr. Speaker, radio listeners in Quebec City are open people who believe in the future, so I am not a bit surprised by these results, and I am sure that if such a poll had been held throughout Quebec, its results would have been positive. It just goes to prove that Quebeckers are all for change and not for the status quo, unlike the federal Liberals opposite.

The Deputy Speaker: It being 6.15 p.m. it is my duty to interrupt proceedings and put forthwith any question necessary to dispose of the business of supply.

• (1815)

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.
Some hon. members: No.

The Deputy Speaker: All those in favour 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: Call in the members.

• (1845)

[English]

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

(Division No. 336)

YEAS

Members

Alarie Bachand (Richmond—Arthabaska)
Bachand (Saint-Jean) Bellehumeur
Bergeron Bernier (Bonaventure—Gaspé—
Îles-de-la-Madeleine—Pabok) Bernier (Tobique—Mactaquac)
Bigras Borotsik
Brien Brison
Cardin Casey
Chrétien (Frontenac—Mégantic) Crête
Jalbhond-Guiral de Savoye

Chrétien (Frontenac—Mégantic)
Crête
Dalphond-Guiral
Debien
Desrochers
Doyle
Dubé (Lévis-et-Chutes-de-la-Chaudière)
Duceppe
Dumas

 Gagnon
 Gauthier

 Guimond
 Harvey

 Herron
 Jones

 Kenney (Calgary Southeast)
 Lalonde

 Laurin
 Lebel

 Lefebvre
 Loubier

 MacKay (Pictou—Antigonish—Guysborough)
 Marceau

 Marchand
 Matthews

 Perron
 Picard (Drummond)

 Perron
 Picard (Drur

 Plamondon
 Price

 Rocheleau
 Sauvageau

 St-Hilaire
 St-Jacques

 Turp
 Wayne—49

NAYS Members

Abbott Ablonczy Adams Alcock Anders Assad Assadourian Augustine Baker Bakopanos Barnes Beaumier Bélair Bélanger Bennett Bertrand Bellemare Benoit Bevilacqua Blaikie Bonwick Boudria Bradshaw

Chamberlain Chan Chatters Charbonneau Chrétien (Saint-Maurice) Clouthier Collenette Coderre Cullen Copps Desjarlais Dhaliwal Dion Dockrill Dromisky Drouin Duhamel Duncan Earle Easter Eggleton Epp Finlay Finestone Folco Fontana Forseth Gagliano Gilmour

Godfrey Godin (Acadie—Bathurst)

Goodale Graham Gray (Windsor West) Grewal Grey (Edmonton North) Guarnieri Harb Hardy Harris Hart Hill (Macleod) Harvard Hill (Prince George-Peace River) Hilstrom Ianno Iftody Jackson Jaffer Johnston Jennings

Jordan Karetak-Lindell Karygiannis Kerpan

Kilger (Stormont—Dundas—Charlottenburgh) Keyes Knutson Konrad Kraft Sloan Lastewka Lavigne Lee Leung Lill Lincoln MacAulay Mahoney Malhi Maloney Manley Mark Marleau

Martin (Esquimalt—Juan de Fuca) Martin (Winnipeg Centre)

Massé McCormick McDonough McGuire

McDonough McGuire
McKay (Scarborough East) McLellan (Edmonton West)
McTeague McWhinney

Meredith Mifflin Mills (Broadview-Greenwood) Mills (Red Deer) Minna Mitchell Morrison Murray Myers Nault Normand Nunziata Nystrom O'Brien (Labrador) O'Brien (London-Fanshawe) O'Reilly Pagtakhan Paradis

 Patrish
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 Peterson
 Pettigrew

 Phinney
 Pickard (Chatham—Kent Essex)

Pillitteri Proctor Proud Provenzano Ramsay Redman Reed Reynolds Richardson Riis Robillard Robinson Rock Schmidt Saada Scott (Fredericton) Scott (Skeena) Sekora Serré Shepherd Solberg Speller St. Denis Steckle

Stewart (Brant) Stewart (Northumberland) St-Julien Strahl

Szabo Strani Szabo Telegdi

Thibeault Thompson (New Brunswick Southwest)

 Torsney
 Ur

 Valeri
 Vanclief

 Vautour
 Volpe

 Wasylycia-Leis
 Whelan

 Williams
 Wood—192

PAIRED MEMBERS

• (1900)

Abbott

Anderson Axworthy (Winnipeg South Centre)

Asselin Caplan Guav Fournier Hubbard Longfield Mercier

Tremblay (Rimouski-Mitis)

Tremblay (Lac-Saint-Jean)

Wappel

The Speaker: I declare the amendment defeated.

The next question is on the main motion.

[Translation]

Mr. Bob Kilger: I believe there is unanimous consent to apply the vote taken on the last motion to the motion now before the House.

[English]

The Speaker: Is there agreement to proceed in such a way?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: Is it the pleasure of the House to adopt the

motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

• (1855)

During the taking of the vote:

Mr. Garry Breitkreuz: Mr. Speaker, I rise on a point of order. Before Your Honour announces the result of the vote I would like to be sure that my vote is cast in the affirmative to support the motion.

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

(Division No. 337)

YEAS

Members

Alarie Anders Bachand (Richmond—Arthabaska)

Bachand (Saint-Jean) Bellehumeur Benoit Bergeron

Bernier (Bonaventure-Gaspé-Îles-de-la-Madeleine—Pabok) Bernier (Tobique-Mactaquac) Bigras Borotsik Breitkreuz (Yellowhead) Breitkreuz (Yorkton-Melville)

Brien Brison Cadman Cardin

Casey Crête Chrétien (Frontenac-Mégantic)

Dalphond-Guiral de Savoye Debien Desrochers Dovle

Dubé (Lévis-et-Chutes-de-la-Chaudière) Duceppe Dumas Duncan Gagnon Epp Gauthier Gilmou Grewal Guimond Harris Harvey Hill (Macleod) Herror Hill (Prince George-Peace River)

Jaffer

Hoeppner Jones Kenney (Calgary Southeast) Lalonde Laurin

Lebel Lefebvre

MacKay (Pictou—Antigonish—Guysborough) Marchand Loubier Marceau

Martin (Esquimalt-Juan de Fuca) Matthews Meredith Perron Picard (Drummond) Plamondon Price Reynolds Rocheleau Sauvageau St-Hilaire St-Jacques Wayne-67 Turp

NAYS

Members

Ablonczy Adams Alcock Assad Assadouriar Augustine Baker Bakopanos Barnes Bélair Beaumier Bélanger Bellemare Bennett Bertrand Bevilacqua Blaikie Bonwick Ronin Boudria Bradshaw Brown Bryden Bulte Byrne Caccia Calder Cannis Carroll Casson Catterall Cauchon Chan Chamberlain Charbonneau Chatters Chrétien (Saint-Maurice)

