CANADA

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OFFICIAL REPORT
(HANSARD)

Thursday, November 4, 1999

Speaker: The Honourable Gilbert Parent

CONTENTS

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

HOUSE OF COMMONS

Thursday, November 4, 1999

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*Translation*]

SUPPLEMENTARY ESTIMATES (A), 1999-2000

A message from Her Excellency the Governor General transmitting Supplementary Estimates (A) of the sums required for the fiscal year ending March 31, 2000 was presented by the Hon. President of Treasury Board and read by the Speaker of the House.

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COMMITTEES OF THE HOUSE

HERITAGE CANADA

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, pursuant to Standing Order 109, I have the honour to table, in both official languages, the government's response to the ninth report of the Standing Committee on Canadian Heritage entitled A Sense of Place, A Sense of Being: The Evolving Role of the Federal Government in Support of Culture in Canada.

I would like to apologize to the members of this House for the fact that this document was leaked to the press. This was in no way intentional and we sincerely apologize; I trust that my hon. colleagues will accept that it was in no way the government's intention that this should occur.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Derek Lee (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.

• (1005)

INTERPARLIAMENTARY DELEGATIONS

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the second report of the Canadian NATO Parliamentary Association which represented Canada at a meeting of the subcommittee on the future of the armed forces held in Turkey on June 27 to 30, 1999.

* * *

CANADIAN INSTITUTES OF HEALTH RESEARCH ACT

Hon. Allan Rock (Minister of Health, Lib.) moved for leave to introduce Bill C-13, an act to establish the Canadian Institutes of Health Research, to repeal the Medical Research Council Act and to make consequential amendments to other acts.

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

* * *

DIVORCE ACT

Mr. Jay Hill (Prince George—Peace River, Ref.) moved for leave to introduce Bill C-304, an act to amend the Divorce Act (joint custody).

He said: Mr. Speaker, I appreciate my colleague from Crowfoot seconding this bill this morning.

I note that I have introduced this bill a couple of times in the past.

The purpose of the bill is to ensure the courts grant custody of a child to both parents unless there exists evidence that to do so would not be in the best interests of the child. Automatic joint custody could reduce the number of parents forced to go to court to gain access to their children, increase the likelihood of support payment compliance and reduce the likelihood of one parent denying the other's right to see the children. Statistics from the U.S. indicate financial compliance increases in direct relation to access.

The recent report of the Special Joint Committee on Child Custody and Access recommended that joint parenting be included

in new legislation. However, the justice minister has announced there would be no new legislation from her before 2001. Children simply cannot wait that long.

I would hope that members from all parties would support this important bill for the sake of the children.

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

* * *

CRIMINAL CODE

Mr. Randy White (Langley—Abbotsford, Ref.) moved for leave to introduce Bill C-305, an act to amend the Criminal Code (prohibiting certain offenders from changing their name).

He said: Mr. Speaker, I would like to thank my colleague from Dewdney—Alouette for seconding this bill.

Given the current revelation of Karla Homolka changing her name to another name and attempting to move to a community release facility, I am once again encouraged to resubmit this bill that was submitted some time ago under different concerns.

The concern still remains the same. Violent offenders are changing their names while in prison. The consequences of that, from my research across the country, is that many people do not know these individuals once they are out of prison and living under other names. Under new names, they are indeed committing more offences.

I ask the House to consider this which speaks for itself. There has to be some responsibility on our system of governance today to ensure that violent offenders are not changing their names and moving into our society subsequent to release or even on parole with a new driver's licence, new identification and continuing on with other crime sprees.

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

* * *

● (1010)

DEBT SERVICING AND REDUCTION ACCOUNT ACT

Mr. Ted White (North Vancouver, Ref.) moved for leave to introduce Bill C-306, an act to amend the Debt Servicing and Reduction Account Act (gifts to the Crown).

He said: Mr. Speaker, this bill when passed by the House will ensure that anyone who gives a gift to the crown for the purposes of debt reduction is assured that money is actually used for debt reduction and does not disappear into the general revenue fund.

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

BROADCASTING ACT

Mr. Ted White (North Vancouver, Ref.) moved for leave to introduce Bill C-307, an act to amend the Broadcasting Act (designation of cable channels).

He said: Mr. Speaker, this bill once passed will amend the Broadcasting Act to put an end to the practice of the CRTC directing that cable companies must provide specific channels in the range of 2 to 13 which causes constant disruption to people's cable ranges in the major cities. It would end the political correctness once and for all and allow the cable companies to provide channels in that range based on market demand and viewer preference.

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

* * *

INCOME TAX ACT

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP) moved for leave to introduce Bill C-308, an act to amend the Income Tax Act.

He said: Mr. Speaker, I wish to thank my seconder, the hon. member for Winnipeg—Transcona, for supporting this very important bill.

I am sure that after careful consideration this bill will sweep the nation and the House of Commons like no other private member's bill ever has.

The basic purpose of the bill is to allow members of community service groups a tax credit in respect of their annual membership dues. I am thinking in terms of Lions Clubs, Rotary Clubs, Kinsmen Clubs, et cetera, that now face pressure because of government downloading from all federal, provincial and municipal governments.

The pressure on volunteer and service groups is ever-mounting. Many of these volunteers have volunteer burnout. Enrolment is down in a lot of the service groups across the country because of the burnout. This bill shows the volunteers of this great country of ours that parliament does care and that their membership dues should be fully tax deductible.

I am thankful for the opportunity to present the finest bill the House of Commons has ever seen.

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

[*Translation*]

FOOD AND DRUGS ACT

Ms. Hélène Alarie (Louis-Hébert, BQ) moved for leave to introduce Bill C-309, an act to amend the Food and Drugs Act (mandatory labelling for genetically modified foods).

She said: Mr. Speaker, the genetically modified food industry is growing rapidly. More and more such products are turning up in our shopping baskets. I would humbly submit that consumers are entitled to know the contents of the food on their plates.

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

* * *

SUPPLEMENTARY ESTIMATES (A), 1999-2000

REFERENCE TO STANDING COMMITTEES

Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, pursuant to Standing Orders 81(5) and 81(6), I wish to move a motion concerning referral of the supplementary estimates to the standing committees of the House.

● (1015)

There is a lengthy list of these committees associated with the motion. If it is agreeable to the House, I would ask that the list be printed in *Hansard* as if it had been read.

The Speaker: Is that agreed?

Some hon. members: Agreed.

Hon. Lucienne Robillard: Mr. Speaker, I move:

That the Supplementary Estimates (A) for the fiscal year ending March 31, 2000, laid upon the Table November 4, 1999, be referred to the several standing committees of the House in accordance with the detailed allocation attached.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Aboriginal Affairs and Northern Development
Indian Affairs and Northern Development, Votes 1a, 5a, 6a, 10a, 15a, 35a and 50a

To the Standing Committee on Agriculture and Agri-Food
Agriculture and Agri-Food, Votes 1a, 5a, 10a, 15a, 20a and 25a

To the Standing Committee on Canadian Heritage
Canadian Heritage, Votes 1a, 5a, 50a, 60a, 65a, 70a, 75a, 80a, 90a, 110a, 115a and 130a
Privy Council, Vote 30a

To the Standing Committee on Citizenship and Immigration
Citizenship and Immigration, Votes 1a and 10a

To the Standing Committee on Environment and Sustainable Development
Environment, Votes 1a, 5a, 10a and 15a

To the Standing Committee on Finance
Canada Customs and Revenue, Vote 1a
Finance, Votes 1a and 6a

To the Standing Committee on Fisheries and Oceans
Fisheries and Oceans, Votes 1a, 5a and 10a

To the Standing Committee on Foreign Affairs and International Trade
Foreign Affairs, Votes 1a, 5a, 10a, 11a, 20a, 25a, 30a, 41a, 45a and 50a

To the Standing Committee on Health
Health, Votes 1a, 5a, 10a, 15a, 20a and 25a

To the Standing Committee on Human Resources Development and the Status of Persons with Disabilities
Human Resources Development, Votes 1a, 5a, 10a, 15a, 20a, 25a and 35a

To the Standing Committee on Industry
Industry, Votes 1a, 5a, 20a, 25a, 30a, 35a, 40a, 45a, 50a, 55a, 70a, 75a, 85a, 90a, 95a, 100a, 110a, 115a and 120a

To the Standing Committee on Justice and Human Rights
Justice, Votes 1a, 5a, 10a, 15a, 30a, 40a, 45a and 50a
Solicitor General, Votes 1a, 10a, 15a, 25a, 35a, 40a and 50a

To the Standing Committee on National Defence and Veterans Affairs
National Defence, Votes 1a, 5a, 10a and L11a
Veterans Affairs, Votes 1a, 5a and 10a

To the Standing Committee on Natural Resources and Government Operations
Canadian Heritage, Vote 125a
Governor General, Vote 1a
Natural Resources, Votes 1a, 5a, 15a, 20a, 22a and 25a
Privy Council, Votes 1a, 5a, 10a and 55a
Public Works and Government Services, Votes 1a and 10a
Treasury Board, Votes 1a, 10a and 15a

To the Standing Committee on Public Accounts
Finance, Vote 25a

To the Standing Committee on Transport
Privy Council, Vote 15a

To the Standing Joint Committee on Library of Parliament
Parliament, Vote 10a

To the Standing Joint Committee on Official Languages
Privy Council, Vote 25a

(Motion agreed to)

* * *

[*English*]

PETITIONS

TELEPHONE SERVICES

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have now been contacted by hundreds of people who are concerned about the fact that there are families in Peterborough County that lack telephone service. I am pleased to present the petition.

The petitioners say that whereas Canada is the most connected country in the world and whereas Canadians in Canada pioneered telephones and telephone service, it is extraordinary that there are

homes in southern Ontario today, specifically on Peterborough County Road 40, that do not have telephone service.

A short drive from the city of Peterborough there are families with children without telephones. They have telephone poles at their gates. There are homes with phones within a few kilometres.

Therefore the petitioners call upon parliament to intervene on their behalf through relevant federal departments, the CRTC and Bell Canada.

CHILD SUPPORT

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I have the honour to present two petitions today on behalf of the residents of Prince George—Peace River.

The first petition deals with concerns about the old Bill C-41, the federal child support guidelines. In it the petitioners note that this act severely restricts a non-custodial parent's ability to meet the responsibilities as a parent.

They call upon parliament to amend the new federal child support guidelines to address their concerns. They ask that provisions contained in the old Bill C-41 be repealed and replaced by an act that is more fair, equitable and sensible to parents and children.

CHILD PORNOGRAPHY

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the second petition deals with concerns about child pornography, specifically in British Columbia, and the fact that the B.C. Court of Appeal has struck down subsection 163(1)(4) of the criminal code that makes possession of child pornography a criminal offence and that the court decision is therefore placing children in British Columbia at risk.

They call upon parliament to take all necessary measures up to and including the use of the notwithstanding clause to ensure that possession of child pornography remains a serious criminal offence and that police forces be directed to give priority to enforcing this law for the protection of our children.

RIGHTS OF PARENTS

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I have a petition to submit to the House from concerned citizens throughout my riding.

They say that section 43 of the criminal code recognizes the primary role of parents in the raising and disciplining of their children and that the removal of section 43 of the criminal code would strengthen the role of bureaucrats while weakening the role of parents in determining what is in the best interest of children, and therefore would be a major and unjustified intrusion by the state into the realm of parental rights and responsibilities.

Therefore the petitioners request parliament to affirm the duty of parents to responsibly raise their children according to their own conscience and beliefs and to retain section 43 of the Criminal Code of Canada as it is currently worded.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

• (1020)

[*Translation*]

REQUEST FOR EMERGENCY DEBATE

IMPORTATION OF PLUTONIUM

The Speaker: I have received a notice of motion under Standing Order 52 from the hon. member for Jonquière.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, pursuant to Standing Order 52, I call on the House to hold an emergency debate on the importing of mixed oxide fuel, MOx, containing military plutonium.

As members know, the government has unilaterally agreed to transport a small quantity of MOx from American and Russian nuclear arms for trials on its use as a fuel in Canadian nuclear reactors. The government will thus act contrary to a unanimous recommendation by the Standing Committee on Foreign Affairs, which rejected the idea of importing MOx.

Right from the start, the Bloc Quebecois opposed the idea of importing plutonium and asked the ministers of foreign affairs and natural resources to drop the idea.

The ever thorny issue of residual waste management, the lack of cost effectiveness, the clear opposition by a growing number of citizens, resolutions by a number of municipalities preventing the passage of such a convoy through their territory and the risk of terrorism involved in the movement of this substance seriously reduce the credibility of the importation proposal.

For all these reasons and because the MOx could be transported as early as November 15, with the Russians' share potentially having already left the port of St. Petersburg, we think an emergency debate is necessary.

The government must justify its decision, which runs totally contrary to what the people want and what was recommended by the Standing Committee on Foreign Affairs, and allow parliamentarians to debate this question of importing plutonium, even before trials are permitted on Canadian soil.

Accordingly, I ask you to consider my request for an emergency debate favourably.

The Speaker: My dear colleague, I read the hon. member's letter before entering the House and I have listened attentively to her explanation, but, in my opinion, her arguments do not meet the specific requirements at the moment.

* * *

[*English*]

PRIVILEGE

CANADIAN SECURITY INTELLIGENCE SERVICE—SPEAKER'S RULING

The Speaker: Before we proceed to orders of the day, I will now deal with a question of privilege from the hon. member for South Surrey—White Rock—Langley that was brought before the House on October 14, 1999, with further interventions on October 21 and 25, 1999. The question of privilege concerned the activities and conduct of the Canadian Security Intelligence Service during the course of a lawsuit against the member.

I thank all members who participated in this debate for their helpful contributions in this matter. In particular, I would like to draw attention to the presentations made by the hon. government House leader, the opposition House leader, the hon. member for Fraser Valley and the hon. member for Kootenay—Columbia. The many thorough submissions have helped the Chair In making this important and far-reaching decision. The Chair is also grateful for the accompanying material submitted by the hon. member for South Surrey—White Rock—Langley.

Perhaps it might be useful at this time to acquaint everyone with the events that took place, which led to the raising of this question of privilege. The hon. member benefited from the parliamentary privileges accorded to all members when she put certain questions in the House during question period on alleged spy activities by certain employees of CSIS. Subsequent to this, the hon. member released related material outside the House of Commons that inadvertently contained the actual name of a former employee of CSIS. I am sure all hon. members know that immunity accorded to members in the House does not exist when statements are made outside the House. A civil lawsuit ensued and the case was subsequently settled out of court.

[*Translation*]

The hon. member for South Surrey—White Rock—Langley in her presentation covered a great deal of ground in relation to this matter. For the benefit of the entire House, I would like to quickly outline the grievances brought forth by the hon. member.

• (1025)

[*English*]

First, she indicated that CSIS improperly collected information and then disclosed that information to a third party in clear violation of CSIS policy.

Second, she affirmed that CSIS took an active role in the preparation of a lawsuit against an opposition member of parliament, including having its legal counsel provide the plaintiff and the plaintiff's lawyer with advice.

Third, she contended that CSIS had misused its authority under the guise of the protection of national security and deliberately misled the court to frustrate her attempts to resolve the lawsuit.

The hon. member argued that these actions on the part of CSIS constituted a deliberate effort by CSIS to intimidate her and prevent her from speaking freely in the House of Commons and from performing her role as official opposition critic. She felt that the evidence provided was sufficient to find that there was a prima facie case of contempt of the House against the Canadian Security Intelligence Service. Erskine May suggests on page 143 of the 20th edition that:

> It would be vain to attempt an enumeration of every act which might be construed into a contempt, the power to punish for contempt being in its nature discretionary. . .It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

The hon. member for South Surrey—White Rock—Langley stated that she would ''provide prima facie evidence to the Chair that demonstrates how the conduct and activities of CSIS regarding this case form what she believes to be a new and disturbing method of intimidation of a member of parliament''.

[*Translation*]

Consequently what the Chair must decide, on the basis of the facts presented, is whether she has provided the necessary evidence to substantiate a prima facie claim of privilege.

[*English*]

Let me begin by addressing the three points that relate to the actions of the Canadian Security Intelligence Service. The member stated that the plaintiff was in possession of documents improperly collected and supplied by CSIS. The material included press clippings, press releases, radio transcripts and the like. She also indicated that certain items of this information were not asked for

by the plaintiff but rather were given directly without any solicitation by CSIS to the plaintiff. Before addressing the issue of the improper collection of these documents, I must first underline that the material alluded to was in the public domain and readily available to any member or private citizen.

The issue of whether the collection and disclosure of these documents was in contravention of the CSIS Act or internal policies of the agency is not for the Speaker to judge. The member has also stated that CSIS purposely prolonged legal proceedings by providing misinformation in order to prevent the member from having the case heard in court and also deny her the right to raise concerns about the case for three and a half years. Proven or unproven, such misconduct by CSIS is not for the Speaker or the House to decide. It would be a matter for the judicial system to review or for the Security Intelligence Review Committee to investigate.

If the member feels that specific sections of the CSIS Act have been breached by CSIS employees, then these matters can be dealt with through the complaints procedures established by parliament in the Canadian Security Intelligence Act. As I understand it, the Security Intelligence Review Committee, or SIRC, was established in 1984 as an independent body to review the activities of the Canadian Security Intelligence Service. SIRC's second role is to investigate complaints from the public about any CSIS action. Any person who has knowledge of inappropriate activities by CSIS can complain to SIRC.

[*Translation*]

In fact, the Security Intelligence Review Committee has the power to initiate such an investigation without necessarily having received a formal complaint. Given the fact that three of the five members of the committee are former parliamentarians, at the federal and provincial level, I have no doubt that they would take this matter up with special interest.

• (1030)

[*English*]

While the Security Intelligence Review Committee can investigate and report on the appropriateness of activities within and by CSIS, the question of whether such actions constituted an attempt to intimidate a member of this House, and are thus a contempt of the House, fall within the sole authority of the Speaker and are questions that I take very seriously.

It appears that what we have before us are allegations by an hon. member to the effect that her parliamentary privileges have been breached due to deliberate attempts by an outside agency to impede the member from performing her parliamentary duties. Precisely speaking, the hon. member protests that one of her basic privileges, ''the freedom of speech'', has been breached by a deliberate effort of intimidation accomplished by CSIS through support to a court action by a plaintiff against the member.

Any attempt to intimidate a member with a view to influencing his or her parliamentary conduct is a breach of privilege. Privilege is a fundamental principle of parliamentary law. In the 22nd edition of May it is stated at page 65:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals.

The position put forward by the hon. member for South Surrey—White Rock—Langley is to the effect that CSIS made an effort to intimidate her, thereby limiting her freedom of speech in the House, resulting in the hon. member being unable to perform her role as official opposition critic. This, my colleagues, is a very serious charge.

There can be no question as to the relevance and appropriateness of the principle invoked by the hon. member.

[*Translation*]

Indeed, as all hon. members know, the privilege of freedom of speech is so fundamental that this House could not discharge its constitutional functions without it. Beauchesne's 6th edition, at page 22, states:

> The privilege of freedom of speech is both the least questioned and the most fundamental right of the member of parliament on the floor of the House and in committee.

[*English*]

There are, however, limits to parliamentary privilege. Speaker Lamoureux in his April 29, 1971 ruling indicated that privilege sets hon. members apart from other citizens by giving them rights that the general public does not have. In his ruling he stated:

> In my view, parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a member to discharge his or her duties in the House as a member of the House of Commons.

Speaker Jerome, when speaking on the limits of parliamentary privilege in his ruling of February 20, 1975, went in the same direction as Speaker Lamoureux. He added:

> The consequences of extending that definition of privilege to innumerable areas outside this chamber into which the work of an MP might carry him or her, and particularly to the great number of grievances he might or she might encounter in the course of that work, would run contrary to the basic concept of privilege.

[*Translation*]

However, if a member is subjected to threats and intimidation, he or she is clearly hindered in the fulfilment of the parliamentary

duties for which he or she was elected. As Joseph Maingot writes, in his book *Parliamentary Privilege in Canada*, on page 235:

> [—] not every action by an outside body that may influence the conduct of a member of parliament as such could now be regarded as a breach of privilege, even if it were calculated and intended to bring pressure on the member to take or to refrain from taking a particular course. But any attempt by improper means to influence or obstruct a member in his parliamentary work may constitute contempt. What constitutes an improper means of interfering with members' parliamentary work is always a question depending on the facts of each case. Finally, there must be some connection between the material alleged to contain the interference and the parliamentary proceeding.

● (1035)

[*English*]

The question that must be answered is what constitutes proceedings in parliament. Speaker Fraser, in his ruling of July 18, 1988, defined proceedings of parliament in the following manner:

> This phrase has never been exactly and completely defined by statute, by the courts of law, or by the House itself. In its narrow sense the expression is used to denote the formal transaction of business in the House or in committee. Traditionally it covers both the asking of a question and the giving of a written notice of such question, and also includes everything said or done by a Member in the exercise of his or her functions as a Member of the House, either in the House or in any committee of the House in the transaction of parliamentary business.

I may have been somewhat lengthy in my remarks, my colleagues, but I thought that this is matter of such seriousness that it was incumbent upon me to clearly explain what constitutes privilege, contempt and proceedings in parliament. It is my duty to determine whether the actions taken by CSIS can be seen to have had as their purpose to influence or obstruct the hon. member for South Surrey—White Rock—Langley in her parliamentary work and within the context of a proceeding in parliament.

Bluntly stated, the question is: Was the support by CSIS of a former employee of CSIS intended to ''chill'' the hon. member for South Surrey—White Rock—Langley from participating in question period, debate in the House or committees of the House? Or, the question can be restated more generally as follows: Did CSIS provide inappropriate support to a former employee of CSIS who was suing the hon. member for South Surrey—White Rock—Langley because she is a member of parliament and was a critic of the agency in a parliamentary proceeding? If the answer to either of these questions is yes, then I must rule, in keeping with our practice, that a prima facie case of contempt has occurred.

I have reviewed the hon. member's presentation. I have re-reviewed it and gone through it on at least four occasions—I want to underline that—and found that nothing she said would lead to an affirmative answer to these two questions. I have also carefully assessed the submission by the hon. member for South Surrey—White Rock—Langley, including all of the complementary material which she made available, and I have not been able to conclude that the actions of CSIS, as reported by the hon. member, constitute a prima facie case of privilege.

The actions by CSIS may indeed have prolonged the civil process, but the hon. member has not provided the Chair with sufficient grounds to warrant further action by the House at this time. Should new facts emerge or if the hon. member returns to the House with other substantive evidence, I would of course listen to her again, because, if proven, her allegation would be very disturbing.

I thank the hon. member for bringing the matter to my attention and all hon. members for their patience while I looked into the details.

* * *

BUSINESS OF THE HOUSE

Mr. Derek Lee (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there have been consultations among party leaders and House leaders, and I believe you would find unanimous consent and approval for the adoption of the following motion in relation to speaking times today. I move:

> That, during today's sitting the member proposing a motion on an allotted day shall not speak for more than twenty minutes, following which a period not exceeding ten minutes shall be made available, if required, to allow members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto, and immediately thereafter a representative of each of the recognized parties, other than that of the member proposing the motion, may be recognized to speak for not more than ten minutes, following which, in each case, a period not exceeding five minutes shall be made available, if required, to allow members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto.

● (1040)

Mr. Greg Thompson: Mr. Speaker, I rise on a point of order to ask if the time that it took for your ruling could be added to the debate today. In other words, could we extend the time on the debate?

The Speaker: There would have to be unanimous consent of the House. Is there unanimous consent to present such a request?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: Does the hon. parliamentary secretary have permission to put the motion?

Some hon. members: Agreed.

The Speaker: Does the House concur in the motion?

Some hon. members: Agreed.

(Motion agreed to)

Supply

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—TRADE POLICY

Ms. Alexa McDonough (Halifax, NDP) moved:

That, in the opinion of this House, this government has sabotaged Canadian democracy by pursuing a trade policy that gives excessive power to unelected and unaccountable international trade organizations and erodes the ability of Canada's elected representatives to act in the public interest; and

That therefore the government should not negotiate any further liberalization of trade or investment at the Seattle meeting of the World Trade Organisation (WTO) or the Free Trade Area of the Americas (FTAA) without first securing enforceable international rules on core labour standards, environmental protection, cultural diversity, the preservation of public health care and public education and, generally, the right of democratically-elected governments to act for the common good; and

That the government should seek to eliminate the investor- state dispute mechanism in Chapter 11 of the North American Free Trade Agreement (NAFTA), which gives foreign corporations the right to sue and intimidate Canadian governments as in the cases involving MMT and bulk water exports, and should refuse to include such a mechanism in any other trade agreement; and further

That the government should take action to remedy its over-zealous and irresponsible pursuit of greater trade liberalisation, which has caused extreme hardship for Canadian farmers, whose domestic support payments have been slashed by 60%, three times what was actually required by Canada's international trading obligations.

She said: Mr. Speaker, I am pleased to have the opportunity to debate this important NDP opposition day motion. I will be dividing my time with my colleague, the member for Winnipeg—Transcona.