Coderre Clouthier Collenette Copps Desjarlais Dion Cullen

Dockrill Dromisky Drouin Duhamel Earle Easter Eggleton Finestone Finlay Folco Fontana Forseth Fry Gaeljano

Godfrey Godin (Acadie—Bathurst)
Goodale Graham
Gray (Windsor West) Grey (Edmonton North)

 Guarnieri
 Harb

 Hardy
 Hart

 Harvard
 Ianno

 Iftody
 Jackson

 Jennings
 Johnston

 Jordan
 Karetak-Lindell

 Karygiannis
 Kerpan

Keyes Kilger (Stormont—Dundas—Charlottenburgh)

Knutson Konrad Kraft Sloan Lastewka Lavigne Leung Lill Lincoln MacAulay Mahoney Malhi Maloney Manley Mark Marleau Martin (Winnipeg Centre) Massé McCormick McDonough

McGuire McKay (Scarborough East)

 McLellan (Edmonton West)
 McTeague

 McWhinney
 Mifflin

 Mills (Broadview—Greenwood)
 Mills (Red Deer)

 Minna
 Mitchell

 Morrison
 Murray

 Myers
 Nault

 Normand
 Nunziata

 Nystrom
 O'Brien (Labrador)

O'Brien (London—Fanshawe) O'Reilly
Pagtakhan Parrish
Patry
Penson Peric
Peterson Pettigrew

Phinney Pickard (Chatham—Kent Essex)

Pillitteri Pratt Proctor Proud Provenzano Ramsay Redman Reed Richardson Riis Robillard Robinson Saada Rock Schmidt Scott (Fredericton) Scott (Skeena) Sekora Shepherd Serré Solberg Solomon St. Denis Speller Stewart (Brant) Steckle Stewart (Northumberland) St-Julien Strahl Szabo Telegdi Thibeault Thompson (New Brunswick Southwest) Torsney Ur Valeri

Torsney
Ur Valeri
Vanclief Vautour
Volpe Wasylycia-Leis
Whodan Williams
Wood—175

PAIRED MEMBERS

Anderson Asselin
Axworthy (Winnipeg South Centre) Caplan
Fournier Guay
Hubbard Longfield

Mercier Tremblay (Lac-Saint-Jean)

Tremblay (Rimouski—Mitis) Wappel

The Speaker: I declare the motion defeated.

WAYS AND MEANS

NATIONAL PARKS ACT

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.) moved that a ways and means motion relating to the National Parks Act be concurred in.

The Speaker: Pursuant to order made on Thursday, March 11, the House will now proceed to the taking of the deferred recorded divisions on the Ways and Means Motions Nos. 23, 24 and 25. The first recorded division is on Ways and Means Motion No. 23.

• (1905)

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

(Division No. 338)

YEAS

Members

Alcock Assad Augustine Bachand (Saint-Jean) Bachand (Richmond-Arthabaska) Bakopanos Barnes Bélair Bélanger Bellehumeur Bellemare Bennett Bergeron Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok) Bernier (Tobique—Mactaquac) Bertrand Bevilacqua Bigras Bonin Borotsik Boudria Bradshaw Brien Brison Brown Bryden Bulte Caccia Byrne Calder Cannis Cardin Carroll Casey Cauchon Catterall Chamberlain Chan Chrétien (Frontenac—Mégantic) Charbonneau Chrétien (Saint-Maurice)

Chrétien (Frontenac—Mégantic)
Chrétien (Sain
Clouthier
Collenette
Collenette
Crête
Cullen
Dalphond-Guiral
Debien
Desrochers
Dhaliwal
Dovle
Dromisky

Drouin Dubé (Lévis-et-Chutes-de-la-Chaudière)

Duceppe Dumas Duhamel Easter Eggleton Finestone Folco Finlay Fry Gagnon Godfrey Fontana Gagliano Gauthier Goodale Graham Gray (Windsor West) Guimond Guarnieri Harvard Harvey Ianno Herron Iftody Jennings Jackson Jones Karetak-Lindell Jordan Karygiannis Keyes

Kilger (Stormont-Dundas-Charlottenburgh) Knutson Kraft Sloan Lalonde Lastewka Laurin Lavigne Lebel Lefebvre Lee Lincoln Loubier MacAulay MacKay (Pictou-Antigonish-Guysborough) Mahoney Maloney Manley Marceau Marchand Marleau

 Marchand
 Marleau

 Massé
 Matthews

 McCormick
 McGuire

 McKay (Scarborough East)
 McLellan (Edmonton West)

McTeague McWhinney
Mifflin Mills (Broadview—Greenwood)

Minna Mitchell
Murray Myers
Nault Normand

O'Brien (Labrador) O'Brien (London—Fanshawe)

O'Reilly Pagtakhan
Paradis Parrish
Patry Peric
Perron Peterson
Pettigrew Phinney

Picard (Drummond) Pickard (Chatham—Kent Essex)

Pillitteri Plamondon Pratt Provenzano Proud Redman Reed Richardson Robillard Rocheleau Rock Saada Sauvageau Scott (Fredericton) Sekora Serré Shepherd Speller St. Denis Stewart (Brant) Steckle Stewart (Northumberland) St-Hilaire St-Jacques St-Julien Szabo Telegdi

Thibeault Thompson (New Brunswick Southwest)

 Torsney
 Turp

 Ur
 Valeri

 Vanclief
 Volpe

 Wayne
 Whelan

Wood—186

NAYS

Members

Abbott Ablonczy Anders Benoit

Blaikie Breitkreuz (Yellowhead)

Breitkreuz (Yorkton—Melville) Cadman Casson Chatters Desjarlais Dockrill Duncan Earle Enp Forseth

Epp Forseth
Gilmour Godin (Acadie—Bathurst)
Grewal Grey (Edmonton North)
Hardy Harris
Hart Hill (Macleod)

Hill (Prince George—Peace River) Hilstrom Hoeppner Jaffer

Johnston Kenney (Calgary Southeast)

Kerpan Konrad Lill Mark

Martin (Esquimalt—Juan de Fuca) Martin (Winnipeg Centre)

McDonough Meredith Mills (Red Deer) Morrison Nunziata Nystrom Penson Proctor Reynolds Ramsay Riis Robinson Schmidt Scott (Skeena) Solberg Solomon Strahl Vautour Wasylycia-Leis Williams-56

PAIRED MEMBERS

Anderson Asselin
Axworthy (Winnipeg South Centre) Caplan
Fournier Guay
Hubbard Longfield

Mercier Tremblay (Lac-Saint-Jean)

Tremblay (Rimouski—Mitis) Wappel

The Deputy Speaker: I declare the motion carried.

THE BUDGET

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.) moved that a ways and means motion to implement certain provisions of the budget tabled in parliament on February 16, 1999 be concurred in.

The Deputy Speaker: The next deferred recorded division is on Ways and Means Motion No. 24.

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

• (1910)

The Deputy Speaker: Is there unanimous consent to proceed in this fashion?

Some hon. members: Agreed.

Mr. Chuck Strahl: Mr. Speaker, Reform Party members present support this motion.

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, the members of the Bloc Quebecois oppose the motion.

[English]

Mr. John Solomon: Mr. Speaker, NDP members present vote no on this motion.

[Translation]

Mr. André Harvey: Mr. Speaker, the members of our party who are present vote yes on this motion.

[English]

Mr. John Nunziata: Mr. Speaker, on behalf of the residents of York South—Weston I would vote in favour of this motion.

[Translation]

Mr. Réjean Lefebvre: Mr. Speaker, I oppose this motion.

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

(Division No. 339)

YEAS

Members

Abbott Ablonczy Adams Alcock Anders Assad Augustine Bachand (Richmond-Arthabaska) Baker Bakopanos Barnes Beaumier Bélair Bélanger Bellemare Bennett Benoit Bernier (Tobique—Mactaquac) Bertrand Bevilacqua Bonin Bonwick Borotsik

Boudria Bradshaw
Breitkreuz (Yellowhead) Breitkreuz (Yorkton—Melville)

Brison Brown Bryden Bulte Byrne Caccia Cadman Calder Cannis Carroll Casey Casson Catterall Cauchon Chamberlain Chan Charbonneau Chatters Chrétien (Saint-Maurice) Clouthier

Coderre Collenette Cullen Copps Dhaliwal Dion Doyle Dromisky Drouin Duhamel Duncan Easter Eggleton Epp Finestone Finlay Folco Fontana Forseth Frv Gilmour Gagliano Goodale Godfrey

 Godfrey
 Goodale

 Graham
 Gray (Windsor West)

 Grewal
 Grey (Edmonton North)

 Guarnieri
 Harb

 Harris
 Hart

Harvard Harvey Herron Hill (Macleod) Hill (Prince George—Peace River) Hilstrom Hoeppner Ianno Jackson Iftody Jaffer Jennings Johnston Jones Jordan Karetak-Lindell

Karygiannis Kenney (Calgary Southeast)

Kerpan Keyes
Kilger (Stormont—Dundas—Charlottenburgh) Knutson
Konrad Kraft Sloan
Lastewka Lavigne
Lee Leung
Lincoln MacKay (Pictou—Antigonish—Guysborough) Mahoney
Malhi Maloney

Manley Mark
Marleau Martin (Esquimalt—Juan de Fuca)

Massé Matthews McCormick McGuire

McKay (Scarborough East)

McLellan (Edmonton West) McTeague McWhinney Meredith

Mifflin Mills (Broadview—Greenwood)

 Mills (Red Deer)
 Minna

 Mitchell
 Morrison

 Murray
 Myers

 Nault
 Normand

 Nunziata
 O'Brien (Labrador)

 O'Brien (London—Fanshawe)
 O'Reilly

PagtakhanParadisParrishPatryPensonPericPetersonPettigrew

Phinney Pickard (Chatham—Kent Essex)
Pillitteri Pratt

Price Proud Provenzano Ramsay Redman Reed Richardson Reynolds Robillard Rock Saada Schmid Scott (Fredericton) Scott (Skeena) Sekora Serré Shepherd Solberg St. Denis Speller Stewart (Brant) Steckle Stewart (Northumberland) St-Jacques St-Julien Strahl

Szabo Telegdi Thibeault Thompson (New Brunswick Southwest)

 Torsney
 Ur

 Valeri
 Vanclief

 Volpe
 Wayne

 Whelan
 Williams

Wood-192

NAYS

Members

Bachand (Saint-Jean) Bellehumeur Bergeron Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok) Bigras Brien Cardin Chrétien (Frontenac—Mégantic) Crête Dalphond-Guiral de Savoye Debien Desjarlais Desrochers Dockrill Dubé (Lévis-et-Chutes-de-la-Chaudière) Duceppe Dumas Earle Gauthier Gagnon Godin (Acadie—Bathurst) Guimond Hardy Lalonde Laurin Lebel Lefebvre Lill Marceau Martin (Winnipeg Centre) Loubier Marchand McDonough Nystrom Perron Picard (Drummond) Plamondon Proctor Robinson Riis Rocheleau Sauvageau Solomon St-Hilaire Turp

Wasylycia-Leis—50

PAIRED MEMBERS

Anderson Asselin Axworthy (Winnipeg South Centre) Caplan

Fournier Guay Hubbard Longfield

Mercier Tremblay (Lac-Saint-Jean)

Tremblay (Rimouski—Mitis) Wap

The Deputy Speaker: I declare the motion carried.

[English]

INCOME TAX ACT

Hon. David M. Collenette (Minister of Transport, Lib.) moved that a ways and means motion to amend the Income Tax Act, to implement measures that are consequential on changes to the Canada-U.S. Tax Convention (1980) and to amend the Income Tax Conventions Interpretation Act, the Old Age Security Act, the War Veterans Allowance Act and certain acts related to the Income Tax Act, be concurred in.

The Deputy Speaker: The next recorded division is on Ways and Means Motion No. 25.

[Translation]

Mr. Bob Kilger: Mr. Speaker, I think you would find unanimous consent that those members who voted on the previous motion be recorded as having voted on the motion now before the House. Liberal members will vote yea.

The Deputy Speaker: Does the House agree to proceed in this fashion?

Some hon. members: Agreed.

[English]

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

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, the members of the Bloc Quebecois will vote against this motion.

[English]

Mr. John Solomon: Mr. Speaker, New Democratic members present vote no on this motion.

[Translation]

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

[English]

Mr. John Nunziata: Mr. Speaker, on behalf of the good people of York—South Weston I would vote in favour of Motion No. 25.

[Translation]

Mr. Réjean Lefebvre: Mr. Speaker, I vote no on this motion.