Four weeks from now, in a non-descript meeting room in a downtown hotel in Seattle, a team of Canadian negotiators will sit down around a table to begin the next round of negotiations of the World Trade Organization.

Few Canadians know what is at stake in these negotiations and the Liberal government is not about to tell them. Why? Because what is at stake in Seattle is nothing less than our universal health care system, our public education, the future of our family farms, our cultural sovereignty and the environmental legacy that we leave for our children.

These are the things that make us one of the world's great nations. They shape and define us as Canadians, as a caring and compassionate society, as a vigorous economy and as a place of clean air to breathe and pure water to drink.

[*Translation*]

Because of the Liberals' failure to act, everything that defines us as Canadians is on the table in Seattle.

[*English*]

If the Liberal government came clean with what is on the table in Seattle, Canadians would be horrified, just as they were a few years ago when they discovered that the Liberal government had spent three years negotiating the MAI behind closed doors.

In that instance ordinary Canadians gathered together. We worked with other democracies and other progressive organizations around the world and we dealt a death blow to the MAI. It just shows how well democracy can work and how well it will work if ordinary citizens see a threat and work together to stop it.

● (1045)

The WTO has been called a new economic constitution for the planet. What it really is is a hostile corporate takeover. It is a takeover of Canada's most important public services and programs by the world's largest corporations. The trade minister actually acknowledged this when he stated that under the WTO regime ''the state has surrendered a large part of its jurisdiction to the market and now transnational actors are the ones controlling the key elements''. Canadians do not want this to happen. They will not let this happen.

[*Translation*]

The WTO represents a takeover by multinationals of the public programs and services so valued by Canadians. It is unacceptable.

[*English*]

A long list of Canada's public policies, laws and programs have already fallen victim to trade disputes. They include programs to support Canadian publishing, standards for toxic fuel additives, and funding for research and development in our high tech sector.

Last week Saskatchewan and Manitoba farmers were here on Parliament Hill asking for help. Instead of desperately needed help they got flim-flam, the now you see it, now you don't magical disappearing statistics.

One of the reasons that farmers need help is the trade negotiations of the 1980s. While Canada sat at the world table working to dissolve subsidies, the United States was busy stepping up its export enhancement program and capturing key chunks of Canada's world market. Meanwhile, the federal Liberal government slashed farmers' domestic support payments by 60%, three times the amount required by our WTO obligations.

This time in the upcoming WTO round, the trade negotiators are taking direct aim at our most valuable national asset, our universal public health system. We know that an ageing population means

increasing health care needs. U.S. corporations see a rich market ripe for the taking with the help of the WTO. Canada's health care system and our ability to sustain it have been compromised again and again by corporate interests in our trade negotiations.

With every new trade agreement we have had a new trade bill that gives longer patent protection, for example to multinational drug giants. The result is more profits for pharmaceutical companies and increasing drug costs for Canadians.

What is it that the U.S. health care companies want this time? They want more privatization of our health services, majority foreign ownership of our health care facilities, access to and more competition in our health care market, and the right to bid on all our government contracts including those in health care.

The trade minister says he wants to open up health care services to see whether Canadian providers can export to the world, but the real agenda is to expose Canada's health care to be scavenged for profit by the American health care industry.

[*Translation*]

The Minister for International Trade says he is prepared to open up our health services to American companies. This will clearly mean the end of our public health system.

[*English*]

Our health care is not the only thing at risk. The WTO also has its eye on our public education system. What could this mean for Canadians?

Foreign for profit educational institutions would be guaranteed the right to operate in Canada. Governments could not require educational institutions to hire locally. The requirements of the education professions and institutions could be subject to WTO review. Any government subsidies, like student loans or grants, would have to be given to both public and private providers. This would mean the beginning of the end of Canada's public education system and we will not permit it to happen.

The stakes in trade negotiations get higher every day. The most recent attack was on Canada's auto pact, the underpinning of thousands of good Canadian jobs and the basis of much of our manufacturing sector for the past 40 years.

Look what has happened to environmental initiatives under the new trading regime. In every single case, the WTO has ruled in favour of corporate interests and against environmental and public health.

● (1050)

Canada's baptism by fire came over MMT, a toxic gasoline additive and a NAFTA chapter 11 challenge by Ethyl Corporation. The government settled out of court, withdrew its legislation and paid $19.6 million in damages to Ethyl Corporation. The big winners were U.S. corporate interests and the losers were Canadians concerned about our environment.

Now because of the government's failure to act, we face a similar risk with Canadian bulk water exports. New Democrats are leading the fight against the export of bulk water. While we managed to persuade the Liberal government to vote for our opposition day motion to legislate a ban on bulk water exports, no such thing has been done to date.

Today my colleagues will speak in more detail about the threats to agriculture, to our health care, our cultural sovereignty, our environmental protection.

Let me make it clear. New Democrats support a rules based global economy. We believe in rules, fair rules, because Canada is a trading nation, but we also believe we must regulate economic activity in the interests of people.

The WTO ties the hands of democratic governments that wish to create legislation good for their citizens, legislation that might impede from time to time the profit making capacity of multinational corporations.

New Democrats do not believe and most Canadians do not believe that we should surrender Canadian sovereignty and the public services and initiatives we care about in order to make the world a barrier free playground for the economically powerful.

Today I want to know, Canadians want to know, where are the Liberals? Why will they not stand up for Canada? Why will they not fight to protect the rights of Canadians against multinational corporations?

I assure everyone that today, in Seattle, and in the coming months whenever and wherever trade negotiations threaten to destroy the very things that define us as Canadians, New Democrats will be there. We will be there fighting to protect the rights and interests of Canadians against the increasing power and the increasingly anti-democratic control of multinational corporations.

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, I listened with great interest to the points made by the leader of the New Democratic Party.

She talked about her party being in favour of a rules based system. Then she talked about corporations taking over. Even a rules based system that we are talking about will give Canadian companies the opportunity to expand their businesses which in turn will be beneficial to the workers of the country. Would the hon. member not agree that NAFTA as well as the WTO as of today have been beneficial to the working families of the country?

Ms. Alexa McDonough: Mr. Speaker, the member is absolutely right when he indicates that the New Democratic Party very much favours rules based trading. The issue is whether the rules are going to be enforcing the things that matter to us most. That is why, if the member reads the motion we have put forward, we have made it clear that we must secure in those rules enforceable ways to protect core labour standards, to protect our environment, to protect cultural diversity, to preserve public health care and public education and generally the right of democratically elected governments to act for the common good.

Yes, it is important that we have rules which create fairness for Canadian corporations that want to and are able to compete in the international arena. But let us not do it at the expense of workers, at the expense of our environment and at the expense of things that matter most to Canadians.

• (1055)

The member asked whether we think current trade agreements have been good for Canadians. There have been some benefits, but there have been some immense losses, not the least of which is the severe erosion of the income and the quality of life of too many of our Canadian citizens.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I would like to get clarification of one aspect of the hon. member's speech.

The member mentioned MMT. I missed the start and whether or not she mentioned the banning of MMT. There is a common misconception with the public, which has unfortunately been advanced by groups like the Council for Canadians, that MMT was banned by the government. That is not actually the case. By reviewing *Hansard* and the act, the record will show what happened. The government banned the marketing and transportation of MMT. There is a huge difference.

I apologize because I did not hear the member's particular sentence, and I do not know whether she made that error in her speech.

The record will show that at that time the Reform Party warned the government that banning the transportation and marketing of MMT would result in a NAFTA challenge. We urged and begged the government to institute an independent health study of MMT to determine whether it was in fact harmful because all of the Health Canada documentation said that it was not. There was no justification for banning MMT on health grounds. The only way we could see that it could be done would be to have an independent study that could then be used to justify if indeed it was unhealthy.

Could the member confirm that she understands that MMT itself was not banned, but it was its transportation and marketing, and that the government was foolish in not having an independent study to determine its health risks?

Ms. Alexa McDonough: Mr. Speaker, the member is familiar with this case. I think he knows that MMT has been banned in the United States. Considerable evidence has amassed that would indicate it is indeed a severe threat. What we are talking about here is whether Canada is going to be able to protect the health of our own people and make decisions in the interests of our own future in terms of health, environment and all of those things that matter most to Canadians.

The details of the situation he discussed are not nearly as important as the principle of whether Canada is going to have the democratic right and the freedom to protect our own interests and our own rights as we see them as a sovereign nation.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I will pick up on certain elements of the motion. Members from the NDP caucus will be rising throughout the day to speak to various aspects of the motion before the House.

I will begin with the first element of the motion. It talks about the government having sabotaged Canadian democracy by pursuing a trade policy that gives excessive power to unelected and unaccountable international trade organizations and erodes the ability of Canada's elected representatives to act in the public interest.

As my leader stated earlier, this is not a radical or debatable observation in many respects. The Minister for International Trade himself has talked about the transfer of power from the state to the market. To the extent that Canada is a democratically elected state, it is clearly a transfer from the democratic realm to the realm of the market, and the market as it is designed, created and regulated by the WTO, an organization which I would submit has very much been designed by and for the multinational corporations.

I would submit to some of my colleagues who are to my left in the House of Commons but on my right ideologically that they too should be more concerned about this than they sometimes are.

I attended a conference about a month ago in Edmonton. It was sponsored by a member from Edmonton and the member for Pictou—Antigonish—Guysborough. They talked about the erosion of democracy. They were very concerned about the transfer of power from parliament to the prime minister and from parliament to the courts and from parliament to various other places within Canadian society.

• (1100)

What I said at that conference I will say here again today. People who are concerned about the erosion of democracy and the erosion of the power of parliament should also be concerned about the erosion of the power of parliament by virtue of the transfer of the powers of parliament to the marketplace through these various agreements.

This is a debate that has been going on for some time. I recall making speeches not unlike this one in 1987-88 when we were debating the free trade agreement, then NAFTA, then the institution of the WTO and the MAI. Now we have the new round, the so-called millennium round, at the WTO and the FTAA.

All these things are of a piece with a movement away from what the NDP regards as the proper exercise of democracy. Many of the things which traditionally were the object of political debate and parliamentary decision have been taken out of the hands of parliament and placed in the hands of trade bureaucrats or, for that matter, enshrined as policy in various trade agreements. The former things that we were able to debate and decide and on which governments were able to change their minds as we got new governments or as governments themselves changed their minds, are all things that are no longer possible.

Can we actually make a decision here in parliament about drug patent laws? No, we cannot because that is settled by a trade agreement. Can we make laws about having two price wheat or a two price energy system? No, we cannot because that has been settled by the free trade agreement. Can we have split-run magazines? No, we cannot even debate that anymore because that has been decided by the WTO.

Can we have a national ban on the export of bulk water? It appears that we cannot have that. When the Minister of Foreign Affairs was asked just yesterday whether he was going to bring in such a thing, he clearly did not make that commitment. He said that he would bring in something that would have the effect of protecting Canada's water resources, but he did not say that he would bring in a national ban because the government itself knows that the nature of NAFTA is such that water is not exempt in the way it has claimed it is. We are therefore at risk of not being able to prevent the bulk export of water if that is what we want to do.

It is not a question of whether we should or should not in this case as in so many other cases. It is a question of whether we can or cannot because of these particular agreements.

That is the democratic question. That is why we in the NDP want to put this debate about the WTO and about these trade agreements in the context of the ongoing debate about democracy. One of the elements that is so significant in terms of eroding democracy is the chapter eleven investor state dispute mechanism.

I want to spend what little time I have left on that particular mechanism. Here we see an ability on the part of foreign corporations, not domestic corporations or Canadian corporations that have to live within the law and whose only recourse is through the domestic courts, but foreign corporations, thanks to the chapter eleven mechanism, to have a mechanism at their disposal to harass and to intimidate the Canadian government in a way that would never have been conceivable in an earlier time. It was not even an element of the free trade agreement. It only came in with NAFTA.

We have seen the harassment and intimidation of the government with respect to the issue of MMT, which my leader talked about. We see it now with respect to the whole question of water and the action brought against the Canadian government by Sun Belt as a result of its inability to create a situation in which it can export bulk water from Canada.

Why would any government tolerate a mechanism that would give foreign corporations this kind of ability? All of this is being done, as so much of what has been proposed in the MAI and now is being proposed at the WTO, in the name of creating new opportunities for Canadian companies and Canadian investors abroad.

The member of the Reform Party talked about Canadian companies. I do not take it as a given that whatever is good for any particular Canadian company is good for Canada. I do not subscribe to that old American notion that what is good for GM is good for America or that what is good for any particular Canadian company is good for Canada. What a lot of these companies want is to do business abroad, and there is nothing intrinsically evil about that.

● (1105)

The point is that they should not be asking Canadians to give up their way of life, to give up the way we have organized our life together over the years, in order to create opportunities for them to make money abroad.

What is being asked here is for Canadians to give up the kind of regulations that we have had over the years for foreign investment so that our Canadian investors can invest in other countries without similar kinds of regulation. I do not think that is right. I do not think that we should be asked to give up our ability to regulate foreign investment. We see it coming in this next round.

We will see it in the areas my leader has mentioned in terms of health care and education, because there are Canadian companies that want to market health care expertise abroad. I am not against that, but I am against it if it means that in order for that to be possible we have to dismantle our public health care system, our medicare, and create opportunities for American or other foreign multinational health care corporations to be able to penetrate our public health care system and create more privatization and contracting out and eventually so erode the public dimension of our health care system that we end up with an Americanized or commercial health care system.

That is the agenda. Anybody who does not want to admit that is not levelling with the Canadian people. That is where I hold the Liberal government responsible. It is not willing to admit that this is the agenda of certain people with the WTO. It is not willing to admit that it is not willing to stand up to that agenda. We do not hear it. Perhaps we will hear it later and that would be good news,

but I am not holding my breath that the parliamentary secretary will get up in his place and say that the Canadian government is seeking a full, absolute and categorical carve out of public health care and education in this next round. That is not what the government has been saying. It has not been saying that it is opposed to putting services on the table.

This is just one little aspect of what we are concerned about. We are concerned about many other things, such as the fact that in agreement after agreement after agreement it is investors' rights which are protected. It is investors' rights which are in force. Investors, investors, investors. What about workers? What about the environment? What about democracy? What about all the other things that matter to people? Well, that can wait.

We can have lofty statements by the minister about how he would like to humanize globalization. He is going to humanize globalization over the next 50 years, but when it comes to investors they can have their rights this year. For us, that is a perverse moral hierarchy where the powerful get even more rights and the powerless get to wait and we are against it.

I would therefore like to move, seconded by the hon. member for Yukon, that the motion be amended by inserting the word ''immediate'' between the words ''take'' and ''action''.

The Deputy Speaker: The hon. member for Winnipeg—Transcona has put the chair in a difficult position. He is the seconder of the main motion and he has moved an amendment to that motion. I do not believe it is proper for him to do that. Accordingly, I am afraid I cannot take the amendment as proposed by the hon. member at this time.

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I want to thank the hon. member for his comments, and particularly his leader earlier who finally made it clear to us that the New Democratic Party was in fact in favour of a rules based system.

As I remember, after our consultations across Canada and the minority report that his party put into the report, it seemed to us that the New Democratic Party was not in favour of us at all being in Seattle. It is good to hear today that the New Democratic Party is supporting the fact that we will be in Seattle standing up for Canadians.

● (1110)

The hon. member's motion mentions some of the hardships Canadian farmers are experiencing, particularly farmers in western Canada. I remember going through the his party's policy during the last election and reading that it would have forced $17 billion in new spending upon Canadians if it had been elected. However, out of $17 billion in new spending only $11 million would have gone to Canadian farmers.

Can the member explain why his party's policy during the last election was to give so little to Canadian farmers and today it puts forward this motion stating its concerns for Canadians in the agricultural industry?

Mr. Bill Blaikie: Mr. Speaker, I would like to correct the false impression the member is trying to create on two fronts, the first one being on Seattle.

I do not think the member read very clearly the minority reports. They are not all that long, perhaps two or three pages, but perhaps they tax the mental abilities of the parliamentary secretary. In the report, we said very clearly that we are in favour of a global rules based trading regime but we are not in favour of the current model. We are not in favour of the current assumptions and presuppositions that attend those negotiations.

I made it very clear in the House yesterday that we are not in favour of a round of talks which includes investment or services. We think these should be taken off the table altogether. Things like agriculture are already on the table and therefore there is work to be done in that area. However, we are not in favour of adding new sectors to the domain of the WTO. We are very clear about that. If that means not being at Seattle, then so be it.

The government could go to Seattle. It is not a question of geographic location. It is not a question of whether there are Canadian government bodies in Seattle. It is a question of what the government is doing there. It could go there and say very clearly that it does not want a new round of talks on investment or on services or any round of talks on investment and services. If it was doing that we would say ''go to Seattle''. However, that is not what it is doing. What it is going to do when it gets there is something that we find quite unacceptable.

I have heard this misrepresentation before, and I am not sure if it comes from deliberation or from ignorance, but there are many aspects of the NDP agricultural policy which if implemented would not have left Canadian farmers in the situation they are in now, particularly going back to the elimination of the Crow rate, the Crow benefit, the western grain transportation subsidy and many other supports that the Liberals have taken away from Canadian farmers over the objections of the NDP.

The member gets up and pulls some obscure fact, if indeed it is a fact or not just something that is being fed by the spin doctors on his own party side, and claims that this undermines our position, a position being taken right now in the context of new developments. No one could have predicted exactly what would happen in 1999 with respect to commodity prices, drought in some parts of

Saskatchewan, floods in some parts of Manitoba and various other things that have happened.

As far as I am concerned, this is just a cheap shot and not the sort of thing one should spend any more time on.

Mr. Bob Speller: Mr. Speaker, with the language which the hon. member used, I must have hit a chord with my comment.

The hon. member is quite aware that the Government of Canada, prior to taking a position on Seattle in the next round of the WTO, held wide consultations across the country. The hon. member, who was on the foreign affairs and international trade committee, knows that it was not the opinion of anyone else on that committee that we should not be at the WTO.

● (1115)

In fact all the other parties seemed to be quite happy that the report of the standing committee reflected very clearly what we were hearing from witnesses from coast to coast to coast. The witnesses felt it was important for a country the size of Canada that has so much at stake.

Forty-two per cent of our GDP depends on international trade. A country our size compared to the economic size of the United States, the European Union or Japan needs a rules based system under which to work. If we had to go against these countries on a one to one basis, most times we would lose out.

It is in our interests to belong to an organization of over some 132 countries where we are able to draw on the support of other countries. It is not this big giant economy of the Americans trying to beat up on Canada or other smaller countries; it is a group of countries that get together. That is why it is important to be in Seattle.

I would assume the hon. member knows, although we would not know it from his remarks, that Canada takes very seriously some of the concerns not only in agriculture, but concerns that were expressed by Canadians particularly with regard to transparency. The fact is that there has been concern out there across the country, and indeed in other countries, that the WTO is closed up and what it does always happens behind closed doors.

This has been the position of the Government of Canada. It was made very forcefully by the present Minister for International Trade, the previous minister, and in fact the Prime Minister, in talking at the free trade area of the Americas. It was said very clearly that it is in Canada's interests to make sure that international agreements, not only at the WTO but other agreements that we may sign, are open and transparent and that Canadians see what these organizations are doing. It makes sure that the hon. member's party and those other groups which seem to want to tell the whole world how bad international trade is for Canada do not have that opportunity.

Canada has nothing to hide. That is why we felt it was important to go across the country to hear from Canadians what they felt about trade. I think the hon. member would agree that most of the parties in the House, except the New Democratic Party, felt that that report reflected the views of Canadians.

For at least 50 years, one of the most important roles on the world stage for Canada in the trade area has been to make sure that we have these sorts of agreements. Our overall objective is to improve the quality of life of Canadians. It is not, as the hon. member claims, to make sure that the corporate giants have more access to some of the economies around the world and to make sure that the corporate giants in other countries can come into Canada and rape this country of our economic development. That is not the case. I do not think that any government in this country, quite seriously, would do that.

Our goal is to make sure that we have enforceable rules, that the rules are enforced and that those within Canadian society who have an interest in all of the jobs that are created through international trade get an opportunity to express their views.

I talk about jobs and international trade. Listening to the hon. member's comments and the comments of the New Democratic Party, we would not know that international trade and investment create jobs in Canada. We just have to look at the 1.7 million jobs that have been created in Canada since 1993. We just have to look at the dramatic increase in Canada's exports to see a relationship between investing and exports and the creation of Canadian jobs.

Major consultations were made prior to responding. The hon. member knows that we will be responding in the House and it will be sent to committee on November 16 to put forward our position on Seattle.

● (1120)

As the hon. member said, there is concern for these international agreements as precipitated by similar comments of his party and his leader. There will be some 750 groups in Seattle. The hon. member said he would be there. We want to make sure that members of the opposition are also there in order to see how these organizations work. We want to make sure that they see firsthand that Canada is not only standing up for Canadian farmers, workers and industry, but it is also making sure that the whole world engages in what is called civil society. Civil society is the groups of Canadians and all of society who are interested in these sorts of issues and international trade.

On the area of health and social services, the New Democratic Party says that all of a sudden we are going to lose our health care, or that we are going to lose our water. It throws out these wild

ideas that somehow the Government of Canada is not interested in the health care of Canadians or in preserving our national health care system. How ludicrous. What government would not be interested?

We have the best health care system in the world. For that party to suggest that the Government of Canada is willing to throw it away and to give it away is utter nonsense. Certainly a member who has been in the House as long as the hon. member has been should know that. We are committed to preserving our right to regulate in the area of health care and social services. There is no question about that.

The hon. member also talked about labour and said that labour or Canadian jobs were going to be impacted by this decision and that we do not represent the interests of labour in these negotiations. The hon. member knows that the International Labour Organization looks at these issues. Canada is very active in this organization and in promoting labour rights and promoting some of the concerns people have about other countries not keeping up to the same standards as we do in Canada.

Canada is also encouraging and facilitating the development of voluntary labour codes by businesses in Canada and around the world. We feel that Canada should be proud of some of the labour rules that we have made. We want to export those around the world. We want to make sure that other countries keep up to the same standards as we do. In the area of labour, Canada is second to none in promoting it.

The hon. member also talked about culture. I want to assure the hon. member and all Canadians that we will build support in the preparatory process for the WTO for language in the declaration that would recognize the importance of promoting cultural diversity. The hon. member should know that we have the support of Quebec and all of the other provinces in this. We find this to be very important. It is important for Canadians. It is who we are.

Our area of the world is beside a large neighbour, the United States of America. It is certainly within our interests and it is something that has been promoted not only by the Minister of Canadian Heritage, but also by the Prime Minister who in the speech yesterday on the free trade area of the Americas, pointed out the importance of Canadian culture and of Canadians sustaining that culture and some of the risks in doing that.

We have gone further. We have gone to other countries. We have gone to countries in Europe and a lot of smaller countries to bring together people who believe in the same cultural ideas that we do. We have received an awful lot support. It will be high on our agenda when we go to Seattle.

I want to conclude by saying to all Canadians that this is an ongoing process. We will continue to consult with Canadians and the provinces to make sure that their views are represented not only in Seattle, but in the negotiations that will go on in two, three or four years. It is in our interests to make sure that these negotiations are wrapped up in four years. It is certainly in Canada's interests to make sure that all Canadians have a say within this system.

• (1125)

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, first, I would like to thank the hon. member for the way in which he mesmerized his colleagues on this occasion.

He mentioned the ILO and he talked about the ILO promoting. That is the problem. It promotes, it does not enforce. We are talking about the discrepancy between a world in which only investors' rights are enforced and everybody else's rights are promoted. There is exhortation, there is promotion, there is encouragement, but there is no enforcement.

He kept assuring us that no government would ever do the kinds of things we are accusing the government of doing. Canadians have been assured before. Canadians were assured by the Conservatives about all kinds of things about the FTA. Those very people were assured themselves. There is no credibility left here.

Why should we believe the hon. member when we have such a history of governments lying to people about the effect of these agreements? Why does he believe now the things that he did not believe before?

We are the only party that opposes these agreements and we are proud of it. We think this is a paradigm for trading that is going to prove disastrous for the Canadian people and for that matter, the world.

Mr. Bob Speller: Mr. Speaker, the hon. member is right when he says that Canada does put a priority on international labour. The hon. member is right when he says that. In fact, he should know that the Government of Canada is—

Mr. Bill Blaikie: Would the member stop misrepresenting what I was saying. I never said that.

The Deputy Speaker: The hon. member for Winnipeg—Transcona has a point of order. Perhaps we have heard it. Perhaps the hon. parliamentary secretary will want to reply.

Mr. Bob Speller: Mr. Speaker, the hon. member should know, if he has been following these issues, that it is in the interests of all Canadians to make sure that international labour rules are followed. It is in the interests of all Canadians to make sure there is more co-operation between the World Trade Organization and the ILO. That is something the Government of Canada has been promoting very strongly.

In fact, the Government of Canada at the ILO has also been making sure, particularly in issues such as child labour, that there are international rules, that there are ways in which we can prevent that sort of action from happening.