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

(Division No. 340)

YEAS

Members

Adams Alcock Assad Augustine

Bachand (Richmond-Arthabaska) Baker Bakopanos

Barnes Bélair Bélanger Bellemare Bennett Bernier (Tobique—Mactaquac) Bertrand Bevilacqua Bonwick Borotsik Boudria Brison Brown Bryden Bulte Byrne Calder Caccia Cannis Carroll Casey Catterall Cauchon Chamberlain

Charbonneau Chrétien (Saint-Maurice)

Clouthier Coderre Collenette Copps Dhaliwal Cullen Dion Doyle Dromisky Drouin Duhamel Easter Eggleton Finestone Finlay Fontana Fry Godfrey Gagliano Goodale Graham Gray (Windsor West) Guarnieri Harb Harvard Herron Harvey Iftody Jackson Jennings Karetak-Lindell Karygiannis

Kilger (Stormont—Dundas—Charlottenburgh) Keyes

Kraft Sloan Lastewka Lavigne Leung MacAulay Lincoln MacKay (Pictou-Antigonish-Guysborough) Mahoney Malhi Maloney Manley Marleau Massé Matthews

McCormick McGuire McKay (Scarborough East) McLellan (Edmonton West)

McTeague Mifflin Mills (Broadview-Greenwood) Minna Mitchell

Murray Myers Nault Normand O'Brien (Labrador) Nunziata O'Brien (London-Fanshawe) O'Reilly Pagtakhan Paradis Parrish Patry Peric Peterson Pettigrew Phinney Pickard (Chatham—Kent Essex) Pillitteri Pratt Price Proud Provenzano Redman Reed Richardson Robillard Rock Saada Scott (Fredericton) Sekora Serré Shepherd Speller Steckle Stewart (Brant) Stewart (Northumberland) St-Jacques Szabo St-Julien

Thibeault

Telegdi Thompson (New Brunswick Southwest)

Torsney Valeri Vanclief Volpe Wayne Wood—153 Whelan

NAYS

Members

Abbott Ablonczy Alarie Anders Bachand (Saint-Jean) Bellehumeur Bergeron Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok)

Breitkreuz (Yellowhead) Breitkreuz (Yorkton—Melville)

Cardin Casson

Chatters Chrétien (Frontenac-Crête

Dalphond-Guiral Debien de Savoye Desiarlais Desrochers Dockrill Dubé (Lévis-et-Chutes-de-la-Chaudière)

Dumas Duceppe Duncan Earle Epp Forseth

Gagnon Gauthier Godin (Acadie—Bathurst) Gilmou Grey (Edmonton North) Hardy Grewal

Guimond

Harris Hill (Macleod) Hill (Prince George—Peace River) Hilstrom

Hoeppner Jaffer Kenney (Calgary Southeast) Kerpan Konrad Lalonde Lebel Lill Laurin Lefebvre Marceau Loubier Marchand Mark

Martin (Winnipeg Centre) Martin (Esquimalt-Juan de Fuca)

McDonougl Meredith Mills (Red Deer) Morrison Nystrom Perron Plamondon Picard (Drummond) Proctor Reynolds Robinson Ramsay Riis Rocheleau Sauvageau Scott (Skeena) Schmidt Solberg Solomon St-Hilaire Strahl Turp Wasylycia-Leis Vautour Williams-89

PAIRED MEMBERS

Anderson Asselin Axworthy (Winnipeg South Centre) Caplan Fournier Guay

Longfield Mercier Tremblay (Lac-Saint-Jean)

Tremblay (Rimouski-Mitis) Wappel

The Deputy Speaker: I declare the motion carried.

[English]

NATIONAL HOUSING ACT

The House resumed from March 11 consideration of the motion that Bill C-66, an act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act and to make a consequential amendment to another act, be read the second time and referred to a committee.

Government Orders

The Deputy Speaker: Pursuant to order made on Thursday, March 11, 1999 the House will now proceed to the taking of the deferred recorded division on the motion at the second reading stage of Bill C-66.

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

The Deputy Speaker: Is there unanimous consent to proceed in this fashion?

Some hon. members: Agreed.

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

[Translation]

Mr. Stéphane Bergeron: Mr. Speaker, Bloc Quebecois members vote no on this motion.

[English]

Mr. John Solomon: Mr. Speaker, New Democratic members present vote no on this motion.

[Translation]

Mr. André Harvey: Mr. Speaker, the members of our party who are present vote no on this motion.

[English]

Mr. John Nunziata: Mr. Speaker, on behalf of the residents of York—South Weston I would vote in favour of Bill C-66 at second reading.

[Translation]

Mr. Réjean Lefebvre: Mr. Speaker, I will be voting against the motion.

[English]

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

(Division No. 341)

YEAS

Members Adams Alcock Assad Assadourian Augustine Baker Bakopanos Barnes Reaumier Rélair Bélanger Bellemare Bennett Bertrand Bevilacqua Bonin Bonwick Bradshaw Boudria Brown Bryden Bulte Caccia Byrne Calder Cannis Carroll Catterall Cauchon Chamberlain Charbonneau Chrétien (Saint-Maurice) Clouthier Collenette Copps Dhaliwal Cullen

Lefebvre

Government Orders

Drouin Dromisky Duhamel Easter Eggleton Finestone Finlay Folco Fontana Fry Gagliano Godfrey Goodale Graham Gray (Windsor West) Guarnieri Harvard Ianno Iftody Jackson Jennings Jordan Karetak-Lindell Karygiannis Keyes Kilger (Stormont—Dundas—Charlottenburgh) Knutson Kraft Sloan Lastewka Lavigne Lee Lincoln MacAulay Mahoney Malhi Maloney Manley Marleau Massé McCormick McKay (Scarborough East) McGuire McLellan (Edmonton West) McTeague McWhinney Mifflin Mills (Broadview-Greenwood) Minna

Mitchell Murray Nault Myers Normand Nunziata

O'Brien (Labrador) O'Brien (London-Fanshawe)

O'Reilly Pagtakhan Paradis Parrish Patry Peric Peterson Pettigrew

Pickard (Chatham—Kent Essex) Phinney

Pillitteri Pratt Proud Provenzano Redman Reed Richardson Robillard Rock Saada Scott (Fredericton) Sekora Shepherd Serré Speller St. Denis Steckle Stewart (Brant)

Stewart (Northumberland) St-Julien Szabo Telegdi Thibeault Torsney Valeri Ur Volpe Whelan Wood -138

NAYS

Members

Abbott Ablonczy Alarie Anders Bachand (Richmond—Arthabaska) Bachand (Saint-Jean) Bellehumeur

Bergeron Îles-de-la-Madeleine—Pabok) Bernier (Bonaventure-Gaspé-Bernier (Tobique-Mactaquac) Blaikie Bigras Breitkreuz (Yellowhead)

Borotsik

Breitkreuz (Yorkton-Melville) Brien Cadman Brison Cardin Casey Casson Chatters Chrétien (Frontenac-Mégantic) Crête Dalphond-Guiral de Savoye Debien Desjarlais Desrochers Dockrill