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, it is a little confusing listening to the parliamentary secretary. He was the member that railed probably harder than any single member in the House against the free trade agreement. He spent a career from 1988 to 1993 constantly on his feet fighting that issue. He swallowed himself whole on this issue if you listen to his speech. I am wondering when this miraculous convergence took place. I have sent out for some of his exact words on and his criticism of the free trade agreement, the NAFTA agreement and any other agreement which related to world trade, free trade and Canada's trading position.

The question is when did this convergence take place? Was it immediately following the 1993 election? Was it a gradual convergence, or as I stated earlier, did he simply swallow himself whole on the whole issue of free trade?

Mr. Bob Speller: Mr. Speaker, I can understand the hon. member's confusion. If the hon. member looked at exactly what I said during those times, I was against the free trade agreement that was being signed with the United States at that time.

Mr. Rick Borotsik: It is the same one we have now.

Mr. Bob Speller: I do not think anybody on this side ever came out and said that we were against freer trade. I will tell the member why.

• (1130)

Mr. Bill Blaikie: It still exists.

Mr. Bob Speller: Hold on. The member had his chance. The hon. member should know that the problem with that deal was that dumping and countervail was still available to the United States, which would make it more difficult for Canadian companies to get in. That is only one aspect of it.

The hon. member should know that when governments are looking at these issues they have to look at the impact they will have on Canadian jobs. Because of what we did, getting rid of the $42 billion deficit that we were left at the time, and also dealing with increasing and promoting international trade, we were able to create those jobs and make sure that Canadians were successful in the working of the agreement.

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, it is the parliamentary secretary's government that has not consulted Canadians on these trade issues. We also have a problem with not consulting the provinces. That is why we have a bulk water problem.

The consultation process the government has initiated is probably responsible for many of the myths we are hearing. Can the member talk about the consultation problem?

Mr. Bob Speller: Mr. Speaker, the member would have been aware, had he sat in the committee, that the provinces which were there, particularly the New Democratic province of British Columbia, came forward with different views and opinions on what we said. However, they said they were consulted very well by this government.

If the member went back to the records of the committee he would find that the Government of Canada consulted very widely with all the ministers of trade of all the provinces. We find that to be a very important aspect—

The Deputy Speaker: The time for questions and comments has expired.

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, before I start I want to ask my hon. colleague opposite to stop saying I am new to this portfolio. I have been in this portfolio for almost eight months.

It is a pleasure for me to rise to speak to the motion brought forward by my colleague from the NDP. Frankly, I believe a debate on this issue is long overdue and I think Canadians feel the same way. Canadians deserve to be informed about our international agreements.

The official opposition believes strongly that all sectors of Canadian society should be encouraged to participate and present their views on trade matters in a constructive manner. That includes business representatives, labour, environmental and academic groups, as well as all other sectors of society.

We believe that domestic consultations must be encouraged within all countries that are signatories to these agreements. However, direct involvement of the so-called civil society, as encouraged by the FTAA civil society committee, is a cause for concern to us.

The official opposition feels that unelected, unaccountable organizations must channel their views through their national elected governments which are directly accountable to the voters. The provinces must be consulted where negotiations of a free trade agreement touches directly on provincial areas of jurisdiction.

We know that failure by this government to consult the provinces in a meaningful way during the negotiations of the NAFTA have resulted in a situation where bulk water that is located entirely within provincial boundaries could come under the NAFTA rules in certain circumstances. Now we have the government scrambling to create legislation that will address that issue.

Similarly, while setting national emission targets during the Kyoto protocol negotiations the federal government did not adequately consult the provinces, whose co-operation is essential in meeting Canada's commitments.

We believe that parliament must be consulted. The final version of a treaty like the NAFTA or the FTA should be tabled in parliament for at least 30 sitting days before the government or any department takes action.

We feel that a special joint committee should be established to study treaties, review agreements and hold public hearings, including the provincial legislatures. Then the treaty must be ratified by parliament in a free vote before it becomes binding on Canada.

● (1135)

Canada is a trading nation. Our present and future prosperity and growth are largely dependent on international trade.

Just five years ago Canada exported 25% of its gross domestic product. Today it is at 42%. The vast majority of the 1.7 million new jobs created since 1993 is the result of the increase in our exports.

Canadian exports to the United States increased 80% over the first five years of the NAFTA, rising from $151 billion in 1993 to $271 billion in 1998. It is important for us to remember that Canada is a relatively small trading nation. Consequently we must seek consensus with other trading nations to ensure that Canadian companies are able to participate in the global economy in a fair and equitable manner.

Canadian exporters and investors need a rules based system that will guarantee a level playing field and give Canadian companies easier access to world markets. I am pleased to note that even the NDP agrees with this point.

We cannot turn back the clock. Globalization is a reality and the impact on the Canadian way of life is real and beneficial. We cannot simply stop the process and pretend that the world is not changing.

I would argue that this is exactly what my colleagues from the NDP want to do. This is why I simply cannot agree with the motion put forward today by my colleague from the NDP.

I would like to quote the new head of the World Trade Organization, Mike Moore, who has pointed out that poverty, not trade, is the enemy. He said: ''Every WTO member government supports open trade because it leads to a higher living standard for working families''.

I point to a recent study by the George Morris Centre which indicated that Canadian farmers will benefit greatly if this WTO round eliminates all tariff and non-tariff barriers in international trade.

The government's own members suggest that removing tariffs and other trade barriers could add $20 billion to $50 billion to the pockets of Canadian farmers, processors and exporters.

It is regretful that the NDP favours removing Canadians from the prosperity offered by globalization. It is regretful that members of the NDP do not believe that Canadian entrepreneurs have the capacity or the ingenuity to compete on a global scale. It is sad that the NDP continues to use the ''sky is falling'' type of tactic when discussing free trade with Canadians.

The official opposition believes that the WTO should concentrate on liberalizing trade around the world. That in itself is an enormous task. The WTO is simply not the appropriate forum to deal with important and complex issues like labour standards, environmental protection, culture and human rights.

The WTO is a highly specialized body with a staff of trade experts who lack social policy experience. Social activists should look at more appropriate bodies like the United Nations or the International Labour Organization to develop international rules on these types of issues, including enforcement rules.

It is certainly important to deal with issues like these. However, these important issues are not within the mandate of the WTO, nor would I argue they should be.

I would like to conclude my comments today by simply reiterating the importance of free trade and Canada's participation within a rules based trading system. Canada is a nation that depends a great deal on trade for its prosperity. Therefore, it is up to the government of the day to ensure that Canadian companies are given a level playing field upon which to compete.

The crisis on our farms is a good example of the need for a level playing field and the effect of government inaction. This is precisely what the WTO, the NAFTA and the FTAA provide. It is difficult enough to deal with complex issues regarding the elimination of tariffs and non-tariff barriers to trade without adding the complexity of social issues, as advocated by the NDP and our socially active international trade minister.

We must remember that in the case of the WTO there are 134 countries involved, each with its own views and priorities. Forcing our views on them would be soundly rejected. We do not want to earn the nickname of being the ugly Canadians.

● (1140)

Canada's participation in international agreements must be a democratic, transparent and accountable process where all Canadians have meaningful input. Working Canadians will be the ultimate beneficiaries of a strong rules based trading system.

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, when I was referring to

the hon. member as being relatively new to the portfolio, I was of course comparing it to the fact that he was not around during the time when all of the large public consultations took place with Canadians at the committee level. The hon. member will know that the foreign affairs and international trade committee held a broad range of consultations across Canada to get people's views. I appreciate that his party recognizes how important it is to consult Canadians on this issue.

In these two speeches we have seen why the Government of Canada's balanced approach to this issue is so important. The New Democratic Party wants to build walls around Canada. It wants to make sure that we put up these barriers and that somehow Canada can create jobs and prosperity when we have a wall built around us. Then we have the Reform Party, which would erase the 49th parallel. It is more interested in making sure that Canada is open for sale.

The hon. member should be aware of the importance that the Government of Canada puts on consulting Canadians. He should also be aware that there is a role for the Government of Canada in making sure there is protection for certain things that Canadians see as being importantt—

The Deputy Speaker: I am trying to allow time for two comments and I cannot allow any member to go on too long. The hon. member for Calgary East.

Mr. Deepak Obhrai: Mr. Speaker, I would like to remind the hon. member that I did take part in those committee hearings. I travelled to Ontario and Quebec with that committee.

The parliamentary secretary would like to simplify the situation by saying that the Reform Party would eliminate the 49th parallel. That is absolute nonsense.

Of course we know that the Liberal Party does not have a policy. It always follows public opinion. If public opinion shifts to that side, it will move to that side.

Yes, the Reform Party is in agreement and would like consultations to take place with Canadians to ensure that there is a fair rule based system in the world. However, that does not mean eliminating the 49th parallel, as the Liberals would like to say.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, the member mentioned the issues of poverty and trade and the fact that the director general of the WTO said that poverty is the enemy, not trade.

Our position is that the increasing levels of poverty in the world and the growing gap between the rich and the poor, both within countries and between countries, is a direct result of the kind of trade liberalization that we have seen over the last 10 to 15 years, and that in fact trade is the problem, or at least the current model of trade is the problem. It is not a question of not trading. Of course, we continue to be misrepresented in that respect, as if we want to build walls and all of the other things that the Conservatives used to say to the Liberals and the Liberals did not like, but now they have no qualms about saying them to other people. It is not a question of building walls; it is a question of what kind of rules we are going to have.

Finally, the member said that the WTO is not the proper venue for dealing with a lot of these questions: labour questions, environmental questions and social questions. While that may be so, it is not the NDP position, I want to inform the hon. member, that these things have to be dealt with at the WTO. What we are saying is that they have to be dealt with either at the WTO or at the ILO, or UNESCO, or whatever other international institution we might designate, but they have to be dealt with in an enforceable way before there is any further trade liberalization.

That is our position. It is not that the WTO has to do these things, but—

The Deputy Speaker: The hon. member for Calgary East on a brief response.

Mr. Deepak Obhrai: Mr. Speaker, I would like to respond to the hon. member's comments and then I will talk with him later.

The hon. member pointed to the poverty issue and said, from what I understand, that trade liberalization has increased this gap. I absolutely differ with him on that point. Trade liberalization has actually helped to remove poverty.

● (1145)

The world has been trading for centuries. I come from a country that had a socialist system. I have seen the effects of socialism, of closing the borders to trade, on the poor. I totally disagree with him on that point of view.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am pleased to take part in today's debate.

Let me say from the outset that we agree with some of the NDP's arguments. Like the NDP, we would like to see an environmental clause, a social clause, a labour clause and also a cultural exemption. However, we completely disagree with the motion where it says that Canada should not negotiate, that it should not be there without first securing enforceable international rules on core standards, and so on.

Unfortunately, such a proposal does not take into account past experience. I do not know if the NDP member was ever involved in a negotiation process, but I cannot figure why she would ask for the securing of enforceable international rules before negotiations are undertaken.

However, I do understand why the effects of globalization, whether financial or commercial, would be raised before that meeting. That is understandable.

My point is based on the 1997 report on human development, which states:

> With 10% of the world's population, the least developed countries now account for only 0.3% of world trade, or half as much as they did 20 years ago. Over half of all developing countries are ignored when it comes to direct foreign investments, with two thirds of such investments going to only eight developing countries.

This was the situation in 1997. It states further:

> In real terms, commodity prices are currently 45% lower than the average for the 1980s, and 10% lower than the lowest level ever recorded during the Great Depression of the 1930s, more precisely in 1932.

I could go on and on. I will simply add this quote from the same report:

> As for the income share of the richest 20% and the poorest 20%, it has grown from 30 to 1 in 1960, to 78 to 1 in 1994.

While globalization offers major opportunities, it can also increase inequalities between rich and poor countries, and between rich and poor people within a country, including Canada.

What means are available to those wishing to change this trend? Just international negotiation, with the backing of an informed public, and of equally informed groups equipped to defend their position.

It must not be forgotten that the MAI, much criticized for having been negotiated among the rich countries only, was finally abandoned as an object of negotiation by the OECD, in response to lobbying. Some of the lobby groups were from Quebec and from Canada. Why? Because what many of them wanted was to have the negotiations take place within the World Trade Organization.

We in the Bloc Quebecois feel that there must be a negotiation session. It must encompass a cultural exemption, along with promotion of cultural diversity, and inclusion of a social clause, an environmental clause and another one on the respect of human rights.

We add, emphatically, that Quebec must speak for itself in this negotiation, in order to be in a position to staunchly defend its own interests.

● (1150)

This negotiation is an opportunity for 134 countries to get together, some of them poor countries, then the United States, with the European Union as a newly-formed counterbalance to them, and Canada, which is seeking to gain allies, and Japan as well. This will be an opportunity for them all to bring out their proposals.

We know right away that negotiations will require, among other things, that the U.S. modify its position somewhat.

I would hasten to add for my NDP colleagues that even the United States is beginning to take international pressures into consideration, especially since the failure of the MAI at the OECD. We learn on the Internet today that the United States made a proposal that would go even further than that of the European Union on the formation of a task force on the relationship between working conditions and trade.

This subject is of course taboo for many developing countries, which see it as a barrier. This forum is where negotiations are taking place. Consultations were held in Canada, and in Quebec as well. But what we in the Bloc Quebecois are saying is that Quebec must speak for itself, parliamentarians must follow this closely, the process must be transparent, and parliamentarians must vote on this agreement.

This arises from the need to bend existing and general rules on the relationship of power among countries and within countries, between the poorest and the others. Of course, Canada's and Quebec's growth must be maximized, but in doing so, we must take account of the rules we set here, which we want followed worldwide.

This negotiation must be accompanied by transparency. Quebec must be present, and the public must be given as much information as possible so that we have agreements that give those most in need hope in the face of this accelerated globalization and its negative effects.

Globalization, however, also represents an opportunity to develop a new solidarity. It is also an opportunity, as in the case of the MIA, to use new means of communication like the Internet, which has made it possible to secure the agreement of players from all continents who would otherwise not have been able to take part.

But this forum where negotiations take place is essential. In each of these countries—and this will be done in Quebec—stakeholders will have to get going and support our demands and, at the same time, understand that, while the interdependence of countries may be vital to improving everyone's fortunes, without rules, and tribunals to apply them, it will always be the biggest and strongest countries that will carry the day.

The fledgling WTO tribunal has, however, ruled in favour of small countries, against the United States for example. And Canada and Quebec were also successful in defending cases of particular importance to us.

● (1155)

I would be extremely pleased if the NDP were to tell us that, although its goal was to generate a debate, it too was going to take part in examining these negotiations, in demanding that they be

transparent and that the interests of the most disadvantaged be represented. But negotiations are essential, because otherwise Quebec and Canada and less developed countries may suffer. All countries that rely on external trade need these negotiations.

I would add that Lionel Jospin, France's Prime Minister and a committed socialist, summarily dismissed those who advised against taking part in the WTO negotiations.

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, I have listened carefully to the comments by my colleague.

I too am an elected representative from Quebec. This country's culture is very important to me and, as a Canadian MP representing a Quebec riding, my wish is to ensure that Canada's unique culture is protected.

Perhaps the hon. member is not aware that the Government of Canada is really the one which has, on numerous occasions, demonstrated that it is in place precisely to ensure the protection of what is unique about Canada.

We are in favour of consultation, nevertheless. We have consulted with the provinces and will continue to do so. But when negotiations are involved, these are government to government.

I can assure the Canadians and Quebecers in our audience that, in connection with the points raised by the hon. member relating to environment and culture, it is our duty to ensure that the Government of Canada protects all aspects of Canada's culture, throughout Canada, for ours is a unique country.

We have a specific identity in the eyes of the world. It is truly the duty of the Canadian government, a duty we accept, to continue to consult the provinces and to ensure that we have the best negotiations, precisely in order to protect Canadian culture.

Mrs. Francine Lalonde: Mr. Speaker, on the first point, that of cultural exemption, I would first like to say that, unfortunately, the committee report did not take up the cultural exemption again. The Bloc Quebecois pointed this out in its dissenting opinion.

We support looking for new means, for another venue to negotiate on culture. In the meantime, however, we believe strongly that the cultural exemption must be upheld.

Members will pardon me if I think that if Quebec, which is vitally concerned, is simply giving effect to the international extension of its jurisdictions, as based on the Gérin-Lajoie doctrine and accepted in other places, it is strictly entitled to do so. We would point out as well that some countries permit the presence of provinces when international negotiations are taking place and they involve the international extension of their jurisdictions. So, we say that Quebec should be there.

As for the other elements, if Quebec is involved in implementation, it must be included in the negotiations. We saw what kind of problems can arise in other respects when Canada signs agreements, treaties and conventions that the provinces are to implement, but does so in their absence.

I am not speaking on behalf of the others, but I say that Quebec must be present and speak for itself. This is the extension of the Gérin-Lajoie doctrine. It is the extension of our jurisdiction.

• (1200)

[*English*]

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I appreciate the role the hon. member has played in this issue, but she must be aware, in terms of whether or not Quebec should be at the table, that aside from the consultations which obviously go on before the Government of Canada puts forward a position at the WTO generally there are representatives of all provinces in Geneva or wherever the negotiations will take place to help the Government of Canada put forward that position. This time it will take place in Seattle.

The Government of Canada has always worked very well not only with the province of Quebec but with the other provinces in terms of putting forward forcefully the argument on culture and the argument on many other areas of provincial responsibility.

[*Translation*]

Mrs. Francine Lalonde: Mr. Speaker, despite what I hear from the parliamentary secretary, given the arbitration to be done, we still believe that, on this particular issue of cultural exemption, Quebec should speak for itself.

[*English*]

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, it is my pleasure to stand today on behalf of the Progressive Conservative Party to take part in the debate on the NDP supply motion on free trade.

I wish I had been part of the debate and the discussions in 1988-89 dealing with the Progressive Conservative position on free trade, the free trade agreement and the NAFTA agreement that came thereafter. I congratulate the NDP because of its consistency. It was obviously consistent in its position back in 1988-89.

NDP members were the fearmongers of the day. They were isolationist and protectionists. They wanted to build trade boundaries around the country back then. They are consistent when they stand before us today in that they still deal with protectionist and isolationist issues. They would like to see nothing better than Canada breaking all ties with trading partners, which obviously cannot happen.

The Liberals on the other hand are not quite so fortunate in being consistent. The parliamentary secretary must get whiplash in doing a 180˚ turn on the free trade and NAFTA issues when his party was vehemently opposed to any free trade agreements that were being negotiated back in 1988-89.

I can only say that Canadians are very fortunate that they had a government then which had vision and foresight. If it were not for that government which stood in the House and fought for open markets, the $42 billion deficit the member continually speaks of would still be a $42 billion deficit.

The 42% GDP increase of which the parliamentary secretary spoke was a result of the free trade agreements. That is what retired the deficit and not the Liberal policy which was put into place since then. Quite frankly no positive policy has come from that bench since 1993. I thank the parliamentary secretary for giving credit where credit is due to the Progressive Conservative Party and its development of free trade policies.

Let me talk a bit about free trade. I will just try to gloss over it and deal particularly with the agriculture, about which I do have a tendency of knowing a little more. I will take my own constituency as a microcosm with respect to free trade. The NDP, as I said earlier, would like to build boundaries and not see the open boundaries of the globalized market.

● (1205)

Let me give an example. A fertilizer manufacturer in my constituency exports the majority of its production into the United States, our major trading partner. Eighty per cent of what we produce in trade goes to the United States. Let us make no mistake about that. It is a marketplace of 300 million people and we are a marketplace of 30 million people. We depend on the United States as our market.

A pharmaceutical company in my riding produces a drug called Premarin. It a global market but most of it is being produced in Canada and is sold in the United States.

The NAFTA agreement took tariffs and barriers off hogs. Today a hog processing plant in Brandon, Manitoba, employs up to 2,000 people. The majority of its export market is in the United States and Asia. NAFTA removed the tariff barrier, and that is why jobs have been created in my constituency.

A company in my area produces steel buildings which are sold in the United States. Most of its production goes to the United States, creating jobs in my constituency and in Canada.

Another wonderful little company that works for 3M sends 90% of its product to Chicago and Los Angeles. It has created 165 jobs in my riding and its product goes to the marketplace in the United States.

A company just outside my riding produces french fries, not for our table, not for our market, but for Minneapolis. It provides all of the french fries for McDonald's in Minneapolis, an open trading partner with an open trading border.

Members of the NDP would like to stop that trade. They would like to put up barriers. We would not be in the position we are in today as Canadians with our own quality of life and standard of living if it were not for trade.

Let me talk about faith in our labour force and our economy. I do not have any fears about competing with the globe because I have faith in Canadians. I have faith in our abilities. I have faith in our ability to capitalize. I have faith in our ability to produce. That is what trade is all about.

We can compete in the global market, but in order to compete in that marketplace we need a rules based system. That is what we have with a rules based system. We have it with NAFTA and our trading partners in Mexico and the United States. We also have it with the WTO. We as Canadians require rules based trading more so than our partners. We have taken advantage of that rules based trading. We must continue to exercise our negotiating skills at the WTO table. I would suggest that not being at the WTO in Seattle at the end of this month would be the worse possible thing we could do for Canadians and for our standard of living.

This NDP motion speaks to enforcing labour standards, environmental protection, culture diversity, the preservation of health care and public education. These areas are no more threatened today than they were 10 years ago because we have rules based trade agreements in place and a dispute mechanism that goes along with them.

I would argue that trade agreements and trade liberalization do not put at risk these aspects of Canadian social fabric or the ability of government in power to exert effective diplomatic negotiations with our trade allies. Without question, Canada's diplomatic relations with our trading partners, and particularly with the U.S., have deteriorated under the Liberal government.

We would not have had the number of trade disputes we have had with the Americans had we been more effective at the diplomatic level. Once again the current Liberal government could learn a lesson from the previous Conservative government.

The notion of scrapping chapter 11 of NAFTA would only do more harm than good to Canadian foreign investment. Free trade has rules and it works both ways. We are the major benefactor of those rules.

Let me talk about agriculture. Canada continues to enjoy a multibillion dollar trade surplus in this sector, with Canada being a net exporter of more than $2.5 billion annually, which was opened

up by the NAFTA and the free trade agreements. I find it baffling that the NDP is suggesting that we not pursue trade liberalization when farmers would be on Canada's list of endangered species if it were not for free trade.

● (1210)

Free trade is vital to both the agricultural industry and international trade. With the WTO negotiations beginning in November in Seattle, it is important for Canada as a free trading nation to set realistic goals as we go to the negotiating table. From what I have heard from the government they are not realistic. I would go as far as to say that it is being terribly naive.

The Progressive Conservative Party continues to believe in a comprehensive strategy required to ensure the Canadian interest in global agricultural trade is protected at the upcoming World Trade Organization talks. The government must continue to adopt the principles of the previous Progressive Conservative government in the pursuit of free trade in the agricultural sector. The government must push foreign governments to further reductions of export subsidies on agricultural products and the elimination of tariff and non-tariff barriers.

We are committed to pursuing an active and aggressive trade policy to secure new markets on behalf of Canadian agriculture. Changes in consumer preference involving the food industry and trade liberalization will affect the future of our industry. We must ensure that there is open dialogue with both industry and consumers on how we should compete in international and domestic markets.

The Minister of Agriculture and Agri-Food has told people time and time again that Canada's supply managed industries and STEs will not be touched at the upcoming WTO negotiations. Yet in Washington this past year the standing committee on agriculture was told time and time again that supply management and state trading enterprises were number one and two on the American agenda. I do not believe that the minister of agriculture or our trading negotiators have taken that into consideration. They are going to the WTO in a very naive fashion.

I wish I had other opportunities to give counsel to the parliamentary secretary and the government on how to handle trade because we were the ones who put free trade into place.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I have a brief comment. While I listened to the hon. member for Brandon—Souris I had a horrible flashback to the kind of comprehensive intellectual dishonesty that we saw during the time of the free trade debate in the House when the Progressive Conservative Party was in power.

Why can we not relate in the House to what people actually say? There is enough to debate and enough to disagree about in terms of what we actually say. We say that we should get rid of the chapter 11 investor state dispute mechanism. That is something to debate. The member says he is for it and we are against it. We could debate it.

Did I ever say that NDP wants Canada to sever all its relations with its trading partners? I talked about a rules based trading regime. I talked about what rules we did not like, what rules we liked, and what rules we would like to see in place. Did I ever say that it was NDP position to sever our relationships with all our trade partners? This is the kind of garbage that is not worthy of this place. Let us at least debate what each other said, instead of just making up stuff.

Mr. Rick Borotsik: Mr. Speaker, in fact members of the NDP said that getting rid of chapter 11 would make our trade ability with our trade partners impossible. That means that we would no longer be in an open globalized trading market. That is not what Canadians want.

For every $1 billion in trade in this country 15,000 jobs are created. Most of the jobs I spoke of in my dissertation are unionized jobs. They are jobs I am sure the member would love to see more of, but they come about because of open trade. To get rid of chapter 11 would be to stop that and close the doors on that type of trade. I am sure the member would agree that 15,000 jobs for every $1 billion of trade is very important not only for him and his members but also for other Canadians.