Dubé (Lévis-et-Chutes-de-la-Chaudière) Doyle

Duceppe Dumas Duncan Earle Forseth Epp Gagnon Gauthier

Gilmour Godin (Acadie—Bathurst) Grewal Grey (Edmonton North)

Guimond

Harvey Hill (Macleod) Hart Herron Hill (Prince George—Peace River) Hilstrom Jaffer Johnston Jones Kenney (Calgary Southeast) Konrad Kerpan Lalonde Laurin Lebel

Loubier MacKay (Pictou-Antigonish-Guysborough)

Marchand Martin (Esquimalt—Juan de Fuca) Marceau Mark

Martin (Winnipeg Centre) McDonough Mills (Red Deer) Meredith Morrison Nystrom Perron Penson Picard (Drummond) Price Ramsay Plamondon Proctor Reynolds Robinson Riis Rocheleau Sauvageau Scott (Skeena) Schmidt Solberg

Solomon St-Jacques Strahl Turp Wasylycia-Leis Thompson (New Brunswick Southwest) Vautour Wayne Williams-104

PAIRED MEMBERS

St-Hilaire

Anderson Asselin Axworthy (Winnipeg South Centre) Fournier Caplan Guav Hubbard Mercier Longfield

Tremblay (Lac-Saint-Jean)

Tremblay (Rimouski-Mitis)

The Deputy Speaker: I declare the motion carried.

(Bill read the second time and referred to a committee)

* * *

• (1915)

FOREIGN PUBLISHERS ADVERTISING SERVICES ACT

The House resumed from March 12 consideration of the motion that Bill C-55, an act respecting advertising services supplied by foreign periodical publishers, be read the third time and passed.

The Deputy Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at the third reading stage of Bill C-55.

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

(Division No. 342)

YEAS

Members

Adams Alarie Alcock Assadourian

Augustine Bachand (Saint-Jean) Bachand (Richmond-Arthabaska)

Bakopanos Beaumier Barnes Bélanger Bellehumeur Bellemare

Adjournment Debate

Bernier (Bonaventure-Gaspé-Vanclief Bergeron Îles-de-la-Madeleine—Pabok) Vautour Bernier (Tobique—Mactaquac) Volpe Wasylycia-Leis Bertrand Bevilacqua Wayne

Ronin Bonwick Borotsik Boudria Bradshaw Brien Brown Brison Bryden Bulte

Byrne Caccia Calder Cannis

Cardin Carroll Catterall Cauchon Chamberlain Chan

Chrétien (Frontenac—Mégantic) Charbonneau Chrétien (Saint-Maurice) Clouthier

Collenette Coderre Copps Cullen Dalphond-Guiral de Savoye Debien Desjarlais Dhaliwal Desrochers Dion Dockrill

Dromisky Dubé (Lévis-et-Chutes-de-la-Chaudière) Drouin

Duceppe Dumas Earle Eggleton Easter Finlay Fontana Finestone Folco Gagliano Gagnon Gauthier

Godfrey Godin (Acadie—Bathurst) Graham Goodale Gray (Windsor West) Guarnieri

Guimond Harb Hardy Harvard Harvey Herron Ianno Iftody Jackson Jennings Jones Jordan

Karetak-Lindell Karygiannis Kilger (Stormont—Dundas—Charlottenburgh) Kraft Sloan Knutson

Lalonde Lastewka Laurin Lavigne Lebel Lee Lefebvre Leung Lill

Lincoln

MacAulay MacKay (Pictou—Antigonish—Guysborough)

Mills (Broadview-Greenwood)

Mahoney Malhi Maloney Manley Marchand Marceau

Martin (Winnipeg Centre) McCormick Marleau

Massé

McDonough McKay (Scarborough East) McTeague McLellan (Edmonton West) McWhinney

Mitchell Minna Murray Myers Normand Nault Nunziata

Mifflin

O'Brien (London-Fanshawe) O'Brien (Labrador)

O'Reilly Pagtakhan Paradis Parrish Patry Peric Perron Peterson Phinney Pettigrew Picard (Drummond) Pillitteri Plamondon Pratt Proctor Proud Redman Richardson Reed Riis Robinson Robillard Rocheleau Rock Saada

Sauvageau Scott (Fredericton) Serré Shepherd Solomon Speller St. Denis Steckle Stewart (Northumberland) Stewart (Brant) St-Hilaire

St-Jacques St-Julien Szabo Telegdi

Thompson (New Brunswick Southwest) Thibeault

Torsney

Whelan

Wood-196

NAYS

Members

Abbott Ablonczy Benoit

Anders Breitkreuz (Yellowhead) Breitkreuz (Yorkton-Melville)

Cadman Casev Casson Doyle Chatters Duncan Epp Gilmour Forseth Grewal Grey (Edmonton North) Hart Harris Hill (Macleod)

Hilstrom Jaffer Hill (Prince George—Peace River) Hoeppner

Johnston Kenney (Calgary Southeast) Konrad Kerpan Martin (Esquimalt—Juan de Fuca) Meredith Mark

Matthews Mills (Red Deer) Morrison Provenzano Penson Ramsay Schmidt Reynolds Scott (Skeena) Strahl

Solberg Williams

PAIRED MEMBERS

Asselin Caplan Guay Anderson Axworthy (Winnipeg South Centre) Fournier Hubbard

Longfield Tremblay (Lac-Saint-Jean) Mercier

Tremblay (Rimouski-Mitis) Wappel

• (1925)

The Deputy Speaker: I declare the motion carried.

(Bill read the third time and passed)

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Adjournment Debate

ABORIGINAL AFFAIRS

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, I am going to carry on with my question to the interlocutor for the Metis about first nations housing.

More and more first nations are forced to live off reserve for social and economic reasons, but it does not matter where they live. Either on reserve or off reserve, conditions are appalling, they are disgraceful, they are dangerous, they are cold, they are unheated. They are third world conditions as confirmed by the United Nations. These are Canadian conditions if one is a native person in Canada.

The federal government has a responsibility for accessible social housing, but in particular is responsible for first nations people in this country. Our first nations people should not be dying in garbage dumps in Ontario or freezing to death on city streets. There is enough wealth in this country for everyone.

I received a letter today from the Lubicon which states that in the richest province in one of the richest countries the Lubicon live without even the necessities of life, such as running water and sewage disposal. Families of 10 to 15 people are crowded into a single, uninsulated house with no money to repair even a broken window. Tuberculosis, diabetes and cancer rates have soared. With 95% of the adults unemployed, social ills have taken an enormous toll. All the while, over \$9 billion worth of resources have been extracted from Lubicon lands. This is a similar situation faced by first nations people all over the country.

This could be avoided by making the "Gathering Strength" document actually work to treat the first nations as if they are partners, not as if it is a master-servant relationship.