● (1215)

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, the hon. member claims that somehow the Liberal government, the Government of Canada just picked up where the Tories left off on this issue. In fact we did not just pick up. We had to deal first with a $42 billion deficit. We then had to set out a situation in trade, make new trading agreements and take the focus really away from just a focus on the United States that the previous government had with trade and take that focus around the world.

That is why the Prime Minister, through his team Canada exercises, has been promoting international trade and Canada's interests around the world. We felt it was important to get away from just focusing on the United States.

We also had to deal with an economy at a time when jobs were being lost. That is why we had to focus on not only the deficit and the debt but also on job creation.

The hon. member also stated that the government has not consulted with Canadians. He should talk to the Canadian Federation of Agriculture and all the different groups across Canada. The Government of Canada did travel across the country and talked to many agricultural groups to make sure that the position we put forward in Seattle was a position that reflected the views of these groups.

I would encourage the hon. member to talk to these groups because they are well aware of this.

Mr. Rick Borotsik: Mr. Speaker, I would like to inform the parliamentary secretary that I have consulted with the majority of these groups, perhaps more than he and his government have, because there are a number of conflicting issues and positions being taken.

Let me again speak to the $42 billion deficit. I am sure the hon. member will agree that the reason the $42 billion deficit has been retired is because of the free trade agreements and certainly the open trade that was negotiated back prior to the 1993 Liberal government taking place.

He talks about team Canada and looking at opening up trade. I am sure the member realizes that 80% of what Canadians produce right now goes to the United States. It is our major market.

If team Canada has done such a wonderful job, I would ask the parliamentary secretary why we have not received more access to the EU market right now, which is a huge market? The member and his government have certainly attempted to open up that market but have failed miserably. I put that directly on his government.

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, I am pleased to speak today on our opposition day. I will also be sharing my time with my colleague from Vancouver East.

The subject of the debate today is the World Trade Organization. I will present my views on how it affects the environment. The environment and the economy are very much tied together because without the environment there is no economy. We cannot provide all our trade on the ships of the ocean. We have to find land sometime and find our goods and services. When we come upon these goods and services we find the land has a jurisdiction. The jurisdiction that we speak of today is this country, the sovereign state of Canada.

Protecting Canadians is the driving force of being a member of parliament in the House of Commons: protecting Canadians, protecting our interests, protecting our future.

Along with the representation that we have in the House of Commons, Canadians en masse are aware that the environment has direct links to our health: the cross border air pollution that pollutes our air, our rain and inevitably contaminates our water. The international toxic fallout throughout Canada's north is destroying the traditional culture and value of hunting and gathering. The country foods, as they are termed, are all affected by this toxic fallout that is happening in the north.

People around the globe realize that our environment and the ecosystem, our biosphere that supports our lives, is under tremendous stress. Climate change and the increased storm severity and the damage that causes worldwide are a direct result of our economic activities in the world. The invisible chemicals that are throughout the entire food chain, including the human species, are changing our hormones, our basic genetic structure and threatening our children's future.

The free trade and borderless profit, this fad of making money regardless—and I want to stress regardless—is losing strength in the world.

● (1220)

We saw that with the whole issue of the MAI where all peoples of the world had major objections to trade negotiations being done behind closed doors. Once the negotiations were brought out to public forums the MAI was flushed down the toilet. There goes the pollution cycle once again, so be careful where it lands.

Citizens around the globe realize that there is a cost to making trade the first and foremost consideration over the protection of the environment that supports us. This cost has to be tallied in the houses of government by the democratically elected people who make these decisions. Trade is a major part of the governance of this country, but environmental responsibility and the health of our citizens are also major responsibilities. These cannot be compromised for trade reasons.

The WTO process wishes to ensure free and unfettered trade happens worldwide. This is backed up by a cesspool of rules and regulations. The cesspool has reared its head when MMT and the water issue has come up. These rules and regulations were blueprinted to support these interests of the world.

Citizens of Canada and other states of the world are naive to the small print. When these regulations are enforced through the justice system and the international trade bodies, we find out that reality has hit the ground when we start seeing decisions being made against the will of duly elected governments. The essence of our opposition day motion is that we must not sacrifice ourselves for the sake of world trade.

Canadians want a different vision of the future. The legacy for our children in the next century and future generations is foremost. Canadians can find danger where there is a lack of environmental protection in trade agreements with multinational interests.

In the recent round of the Canadian Environmental Protection Act, where a duly elected House of Commons selected a committee on the environment, a bill was passed to strengthen environmental protections but was then thrown into cabinet behind closed doors and the industry lobby tore it to shreds. That is a very undemocratic process but that is a reality.

Since free trade hit the country, lobbyists have made millions of dollars carrying legislation and advising on policy behind closed

doors. That is our job as members of parliament who represent Canadians. This is where we must have an open public debate on where the country and the future of our children are going.

MMT is a major issue. I call on the Liberal government to be cautious. The year 2000 is coming very quickly. The whole issue of manganese and the effects it has on our health should be foremost in the review. The health department and the health minister should look directly at this issue as a number one priority because of the inhalation of fuel additives.

Manganese was basically used to replace lead as an anti-knocking agent in fuel for automobile engines. However, we have to face up to the fact that manganese does strange things. The United States has banned MMT en masse but in Canada, not only do we endorse MMT, so to speak, but we also pay and apologize to the Ethyl Corporation for stopping the interprovincial transportation of MMT. Groups all over Canada are raising this issue but the Liberals, in making its $20 million cheque, has basically endorsed this product and went against public safety and public health.

We have also heard about the issue of the precautionary principle from cabinet ministers and especially the environment minister. The precautionary principle is a major principle of environmental and health protection in the country but it was thrown right out the door just to accommodate international trade.

● (1225)

The wish of Canadians is not to see third world conditions exist here where corporations make decisions which challenge us at every turn to protect ourselves and have our sovereign and democratic rights bent for the sake of profit. The destruction of resources is happening on the planet as we know it. A case in point is the Amazon forests which have been experiencing deforestation for the last few decades.

I now raise in the House that the boreal forests in our own backyards are disappearing at a faster rate than the Brazilian forests. Why is this happening? It is to make more profit and to make more paper. The whole issue of recycling and the issue of another round of WTO talks are also opening the door for further deforestation in the trading states.

I want to tell all Canadians that we must protect our environment. Let us protect the things that create the air that we breath: the muskeg; the different trees such as the spruce, the jack pine and the poplar; these gifts that we have from our Creator that give us life. If we are conscious of the cycle of life, let us not disrupt that for the sake of profit. Let us put our health and our democracy ahead of world trade organizations that want profit, international trade and a borderless society.

I also want to say that there is a Canadian border and I am proud of the Canadian border. I think the hon. member from the Conservative Party said that we were trying to raise this border to higher standards. I welcome that view. I think Canadians should stand proud of who we are are, protect our jurisdiction, protect the resources and the gifts that we have, but let us not give it away for the sake of profit.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am very pleased to speak in the House today in support of the opposition day motion from the NDP.

I will begin by quoting the first part of that motion because it really gets to the heart or the nub of the very important issue that we are debating today. It reads:

> That, in the opinion of this House, this government has sabotaged Canadian democracy by pursuing a trade policy that gives excessive power to unelected and unaccountable international trade organizations and erodes the ability of Canada's elected representatives to act in the public interest;

I think that part of the motion really gets to the issue at hand. I wonder how many Canadians are aware that in a few weeks there will be massive negotiations taking place in Seattle at the end of this month. The Canadian government will be represented. It will be a closed door process. The issues that will be on the table are our services and the understanding of what we are as Canadians.

One of the very frightening things about the upcoming talks at the World Trade Organization is that very few people are aware of what will actually take place and what will be negotiated away by the Canadian government, allegedly on behalf of the Canadian people.

I even wonder whether Liberal members are aware of what will be negotiated. We have seen a pattern with this government, and certainly with the Progressive Conservative government before it, to deal with international trade relations, trade rules and trade liberalization in a way that is so secretive that actually citizen groups and individual Canadians have had to fight tooth and nail to even get any sense of disclosure about what is going on and to demand of the government that there be some kind of transparent process.

I would suggest that just as we have seen in the past with the negotiations that took place in secret under the multilateral agreement on investments, we should today be very concerned about what is now about to take place by the Canadian government at the WTO.

What are the issues that are before the WTO from the Canadian government's perspective? When we look at the issues that are on the table, alarm bells need to go off.

● (1230)

We have to understand that the WTO as an unelected, undemocratic government is putting together what is being called a new economic constitution for the planet. This economic constitution

has been written by and is almost exclusively for the benefit of the world's largest corporations. That is the issue here.

Let us be very clear that the WTO aims to deregulate international trade. It is bad enough that we are moving into a global economy where rules about the environment, social equality, social conditions and social programs are completely thrown out the window. What is worse is that the upcoming talks at the WTO will further and pursue with vigour the agenda of deregulation and trade liberalization. The consequence of doing that is it will actually limit the capacity of our government and all elected governments to set public policy in the interests of citizens of whatever nation-state. That is the danger.

Is it any wonder that the Liberal government is so intent on keeping this process very secret and behind closed doors. The Liberals do not want the Canadian people to know what is unfolding, just as they did not want the Canadian people to know what was unfolding with the multilateral agreement on investment.

Let us be very clear. In today's world, multinational and transnational corporations control more than one-third of the world's productive assets. We have arrived at the point where national and regional boundaries are almost meaningless. It is an environment where the role of the government has shifted from dealing with national issues to working at an international level. The role of government has become one of serving a market ideology. That is what we have arrived at.

If we ask most Canadians what they want from their government, they would say that they want to make sure that their government is operating honestly and openly. I think most Canadians would say that they want to make sure that there is a health care system that they can use, that there are good schools that their kids can go to, that there are adequate, safe and secure places to live and that they have a society that respects the environment. That is what most Canadians see as the role of government.

In the last decade we have seen a fundamental shift in the role of government. It has gone from dealing with public policy on the basis of what is in the public interest and the public good to public policy that is devoted to serving the market ideology in the pursuit of a globalized economy where nation rights are given over to multinational corporations.

The motion speaks to the very heart of democracy and sovereignty for Canada. It is about establishing who should make the decisions about our future. Is it the people of Canada and our elected governments or is it multinational corporations?

There is no question that the Liberal government approach to the upcoming WTO meeting in Seattle shows where it is at. It appears to be wholeheartedly in favour of embracing the agenda of the multinationals. What is on the line? I think there is more and more research that would give evidence to show that what is on the line is health care and our other social programs, the survival of family farms, our right to establish strong standards of environmental protection, our cultural institutions and now for the first time, our education system.

As the education spokesperson for the NDP, I want to focus for a few minutes on education. For the first time in the history of negotiations, Canada is allowing education to be put on the table at the upcoming WTO hearings. The Liberal government has completely abandoned Canada's traditional view that there should be exemptions for education in international trade negotiations. This is a very serious and disturbing departure for Canada.

● (1235)

In fact, the former trade minister said that Canada would seek to completely carve out health care and education under the MAI. Today apparently the position has changed. Education is now apparently being dictated directly by the WTO secretariat on educational services.

This is moving us in a direction where students and education are treated as commodities, where students are nothing more than consumers. The very core and accessibility of our educational services are being threatened. We have to be very concerned about this.

It could mean, for example, that foreign for profit educational institutions would have a guaranteed right to operate in Canada. It could mean that governments could not require them to hire local educators. It could mean that requirements of educational professionals and institutions would be subjected to WTO review. It could mean that government subsidies of any kind, including student loans and grants, would have to be given out on a non-discriminatory basis to public and private providers.

The Liberals claim that the risk to public education is very minimal and that only education supplied on a commercial basis will be impacted. The WTO secretariat itself has pointed out that commercial basis has not even been defined. What is at issue here is that the separation between what is public and what is private becomes very unclear.

Today's motion is very important. We in the NDP have brought it forward because we want to alert the Canadian public as to what is unfolding on the upcoming WTO hearings.

I am from Vancouver East in British Columbia. Massive organizing is going on among student organizations, groups like the Council of Canadians and the labour movement. They are extremely concerned about these hearings. They want to say to the government that placing the market ideology and the interests of transnational corporations above the interests of the people of Canada and what we should be doing as a democratically elected government is a very dangerous course and must be stopped.

The Conservative member said that we need rules based trade. The question is, for whom? We need rules based on public interest and a common good, not deregulation based on the super profits of multinational corporations.

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, the hon. member's colleague, the member for Winnipeg—Transcona, was chastising the Conservative member for misrepresenting what he said. However in the next breath, the New Democratic Party comes in and scaremongers, and brings up all these possibilities of issues that are somehow taking place at the WTO.

I would like to say to the hon. member that she misrepresents the Government of Canada in its position. I will mention two areas.

The member said that the Government of Canada was not interested in transparency, or in other words, of making sure that people know what is going on in either the MAI or the WTO negotiations. Had the hon. member been involved in the debate or the MAI study done by the trade subcommittee along with the WTO study, she would know that it was the Government of Canada that brought forward and put the MAI report on the table at the standing committee on international trade.

It was the Government of Canada that was promoting knowledge of Canadians to battle exactly that, to battle fearmongering, to battle those that would try to paint this in areas that it is quite simply not.

These are simply negotiations to get better rules of trade so that we have better access to other countries and that the agreements we already have in place work better.

I would ask the hon. member, before she rises up and fearmongers, that she get out and talk to Canadians as did the standing committee and the Government of Canada. The Government of Canada found very clearly that it was Canadians who told us that beyond all the fearmongering, they found it important that there were rules under which they could trade. They said that if we are going to create jobs, we need a rules based trading system to do that.

● (1240)

Ms. Libby Davies: Mr. Speaker, I thank the hon. member for his comments.

I can state categorically that the NDP is the only federal political party that has consistently gone out with information about the MAI and the WTO. There were some parliamentary hearings on the MAI but I have to ask the question, why was that? It was because the people of Canada and organizations who were involved in uncovering what the Liberal members were doing demanded that the Liberals actually come clean, put the issue on the table and have a public debate.

It was as a result of pressure from the Canadian public that the Liberals finally had to acquiesce and agree that they had to provide some information. Exactly the same thing is taking place now at the WTO.

For example, does the public know, because the Liberals have not disclosed it, that on the section on the importance of education even the WTO paper states that education can play a role in reducing inequality? Do Canadians know that in the Canadian government paper any reference to this role of promoting equality is actually deleted? It has actually gone further than the WTO position which is bad enough in and of itself.

When we say that there has been no disclosure and this is being done in secrecy, that is exactly the case. It is not fearmongering. It is trying to get the information out to the Canadian public that the WTO agenda and what is unfolding there, and what the position of the Canadian government is, are extremely harmful to every notion we have on what it means to be Canadians. That is not fearmongering.

Mr. Bob Speller: Mr. Speaker, I have a case in point.

The hon. member says the Government of Canada's position on the education portion is that it has deleted that word. The hon. member should know that the Government of Canada has not put forward its position. It will be putting forward its position on November 16. I cannot understand what the hon. member could be talking about.

That is how these rumours start. That is how Canadians have been taken to the cleaners by groups that put out all this misinformation, and spread all these rumours that the Canadian government will be doing that.

I am not quite sure what the hon. member was reading from. There might have been documentation put out by the department in order to extend this debate.

Ms. Libby Davies: Mr. Speaker, it is the Liberal Government of Canada that is taking the people of Canada to the cleaners on this and other issues.

I note with interest that the member has not denied that Canada's position will be any deletion to the reference from the WTO that education serves as an instrument of promoting equality.

Very clearly there has been an admission that not only does the Canadian government's position mirror what the WTO has put forward, and we are taking the script from the bureaucrats in Geneva, but we are going beyond that. The member has not been able to deny that.

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, I rise today to oppose the motion for the simple reason that it

actually goes to the heart of a common misconception that borders on scaremongering, that international trade agreements by their very nature are undemocratic and that somehow by entering into these international trade agreements we are giving up our sovereignty and our right to act and legislate on behalf of the Canadian people, and in the best interests of the Canadian people.

Let us set the record straight. The very fact that we enter into these agreements at all is an act of sovereignty in itself, a very important act of sovereignty. We owe much of our prosperity and quality of life to free trade; in fact, 40% of our gross domestic product depends on it. We also see free trade not just as an end in itself, but as a means to an end, an end to provide a better quality of life for all Canadians.

The government has also recognized that to reach our common goals we must engage all of society, not just the experts but also the non-governmental organizations and academics. In fact this very week the Americas business forum and also the free trade area of the Americas ministerial meeting was held in Toronto. At the same time our government supported a civil society parallel forum which was held right there in Toronto to canvass the views of non-governmental organizations, to canvass the views of academics and to canvass the views of all Canadians.

● (1245)

The government sees that transparency is very, very important. I would like to use the example of what the government did to ensure that we went out to speak with Canadians.

In 1998 and 1999 the Standing Committee on Foreign Affairs and International Trade and its subcommittee on international trade conducted an examination of Canada's trade objectives and the forthcoming agenda at the WTO, and also looked at Canada's priority interests in the free trade area of the Americas.

The committee held a series of public hearings, first in Ottawa and thereafter across Canada, on the key aspects of Canadian international trade policy. Why did we do so? Because these hearings were coming at a time when all countries were facing some very crucial choices and decisions in the complex negotiating process that is being conducted multilaterally, both under the auspices of the WTO and in developing regional forums, such as the proposed free trade area of the Americas.

In asking the committee to conduct public consultations, the then minister for international trade stated that there is a necessity to provide Canadians with more opportunity to have input into the position that the Government of Canada will take going into these negotiations.

Actually, at that time the minister stated in his opening presentation to the committee that international trade had become a local issue. What happens as far away as the negotiating table has consequences that reach right down to the kitchen table and other domains of daily life. As the trend deepens as a result of globalization, the making of trade policies cannot be left only to a few officials in back rooms, it needs to engage the whole of society and governments at all levels.

It was the role of the committee to encourage citizens in all parts of Canada to participate, to give us their best ideas and to follow the progress of the study in the coming weeks and months. The final report submitted by the committee represented extensive hearings across Canada, containing the views of many Canadians and interested groups on a broad range of issues that will need to be addressed in our trade negotiations. It is incumbent upon the government to respond to those views and the government will be tabling its response within the next week.

I would commend to all members of the House the report of the Standing Committee on Foreign Affairs and International Trade, entitled ''Canada at the WTO: Toward a Millennium Agenda''. It is a comprehensive and helpful contribution of a parliamentary committee in defining the national trade interest.

In addition, the committee prepared a citizens' guide to the WTO and to the committee's June 1999 report. This guide serves as a very useful tool, not just to inform and educate ourselves, but also Canadians. We are transparent. I would urge all Canadians, as well as hon. members opposite, to get a copy of the citizens' guide to the WTO.

Parliamentarians and all legislative committees are well placed to take on the responsibility of mediating and communicating between the executive branch of government and the various interest groups in an area of broad significance such as international trade policy at the WTO.

Going back again to the hearings that we undertook, these were the most comprehensive cross-country hearings ever taken: 425 committee appearances comprised of 88 industry associations, 26 governments, 61 academics, researchers and professionals, 85 civil society representatives and 64 individuals.

The committee was mindful of having the broadest possible and open public input on the main political choices that will govern the WTO millennium round.

The report is comprehensive in addressing Canada's general goals at the WTO as well as specific sectoral interests, particularly the difficult agricultural dimension where both Canadian export and supply interests are at play, and the tricky social dimension of labour and environmental standards, and the role of the WTO around those standards.

● (1250)

The report developed a broad degree of consensus, notwithstanding some minority dissenting opinions. We reached consensus on

39 recommendations. The recommendations related to our negotiating interests at the WTO round, the implication of the WTO agreements, as well as improving the dispute settlement mechanism to ensure that the WTO can make a contribution to global governments and stability without detracting from its primary sphere of trade responsibility. It is representative of what federal parliamentarians working together in a legislative committee can achieve in influencing the Canadian position leading into the WTO negotiations.

The report also recommends an ongoing role for parliament in examining the results of trade negotiations before entering into binding legal agreements and implementing legislation.

Last Friday in the House the subcommittee on international trade, trade disputes and investments, tabled its report on priorities as we enter the consultations on the free trade area of the Americas. The report is entitled ''Towards a Hemispheric Agreement in the Canadian Interest''; not in the multinational interest, but in the Canadian interest. This week ministers met in Toronto to discuss the roles we should have.

We must remember the importance of free trade to our economy. Every billion dollars in export amounts to 15,000 jobs. Our annual export and import growth of 8.1% and 6.4%, respectively, far outpaced our GDP growth. Canada is the most trade oriented country in the G-8.

We also have to look at investments. There are stronger increases in both inward and outward flows of direct investment. In 1998 inflows to Canada were $22.9 billion, but Canadians invested a record $39.8 billion abroad. Canada, as a medium power, benefits by a rules based world where might is not right. This is especially important to us as we live next door to the United States, our biggest trading partner.

Canadian parliamentarians at all levels can play an important role in supporting the interests of Canadians by encouraging and promoting Canadian firms and exports and by assessing broad industrial and societal interests in recommending approaches to international trade policy as a new WTO round dawns. Effective communication and co-operation on trade matters by federal and provincial parliamentarians may enhance the arrangements in place to ensure that provincial interests are fully integrated into the national trade agenda. Support in international and interparliamentary trade representations will also enhance government efforts as we strive not only to help Canadian industry, which is comprised of small and medium size business, but to benefit all Canadians.

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, I listened with interest to my colleague with whom I have worked on the committee. She talked about the broad based consultation process which has taken place, in particular with respect to the free trade area of the Americas and the WTO. She also mentioned that the FTAA report is out. I would remind her that the official opposition has released a dissenting report which dwells on one of the major points, the consultation process.

The so-called civil society now has direct access to the talks, bypassing elected officials. They should be consulting elected officials. They should not have direct input into the talks.

The provinces have not really been consulted. A meeting of the ministers does not mean consultation of the provinces.

• (1255)

We are suggesting that there be a committee to study treaties and that parliament be allowed to have free votes on these treaties.

I would like to have her thoughts on those points.

Ms. Sarmite Bulte: Mr. Speaker, I thank my colleague from the official opposition for his question. He talked about broad based public consultation. This is the first time in the history of our trade negotiations that a parliamentary committee has travelled across Canada before the negotiations started to canvass Canadians on their priorities, interests and concerns for the upcoming WTO negotiations.

Let us face the fact that the WTO is a brand new organization. It only came into existence in 1995 and it may not be perfect. We listened to those concerns, because we cannot make it better if we do not understand what the problems are. That was the reason we went, and we will continue to go.

If my hon. colleague would look at the WTO report again he would see that there is a specific recommendation that there continue to be an ongoing role for parliamentarians to look at the impacts and the effects of trade agreements. The process does not stop here. It will be ongoing. I hope that the member, who is now a member of the committee, will continue to be there to canvass societal interests across Canada.

[*Translation*]

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, I congratulate the member for Parkdale—High Park on her excellent remarks with respect to free trade.

She said that it has been the most important vehicle for economic growth here in Canada in recent years. She also said that it has been one of the most important vehicles for economic development and job creation in Canada.

I would like to ask the member whether she thinks that, without free trade, Canada would now be looking at a budgetary surplus. Had it not been for the efforts of our government a number of years ago, would there be a budgetary surplus today?

[*English*]

Ms. Sarmite Bulte: Mr. Speaker, we must remember one very important thing, and I did say this, that this government used free trade not just as an end in itself, but as a means to an end; as a way to ensuring a better quality of life for all Canadians. We do not just believe in unfettered trade and trade at any cost. That is why we sought consultations across the country.

Yes, trade is important. Forty per cent of our GDP depends on it. That is one of the factors which makes this country a great place to live. It is one of the reasons the government continues to work on job creation, ensuring that small and medium size businesses can export. Also, the government plays a very important role in ensuring that those most affected by free trade are taken care of, that adjustments are made, and that we are there to ensure that wealth is properly distributed.

[*Translation*]

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, it is with great pride and satisfaction that I rise today to speak about something that, in my view, has served the Canadian public very well.

Before going any further, I would simply like to respond to the earlier question from the Progressive Conservative member about the benefits of the free trade agreement put in place by the Progressive Conservative Party. I would merely remind him that the Liberal Party was the first party in Canada to support free trade. This goes all the way back to 1910 and 1911, to the time of Wilfrid Laurier.

● (1300)

Second, what the Conservatives did was mentioned. I feel we should also emphasize the nice job done by the Liberals, who then formed the official opposition. They ensured that some adjustments were made regarding certain definitions in the agreement, so that the opening of our borders did become a laudable initiative and a desirable thing for all Canadians. Again, the Liberal team, my team, deserves to be congratulated.

Today, I would like to do two things: first, put into perspective the importance of international trade for Canada and, second, stress the efforts being made by the government to provide greater access to international markets for our businesses.

I could go on all day about the government's efforts, but I will focus on specific points.

The first one is the importance of international trade. As Minister Responsible for the Economic Development Agency of Canada for the regions of Quebec, I see on a daily basis that Canada's current economic growth is largely dependent on our businesses' ability to face foreign competition and to find a niche on international markets.