The booklet of the National Aboriginal Housing Association of May 1998 asks for the transfer of housing to be halted. The need for housing can be justified either as a fundamental human right recognized by international law or as an aboriginal right specific to the aboriginal peoples in Canada.

Canada is signatory to many international covenants and conventions, including the United Nations charter. It is involved in the working group which is drafting the universal declaration on indigenous rights. These covenants and conventions were fully discussed in a paper entitled "First Our Lands, Now Our Homes" in response to the urban and rural native housing cutbacks in 1993.

There is absolutely no reason that we cannot properly house the first nations people of this land. They are not in an equal situation and they need housing as a basic human right so they can attain equality in other areas.

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): First, Mr. Speaker, let me thank the hon.

member for Yukon for raising the issue of Canada's aboriginal people who live in poor conditions off reserve, which was the basic premise of the question some time ago.

Unfortunately far too many aboriginal people across Canada live in very poor conditions. We recognize that.

• (1930)

However, it is worth noting that our government has put in place a government-wide action plan that addresses the key challenges facing all aboriginal people whether they live on or off reserve. This action plan, known as Gathering Strength, was announced more than a year ago and includes partnerships as one of its key principles.

It recognizes that a new partnership with aboriginal people is a prerequisite if we are going to effect real change. It also recognizes the importance of involving other partners such as the provincial governments. In fact it is the provinces that are particularly important players when it comes to issues facing aboriginal people living off reserve since they have the primary responsibility here.

Having said that, it is important to stress that Gathering Strength was developed in the spirit of working together to find practical solutions.

Continuing on the theme of partnership, the federal interlocutor has actively engaged the aboriginal groups to listen to their ideas and concerns. More than ever, the interlocutor has been an effective advocate within this government for Metis and off reserve aboriginal people.

Over the past year he has met a number of times with the aboriginal organizations representing all aboriginal peoples. The interlocutor has personally met with over 20 organizations on a bilateral basis and a great number more through multilateral fora. His door has always been open to aboriginal people and it remains so.

These meetings have resulted in several key accomplishments, for example, a number of signed agreements, an aboriginal trade mission to Latin America, and the hosting of a round table discussion on urban aboriginal issues in Regina, which is a first. All participants have found these meetings to be incredibly useful and necessary if we are going to make a difference.

THE BUDGET

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am trying to get to the bottom of why this government decided to spend \$3.6 million advertising its federal budget. I raised this question after we received this information.

We were shocked and appalled as were many Canadians across this country, especially Canadians who are facing enormous diffi-

Adjournment Debate

culties gaining access to quality health care services. These are people who are in line for hip surgery, who are waiting for MRIs and for personal care homes, who are struggling to make ends meet in order to care for elderly family members and for needy children.

Today I hope Canadians will get some clarification on this very important question. I hope the parliamentary secretary is not going to simply say that this is what governments always do and it is doing a great service for Canadians. These \$3.6 million ads that were taken out do not offer one iota of public service. They are sheer propaganda and speak only to the fact that this must be about political crisis management and not about worthwhile and meaningful remedies for our health care system.

Since the budget was tabled in the House there has been incredible coverage. There have been over 750 references to this budget in the major media outlets. This does not even include many of the weeklies. I am sure the tally comes up to well over 1,000 hits in the media just in terms of the health care budget alone.

Let us not forget that 10 days leading up to the budget the government decided to leak out bits and pieces of the budget so that people were inundated with news about what was in store for Canadians. We heard that there was \$2.5 billion for health. Then came the big leak to Canadians about \$11.5 billion. Canadians had it up to here about what was going to be in the budget and what was in the budget.

Canadians do not want to see \$3.6 million spent on advertising this government's political agenda. They want to see every penny go into health care where it is absolutely needed.

What would that \$3.6 million have bought? By our calculations it would have bought 150 personal home care beds. It would have paid many times over for training of emergency nurses. It would have paid for an MRI and then some. All these things are absolutely needed.

I would suggest to the minister, the parliamentary secretary and the government that they listen to the voices of Canadians on this critical issue.

I particularly want to reflect on what has happened in the province of Manitoba where the Conservative government decided to spend \$500,000 advertising its so-called health care agenda.

Let me paraphrase the words of the Winnipeg *Free Press* and apply them to this government. The Minister of Health here in Ottawa should scrap the government's \$3.6 million campaign for health care reforms. The move would show that a new firm hand is now steering health care in this country. It would show that the ruling Liberals can get their priorities straight.

• (1935)

That is the message Canadians send to the government. That is the message the Liberals ought to hear. It is far more important to deal with the health care needs of Canadians than to try to manage the political difficulties of this present government.

One really has to ask the last question of all which is if this budget was more about substance and less about smoke and mirrors, would this money actually have been necessary? Would we have to spend taxpayers' money to sell the news to Canadians that this government is finally moving on health care? In fact the government is merely trying to recover lost ground and put back some of the money it has taken out.

I look forward to an answer from the government on this critical issue.

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I would like to thank the hon. member for pointing out that indeed this budget has received a significant amount of media attention. In fact there have been thousands of hits as the hon. member described, thousands of placements in the media. This budget has been a very, very powerful good news message. The media has been anxious to analyse its content exactly for Canadians.

The hon, member quite rightly stood up to say that we are always interested in making sure that the money is spent wisely, that it goes to the purpose for which it was intended. I do not have any reservations in saying that \$3.6 million spent on a budget of approximately \$150 billion as a percentage of the actual budget is not a huge amount of money. It is very important however that it be spent wisely to make sure that all Canadians understand the details of exactly what is in the budget. This is what affects them most deeply.

The hon. member pointed out that in her opinion \$3.6 million would provide approximately 150 chronic care beds. I would simply ask the member to do the calculation as to what \$11.5 billion will do to the health care system in terms of providing chronic care beds, MRI and other equipment, additional nursing staff in hospitals, and additional recruitment opportunities for doctors.

That is exactly what this budget does. It provides \$11.5 billion in additional health care funds to the provinces over the next five year period. That is quite a substantial amount of money. In comparison to \$3.6 million, quite frankly it is a very powerful addition to the health care system. That does not include the additional funds that have been put in place for existing federal government programs.

[Translation]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.38 p.m.)