Let us take a look at some figures. Exports account for 40% of our GDP. This is the highest rate among G-7 countries. Moreover, the percentage of domestic production that relates to exports almost doubled over the past ten years. As for exports alone, in 1998, they reached a record level of $367 billion. Based on the impressive numbers for 1999, we can already anticipate that the 1998 level will be surpassed.

The trade balance is undoubtedly a good indicator. In August, we had a trade surplus of $3.6 billion. This means that, after the first eight months of 1999, we had already exceeded the total figure for 1998.

[*English*]

The numbers I just referred to are pretty much eloquent. They show that international commerce is vital for Canada, vital for our exports. We as a country profit from the global marketplace. We started talking about the global marketplace in theory decades ago, but we are actually facing a real situation. It is a real challenge for Canada as a country. It is also a real challenge for our economy.

As a government we want to make sure that all corporations in Canada, of which we are proud, will be given all the necessary tools to be involved in and to join with all nations in the global marketplace. At the end of the process we want to ensure that we have our share. Having our share means that we will have economic growth on a national basis and very good quality job creation in Canada.

Another very important part of international economy and the global marketplace is foreign investment. Foreign investment in our country brought us new technology, different knowledge, and the means to support the social safety net that has been in place in the country for decades.

[*Translation*]

So we can see the importance of international trade here in Canada. Given that our market is relatively small, the fact that borders are opening now, that tariff and non tariff barriers are disappearing, enormous opportunities are arising.

● (1305)

The Government of Canada, especially since our government took office in 1993, has understood this fact and put certain measures in place to enable our businesses to seize every opportunity.

First, one of the factors resulting in the government's support for business is, without a doubt and not often mentioned, our country's good financial health. It is a matter of ensuring economic stability, economic growth and control over public finances.

This results in a respectable and low rate of inflation for us and respectable rates of interest, as compared with all of the other G-7 members.

As a result, our businesses have a solid base nationally and a springboard for their first international venture.

The second factor I would like to draw to the attention of the House today is the Team Canada phenomenon. I think this is one of the finest means of international promotion any member of the G-7 has come up with in this era of globalization.

I am proud that our government is the one that developed such an initiative, whose purpose is to ensure that all departments and agencies—22 in all—work together to help businesses on the international level, and work in partnership with all provinces and territories as well, and also with the private sector. That is, of course, very important. I need not review all the success stories of Team Canada.

I would also like to draw attention to the important contribution of the Export Development Corporation in our international efforts. This is a somewhat unique financial institution which allows us to open doors to a sizeable number of Canadian businesses in more than 200 countries. This is another well-known tool and one that is doing an excellent job, providing support to businesses in very specific and specialized areas. These areas are vital to businesses.

There is also a fourth element: the changes we have made in recent years to our embassies and consulates. Canada wanted to be far more aggressive on the international scene. We wanted to really support our businesses. This is why we have expanded our commercial sections abroad and have begun a process to expand the number of trade commissioners internationally.

In conclusion, a considerable number of actions have been undertaken in order to help businesses and especially to ultimately democratize exports and ensure they are also accessible to small and medium sized businesses.

I shall close with the comment that, in partnership with a government with a great deal of vision, Canadian businesses will be able to conquer the export market and to bring to this country all the prosperity we deserve.

[*English*]

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, I listened with great interest to my colleague talk about the government's record on free trade, but I would beg to differ. He talked about team Canada. I think team Canada's success is still under question, despite what the government says.

Let us look at the record on free trade. The Liberals opposed NAFTA and when they were elected they agreed to it. In the ITAR dispute which took place the government later recognized the impact on trade. In the WTO agriculture is not a priority. I do not even hear the government talking about agriculture. The Minister for International Trade has only been talking about culture. Perhaps the minister would like to address my comments.

• (1310)

Hon. Martin Cauchon: Mr. Speaker, when we talk about the brand new economy in the global marketplace of course it has to take place within a framework. We all know that the framework set by all countries involved in the global economy is the World Trade Organization.

WTO, which was previously GATT, the General Agreement on Tariffs and Trade, was established, as those who are very much aware of the situation know, a long time ago. It is a long process but it is a long process that shows to the population and the world as a whole that when countries are working together they can establish rules and parameters which ensure that corporations are able to compete against each other and that there are rules which have to be respected and from which every country can benefit.

As far as WTO is concerned, it is an ongoing process which will continue in Seattle shortly.

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, before putting my question to the Minister of National Revenue, I would like to caution members of the public and of non-governmental organizations that the NDP is using this official opposition day on the subject of free trade agreements to do a bit of grandstanding.

I would urge the public to look into the New Democratic Party's record of attendance at the many consultations that have been held and the many forums where it was given an opportunity to express its disagreement with the free trade agreements. NDP members were never there.

The Minister of National Revenue said that, in 1911, in the days of Wilfrid Laurier, the ruling Liberal Party was wonderful and supported free trade. This former prime minister must have been turning in his grave in the 1980s. It seems to me that, at the time, the Liberal Party's position on free trade was a lot less clear.

It also seems to me that, on the GST and NAFTA, the Liberals have broken two promises. With respect to environmental and social clauses, could the minister tell me whether his government maintained its 1993 position in the free trade agreements with Chile, Israel and the FTAA?

Hon. Martin Cauchon: Mr. Speaker, since time is short, I will say that I am sure that, even in the 1980s, when the free trade

agreements were being discussed, Wilfrid Laurier could rest in peace, because my party has always been faithful to its original tenets, which were established by Wilfrid Laurier himself. This goes back to 1910, 1911.

Basically, what we did in the 1980s was to bring out various points of view in order to clarify the agreement. Further clarification would have been needed to avoid certain problems of interpretation that we have today and that would not exist if people had listened to us in the 1980s.

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, I want to congratulate my colleague, who, as a general rule, is one member of the government who is rational. We cannot change history. I know very well that, in any case, excessive partisanship can become morbid and prevent us from seeing things as they are.

I was here in the 1988 campaign, when all of Quebec was mobilized to get the agreement ratified. We suffered the wrath of the Liberal Party at the time. It was extremely difficult to campaign objectively then. Despite all, the results are there.

I would like the minister to tell us the economic effects of the free trade agreement since its signing, in terms of volume of export. I would also like to know what it has meant in terms of net annual revenue for the government. I do not think we consider globalization or a free trade philosophy often enough, but it produces results.

Hon. Martin Cauchon: Mr. Speaker, I think my ten minute speech showed the benefits and the need to address globalization and the various export markets.

• (1315)

Obviously there were enormous positive effects, a source of particular pride to us, since we also played a lead role in some of the free trade agreements signed by our government, with which hon. members are very familiar.

What is also very important, in my opinion, is that when we took over the government in 1993, our economic sector was having a particularly hard time competing internationally, because the fiscal position of the country left something to be desired, as a result of the actions of the previous government.

We started by putting our fiscal house in order, which brought a breath of fresh air into private business, and prosperity is possible today because we have a responsible government.

[*English*]

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I am glad to have the opportunity, along with my colleagues, to reply on behalf of the official opposition to the NDP supply day motion.

I am a bit surprised at the way the NDP is attacking this problem, especially after the Standing Committee on Foreign Affairs and International Trade held extensive hearings last year across the country to garner information about what people's positions would be. I am surprised the NDP members have taken the approach to sort of roll up the sidewalks and put fences up around Canada as if to say ''Stop the world, we want to get off''.

It could just as easily have come from the Clark Tories. We saw their main spokesman, David Orchard, taking the same kind of tack for the Conservative Party. My understanding is that at a recent convention that was held in Winnipeg, a resolution was raised that would have free trade as one of the standing principles of the Clark Tory Party. It was voted down, if members can believe that. The party that voted for free trade in 1988 is now rejecting free trade under David Orchard and the Clark led Tories. It will be interesting to hear how Tory members speak to this motion today.

Mr. Speaker, I will be sharing my time with my colleague from Selkirk—Interlake.

I want to talk about free trade and where the whole concept of trade rules came from. It is important to have a little history on this subject.

It goes back to the first world war. Shortly after the first world war in the twenties, the United States became very protectionist, much like the NDP are suggesting for Canada today. The United States introduced the Smoot-Hawley tariffs. Those tariffs eventually got to about 60%. Naturally, its trading partners, the other countries around the world said that if they did not have access to the U.S. market, they did not have much choice but to put up their own tariffs. That started to happen and I suggest that was a main ingredient of the massive depression that hit in 1929, protectionism. It has not served anybody very well.

We went through the thirties, the depression in Canada. We know what happens when countries withdraw. The money supply gets tight and they protect their own markets. There was basically no trade in the world. We went through a very tough time. Then we went through the second world war. There was massive upheaval.

At the end of the second world war it was recognized that we needed some international stability. A number of international institutions were put in place through agreement, such as the United Nations, the International Monetary Fund, the World Bank and of course the General Agreement on Tariffs and Trades in 1948.

What happened as a result of the trade agreements is that we gradually came to have a liberalized set of rules to govern world trade in a number of commodities. At the time Canada was proposing that we should also move to have agriculture included but there was not enough support around the world to let that happen. Agriculture was viewed as a special category.

We know what has happened over the years. International trade has prospered in the areas of industrial goods. Tariffs are only at about 4% or 5% around the world.

• (1320)

Agriculture was only brought under trade rules for the first time with the Uruguay round agreement in 1993. It took seven years for the Uruguay round agreement to be achieved. The backdrop to that Uruguay round agreement was massive trade wars in agriculture.

To go a little further down the road, the reason for the agreement was that countries like Canada, Australia and Argentina, the smaller economies, knew that they could not compete with the massive treasuries of trade blocs like the United States and the European Union. They knew that if we were going to be exporting, and Canada is very much an exporting country with 40% of our GDP coming from exports, we were going to have to have some trade rules around that. There was no agreement to make the same kinds of cuts to tariffs and subsidies that there were on industrial goods.

They knew there would have to be an adjustment period. That adjustment period was to take place in the six year time frame from 1994 to 2000 with a small adjustment, about a 15% reduction in tariffs and subsidies.

The idea was to build in another trade round in 2000. Agriculture would be a mandated negotiation. We would try to cut these massive tariffs and subsidies we have around the world.

That paints the picture of where we are at. I have talked to a lot of farmers around Canada in the last several years. They are saying that we need to have trade rules around agriculture to bring down subsidies and tariffs because we cannot compete with them.

We see the government needing to respond by putting subsidies in place because the European Union spent $70 billion on agriculture subsidies last year. Essentially they are freezing us out of our market share by dumping their excess onto the world market.

At the same time, farmers are saying to us, ''We need to have these rules. Go to Seattle. Go to the next trade round and negotiate tough. We are not going to survive otherwise''. How does that compare with the NDP approach? The NDP approach is to roll up the sidewalks and say, ''Stop the world and let me off''.

I wonder how that is playing in Saskatoon—Rosetown—Biggar. Agriculture is hurting very desperately in Saskatchewan. I wonder how the NDP supply day motion to take us out of trade negotiations is playing in Saskatchewan. The farmers want more trade liberalization so that we can compete on the basis of production, not on the basis of subsidies with trade blocs around the world. I would suggest that the NDP is going to find out that it is not playing very well at all.

Members of the NDP are ignoring Sask Pool. The member for Winnipeg—Transcona is here. He was part of those hearings. He sat in on some of them when Sask Pool said, ''Yes, we need more trade liberalization. We need it in agriculture''. A number of farm organizations from Winnipeg, Saskatoon and different places were calling for the same thing.

Embattled farmers around western Canada in particular are looking for more trade liberalization so we can get on an equal playing field as we have with other countries in terms of industrial tariffs.

That brings into play the role of the Liberal government in the trade negotiations coming up in the next round. It has taken a position that we are going to have a so-called balanced approach in agriculture, a balanced approach meaning we want access to all of the markets of all the other countries around the world based on their subsidies and tariffs, but we do not want to do the same thing here in Canada.

I do not think that is a credible position. We still have tariffs on some commodities in the range of 300%. I suggest that those tariffs are going to be attacked in the next trade round, as they should be.

The role of the government is to take a credible position. It is to create the economic climate that lets our companies do well. We have to have some trade rules. We have to trade. We are a major exporting country and that is not going to change. We are 30 million people with all kinds of natural resources. The service sector is growing at a very high rate. We need rules to work with.

The NDP has also said that it does not want any further negotiations on investment. It makes me wonder. Since the NDP provincial government went into power in B.C. in 1991, every subsequent year the amount of foreign and direct investment in British Columbia has dropped. B.C. is now a basket case province. I think the NDP is going to be thrown out of power there at the earliest opportunity.

It is no wonder that people do not want to invest in B.C. It is no wonder our mining companies are leaving that province in droves to go to places like Chile. The investment climate is not as it should be to create the proper environment for people to invest. It is as simple as that.

The NDP also says that we should not talk about investment rules. I know the NDP was very much against the MAI. I would suggest there needs to be some rules around investment.

• (1325)

The amount of direct foreign investment by Canadian companies and Canadians in general is now in excess of all the direct foreign

investment in Canada. There is something like $240 billion of Canadian investment outside of Canada. I suggest some of that is because of the poor economic climate in Canada in places like British Columbia, but there are other reasons. Companies also want to take advantage of opportunities in places like Chile and many other spots. They are looking for some rules regarding expropriation to protect them in those kinds of investments.

I am really surprised with the NDP's approach. I know that we and the NDP have a major difference in policy, but I am surprised that it would be so regressive in its approach, especially when farmers in a province like Saskatchewan are asking for trade liberalization. Companies are asking for investment rules that would govern investment around the world. It is a very strange approach, one that we will definitely not be supporting.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I want to correct a wrong impression that the hon. member has.

If he had listened to my remarks earlier, I made a distinction between agriculture and the whole question of investment and services. I said that investment and services were new things that were being put on the WTO table in a way that they never have been before, but that agriculture has always been on the table at the GATT, as the member rightly recognized, and now at the WTO and that there was work to do with respect to agriculture. I wish he would not say things about us that are not true.

What we point out in the motion is that the government has gone a lot further than what the WTO actually requires and has put Canadian farmers in a very vulnerable position. I wonder if he agrees with that analysis or not. Perhaps he could address himself to something that the motion actually says, or that some New Democrat actually said as opposed to what he likes to imagine New Democrats have said. We have never said that there is not more negotiation to go on with respect to agriculture. We agree that there are problems that have to be addressed.

What we are unequivocally stating, and what he can disagree with properly and honestly because we have said it, is that there should be no further trade liberalization of investment and services until such time as there are enforceable mechanisms with respect to core labour standards, environmental regulations, et cetera. If he wants to disagree with that and attribute that position to us, fine. But let us not have attributed to us things that we are not actually saying. That is all I ask.

Mr. Charlie Penson: Mr. Speaker, I can only go by the actual motion that is before the House today. The NDP opposition motion in paragraph 2 calls for the government not to negotiate any further liberalization of trade or investment at the Seattle meeting of the World Trade Organization. It could not be any clearer than that.

It seems to me that the NDP's approach is a little bit like the Liberal approach, that we can have our cake and eat too. It simply is not the case.

I gather the NDP member would want us to go there on a very narrow agenda and negotiate on certain sections of agriculture, although that is not how it reads in the supply day motion. After what the member said, I do not think that is a very practical solution.

We know that other countries, like the trading blocs of Europe, have a vested interest in keeping their subsidies and tariffs in place. If they were to come to those negotiations and they were only on agriculture, although I recognize that this is an approach that we could take, it would not be very helpful. We are all politicians. We know that it would be very tough for the European Union politicians to go home and say, ''We negotiated on agriculture, but we are sorry, we lost''. They have to have more on the table than just agriculture to satisfy their public.

Some $70 billion in subsidies went into farmers' pockets in Europe last year, subsidies that are destroying our Canadian farmers. Basically the whole European Union trade bloc is off limits to our exports. Even worse than that, they overproduce as a result of these large subsidies. They dump that 10% or 15% overproduction on the world markets and it kills our agricultural prices.

We have a difference in points of view on how that can be achieved. I suggest it is through a larger trade round than the member suggested.

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, if I understand the NDP member who has just spoken correctly, there is a wide gap between what they think and what they write, and another equally wide between what they write and what they say.

This may explain our difficulty in understanding what they are getting at.

• (1330)

A Canada-wide consultation was carried out, in which the hon. member for Peace River was involved. We heard hundreds of representatives of NGOs, who were in favour of or opposed to free trade agreements and represented tens of thousands of Canadians.

I would like to hear what he thinks about the NDP's lack of participation in that consultative process.

[*English*]

Mr. Charlie Penson: Mr. Speaker, the records will stand for themselves. The member for Winnipeg—Transcona was at some of

those meetings. That is why I am surprised they would take this approach.

I thank my colleague for this intervention because we were part of that same committee travelling across the country. I was at all the hearings that were mandated and I heard farmers and farm groups say that they desperately needed trade liberalization in agriculture. They could not go on. When we do not have it we see what happens, that we have to get back into the subsidy business. I think most farmers believe that is not the best approach.

There were views pro and con at all those hearings on whether or not we should proceed, but I believe Canada has benefited greatly. That can be demonstrated by the amount of trade that has taken place between ourselves and the United States, the enhanced trade since the free trade agreement of 1988.

I notice the Liberal Party finally did an about-face on free trade. It has become newly converted supporters of it, which I welcome. I would only ask that the NDP follows suit.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I am pleased to speak to the motion brought before the House by the NDP caucus. I will take its details on trade and various other issues and put them into the context of history so that New Democrats understood why the motion cannot be supported by virtually anyone in the House except dyed-in-the-wool socialists.

When we look at the history of trade around the world since recorded times, we see that the most prosperous countries ever to exist had gigantic trading patterns with their neighbours and countries other than themselves. They did not only trade internally, hoping to become more prosperous and have better lives for their citizens as we see in this motion. The Greeks and the Phoenicians relied on trade as do Japan, the U.S. and even Canada today. The motion before us would in effect slam our borders shut until such time as we could dictate to the world what the trading patterns and the details of them should be.

I refer directly to the motion which starts off by saying in the first paragraph that this government has sabotaged Canadian democracy. Does that make everyone feel good when trying to deal with trade issues and negotiate with partners?

The second paragraph says that the government should not negotiate any further liberalization of trade or investment, and it goes on to talk about the WTO and the FTA. If that does not apply to agriculture, which is trade, I do not know what does. Probably the biggest complaint I have about the motion is that we should stop where we are, not move forward and not improve matters for farmers.

As the chief agriculture critic I will make a few more comments about agriculture than other trade issues. As I have pointed out, New Democrats say to the world that either it does as they say on trade agreements or they will not help improve conditions for Canadian farmers or third world farmers through greater trade liberalization and negotiations.

The last paragraph of the motion says:

> That the government should take action to remedy its overzealous and irresponsible pursuit of greater trade liberalization, which has caused extreme hardship for Canadian farmers—

● (1335)

When we look at the benefits of trade liberalization for Canadian farmers we know they are better off because of the greater number of exports. Cattle is a great example, as are grains such as canola. Everything is just that much better by having liberalized free trade.

In the last paragraph of the motion the New Democrats are trying to say that Canadian farmers have hit upon a hard time. They had better not be blaming trade liberalization for that. They had better be blaming this government and the previous Conservative government and the signing of the trade treaty in 1993.

It was a start, but when they came home they totally destroyed domestic support programs for agriculture which farmers needed to compete on a level playing field with our neighbours to the south and Europeans. They maintained their domestic support and we slashed ours and put our farmers into bankruptcy. That can only rest on the heads of the Liberals and the Conservatives.

However, the solution according to NDP members would be to stop everything and seal the border. I am paraphrasing a bit because trade would continue, but in essence they want to stop everything and start to talk about getting their way and dictating to the world how things should be before Canada continues with the negotiations.

Reform has been taking good actions and doing what it can in Ottawa. We certainly have solutions to the farm crisis to which the NDP alludes. In the short term domestic support has to be raised with the idea of keeping our farmers competitive with our trading partners who are distorting the market through their domestic subsidy practices.

Also the safety net programs have to be repaired or made current to meet today's conditions. We have seen the failure of AIDA to address the primary needs of many full time producers on average farms. The AIDA program has not served them. This is not a fault of trade. It is a fault of the current government which is more worried about the budget and what the voters think in non-farming areas than it is about farmers who are trying to feed the nation.

One pillar of the Reform Party is that we must have free and fair trade abroad. It is time, as I said, for the government to launch a

concerted action to reduce and eventually eliminate foreign subsidies. I know our negotiators will talk about it in the trade negotiations, but what would be the matter with the Prime Minister getting on plane, taking probably the agriculture and trade ministers with him, going to Europe to meet with the Europeans and telling them point blank that enough is enough and they will fight them to the end in this regard? That never happens.

The government, as part of the solution to the hardship experienced by the farmers, could reduce the costs it imposes on farmers out west, in Ontario, in the maritimes and in B.C. For instance, the four cent federal excise tax on every litre of fuel adds up to a lot of money. Many of us still tend to think in terms of gallons. If we multiply that by five it amounts to 20 to 30 cents cents a gallon which farmers are paying. A tractor running in a field burning up 20 gallons an hour soon runs up to a lot of money. Our government could be taking action in that area.

We could help farmers if we would look at letting them do more value added. We have the case of prairie pasta producers who are trying to pull themselves up by their bootstraps by further processing their durum wheat into pasta flour and products.

• (1340)

What happens is that the Canadian Wheat Board says that it is the controller on behalf of the federal Government of Canada of the wheat trade in the country and that farmers will either deal with the board or be thrown in jail, unless it happens to be Frank Hurley who gets a slap on the wrist.

The average farmer in Manitoba and Saskatchewan will go to jail under this government for selling his own wheat. If it is the last thing I do before I leave this parliament, I guarantee that it will be a voluntary wheat board where a farmer has a choice as to whether or not he is in there participating and sharing in pooling the money he receives for his grain.

I will talk for a minute about the movers of the motion, members of the NDP who aspire to be in government. Certainly the Canadian public and voters do not intend to give them that opportunity. To compare what the NDP has done in parliament with what the Reform Party has done, we only need to look at the Address in Reply to the Speech for the Throne. The leader of the NDP said three little sentences on agriculture. The leader of the opposition from the Reform Party said approximately five or six paragraphs with some real meat and some real understanding of agriculture in Canada. That is the importance we place on it.

In the Standing Committee on Agriculture members of the Reform caucus presented motion after motion which initiated action and got inquiries going into the income crisis. We have had supply day after supply day on agriculture, not on some phony trumped up motion on trade that sets out a manifesto for the NDP with which nobody else agrees. I invite any questions that anyone might like to ask of me.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, indeed I would like to ask a question of my colleague from the Reform Party. He said in his speech that any of the problems in terms of agriculture should rest on the heads of this government and the previous Conservative government. I would like the hon. member to acknowledge that the Reform Party should share in some of the blame.

In 1993 when members of the Reform Party arrived here in any significant numbers they said to the government that they opposed all government subsidies for agriculture and that everything should be based on market driven forces. I submit to the hon. member from Manitoba that the situation is a result of these programs. The finance minister over there put on his Cheshire cat grin and asked how much Reformers would like him to cut. Indeed the government has cut programs by about 60%, three times more than it was required to in 1993. I would submit that was done because it wanted the deficit eliminated as fast as possible. The Reform Party was sitting over here, the only party with official party status from English Canada at the time, and the government could not do it fast enough.

Would the hon. member stand in his place and agree that the Reform Party has contributed directly to the agricultural crisis that is happening right now in western Canada?

Mr. Howard Hilstrom: Mr. Speaker, the hon. member for Palliser is once again dead wrong on his interpretation of what he thinks he heard during the 1993 election. Certainly the Reform Party never ever said that there would not be programs in place to keep the field level for international competition between our farmers and other farmers. That misrepresentation is just the same as when the NDP goes around trying to say that the Reform Party will get rid of medicare or health care, that it will wreck health care and it will be gone forever.

We all ran in the last election. NDP members went around saying that kind of garbage and the voters sent back 60 Reformers and 18 or 19 NDPers. I do not think the interpretation of the Reform platform in the last election, or in the election of 1993, contributed in any what whatsoever to the Liberal government taking virtually all the domestic support away from the farmers of Canada.

Certainly the government is trying to replace it now on the same old ad hoc basis it has been using since the start of Confederation. When there is a problem it tries to figure out something in a hurry. It comes up with details and criteria which do not work because it has not had time to put any thought into it.

• (1345)

Reform is saying ''Mr. and Mrs. Voter, give us a chance and we will come up with the long term programs''. We will make sure that Canada can compete with other countries around the world. We will free Canadians so they can do business without as much government interference.

I would invite everyone to compare the NDP platform with what we have done here in Ottawa on behalf of farmers.

Reform is way ahead in asking questions in the House on agriculture. When I look at the opportunity to use supply day motions to discuss agriculture issues, Reform is way ahead. Which party was it that moved for an emergency debate on the grain handlers crisis? It was Reform. The Reform Party got the debate going, but then we learned that a settlement had been reached during the debate.

That is the kind of action we need in Ottawa. Reformers take the bull by the horns and show all other opposition parties, including the NDP, what can be done in moving this country forward.