CONTENTS

Monday, March 15, 1999

| Points of Order | STATEMENTS BY MEMBERS | | | |
|--|-----------------------|-------------------------------|-------|--|
| Tabling of Documents | | Canadian Red Cross | | |
| Mr. Adams | 12827 | | 12052 | |
| | | Mrs. Redman | 12853 | |
| PRIVATE MEMBERS' BUSINESS | | Young Offenders Act | | |
| | | Mr. Schmidt | 12853 | |
| Young Offenders Act | | Farming | | |
| Bill C–260. Second reading | | Mrs. Ur | 12853 | |
| Mr. Cadman | 12827 | | | |
| Mr. McKay | 12829 | Middle East | 1205 | |
| Mr. Martin (Winnipeg Centre) | 12831 | Mr. Charbonneau | 12854 | |
| Mr. Ramsay | 12832 | Poverty | | |
| Mr. Mahoney | 12834 | Mr. Szabo | 12854 | |
| Mr. MacKay | 12835 | W .1. | | |
| | | Hockey | 1205 | |
| GOVERNMENT ORDERS | | Ms. Meredith | 12854 | |
| GOVERNIENT ORDERS | | Quebec Games | | |
| SUPPLY | | Mr. Lefebvre | 12854 | |
| Allotted Day—Pan-American Monetary Union | | Semaine de la Francophonie | | |
| Mr. Duceppe | 12836 | Mr. Serré | 12854 | |
| Motion | 12836 | | 1205 | |
| Mr. Bergeron | 12836 | Semaine de la Francophonie | | |
| Mr. Duceppe | | Mr. Paradis | 12855 | |
| Mr. Riis | | Curling | | |
| Mr. Duceppe | 12837 | Mr. Hilstrom | 12855 | |
| Mr. Brison | 12838 | | | |
| Mr. Duceppe | | Hockey | | |
| Mr. Crête | | Mrs. Karetak–Lindell | 12855 | |
| Mr. Duceppe | | Eastern Ontario Francophones | | |
| Mr. Marceau | | Mr. Desrochers | 12855 | |
| Amendment | | ** 40 | | |
| Mr. Riis | | House of Commons | 12055 | |
| Mr. Marceau | | Mr. Riis | 12855 | |
| Mr. Adams | | Women's Hockey | | |
| Mr. Marceau | | Mrs. Gagnon | 12856 | |
| Mr. Valeri | | Viogra | | |
| Mr. Marceau | | Viagra Mr. Clouthier | 12056 | |
| Mr. Valeri | | Mi. Cioutilei | 12030 | |
| Mr. Adams | | Semaine de la Francophonie | | |
| Mr. Valeri | | Mr. Price | 12856 | |
| Mr. Epp | | Official Languages | | |
| Mr. Marceau | | Mr. Bertrand | 12856 | |
| | | | 12050 | |
| Mr. Epp Mr. Valeri | | Bill C-55 | | |
| | | Mr. Mark | 12857 | |
| Mr. Epp | | Royal Canadian Mounted Police | | |
| Mr. Riis | | Mr. Solomon | 12857 | |
| Mr. Marceau | | | | |
| Mr. Riis | | ORAL QUESTION PERIOD | | |
| Mr. Epp | | ORIL QUESTION TERIOD | | |
| Mr. Riis | | Investment | | |
| Mr. Brison | | Mr. Solberg | | |
| Mr. Marceau | | Mr. Martin (LaSalle—Émard) | | |
| Mr. Brison | | Mr. Solberg | | |
| Mr. Epp | | Mr. Speller | | |
| Mr. Brison | | Mr. Solberg | | |
| Mrs. Picard | | Mr. Speller | | |
| Mr. Loubier | 12851 | Mr. Kenney | 12858 | |

| Mr. Manley | 12858 | Ms. McLellan | 12863 |
|-----------------------------|--------|---|--------|
| Mr. Kenney | | Bill C-55 | |
| Mr. Martin (LaSalle—Émard) | 12858 | Ms. Lill | 12863 |
| Quebec's Culture | | Ms. Copps | |
| Mr. Duceppe | 12858 | Ms. Lill | |
| Ms. Copps | | Ms. Copps | 12863 |
| Mr. Duceppe | | Young Offenders Act | |
| Ms. Copps | | Mr. MacKay | 12863 |
| Ms. St–Hilaire | | Ms. McLellan | |
| Ms. Copps | | Mr. MacKay | |
| 11 | | Ms. McLellan | |
| Ms. St–Hilaire | | | 1200. |
| Ms. Copps | 12039 | Persons with Disabilities | 12064 |
| Plutonium | | Ms. Bennett | |
| Ms. McDonough | | Mr. Pettigrew | 12804 |
| Mr. Reed | 12859 | National Revenue | |
| Ms. McDonough | 12859 | Mr. Anders | |
| Mr. Reed | 12859 | Mr. Dhaliwal | 12864 |
| Veterans | | Building Contracts | |
| Mrs. Wayne | 12850 | Mr. Gauthier | 12864 |
| Mr. Mifflin | | Mr. MacAulay | 12864 |
| Mrs. Wayne | | Mr. Solomon | 12864 |
| Mr. Mifflin | | Mr. MacAulay | 12865 |
| IVII. IVIIIIIIII | 12000 | Industry | |
| The Economy | | Mr. Jones | 12865 |
| Mr. Harris | | Mr. Massé | 12865 |
| Mr. Martin (LaSalle—Émard) | | Foreign Aid | |
| Mr. Harris | | Mr. McCormick | 12865 |
| Mr. Martin (LaSalle—Émard) | 12860 | Ms. Marleau | |
| Employment Insurance | | | 12003 |
| Mr. Crête | 12860 | Taxation | 120.55 |
| Mr. Pettigrew | | Mr. Nunziata | |
| Mr. Crête | | Mr. Martin (LaSalle—Émard) | 12865 |
| Mr. Pettigrew | | Agriculture | |
| • | 12001 | Mr. Hart | |
| Public Service of Canada | | Mr. Vanclief | 12865 |
| Mr. Hilstrom | | Shipbuilding | |
| Mr. Vanclief | | Mr. Guimond | 12865 |
| Mr. Hilstrom | | Mr. Manley | 12866 |
| Mr. Massé | 12861 | Health | |
| Building Contracts | | Ms. Wasylycia–Leis | 12866 |
| Mr. Lebel | 12861 | Mr. Rock | |
| Mr. MacAulay | | | |
| Mr. Lebel | 12861 | Industry Mr. Jones | 12866 |
| Mr. MacAulay | 12862 | Mr. Jones Mr. Massé | |
| • | | | 12000 |
| Bill C-55 | | Canada Labour Code | |
| Miss Grey | | Mr. Drouin | 12866 |
| Ms. Copps | | Mrs. Bradshaw | 12866 |
| Miss Grey | | Presence in Gallery | |
| Ms. Copps | 12862 | The Speaker | 12866 |
| Industry Canada | | Points of Order | |
| Mrs. Lalonde | 12862 | Standing Committee on Canadian Heritage | |
| Mr. Cauchon | 12862 | Mr. Mark | 12866 |
| Dallie Coming of Com | | Mr. Boudria | 12867 |
| Public Service of Canada | 120.62 | Mr. Strahl | |
| Ms. Leung | | Mr. Mark | 12868 |
| Mr. Dhaliwal | 12862 | The Speaker | 12868 |
| Young Offenders Act | | | |
| Mr. Cadman | 12863 | ROUTINE PROCEEDINGS | |
| Ms. McLellan | 12863 | Government Response to Petitions | |
| Mr. Cadman | 12863 | Mr. Adams | 12868 |

| Committees of the House | | Mr. Adams | 12877 |
|---|--------|-----------------------------------|-------|
| Procedure and House Affairs | | Mrs. Lalonde | 12877 |
| Mr. Adams | 12868 | Mr. Harvey | 12877 |
| | | Mrs. Lalonde | 12878 |
| Criminal Records Act | | Mr. Sauvageau | 12878 |
| Bill C–69. Introduction and first reading | 12868 | Mr. Marceau | 12879 |
| Mr. MacAulay | 12868 | Mr. Sauvageau | |
| (Motions deemed adopted, bill read the first time | | Mr. Bryden | |
| and printed) | 12868 | | 12879 |
| | | Mr. Sauvageau | |
| Parliamentarians' Code of Conduct | | Mr. Shepherd | |
| Bill C–488. Introduction and first reading | 12869 | Mr. de Savoye | 12881 |
| Mr. Earle | 12869 | Mr. Shepherd | 12881 |
| (Motions deemed adopted, bill read the first time | | Mr. Brison | |
| and printed) | 12869 | Mr. Shepherd | 12882 |
| Committees of the House | | Mr. Bryden | 12882 |
| | | Mr. Nystrom | 12883 |
| Procedure and House Affairs | 120.00 | Mr. Bryden | 12883 |
| Motion for concurrence | | Mr. MacKay | 12883 |
| Mr. Adams | | Mr. Bryden | 12883 |
| (Motion agreed to) | 12869 | Mr. Brien | 12884 |
| Petitions | | Mr. Bryden | 12884 |
| | | Mr. Solberg | |
| Human Rights | 120.00 | Mr. Peterson | 12885 |
| Mr. Szabo | 12869 | Mr. Solberg | 12885 |
| Assisted Suicide | | Mr. Valeri | |
| Mr. Speller | 12869 | | |
| Iraq | | Mr. Solberg | |
| Mr. Adams | 12869 | Mr. de Savoye | 12886 |
| Water Exports | | Mr. Solberg | 12887 |
| Mr. Riis | 12869 | Mr. Bryden | 12887 |
| Cruelty to Animals | | Mr. Solberg | 12887 |
| Mr. Riis | 12869 | Mr. Adams | 12888 |
| Pensions | 1200) | Mr. Harvey | 12888 |
| Mr. Riis | 12860 | Mr. Solberg | 12888 |
| CRTC | 12009 | Mr. Mahoney | 12888 |
| | 10000 | Mr. de Savoye | 12889 |
| Mr. McWhinney | 12869 | Mr. Mahoney | 12889 |
| MMT | | Mr. Mahoney | 12890 |
| Mrs. Ur | 12870 | Mr. de Savoye | 12891 |
| Questions on the Order Paper | | Mr. Mahoney | 12891 |
| | 12870 | Mr. Epp | 12891 |
| Mr. Breitkreuz | | Mr. Mahoney | 12892 |
| WII. DICHRICUZ | 12070 | Mr. Nystrom | |
| COMEDNIA ENTE ODDEDO | | Mr. Nystrom | |
| GOVERNMENT ORDERS | | Mr. Mahoney | |
| Supply | | Mr. Nunziata | 12892 |
| Allotted Day—Pan-American Monetary Union | | Mr. Mahoney | 12892 |
| Motion | 12871 | Mr. Desrochers | 12893 |
| | | Mr. Graham | 12894 |
| Mrs. Picard | 12871 | Mr. Desrochers | |
| Mr. Loubier | | | |
| Mr. Bryden | 12871 | Mr. Hilstrom | 12894 |
| Mr. Loubier | 12871 | Mr. Adams | 12894 |
| Mr. Peterson | 12871 | Mr. Hilstrom | 12894 |
| Mr. Marceau | 12872 | Mr. Desrochers | 12894 |
| Mr. Peterson | 12872 | Mr. Marceau | 12894 |
| Mr. Marceau | 12873 | Mr. Desrochers | 12894 |
| Mr. Peterson | | Amendment negatived | 12896 |
| Mr. de Savoye | | Mr. Kilger | 12896 |
| Mr. Peterson | 12873 | Mr. Breitkreuz (Yorkton—Melville) | 12896 |
| Mr. McKay | | Motion negatived | 12897 |
| · · | | • | |
| Mr. Marceau | | Ways and Means | |
| Mr. McKay | | National Parks Act | |
| Mr. Adams | | Motion for concurrence | 12897 |
| Mr. McKay | | Mr. Peterson | 12897 |
| Mrs. Lalonde | 12876 | Motion agreed to | 12898 |

| | National Housing Act | |
|-------|---|--|
| 12898 | Bill C–66. Second reading | 12901 |
| 12898 | Mr. Kilger | 12901 |
| 12898 | Mr. Strahl | 12901 |
| 12898 | | |
| 12898 | | |
| 12898 | · | |
| 12898 | | |
| | | |
| | <u>e</u> | |
| | (Bill read the second time and referred to a committee) | 12902 |
| | Foreign Publishers Advertising Services Act | |
| 12900 | | 12902 |
| | <u>e</u> | |
| | (Bill read the third time and passed) | 12903 |
| 12900 | ADJOURNMENT PROCEEDINGS | |
| 12900 | | |
| 12900 | | 12904 |
| 12900 | • | |
| 12900 | The Budget | |
| 12900 | S | 12904 |
| 12901 | Mr. Byrne | 12905 |
| | 12898 12898 12898 12898 12898 12898 12898 12898 12899 12900 12900 12900 12900 12900 12900 12900 12900 | 12898 Mr. Kilger 12898 Mr. Strahl 12898 Mr. Bergeron 12898 Mr. Solomon 12898 Mr. Harvey 12898 Mr. Nunziata 12898 Motion agreed to 12898 (Bill read the second time and referred to a committee) Foreign Publishers Advertising Services Act 12900 Bill C-55. Third reading 12900 Motion agreed to 12900 (Bill read the third time and passed) 12900 ADJOURNMENT PROCEEDINGS 12900 Aboriginal Affairs 12900 Mr. Byrne 12900 The Budget 12900 Ms. Wasylycia-Leis |



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Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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