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I welcome this opportunity to take part in the debate on the NDP motion. I will be sharing my time with the hon. member for Perth—Middlesex.

I would like to talk about the level of consultation that has been held between the Government of Canada and various groups, such as that which has become known as the civil society and many other non-governmental organizations.

As Canada prepares to head into multilateral trade negotiations and as it continues regional trade negotiations for the FTAA, the Government of Canada has demonstrated an ongoing commitment to seek the views of Canadians on the scope, content and process of these negotiations. Indeed it has just completed the most comprehensive consultation ever undertaken on this topic in Canada. We intend to continue this dialogue throughout the course of these trade negotiations.

Before describing to the House the extent of these consultations, I would like to emphasize that, from an international perspective, Canada is on the cutting edge of public consultations where trade negotiations are concerned.

In international fora it is clear to other countries that we are very informed about the wide variety of views which exist in Canada concerning the international trade negotiating agenda and that we are being very aggressive in taking every opportunity to listen and respond to public concerns about this agenda. I am proud to state that these consultations represent Canadian democracy in action, a democracy that is dynamic and effective.

The Government of Canada has pursued consultations in a wide variety of ways. We have sought public submissions on trade policy issues through a Canada *Gazette* notice and opened a new trade negotiations website to provide information and papers on the trade agenda. We are also using this site as a location for reporting on our consultations with Canadians. This strategy has put us at the forefront of using new information technology to communicate with Canadians and we are extremely pleased to be deepening our connection with Canadians in this new medium.

The Minister for International Trade asked the Standing Committee on Foreign Affairs and International Trade to undertake cross-country hearings to elicit public comments and views on trade issues. The committee produced a very comprehensive and informative report. The government will be formally tabling its response to the report on November 15.

We have also continued to consult with the business sector to identify our trading priorities. This consultation is taking place through the sectoral advisory groups on international trade. We are working very closely with the provinces in developing our trade negotiating positions.

We are very pleased that seven provincial trade ministers will accompany the Canadian government to the WTO ministerial meeting in December. Furthermore, we have conducted 26 separate consultation sessions on the issues of government procurement, investment and competition policy. These consultations, organized in close co-operation with provincial government trade representatives and senior trade commissioners in each region, attracted more than 300 participants across Canada from a total of 1,040 invitations.

These sessions met the government's objectives to build constructive links to and promote a dialogue with representatives of civil society on trade and investment related issues across Canada; to bring to the discussions a broad spectrum of stakeholders representing environmental, human rights and labour interests, as well as members of the business community; and to advance further substantive discussions with these stakeholders to ensure that Canadians' priorities and interests on these issues are reflected in the new round of WTO negotiations.

• (1350)

It was clear from these consultations that there exist differing levels of expertise on trade and investment issues represented among stakeholders. However, regardless of their level of knowledge, participants emphasized a need for continued, direct exchanges with expert stakeholders, and particularly with representatives of the federal government. We are committed to providing this contact and to ensuring that the process whereby our negotiating position is developed is as transparent as it can possibly be.

Consequently, in the next stage of our consultations leading up to the Seattle ministerial meeting the government will continue to work to expand productive working relationships with civil society stakeholders, develop focused and responsive public information and outreach activities to broaden these contacts, respond to the anticipated increase in stakeholder requests for information on the government's position on trade and investment, and lay the foundation for deeper and more strategic involvement of knowledgeable stakeholder groups that have the capacity and the credibility to champion federal consultation initiatives on trade and investment issues within their respective communities following Seattle.

The effectiveness of our consultations with Canadians can be measured in terms of the enunciation of Canada's overall negotiating objectives and priorities. We want to ensure that the lives of Canadians are improved through better access to global markets and through predictable and enforceable rules governing trade. We also want to ensure that these rules help protect the fabric of Canadian society and fundamental Canadian interests.

I believe that the extensive and ongoing consultation process that I have just described contributes very positively to these overall negotiating objectives and priorities.

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, it is my pleasure to make a contribution to today's debate. It is a significant event for us to talk about the success stories of the past, beginning with the team Canada visit to Japan, the benefits of the Chile-Canada free trade agreement and the objectives of Canada and other world trade members.

According to the motion, it is apparent that hon. members opposite are prepared to turn back the clock in a world that has evidently left them far behind. However, I must say that is not true for all members opposite.

It is true that the Government of Canada has pursued greater trade liberalization. Unlike that which the hon. members would have us believe, the government has been responsible and democratic in its pursuit of greater trade liberalization for the benefit of the overall Canadian economy and the agriculture and agri-food sector.

First, Canada is a trading nation that relies on international trade to the extent of 40% of its gross domestic product. Could we imagine what it would be like without that, or with half of that? Canada is no longer a country comprised of hewers of wood and drawers of water. The world has become smaller and we live in a global economy. I say to hon. members, welcome to the future because the future is now.

Overall in the agriculture and agri-food sector farmers have adjusted to a constantly changing international market. Their success is obvious when looking at our export numbers. Agriculture exports have risen from $13 billion to $22 billion over the past five years. Even with the economic challenges of the past year, they were up slightly from 1997, which was a record year.

Trade is important to the growth of the sector. About half of the average Canadian farm gate income is the result of trade. That is why this government is committed to working on the international front to bring order and stability to the world marketplace and provide better access to world markets.

● (1355)

Despite the commodity market challenges, the outlook of Canada's agriculture and agri-food sector is positive. The Canadian agriculture and agri-food industry has also met the evolving demand for specialized food products. Our exports of value added goods and processed products are surging. In fact they grew by almost 9% last year. Processed goods mean processing plant investment and jobs, jobs which add to the sustainability of our rural communities.

Members should not just take my word for it. The industry itself has a lot of confidence in its own capabilities on the world market. Already Canada has about 3.3% of the world's agri-food trade, and the Canadian Agri-Food Marketing Council, or CAMC, which is made up of agriculture and agri-food industry representatives, has set a goal to increase that to 4% by the year 2005. It has also set a target for increasing processed agricultural exports over and above bulk commodity exports. By all current indications there is no reason to think this goal will not be met.

There is a lot of opportunity out there. The European Union, for instance, is the world's largest market for agri-food products. Ten of the world's top 12 food retailers are based there. I believe it is obvious why we have to be there.

Yes, there are trade distortions that exist among our trading partners, especial in the EU. Achieving substantial reductions in these disparities is a key objective for Canadian producers and exporters. That is why the Minister of Agriculture and Agri-Food will be aggressively seeking greater world markets abroad for our products at the World Trade Organization talks, which will be launched at a ministerial meeting in Seattle at the end of this month. He will be pressing hard for reductions in domestic subsidies and the elimination of exports.

The Speaker: The hon. member has five minutes left, and five minutes of questions and comments. However, I thought this would be a good time to split the speech. You will be our first speaker when we return to debate after question period.

STATEMENTS BY MEMBERS

[*English*]

RAILWAYS

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, today more than 110 individuals representing Canada's rail industry will be meeting with more than 130 parliamentarians.

The Canadian public should know that the North American railway system has been, and is, the best in the world for shippers and governments by providing the best overall service at the lowest overall price, attracting the most investment and not depending on subsidies.

Canada's railways are safe. They reduce road costs and highway congestion, are fuel efficient and environmentally friendly.

However, Canadian rail shippers have the most regulated transportation environment in North America. Therefore, ongoing dynamic policy changes must keep Canadian shippers competitive in domestic and international markets and encourage sustained investment for the delivery of improved services and lower costs.

* * *

NATIONAL DEFENCE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I have just returned from a military fact finding mission in Australia.

I first want to thank those private donors and the Reform Party which financially supported this endeavour to make it possible.

For 10 days I visited with Australian defence leaders and met with men and women of the Canadian forces in Darwin. Unlike Canada's military, which has suffered from political neglect for decades, the Australians have a replacement or upgrade program in place for all their major equipment.

Here in Canada air crews continue to struggle to keep the 36 year old Sea King helicopters in the air, while our government dithers.

If there is one overriding lesson that I would like to pass on to my colleagues on both sides of the House it is this: In Australia national defence is truly a national and non-partisan issue.

The tragic cancellation of the EH-101, where this Prime Minister made a cynical promise that continues to jeopardize the safety of military personnel, could not happen there—

The Speaker: The hon. member for Renfrew—Nipissing—Pembroke.

S. O. 31

NUCLEAR INDUSTRY

Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, Canada's nuclear energy industry contributes an impressive $4.5 billion annually to the country's economy and directly employs 30,000 people. Atomic Energy of Canada's Chalk River plant employs nearly 2,000 people in my great riding of Renfrew—Nipissing—Pembroke.

• (1400)

As a result of our national nuclear program, many spinoff industries have been created which employ roughly 100,000 people. One such company is SRB Technologies of Pembroke. This is a successful growing company run by bright, aggressive young people such as vice-president Stephane Levesque.

SRB Technologies manufactures tritium-filled light sources, Betalights, which have both scientific and commercial applications, from luminous energy emergency signs to military vehicles. Next year SRB plans to expand, hire more people and increase sales in both Canada and around the world.

I am proud to salute Stephane Levesque and his great upper Ottawa valley company.

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CHILD PORNOGRAPHY

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, I have received more than 1,000 letters from citizens in my riding of Barrie—Simcoe—Bradford concerning the recent decision of the B.C. Court of Appeal that the law making it a criminal offence to possess child pornography is unconstitutional.

My constituents wrote to me during their white ribbon campaign against pornography last week and letters are still arriving. The purpose of the WRAP campaign is to help educate and sensitize Canadians to the fact that pornography is addictive and damaging.

My constituents and all Canadians should know that the government believes the law prohibiting possession is constitutional. We too believe that our children are our greatest possession and must be protected against child pornography. We intervened in the B.C. case to vigorously defend the law and we will do so again when the case is before the Supreme Court of Canada.

* * *

REMEMBRANCE DAY

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, on Remembrance Day we will pay tribute to the Canadians who fell in war throughout the century.

As we pause to remember, we would do well to recall that war affects not just those on the front lines but also those left at home to cope.

During the second world war, for every Canadian in uniform there were 10 serving at home on the home front. They worked the farms and factories. They gave blood, collected scrap, planted victory gardens and bought victory bonds. They suffered privations and rationing.

Throughout it all, they worried and prayed for their sons and daughters, husbands and wives waiting in fear for that dreaded telegram that would begin ''We regret to inform you—''. It was a tremendous time of sacrifice but of great spirit.

On November 11, we will remember those who sacrificed all so that we in this world would be rid of the forces of oppression and tyranny. They would be proud of the nation that their children built and merely ask us to remember them still. We pledge to do this forever.

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HIGHWAY SYSTEM

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, earlier this week I had the pleasure to attend a conference on trade corridors held in Niagara Falls. People came from across the continent to discuss ways Canada and the United States can more efficiently transport the $1.5 billion of goods that cross the border every day.

Since 70% of these goods travel by road, everyone acknowledged the need to upgrade the highway system.

The American government is pumping over $200 billion into its highway system over a six year period; that is 90% of the money it collects in fuel taxes. Contrast this to the federal Liberals who, despite collecting over $4.5 billion in fuel taxes a year, put only a pathetic $150 million back into Canada's roads; that is only 3%.

Trade has been a major factor in Canada's economic recovery. It is time the Liberals put some of that money back into roads instead of ripping off the taxpayers yet again.

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REMEMBRANCE DAY

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, to understand Canada's military history in the 20th century, one need only follow the sad trail of monuments and cemeteries the world over.

At Passchendale in Belgium and Vimy in France, Canadian heroes of World War I are buried. At Beny-Sur-Mer in France, Sai Wau Bay in Hong Kong, Bergen-op-Zoom in the Netherlands and the Moro River in Italy, Canadian heroes of World War II are buried. At Pusan in Korea, Canadian heroes of the Korean War are buried. At these and hundreds of other cemeteries the world over, the headstones of tens of thousands of Canadians speak to us of their sacrifice that we might live in peace and freedom.

May Canadians always remember their stories, honour their sacrifice and cherish their precious gift to us.

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● (1405)

[*Translation*]

DRINKING WATER

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, never did I think I would have to rise in the House and remind the federal Minister of Transport that people in the Sept-Îles region still do not have access to drinkable running water. The inhabitants of the beaches area have been deprived of this essential service because the water table has been contaminated for several years.

Yet, in the summer of 1998, the federal Minister of Transport admitted responsibility for contaminating these residents' water source and promised to come up with a long term solution to the problem.

Today, I join with the spokesperson for the citizens' group and denounce the Minister of Transport, who seems in no hurry to assume his responsibilities in this matter and to foot the bill for the environmental damage caused by—

The Speaker: The hon. member for Abitibi—Baie-James—Nunavik.

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MILLENNIUM SCHOLARSHIPS

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, the 70 million Canadian dollars now available in Quebec for millennium scholarships over a ten-year period are intended to benefit students from Quebec, particularly those in the greatest need and, combined with the financial assistance they are already receiving, reduce their level of indebtedness significantly.

Minister Legault wants to use the money from the millennium scholarships to replace existing scholarships under Quebec's regular grants and loans program. The students have requested that their loans become millennium scholarships.

Will Minister Legault give a clear undertaking, on behalf of the Government of Quebec, that students in the greatest need will receive approximately $2,000 a year in addition to the assistance they were receiving under Quebec's regular grants and loans program?

[*English*]

FISHERIES

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, the supreme court ruling regarding Donald Marshall and native fishing rights has led to chaos on the east coast and uncertainty across the nation. The judicial ruling is unclear yet this government is unwilling to ask the supreme court for clarification.

Clarification is required regarding who the beneficiaries of the treaty are, what DFO's regulatory powers regarding the native fishery are, what the definition is of moderate income, what the geographical limitations of the treaty are, what rights the existing commercial fishery have and how far-reaching the decision is. Is it limited to eels or does it affect lobster, snow crabs, forestry, oil or more? Finally, how much will it cost?

It is time for the fisheries minister to get involved so these issues are clarified and all Canadians know where they stand regarding this decision.

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[*Translation*]

MILLENNIUM SCHOLARSHIPS

Mr. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, Quebec students are hoping there will be a positive outcome to the millennium scholarship matter. They want to see the money available paid out to them, and they want the Quebec government to stop playing petty politics with something as vital to their futures.

The students of Quebec want to see a considerable reduction in their debt loads. The Government of Quebec must stop shilly-shallying about the actual amounts to be paid to students. It is clear that those receiving millennium scholarships must be the real winners in this. They must receive the amounts to which they are entitled.

The Quebec Minister of Education must be frank with the students, the real beneficiaries of the millennium scholarships, and must tell them the whole truth in this matter.

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[*English*]

NUCLEAR WEAPONS

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, as the new year approaches and we see more and more articles about Y2K, a great many people are worried about the inconvenience that may be caused by various forms of computer breakdown. However, one of the things we have not heard and talked enough about is the whole question of whether or not the nuclear weapons systems that exist around the world are being given the kind of attention they deserve in light of the Y2K possibilities.

I would therefore urge the government to respond to the requests of many groups that are concerned about Y2K and the nuclear question, to use its position in NATO, in the United Nations and everywhere else to see if it cannot achieve a stand down of nuclear weapon systems on December 31.

Let us take all the systems off alert so that the one thing Canadians and people around the world do not have to worry about as we enter the new millennium is an accidental nuclear war.

* * *

• (1410)

[*Translation*]

GOVERNOR GENERAL'S AWARDS

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, today there are some important visitors here in Ottawa, the recipients of the Governor General's Awards: Michel Tremblay, Denise Filiatrault, Ginette Reno, Louis Quillico, David Cronenberg and Mavor Moore. They are not the only ones with us, however.

Look carefully and you will also see Thérèse and Pierrette, Laura Cadieux, Marcel, Édouard, the Fat Lady, and all the other wonderful characters created by Michel Tremblay and so skillfully portrayed by Denise Filiatrault and Ginette Reno on stage or screen.

All of these honorees have given us such pleasure, as we read their works, hear them in concert, see them on stage or screen. Once again, their contributions are being recognized today far beyond the borders of Quebec.

The international renown you all enjoy is a source of pride to Quebec and to Canada. Bravo to each and every one of you.

Some hon. members: Hear, hear.

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MILLENNIUM SCHOLARSHIPS

Ms. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, the matter of the millennium scholarships is a happy event for Quebec students.

I point out, however, that the $70 million provided annually for Quebec for a ten year period is to benefit Quebec students.

[*English*]

These grants will be awarded to the students who need it the most, while also helping them reduce their debt and guaranteeing that we uphold our previous financial commitment to these students.

The Government of Quebec has attempted to evade the real issues. The Parti Quebecois should not ignore the students of Quebec because they should be the ones to benefit from this contribution.

[*Translation*]

They should think twice before trying to make political gain on the backs of young Quebecers. They have no interest in political battles, as they told the Bloc member for Longueuil.

It is now up to the Government of Quebec to show its good faith in this matter, because the Government of Canada wants our young people to enjoy the fruits of this program, which is intended for them.

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[*English*]

ATLANTIC CANADA

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, on Monday, the Liberal Atlantic caucus, what is left of it, will announce its plans for Atlantic Canada which I will call a ''Liberal Ode to the East''.

Since 1993
The east coast they could not see
A government so rotten
Atlantic Canada, all but forgotten

No real plan for six years
Frankly, I must say, it brings me to tears
Now that an election is so near
Suddenly they see things so clear

The latest Liberal rave
Eastern Canada they will save!
By catching what they call tomorrow's wave

They've come up with a scheme
But it ain't what it seems
It is a disingenuous attempt
To appease the contempt

A policy for shipbuilding?
Not needed said they
But with an election approaching
Guess what, a review is on its way!

While the U.S. agree
To Baltimore and New York City
The Liberals tell Halifax:
Sorry, no Post Panamax!

Yet another red book
Just a new look
But once you review it
There ain't that much to it

This plan for the east
I know you'll agree
Is more Liberal deceit
Again, just words on a sheet!

[*Translation*]

GOVERNOR GENERAL'S AWARDS

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, actor and producer Denise Filiatrault, dramatist Michel Tremblay, singer Ginette Reno, filmmaker David Cronenberg and theatre personality Mavor Moore will be among tomorrow's recipients of the Governor General's Performing Arts awards.

This is a prestigious award, whose aim is to honour the excellence of the work done by Canadians. It pays tribute to our artists' major contribution to the country's cultural life.

I would like to congratulate the winners, while recognizing their commitment to promoting the quality of artistic life for Canadians and Quebecers.

* * *

[*English*]

CHINA

Mr. Rob Anders (Calgary West, Ref.): Mr. Speaker, early in the morning of July 20, security forces in China began arresting hundreds of their sleeping citizens. These were people who meditate. Two days later, the government outlawed the practice entirely.

The group the Government of China is picking on is known as Falun Gong. Several thousand have been arrested or detained. Twisting the rule of law, China amended legislation allowing sweeping powers to silence a peaceful movement. The solution to the problem lies at home in China.

Denied the ability to gather or even speak about their beliefs, this group is now forbidden any legal defence. The government has actually ordered Chinese lawyers not to plead cases for Falun Gong. This is poor conduct from a government that claims to be a representative of a people's republic.

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● (1415)

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in our gallery of seven of the recipients of the 1999 Governor General Performing Arts awards.

[*Translation*]

Greatly talented artists, accept our warmest congratulations.

[*English*]

After question period today and after tributes to our veterans, I will be hosting a reception on their behalf in Room 216-N.

Colleagues, I would like you to please hold your applause until I introduce the recipients of the Governor General's Performing Arts awards. When I call your name would you be kind enough to stand: David Cronenberg; Denise Filiatrault; Maver Moore; Louis Quili-

co; Ginette Reno; Sam Sniderman; and Mario Bernardi. These are our recipients for this year.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT GRANTS

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, over 1,000 transitional jobs fund grants were handed out by this government.

Only one grant in all of Canada was put into a trust fund. That one grant was handled improperly in order to help a failing company in the Prime Minister's riding. It was given unusual treatment that ignored not just treasury board guidelines, but actually broke the law.

Why was this grant in the Prime Minister's riding treated differently than all the other grants in Canada?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let us be clear here. The appropriate approval process was undertaken in this regard. The department did the due diligence on the opportunity. The stakeholders reviewed the information and recommended investment. No moneys flowed until the approval process was completed.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, the facts say otherwise.

The games that were played with transitional jobs fund money in the Prime Minister's riding border on the bizarre. Millions of dollars were doled out to recipients with a track record of business failure, with shady pasts including criminal records, and with close business and political ties to the Prime Minister. Now add to that an illegal trust fund.

Why is it in the Prime Minister's riding that all the rules and even the law get broken?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, in administering the fund the department chose an inappropriate method. It set up trust funds. In May of this year that inappropriateness was deemed to be true. In June a directive was issued. The trust funds were closed. That has been done. The trust funds have been closed.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, that must be a pretty recent development.

Someone eventually got $1.19 million from the suspect trust fund. That someone was Claude Gauthier who had already purchased land from the Prime Minister's golf course and donated $10,000 to the Prime Minister's election campaign. Soon after the business now being run by Gauthier got the money, it laid off all but 62 of the original 115 employees for a net job loss of 53 jobs.

Since this grant did not create jobs, was it simply a thank you to the Prime Minister's friend?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I have confirmed that there was nothing illegal in any of these transactions.

The approval process was done appropriately. No moneys flowed until the approval process was complete. The inappropriate management of funds was identified. Directives were given to close the trust funds. That has been completed.

● (1420)

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, let us just go over this again.

There was only one job creation grant in the entire country that ended up in a trust fund. That trust fund proved to be illegal. It happened in only one place. That was in the Prime Minister's riding. It benefited only one person. That one person was Claude Gauthier, a man who bought $500,000 of the Prime Minister's golf course, who gave $10,000 to the Prime Minister's personal re-election campaign and went on to receive a $6 million CIDA government contract.

The question for the Minister of Human Resources Development is this: Will she now do the right thing and launch a full independent inquiry to see how this mess could have ever happened in the Prime Minister's riding?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, we have done the right thing.

We followed the appropriate approval process. When we discovered that the administrative method to manage the moneys was inappropriate, we closed the trust fund. Most important, there are jobs in the riding. People are working. In a riding of extremely high unemployment, transitional job funds are there to help provide sustainable jobs for Canadians. That is the important point here.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, yesterday the human resources minister told the House during question period that everything was fine, that there was no problem. Fifteen minutes later she was outside talking to the media saying maybe there was a bit of a problem. In fact, the trust fund was illegal.

Dozens of jobs were lost during this whole fiasco. In the meantime, $1 million was spent, laundered through this trust fund, in order to give it to the only riding in the country, one riding in the entire country, the Prime Minister's.

Taxpayers deserve an answer. When will they get an answer that satisfies them?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I am glad to answer the question.

Nothing inappropriate was done in terms of the administration of the approval process. It was done in an appropriate fashion. When we discovered that the choice of administrative management of the use of trust funds was inappropriate, we directed the department to close the trust fund.

Most important is that Canadians who very desperately needed jobs are working. That is the point of this project.

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[*Translation*]

BUDGET SURPLUS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Minister of Finance is congratulating himself on forecasting a surplus of $95 billion.

Given his cuts to health, education and income support, it is hard to understand what he is happy about.

Will the Minister of Finance admit that, if he were to return the $3.7 billion to the provinces, it would be a huge amount for them, while it is a small part of the surplus for the federal government?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I made it very clear in my economic statement in London that the five year private sector forecasts were only projections.

That having been said, yesterday I told the Bloc Quebecois leader that, last year, the federal government transferred $11.5 billion strictly for health over a five year period. At the same time, Quebec alone received $1.4 billion in equalization payments.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if someone stole $44 from me—

Some hon. members: Oh, oh.

The Speaker: Order, please. I hope we are not going to use the word ''steal''.

Mr. Gilles Duceppe: —and gave me back $11, what he has done is take $33 away from me. This is exactly what the minister has done.

Rather than butting into provincial jurisdictions with new programs that are none of his business, would he not do better to give back to the provinces the money he took from them?

Hon. Paul Martin (Minister of Finance, Lib.): New programs, Mr. Speaker? New programs like the infrastructure program, which was developed by our government in partnership with the provinces, and which the provinces wanted to have? New programs like Technology Partnerships Canada, under which 33% of the funding goes to Quebec? New programs like the Canadian Foundation for Innovation, which is funding all the research and development in Quebec universities and hospitals?

That is what we are doing.

• (1425)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, while the Prime Minister is asking us to let him take advantage of a $95 billion surplus, the people are suffering because of rapidly deteriorating health systems and educational systems that are crying out for reinvestment of the money to which the Minister of Finance has been helping himself for the past four years.

Why does the Minister of Finance not commit to return to the provinces what has been cut from transfer payments, rather than getting ready to make new expenditures in areas that come under their jurisdiction?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, to give an example of transfer payments, since we became the government, for the Province of Quebec alone there have been in excess of $80 billion in transfer payments, that is equalization payments and the social transfer.

Over and above that, there have been $30 billion paid out in equalization payments since we took office. That is real money.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, what the Minister of Finance is not saying is that he took away $33 billion from the provinces' funding for education, health and social assistance.

I am asking him whether he is aware of the havoc he has wrought in the schools, in the hospitals, in the poorest families? Does he realize this? If he does, is he not ashamed?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as I have just said, last year we transferred $11.5 billion over a five-year period.

The question I am asking the hon. member is this: is the PQ government prepared to give back to the municipalities the money it has cut from them?

* * *

[*English*]

AGRICULTURE

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Reform finally woke up to the farm crisis. Who knows, the Liberals might wake up to farm crisis soon as well.

The reality is that the government listened to Reform, cut our farmers loose and now expects them to compete against the European and U.S. treasuries.

How can the government believe that a tiny fraction of the $1.3 billion needed is anything but an affront to prairie farm families?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is new money on top of $900 million that the federal government has put on the table this year. That makes a total of close to $1.1 billion. We are preoccupied; the minister is working very hard to find a solution. We are looking at what will be the net income of these farmers at the end of the process.

There were numbers that came out in anticipation in July, but of course in July they did not know what was to be the crop. By October they knew exactly and it has been a good crop. Now everyone is filing their applications. The program will apply. I hope that the program will be sufficient to meet the needs.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Prime Minister does not get it. The government does not get it. What is needed is an immediate infusion of $1.3 billion to keep the family farm from dying. What does the government come up with? Less than one-tenth of that amount.

It is like a patient who needs a transfusion, needs 10 units of blood and receives one unit. The prognosis is certain death.

Why is the government letting the family farm die?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are absolutely not doing that. On the contrary, I explained to the House a minute ago that it is $1.1 billion that the federal government put on the table this year, plus the contribution of 40% of that amount from the provincial governments.

It is an agreement that we have developed with the provinces to try to cope with this type of problem. Now the farmers are making their applications. They are being processed. Those who qualify will receive the money as quickly as possible.

We are very preoccupied but the reality is that we have to know all the facts. Some of the requests were based on figures from July that had changed—

The Speaker: The hon. member for Saint John.

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VETERANS AFFAIRS

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, the Minister of Veterans Affairs met today with the representatives of the merchant navy veterans, the brave gentlemen who are in the gallery today.

Will the minister outline for the House and all those outside as well exactly what he is planning to do starting today to bring about a fair and just compensation package for these Canadian heroes?

Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, I have met with every veterans organization that represents the merchant navy and some of them twice in the last three months.

• (1430)

There is one thing they all told me. It was that I have to consult with them and proceed carefully to arrive at a solution. That is exactly what I intend to do. I take my marching orders from the veterans, not from the official opposition.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Prime Minister. Knowing that we have to have—

Some hon. members: Oh, oh.

The Speaker: Order, please. I would like to hear this question.

Mrs. Elsie Wayne: Mr. Speaker, knowing that they have an enormous surplus, which was announced just this week, would the Prime Minister please assure these wonderful gentlemen who are in the gallery that he and his cabinet will look positively upon a compensation package for them and show them justice and respect once and for all?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am very happy to hear the leader of the Conservative Party in the House recognize that in Liberal days we have a surplus. We are not under the Tories any more.

I know that the Minister of Veterans Affairs has the confidence not only of the members on this side but of a lot of members on both sides of the House of Commons.

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PORT OF VANCOUVER

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, this morning the port of Vancouver received a 72 hour lockout notice. Thousands of jobs will be lost if a strike occurs.

What immediate action will the minister take to ensure that the port is not closed?

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, both parties are sitting down and both parties are bargaining in good faith. We must let the process work.

Experience has shown us that a lot of these disputes are settled at the last hour. I urge the hon. member to let the process work in this situation.

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, the markets in Japan have informed the shippers that if there is any delay at all they will move to another source of product, in other words Scandinavia.

Is the minister willing to lose thousands and thousands of jobs in western Canada to Scandinavian countries, if this is not resolved immediately?

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, my department is quite aware of what can happen in a strike situation.

Last year 95% of these disputes were settled and they were settled at the last minute. I urge the parties to negotiate in good faith. Hopefully there will not be a strike and lockout. At this time it is crucial that we let the process work.

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[*Translation*]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, in an interview he gave on television yesterday, the Minister of Finance said that the employment insurance surpluses were the product of a payroll tax.

How can the minister justify the fact that the government's enormous surplus is made up of money from the middle class, which is the primary contributor in the reduction of the debt and in the payment of new expenditures the government intends to make?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, first off, 60% of employment insurance contributions are paid by employers, as the member must know.

Second, when we look at the cuts in taxes our government made in the 1998 and 1999 budgets, we can see that the vast majority are tax cuts for the middle class and the most disadvantaged in society.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, has the Minister of Finance visited the families he has made poor through employment insurance to thank them for paying taxes he does not pay, that professionals and business people do not pay and that senior officials pay only on part of their salary?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, that is why it was so important for us to lower contributions each year since we came to office. This had never been done.

We lowered the contributions and concurrently introduced the national child tax benefit, raised the tax threshold and eliminated the 3% surtax of his friends on his right.

* * *

● (1435)

[*English*]

AGRICULTURE

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, the government through the agriculture minister has announced AIDA-II. Most farmers, all farm organizations, all farm related industries, all MPs and all Saskatchewan senators who relate to our crisis have spoken out against AIDA-I.

Does the minister realize how many farms and how many farm families have been destroyed because the government deliberately and callously said no to AIDA-I?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, in answer to the member's final comment, the government did not say no to AIDA-I.

This is the government that put AIDA in place. This is the government that said all along that it would continue to be flexible and innovative with the program. This is the government that added more money to the AIDA program today. Now it is at nearly $1.1 billion in assistance to producers.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, AIDA-I denied over 70% of the applicants any funding whatsoever. Time is of the essence, not by the month but by the day.

Will the minister personally assure the farmers who did not qualify for AIDA-I that they will not have to wait as long for their financing and the money they deserve from AIDA-II?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, we are glad to aid twice, if that is the way the hon. member wants to put it, but naturally if there are changes to criteria then applications will have to be reviewed so that those who are eligible under the new criteria will be able to receive their money.

Farmers have been asking us to make some changes. We made a number of changes and announced them today in response to some of the advice of the safety nets advisory committee. We did that today.

All week the opposition has been asking us to give more assistance to farmers. Today we give more assistance to farmers, and again it does not want us to do that.

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[*Translation*]

MILLENNIUM SCHOLARSHIPS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, not only is federal interference in provincial programs creating problems that, unfortunately, are costing the public but, when it comes to the millennium scholarships, we have learned that the federal government wants to exclude vocational students, first year CEGEP students, and those studying for a master's or Ph.D.

Does this requirement of the federal government not show that it wants to undo all that we have done in the area of grants and loans in Quebec and introduce a two-tier system based on the level of study?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, rather than creating a two-tier system, the millennium scholarships will reduce the indebtedness of students with the greatest financial need.

Students have asked that the loans be changed to scholarships. But what Minister Legault is not saying is that, using his calculations, students will get only another $175 annually. He must promise to put the students on a more solid financial footing. When he does, we will have an agreement.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, when a first year CEGEP student does not qualify, a second year one does, and a master's student does not, I call that a two-tier system. One plus one makes two.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Roberval.

Mr. Michel Gauthier: The minister is so ready with her answers that she gives them before the questions are out of our mouths.

Would it not be better if the Minister of Finance learned from the millennium scholarships fiasco and gave the money directly to the Government of Quebec for students, rather than upsetting the most efficient system in Canada?

● (1440)

[*English*]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member has it all wrong. The whole point of the millennium scholarships, which are tremendously important to all Canadian students, is to reduce their debt.

The government has implemented this very important approach to supporting Canadian students to reduce their debt. We have been able, through the foundation, to write agreements with all provinces and territories except for Quebec, but I am optimistic that we can do it there for the betterment and the support of students in Quebec.

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HEALTH

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, the government is again failing to keep a promise that it made a year ago to Canadians. It promised to spend $12.5 billion on the Canada health and social transfer. We are finding now that in health it is short $108 million. Why is the minister not spending that $108 million on the lives of Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the amount the hon. member referred to occurred prior to the increase in the social transfer. It was under the old formula where there was an increase in tax points.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, that does not help Canadians out there who are on long waiting lists, waiting to get health care when they need it.

Waiting lists are getting longer. The government removed billions of dollars from the transfer. People are waiting for months for the health care they need. Sometimes they are dying on waiting lists.

Why did the government remove $108 million from health care? Why has it not kept its promise?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the Minister of Finance has provided the technical response to the finance question, but let me respond to the health question.

The member knows that last February we made the largest single investment the government has made by increasing transfers to the provinces. It was for health only and it was $11.5 billion of additional money over only five years.

We have problems in our health care system, but Canadians should know the Government of Canada stands four-square behind it and is providing additional funding for quality care.

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[*Translation*]

BUDGET SURPLUS

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, yesterday, while Moisson Montréal released its report, which revealed a 74% increase in one year in the amount of food provided to poor families and individuals, the Prime Minister was saying, and I quote ''It is my great pleasure at this point—it is a big problem having billions to spend—Frankly, let me take advantage of it a bit''.

How could the Prime Minister of Canada smile so broadly, when part of his huge surplus was created by cuts to the provinces, including the money used for health, social services, education and income support?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it is very important to understand that these projections are only projections.

They are not definite figures. Definite figures are surely those projected for next year, that is $5.5 billion, and perhaps the year after. After that, they are only projections, and it is not our intention to repeat errors of earlier years, that is, to spend money we do not have.

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MILLENNIUM SCHOLARSHIPS

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, the millennium scholarship foundation has successfully concluded agree-

ments with all the provincial and territorial governments, except the PQ government of Quebec, so that some 100,000 students in Canada may take advantage of the millennium scholarships.

My question is for the Minister of Human Resources Development. Why is the PQ government so stubborn? What will the minister have to do so that the students of Quebec may benefit from these scholarships like other students in Canada?

[*English*]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, as we saw earlier even the Bloc Quebecois understands the importance of getting an agreement with Quebec so these very important millennium scholarships can be available to students in Quebec.

For us what is critically important is that the debt of students be reduced and reduced significantly. As soon as Mr. Legault will say that indeed will be the case, I am sure there will be an agreement between the foundation and the province of Quebec.

* * *

● (1445)

JUSTICE

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, Karla Homolka continues to inflame the sensibilities of Canadians. Months ago she was given escorted visits from prison without any notification to the families of her victims. Now she has applied to serve the rest of her sentence in a Montreal community. Once again her victims' families were never notified.

This problem is not isolated to this particular case. The solicitor general has been on the job for some time now. Why does he continue to perpetuate a system that places the rights of criminals ahead of the rights of victims?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I can confirm to my hon. colleague that Correctional Service Canada is opposing this before the federal court. I can also assure my hon. colleague that before any offender is transferred, released or out on day leave, the victims are informed if they so desire.

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, over a year ago the justice committee submitted recommendations to improve the rights of victims in the criminal justice process, including corrections. The Minister of Justice has addressed those falling within her jurisdiction and we now have laws in place. The solicitor general, however, has a subcommittee studying recommendations made by the full committee over a year ago.

Are victims of crime going to have to wait forever for this minister to get his act together?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, as I have indicated many times in the House, public safety is always the number one issue with Correctional Service Canada.

In these situations Correctional Service Canada always informs the victims if an offender is going to be transferred or released, if the victim so desires.

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CULTURE

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, yesterday in Toronto the Prime Minister committed himself to making an independent trade agreement for culture a reality. But Canadians remember that last spring this government retreated on magazines because of our present trade agreements. Under the NAFTA we are allowed to protect culture as long as we remain obliged to be punished for doing so. Under the WTO culture is seen as a good like any other.

Is the Prime Minister now saying that Canada will push for an international cultural trade agreement that is not subject to the WTO and the NAFTA?

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, as the hon. member knows, the government has accepted the recommendation from SAGIT that we seek a different instrument through the WTO for culture.

The minister is in Paris this week meeting with the UNESCO ministers, as well as co-chairing a roundtable with her counterparts from France to advance this cause.

The latest announcement, of course, was when we, with the province of Quebec, were delighted to announce our support for the cultural diversity coalition that is being built across the country to ensure that cultural diversity remains.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, it was the Prime Minister who made this speech and it was the Prime Minister I was addressing.

In light of the fact that we have the premier performers of the country in the House today, can the Prime Minister guarantee them that the Canada Council and the CBC, the pillars of our cultural foundations, are not in danger of being swept away and squeezed out by the straitjacket trade agreements that we are presently party to?

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, it has always been the intention of this government to protect, promote and develop our Canadian culture and the instruments by which that culture manifests itself. That remains our commitment.

AIRLINE INDUSTRY

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, my question is for the Prime Minister. Yesterday in the Senate transport hearings, Kevin Benson, the president of Canadian Airlines, acknowledged that he was a de facto lobbyist for the Onex proposal and that when he wanted to suspend the Competition Act he went directly to the Prime Minister's office and talked to the Prime Minister's chief of staff. That was before he even talked to the Minister of Transport or the Minister of Industry.

Did the Prime Minister's chief of staff discuss any aspect of this with the Prime Minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I did not talk to the president of Canadian Airlines about that and I do not know at all. I will check, but I do not recall any conversation about any specific problem. We have always been in touch with Canadian because this company has had some problems over the years and we have helped it to maintain services from its bases in Vancouver and Calgary. That was always the type of conversation we had with Canadian. Over the years we have helped this company. At this moment, what is going on will be decided in the marketplace.

• (1450)

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I thank the Prime Minister, but that was not the question. The question was, did he discuss it with the chief of staff?

In general, does the Prime Minister think it is appropriate for a business person to go to his office to seek advice and direction on how to deal with two ministers, in this case the Minister of Transport and the Minister of Industry, before he even talks to them? Is this an appropriate action and is it the way the Prime Minister's office works?

The Speaker: I find that question to be out of order because it is hypothetical. However, if the Prime Minister wishes to answer he may.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not know if it was discussed. My information is that it was not discussed, but I will check.

It is not abnormal for somebody from an important company like Canadian, which over the years has had some problems and come to the government for help, to have access to the government to explain problems.

My information is that they never discussed the offer of Onex, but I will check again.

AGRICULTURE

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, I know the farmers in the affected areas will be pleased with the announcement the Minister of Agriculture and Agri-Food made in the House today.

As late as last week we met with several farm groups and representatives from out west. They outlined most compassionately the struggles that farmers are experiencing.

With that in mind, I want to know, with the dollars that have been allocated by the Minister of Agriculture and Agri-Food today, how exactly those new dollars will help the farmers get through this most tough, tough time.

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, this government has said all along that it would continue to examine how it could put flexibility and innovation into existing programs.

We announced earlier today that the additional $170 million that the federal government is putting forward for this program will enable us to cover a percentage of negative margins. It will allow farmers to make a change if they so desire in the reference periods. It will make other changes that the farm community and the safety nets advisory committee have been encouraging the government to do.

* * *

GOVERNMENT GRANTS

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, my question is for the Prime Minister.

For months the Prime Minister has avoided troubling questions about TJF grants in his riding by telling us that no rules were broken. We now know that rules were broken. Treasury board guidelines were broken. The Financial Administration Act was broken. That means the law was broken.

How does the Prime Minister explain this huge discrepancy between what he has said and what has actually happened?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have heard a lot about this problem.

My riding is like any other riding. Unlike some, it has a very high level of unemployment. My office is there to help the people preserve jobs. My job as a member of parliament is to represent my constituents.

The minister gave all of the explanations. But of course Reform Party members like to talk about these things because they have nothing else to say about the government.

I know that everything has been done for a riding that has high unemployment and I will always do my job.

[*Translation*]

GENETICALLY MODIFIED FOODS

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, this morning I introduced a bill which would make it mandatory to label genetically modified foods.

I did so because of my belief that consumers are entitled to be properly informed about what they are eating.

Does the Minister of Agriculture intend to offer people the choice about what they do and do not want to eat, by making it mandatory to label genetically modified foods?

[*English*]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I have explained to the hon. member in the House before that before we can have labelling we must make sure that the labelling is credible, meaningful and enforceable.

The government is working with consumers' associations, with the Standards Council of Canada, with groups like Greenpeace, the Sierra Club and the Consumers' Association of Canada. We are in the process of finding and putting in place a set of criteria that can be used effectively, meaningfully and enforceably to label foods in Canada.

* * *

THE ENVIRONMENT

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, my question is for the Prime Minister.

In approving the Diavik Mine, prematurely of course, the new environment minister believes that digging up an Arctic lake is not significant. He has decided to ignore the constitutionally entrenched Mackenzie review panel which has concerns about loss of wilderness and abandonment.

• (1455)

This utter contempt for northerners is only matched by the arrogance of making a decision while he is out of the country.

Is the Prime Minister concerned that his government is abandoning the throne speech promise that would set and enforce tough environmental standards, particularly in the north?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think that is exactly what the government is doing. We are making sure that all environmental problems are being dealt with.

It has been studied thoroughly and we are respecting the wishes of the Government of the Northwest Territories which wants this project to go ahead to create jobs for the native people who live in the Northwest Territories.

* * *

[*Translation*]

AIR TRANSPORTATION

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, in the Onex affair—or the Canadian Airlines affair, which we learned yesterday is the same thing—we have become aware that there was a suggestion of a meeting with Deputy Minister of Industry Kevin Lynch prior to making any announcement, because Mr. Lynch apparently has a lot of influence on the Competition Bureau.

Can the Minister of Industry assure us that there was no such meeting and no influence was brought to bear by Mr. Lynch, by himself or by his department on the Competition Bureau?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, businessmen always make calls to the Department of Industry. Obviously, it is a department that deals with business-related matters.

I do not know exactly who spoke to the deputy minister. I can say that the decision reached by the government to suspend section 47 was reached for the reasons given by the Minister of Transport, who was present, and by myself. These were very good reasons.

* * *

[*English*]

HEALTH

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, my question is for the Minister of Health. In our 1999 budget we promised the creation of the new institutes of health research which was further promised in the Speech from the Throne.

Can the Minister of Health please tell us when the dream of these poor Canadian researchers will actually become a reality?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I am delighted to tell the House that this morning we tabled legislation to create the Canadian institutes of health research.

This is a fantastic measure of historic proportions. It will transform the way health research is conducted in the country and over the course of the next two years, in support of these institutes, the Government of Canada will double the amount of money it spends on health research. This is a measure which will truly improve health and health care for all Canadians.

GOVERNMENT CONTRACTS

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, the Prime Minister says that he only has an anxious care to create jobs in his riding. However, over $1 million went into the negotiated purchase of a company by the Prime Minister's friend, a company that later went from 115 employees to 62 employees. We know that the money did not create jobs.

Was it just a thank you to the Prime Minister's friend?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let me be clear. There was nothing illegal in any of the transactions in this case.

The appropriate approval process was followed. An inappropriate administration approach was taken by the department. That was identified in May and the trust funds have been closed.

* * *

[*Translation*]

CHECHNYA

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the dispute between Russia and Chechnya, which no longer has anything to do with a fight against terrorism, is becoming a humanitarian disaster.

Countless civilians have been killed or displaced in Chechnya or Ingushetia, and are practically without humanitarian aid.

What does the minister, who is concerned about the safety of civilians, intend to do to bring about a speedy negotiated settlement and protect civilians and refugees?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, generally speaking, I am in agreement with the hon. member's sentiments.

● (1500)

I have therefore written to Russia's Minister of Foreign Affairs to express strongly the serious concern of all Canadians.

I hope there will be a positive response from the Russians, particularly with respect to the ongoing negotiations between the Americans and the Russians. During my recent visit to Armenia, I expressed the same sentiment.

* * *

[*English*]

PRESENCE IN THE GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the Honourable John Moore, Minister of Defence of Australia.

Some hon. members: Hear, hear.

The Speaker: I also draw the attention of hon. members to the presence in the gallery of Minister Yu Zhengsheng, Ministry of Construction of China.

Some hon. members: Hear, hear.

* * *

REMEMBRANCE DAY

Hon. George S. Baker (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, during this week leading up to Remembrance Day there are commemorative activities going on all over Canada: in schools, community centres, concert halls and churches.

Everywhere we look, the crimson poppy reminds us of the torch of freedom thrown to us to hold high. Canada is holding that torch of freedom very high. Our armed forces are serving under very challenging conditions as peacekeepers all over the world. Here at home, we civilian Canadians help to hold that torch high by remembering and honouring all those who served so bravely and so well.

I remember last year being invited to a school in the early part of November where a distinguished veteran was visiting a classroom for a question and answer session on his wartime experience. What impressed us both was how many of the students wanted to talk about their grandfathers or other relatives who had been involved in the second world war and how proudly they spoke of them.

Indeed, just such a young Canadian e-mailed a group of our veterans who were preparing for their recent pilgrimage to Italy to commemorate the 55th anniversary of the Italian campaign. She wrote that although she never met her grandfather, who was killed in that campaign, she had gotten to know him through the many stories told by her grandmother. She said:

> Until such time that I am able to so, I wonder, would someone wish to stand for two minutes in silence at his grave. I would be most grateful. My grandfather's name is William Berry. I cannot express enough gratitude for your bravery, but please know that in my family we will never forget.
>
> Sincerely,
>
> Darlene Halsey.

Today, we not only honour those who made that supreme sacrifice, but those who survived the terrible rigours and horrors of

war and found the strength to recover and to rebuild their lives in the peace that they fought so hard to achieve.

● (1505)

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker, we remember today the blood and tears shed for our freedom by war veterans of Canada and Newfoundland. As the sands of time slip from this century, we pause to reflect on the supreme price paid by so many for the peace we enjoy today, ending a century so violent that humanity was brought to the brink.

In 1899, soldiers left for war in South Africa, their sacrifices immortalized in bronze at the gates of old Quebec, standing as testament to this century's baptism by war.

Then Canada was born into the world of nations by respect gained for its price paid for world peace with the blood of its young as 100,000 moved forth at Vimy Ridge in 1917. A majestic memorial defying real description stands on French soil to honour our soldiers' supreme effort.

Dawn soon broke on the beaches of Normandy with the silhouette of total war painted across its horizon. With 1,000 allied ships poised for action, D-Day had arrived in 1944. The tranquil shores bore witness to an invasion force of allied might that struck a death blow to Nazi tyranny bringing about Europe's freedom.

Soon a minute atom vaporized Hirohito's will for war. The death clouds scarcely fade dissipating 100,000 souls as the Korean war loomed in the ominous shadow of nuclear might.

The price tag of peace in this violent century has been war, and has been so very high with 110,000 Canadian war dead. We must learn from the harsh truths of wars past so that we not repeat humanity's mistakes.

History records the poppy as a symbol of earthly life, until a day in Flanders, when from the fields of war, Lt. Col. John McCrae penned verse of remembrance for Canada's war dead. He spoke for all who have faced their soul in the finality of the theatre of war, whether Korea, the gulf or the two world wars. He could well be speaking of all brave men who have soldiered the world for Canadian beliefs. His words are carved on the walls of this House and are as enduring as the threat of future war: ''If he break faith with us who die, we shall not sleep''.

For our honourable war veterans and remembered war dead, we pause today to give our respect. We will not forget.

[*Translation*]

Mr. Paul Mercier (Terrebonne—Blainville, BQ): Mr. Speaker, in Europe at the 11th hour of the 11th day of November 1918, buglers announced the armistice along hundreds of kilometres of bloody and muddy trenches separating the two warring sides.

Millions of men came up out of the muddy trenches, able to breathe fresh air at last without fearing that this might be their last breath.

They were then able to go home to their families with the satisfaction of a job well done. Not only had they saved their homes and their freedom, but they were also convinced that they were responsible for putting an end to such butchery, by winning ''the war to end all wars'' as it was called.

Millions more, however, laid to rest under wooden crosses, did not get up and go home.

Today we honour both those who gave their lives and those who were prepared to give their lives to defend our values.

Alas, ''the war to end all wars'' was not to be the last after all, as we know. We also honour today the children of those first soldiers, who shouldered their kit-bags and marched off to a second and even bloodier war 21 years after the first, to fight for their country and for freedom again threatened.

We must not forget all those who fell in Korea, in the United Nations' struggle against yet another incarnation of tyranny, that two-headed hydra so known to our century. Finally, 55 years after the Second World War, it seems that we are finally thinking of another group. Let us gratefully acknowledge the contribution of the merchant seamen who, during four years, braved U-boat infested waters, risking their lives to bring weapons and ammunition to their comrades in arms to ensure the victory.

● (1510)

Malraux said that the victory must remain with those who fought the war without liking it. That is indeed what happened.

Aviators, sailors, foot soldiers in 1914-18, 1939-45 and 1950-53, these victorious men and women fought in the war as a duty, but without liking it, because we are peaceful. Without them, without their victories, we would not be here in this free parliament.

Certainly, we will not forget them. We will make sure our children do not forget them either. Let us make sure that they know what huge sacrifices were made so they could live, worry free, in freedom and peace, these things that seem as natural as the air they breathe, but they were passed on by the sacrifices so many of their parents and grandparents paid for with their lives.

[*English*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, it is with great honour and humility that I rise on behalf of the New Democratic Party to mark Remembrance Day.

Over 80 years ago from this coming Remembrance Day, the terrible guns of the first world war fell silent on the 11th hour of the 11th day of the 11th month. Unfortunately, that was the end to only one horrible chapter in a century that has been the most violent period in human history.

In this century in Canada alone, something like 1.5 million young Canadians have volunteered to serve in our military and merchant navy. More than 116,000 gave their lives in World War I, World War II, Korea and in other conflicts.

Speaking personally, I note with pride that both my father and my grandfather were among those volunteers, in the Royal Canadian Navy and the 1st Canadian Mounted Rifles respectively. They were fortunate to be able to return to their families. Others were not so fortunate.

Today, with great respect and sadness, we recognize the ultimate sacrifice offered by those who were killed and the terrible pain of loss and separation suffered by their loved ones and friends who saw them no more.

Remembrance Day is marked to ensure we never forget those who gave their lives for all of us, those who survived but were willing to give their lives, and those who though they returned had already given the best years of their lives.

We remember those who were taken as prisoners of war and who suffered terribly. As someone from Winnipeg, I am particularly mindful of those from the Queen's Own Cameron Highlanders of Winnipeg who were captured at Dieppe or those of the Winnipeg Grenadiers who were captured during the fall of Hong Kong. Every Canadian city has similar stories to tell, and sadly so.

Furthermore, let all of us in the House hope that soon we will achieve complete justice for our merchant navy veterans. Let all of us in the House find ways to finally recognize those Canadians who fought fascism in Spain. Let all of us in the House, as Aboriginal Veterans Day approaches, remember the 7,000 aboriginal Canadians who served in two world wars and Korea.

Let all of us in the House give thanks on this day for the continuing service of so many veterans through their participation in the very important work and activities of the Royal Canadian Legion and other veteran's organizations. We urge all Canadians to observe the two minute wave of silence being promoted by the Legion on November 11.

Let all of us in the House also remember on this day those many Canadians who have served as peacekeepers and peacemakers in far off corners of the world. They also put their lives on the line for peace and we hope they are the only kind of veterans we will ever have in the future.

Finally, as a parent, I believe Remembrance Day must always be addressed to our youth and our future. It is now their lives we need to protect through remembering war.

If anything, let Remembrance Day give all of us more strength and vigour in working for peaceful and democratic solutions wherever humanly possible so that after a century, where not just military but civilian casualties have put the human race to shame, we can enter the new century with new hope for a peaceful future.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I rise today on behalf of the Progressive Conservative Party to pay our respects to all of our men and women who, in World War I, World War II, Korea and through peacekeeping, have laid down their lives and have served to make this the most wonderful country in which to live.

Next Thursday, November 11, all Canadians will be called upon to pause for not one minute but a two minute silence. I trust that we will have a lot of our young people at the cenotaphs so that they will understand the sacrifices that were made.

My hon. colleague from Charlotte County and I were flown down to Grand Manan. We were asked to go there for a special ceremony.

• (1515)

The young scouts in that little town did a lot of research, along with the Royal Canadian Legion and the veterans association, to find all of the graves in Grand Manan that were there for the veterans. The scouts laid little Canadian flags. It was truly very moving. It was beautiful to see those young men and young girls as they stood and showed their respect for some of their relatives and others who were not related to them who had made the tremendous sacrifice.

I also had the privilege along with some of my colleagues from both sides of the House to go to Dieppe, France. I will never forget it. We looked at the promenade and there was a Canadian flag at the top of every one of the buildings. Children came up to us and pointed to the little Canada pins we were wearing.

Mr. Speaker, I will never forget the sacrifices that our people made for you and me and for everyone in the House. We went into the harbour and I could not believe that our men and women had gone on boats into that harbour. It was like a mountain on each side and there was nowhere for them to go. Of course, Mr. Speaker, as you and I and everyone here knows, tremendous sacrifices were made.

Yes, I recognize these gentlemen who are in the gallery today, our merchant mariners. I praise and thank God that they are finally recognized as the fourth arm of the armed forces, our army, navy,

air force and merchant mariners. They laid down their lives. Many of them never came back.

I ask all my colleagues when we leave here this week to go back to our communities that we make sure all of our people understand that they must get out and show the respect, that they bow their heads and that they hold that two minute silence to show the respect that all of our veterans deserve in this wonderful country of ours.

We shall always remember them.

The Speaker: Is it irony that today we have our veterans, who I am going to introduce in just a minute, our merchant seamen and our artists and our writers, all in this House, the House of Canadians.

I am going to introduce the representatives of the various arms and some veterans and where they served. At the end of it, we are going to stand as a House, indeed I hope as a nation, for two minutes of silence as was asked of us by many members of this House and by our own Canadian legion.

Before I name these wonderful men and women, the veterans, the mariners and our artists, I want all of them at the end of these tributes today to join with us in Room 216 where we can meet them and spend some time with all of them together.

I draw the attention of hon. members to the presence of the following people in the gallery. When I call your names, please stand. I would ask my colleagues to withhold any applause until I have introduced everyone.

We have a veteran with us from the first world war, Paul Métivier. Paul, I hope you do not mind if I tell my colleagues that you are 99 years young. Please remain standing if you can, sir. If not, it is all right.

We also have with us Mr. Ken Cavers, a navy veteran of the second world war who served on North Atlantic convoy runs aboard corvettes, first HMCS *Hespeler* and later HMCS *Hawkesbury*; Mr. Ken Ewing, veteran of Hong Kong who spent almost four years as a prisoner of war; Mrs. Leena Jacques, who was a nursing sister in the second world war; Mr. Philip Jacques, who served with the Stormont, Dundas and Glengarry Highlanders in the second world war and also served in Korea; Mr. Bert Harper, a CANLOAN officer during the second world war who served with the British forces in our name; Mr. Harold True, a veteran of the Korean war who served with the medical corps; Mr. Andrew Garlicki, a veteran of the Polish forces who served alongside the Canadians in Europe; and Lieutenant Colonel Bill Aikman who was in Sarajevo during the Bosnian war.

● (1520)

I take the liberty of asking our merchant seamen to also stand please to receive our tributes.

These are the men and women who served us so well over this century. In the name of parliament, I thank you for what you have done for us.

[*Editor's Note: Members rose and applauded*]

[*Translation*]

The Speaker: Now, I would ask that all the hon. members please remain standing, as we will observe two minutes of silence for those who gave their lives and made so many sacrifices for us in this century.

[*Editor's Note: The House stood in silence*]

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, it is my pleasure to ask the government House leader the very important question that we have every Thursday.

Could we know what the government might have in store for us for the remainder of this week and the week following the break? Could the government House leader also inform us as to whether or not he will be employing the Mulroney-like tactic of invoking closure and time allocation, as the government has done on Nisga'a, on the legislation that will be coming up in the near future?

[*Translation*]

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, tomorrow, the House shall begin the second reading of Bill C-10, the municipal grants legislation.

● (1525)

Should we complete this stage early in the day, it is not my intention to call other government orders tomorrow. Next week, the members will have the opportunity to work in their ridings and to attend Remembrance Day ceremonies.

When we return, on Monday, November 15, we shall take up second reading of Bill C-11, the Devco legislation. Tuesday, November 16 shall be an allotted day, and Wednesday, November 17 shall be the sixth and final day for consideration of the address in reply to the Speech from the Throne.

[*English*]

The hon. member asked me if the opposition was going to have more obstruction devices in response to government legislation. Frankly, I do not know and I hope not. I hope the usual progress can be accomplished without the partisanship and obstructionism that we do see every now and then. I will do my best to avoid it, I promise.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, this is a question I have asked the government House leader before but since I last asked him this question, there have been some developments.

We know that at one point the government was going to bring in legislation having to do with the regulation of reproductive technologies and that fell by the wayside. Since then, particularly in recent weeks, we have seen developments with respect to the commercial sale of human eggs, et cetera. I wonder whether this has now prompted the government to speed up its schedule and whether or not there is any legislation coming forward in this area.

The Acting Speaker (Mr. McClelland): I am not sure whether this is an appropriate question to be given to the government House leader but the government House leader may wish to respond.

Hon. Don Boudria: Mr. Speaker, the best information I have at this time on such a measure is that it will be presented in the House of Commons early in the new year.

[*Translation*]

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, I might note that the minister did not mention whether the government was going to make its medical research intentions official. This was supposed to happen this week, or on our return. Is there any news on this?

[*English*]

The Acting Speaker (Mr. McClelland): I am not exactly sure this is a road we want to go down. I want to assure people that this is not a precedent. Today the government House leader is being particularly generous in sticking around to respond to questions.

Hon. Don Boudria: Mr. Speaker, thank you for saying that I am generous. I appreciate that. The health institutes bill was in fact introduced in the House this morning. I hope to have the co-operation of hon. members to send it to committee within the first couple of weeks after our return. I thank the hon. member for his interest in this matter.

Mr. Speaker, I have one more item. As a result of the Remembrance Day tributes held earlier this day, there was an all-party agreement that we would recover the time of the House. I would ask that you seek unanimous consent that the ordinary time of adjournment be delayed by some 20 minutes.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—TRADE POLICY

The House resumed consideration of the motion.

The Acting Speaker (Mr. McClelland): When debate concluded before question period, the hon. member for Perth—Middlesex had five minutes remaining in his dissertation followed by questions and comments.

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, Canada has a unified position that reflects the trade interests of the Canadian agriculture and agri-food sector as a whole across all commodities and across all regions, which is hardly a very undemocratic system. It is very democratic. This position will allow Canada to play a strong and active role in influencing the direction and eventual outcome of the important upcoming negotiations.

• (1530)

In the upcoming negotiations Canada and other countries will be looking to build on the WTO agreement in agriculture signed in 1994. We made real progress in the Uruguay round, bringing the world agriculture trade under a multilateral rules based system for the first time. Canada has reaped the benefits. The Uruguay round was a good start at decreasing distortions which characterized trade back in the 1980s, but much remains to be done.

Currently our farmers are faced with some of the lowest commodity prices seen for a long time. A worldwide problem of oversupply in some commodities has been aggravated by limited market access and prolonged by the persistent use of some export subsidies and trade distorting domestic support of some of our major trading partners, particularly the European Union.

The United States has also responded to low world prices with increasingly large payments to its farmers, further widening the disparity between the amount of assistance provided by the U.S. and EU and the assistance provided by other countries. It is not clear that these additional subsidies are helping U.S. farmers since there appears to be just as many concerns expressed by American farmers as there are with our farmers about low prices and low incomes.

This makes our efforts at the international negotiating table all the more critical. Taking a strong position at the WTO to lower subsidies and enforce the rules that are agreed to is one leg of our strategy to deal with the farm income situation.

Canada's initial negotiating position gives Canada an authoritative agenda, endorsed by industry and provinces, to work to level the playing field internationally for Canadian producers and exports.

A key component of this work is to have all agriculture export subsidies completely eliminated as quickly as possible. We will also be calling for substantial reductions in domestic support programs that distort production and trade, and for an overall limit on domestic support of all kinds.

We will be looking for improvements in market access, particularly for food products. Food products are leading the surge in growth in world agriculture trade. The Canadian industry has increased its emphasis on these new demands to capture new markets while preserving and enhancing existing markets in our traditional bulk exports.

Canada will work to preserve our right to choose how to market our agricultural products. This includes preserving our orderly marketing systems such as the Canadian Wheat Board and supply management for dairy and poultry products. With this position Canada will play a strong and active role in influencing the direction and eventual outcome of these important World Trade Organization negotiations.

Canada is not alone in its position either. There is much support internationally for the elimination of export subsidies. There has been much progress in bilateral negotiations with the United States for a more unified position. The Minister of Agriculture and Agri-Food has been diligent in pushing the U.S. secretary of agriculture to pursue a course which will allow us to build on our common goals and best interests.

The 21 APEC countries as well as members of the Cairns group, which comprises 15 like minded agricultural exporting countries such as Australia, South Africa, Brazil and Argentina, have all agreed that we should seek the elimination of export subsidies which are so detrimental to trade.

Canada is a leading player in Cairns and is working closely with other member countries to ensure that the WTO negotiations are launched quickly and cleanly so our common objectives can be met sooner rather than later.

The minister of agriculture recently hosted a meeting of Quint, an informal group of ministers that includes Australia, Japan, the EU and the United States. At that meeting earlier this fall all ministers agreed on the urgency of the WTO negotiations. Our work with Cairns and Quint also allows us to pursue our goal of reducing and eliminating trade distorting subsidies on a variety of fronts and provides Canada with a greater influence.

The Government of Canada has confidence in the ability of our producers to compete in a world marketplace. As producers they have confidence in themselves. We are laying the groundwork to ensure our trading partners enter the WTO negotiations with a commitment to a smooth launch, steadfast negotiations and meaningful results.

As the WTO negotiations proceed, the federal government will continue with the partnership approach that led to the development of a unified national negotiating position by ensuring that the industry and provinces are consulted closely throughout the process.

● (1535)

This is a team effort by the federal government, the provincial governments and industry as we seek greater access to more markets and a level playing field. Increased access to world markets means new opportunities for Canadian producers and processors, Canadian skills, Canadian research, and Canadian innovation and technology.

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, all day I have been listening to members of the Liberal Party say how wonderful free trade has been for the country, but I have not noticed the price of bread or milk, the price of clothes or the price of a vehicle go down. Prices have not gone down. They have gone up. The income of the average family has gone down. Wages have gone down. Teenagers in Yukon earn less than what I earned 20 years ago at minimum wage jobs. The minimum wage keeps people below the poverty line.

We keep hearing how good free trade is. What free trade has meant is that agribusiness can buy its wheat from Argentina cheaper than it can from Canadians, so we push our farmers right under.

With all the businesses that we are supposed to support so that they can invest in other countries, does that mean that Canadian workers will be lining up to go to work in Mexico for pennies a day? Just what are these benefits? As a person who has been at home with my family for 15 years before I came here, it was not easy to get by. I earned less money as an adult than I did as a teenager with the changes under free trade. Could the hon. member explain more clearly what are the benefits to the average family?

Mr. John Richardson: Mr. Speaker, certainly it is very evident the growth in employment in Canada directly resulted because of our export industry seeking new fields and buyers and producing quality products. We are at the highest level of employment in the history of Canada for the moment. That is a celebration. That is something that members of the New Democratic Party should salute once in a while instead of looking at the bare bottom.

Another thing that is so important in this kind of relationship is that we are doing it in a rules based operation with opportunities to grieve issues as they arise that do not comply with the rules based

trading rules of the WTO. There is a point where we may think we are being wronged. We try to make use of that like any other member of the WTO. It is rules based. Everyone who breaks the rules is called on to justify the rationale or accept the punishments.

It is a good news story. Implementing new programs is shied away from by people who are shy about getting in on the activity, but that is what is happening in the world. We are in the game and we are in the game in a big way.

[*Translation*]

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, it is with pleasure that I rise today to take part in this debate on the whole question of the World Trade Organization.

Understandably, my remarks will focus on agriculture and all the possible repercussions of the WTO negotiations scheduled to begin late this month or early in December.

I became aware of the importance of international trade in April 1998, when I took part in a meeting of the Cairns Group, which gave me a bit of an idea of where Canada stood. As members know, the Cairns Group is made up of about 15 countries with a much more trade-oriented philosophy. A great deal has been said about market access, but we seem to be forgetting fundamental things like the environment or social issues.

Last week, I attended the 10th meeting of the Inter-American Board of Agriculture. Thirty-four countries from the three Americas were present at this meeting in Salvador, in the state of Bahia in Brazil. Here again, I saw that the program under which countries would normally be starting negotiations was far from ready.

Increasingly, we are seeing tensions developing between various growth poles in the world. For example, we were able to see firsthand that more and more Brazil is taking an aggressive approach and becoming an economic player that wants to impose its views on South American countries.

● (1540)

As I said earlier, Brazil is a member of the Cairns Group. Its philosophy is also very trade-oriented and it tends to ignore major priorities in the context of WTO negotiations.

Tension runs so high that, last week, WTO's ambassador in Geneva, Nestor Osorio, could not participate in the meetings held in Brazil because of problems with setting an agenda and getting WTO negotiations under way.

The situation is currently as follows: The United States, Brazil and several North American countries are refusing to include the concept of multifunctionality proposed by the European Union. This is very embarrassing for the WTO ambassador, because negotiations are at an impasse. It is very difficult to set an agenda and to clearly indicate what issues will be raised.

What is Canada's role in all this? What will it do? Canada should be a model, a unifier, or a moderator. We still do not know what its status will be. Yet, this is a unique opportunity for Canada to act as a leader in the integration of the three Americas.

At the present time, two trade powers seem to be emerging, Brazil and the United States. However, Canada could readily play the role of moderator-facilitator, intervening with either the United States or Brazil to get them to understand the importance in the context of negotiation of having a grasp of all the concepts which could help advance the issue worldwide.

Now I shall touch on the Canadian Food Inspection Agency, or the Canada food police if members prefer, that wonderful propaganda agency, which guarantees to other countries that food is Canada Proof, while systematically refusing within the country to provide elected representatives with information on such important issues as genetically modified foods when asked. What is one's reaction supposed to be when one contacts the food agency and is told ''Contact Access to Information and pay for it''. That is why I call the agency the Canada food police.

If we ask questions on the agency here in the House, I can just hear the minister answering ''Mr. Speaker, you know, this is an independent agency. I would not like to be accused by the government of interfering in the internal workings of an agency''.

Meanwhile, MPs still have no answers, and the public has no answers. The issue of food inspection control is so vital that, last week again, in Salvador and Brazil, there was much discussion of the whole issue of GMOs, which will be on the agenda.

Where does Canada fit in all this? Despite numerous speeches by my colleague from Louis-Hébert, there is no way of knowing. However, the recent throne speech gave me a few shivers. There is a little sentence in it that indicates quite clearly where the Liberal government is headed, and I will read it:

> The government will protect the health of Canadians by strengthening Canada's food safety program, by taking further action on environment health issues, including the potential health risks presented by pesticides, and by modernizing overall health protection for a changing world.

What does that mean? It means that the government is preparing to create a super agency to include health, environment and food issues. We will again have a hard time in this House getting information.

● (1545)

The protests are so strong that the government has decided to back up with the bill it introduced in the last session, Bill C-80. But

we know its intentions. I am sure they will come back later one with a more biting offensive to impose Bill C-80 and the new agency on us in 2000.

What does the creation of this super agency mean? It will house all the disciplines required to control information and will Canada, abroad, to show its ''Canada approved'' seal more, a seal that here will become ''Ottawa controlled''. The government will not just be controlling the information coming from the Canadian Food Inspection Agency, but all the information having to do with food, health and the environment.

As I said at the beginning of my speech, I intended to concentrate more on the issue of agriculture, which will be the focus of concerns when WTO negotiations begin, possibly in late November or early December, in Seattle.

The purpose of the meeting, it should be noted, is to agree on an agenda and negotiations, which will then begin in earnest, and move to Geneva, where they may go on for months and months, if not years. The whole issue of trade will be up for discussion.

Producers, all the stakeholders in the agricultural community, need to know, to be informed and, last March, with this in mind and with the help of the member for Louis-Hébert and the member for Saint-Hyacinthe—Bagot, I organized a symposium to look at this whole issue and really inform people.

It was attended by 125 people. They all left better informed but, at the same time, more worried, because they can see that the Canadian government does not have the necessary leadership to defend them in WTO talks.

Who is better placed than Quebec to defend the interests of farmers? As members know, Quebec is unique in Canada. We have two completely different income security systems. We have a broadly diversified agricultural sector.

So, if the government really wants to be consistent in all the partnership ideas that it has been promoting since the beginning of the session, it should give a seat to the Quebec government, so that Quebec's elected officials can closely follow WTO negotiations.

We asked the Canadian government to ensure that other countries do their homework. As things stand, the Canadian government has fulfilled most of the commitments it made during the Uruguay Round of negotiations. However, countries such as the United States, the European Community and Japan have not yet fulfilled theirs.

We asked here in this House that when the Minister of Agriculture and Agri-Food and the Minister for International Trade travel to Seattle later this month they demand, before negotiations begin, that their trading partners do their homework and comply with the commitments they made.

Right now, the situation is very distorted. Let us take a look. The president of the Canadian Federation of Agriculture, Bob Friesen, who was here this morning and who once again deplored the whole federal income security system, says that Ottawa went too far and that Canada reduced subsidies beyond what was expected of it. Mr. Friesen claims that Ottawa could do much more for farmers without violating trade agreements.

• (1550)

Here are some figures. For each dollar received by Canadian farmers, their American and European counterparts receive $2.50, and this does not include the $8.6 billion in assistance that the United States just gave to American farmers. And Canada is going to agree to begin negotiations in spite of such an injustice.

Here are more figures, which clearly demonstrate that the Canadian government is not standing up for our farmers. On the contrary, it has got down on its knees to please its trading partners. In 1998, the OECD estimated that total support provided by agricultural policies amounted to $140 U.S. per capita in Canada, compared to $360 U.S. in the United States and $380 U.S. in Europe. Again, one can see the distortion. One can see that Canada will arrive at the negotiation table and will be at a disadvantage, considering what it has already given up, unlike other countries.

We can see that the agriculture minister's argument about constraints imposed by the WTO does not hold. I should point out that following the GATT treaty signed in 1995—I have been referring to these signatures since the beginning—commitments were made by the various partners. In fact, it is during that meeting that the World Trade Organization was created.

In 1995, GATT members had to pledge to reduce their farm subsidies by 15%. Canada did so by giving only 50% of what it is allowed to give under international agreements. By contrast, the United States and Europe are giving 100% of what they are allowed to give. Again, these figures have a distorting effect on the current world market.

The farmers' plight in Canada and Quebec is not simply related to problems of subsidies. It clearly shows the federal government's failure in its farm income support policy.

Let us look together at the federal government's failure in the AIDA program. The federal government is largely responsible for the present situation. I know that the agriculture minister once again announced a program, earlier, but we do not know the terms of it, how it will be implemented or when it will take effect. In the meantime, the farm crisis in the west continues.

In the area of farm income, the current situation proves that AIDA does not work and cannot guarantee farmers a decent living

standard. The government cannot deny responsibility for the situation, and it contributes to maintaining the farm income crisis.

As I said this morning, in December 1998, all parties pulled together to find a title for a report. They talked about a farm crisis. A crisis means specific and speedy action is necessary to help people. Today, November 4, 1999, statistics continue to be bandied about, figures are being brought out to help people, but the situation is unresolved.

The main problem comes from the fact that AIDA, as it stands today, denies benefits to a number of the producers it was intended to help originally. As it now stands, the program will not be paying out in the next two years the $900 million the federal government had announced with great pomp last December. The government will not be able to keep its promises of assistance.

I would like the Minister of Agriculture and Agri-Food to tell us how much of the $900 million has been used up. What became of this money?

● (1555)

Why does the minister not want to be of more assistance to people in a time of crisis? The problems with AIDA in its present form are many and show that the federal government does not really want to come to the assistance of those going through this crisis.

I will give another example. We hear that the forms are very complicated, and so forth. The answer I was given this morning contained a mountain of statistics. I would not have liked to have seen any farmers listening in at the agriculture committee meeting this morning. I think they would have gone away furious. Politicians would not have had much credibility with them, particularly those in the Liberal Party of Canada. We are told that administering a program is a hard task. Yet it was announced in December 1998.

I will give an example. At the time the federal government announced its program on December 12, 1998, the U.S. administration also announced a special emergency program for American farmers, bringing to over $5 billion the additional funding put into agriculture in 1998-1999.

Despite some delays, American farmers got their payments more promptly than their Canadian counterparts. Here again, the technocracy and bureaucracy has put Quebec farmers in a position of weakness, less able to compete.

It is high time this government woke up to reality. First of all, I will come back to a point I have already made: the federal government ought to accept the presence of representatives of the Government of Quebec because of their type of agricultural production. It is completely different from that of the rest of Canada. That is the first point. There are two completely different income security systems. In some areas, we are more proactive. We have a far more diversified agricultural industry.

If the Canadian government has any desire to prove its willingness to become a reliable partner with Quebec, it must give Quebec a seat at the WTO meeting in Seattle, not only in Seattle, but throughout the negotiations, because we need to monitor what this government plans to do. We need to know what is going to happen. We need to be kept informed of the various stages to the negotiations, so as to ensure that the hard-won advances of Quebec agricultural producers are maintained. As Bloc Quebecois MPs, my colleagues and I will defend Quebec to the very end.

[*English*]

Mr. Joe McGuire (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I wonder if the hon. member who just spoke would respond to a suggestion that Quebec, instead of being at WTO meetings in Seattle, might take the lead within Canada to reduce the trade barriers within the provinces.

We are told that there is freer trade with Canada and the rest of the world than there is between the provinces within Canada.

Maybe the member could turn his line to that and maybe Quebec could take a leading role in reducing trade barriers within our own country.

[*Translation*]

Mr. Odina Desrochers: Mr. Speaker, I understand very well that there are difficulties between Quebec and the other provinces in Canada. The government is not complying with the Constitution.

When it tries to accuse the Government of Quebec of being the bad player in this situation, I hope it carefully listened to or read the economic statement given yesterday by the Minister of Finance and the throne speech. There was talk of setting standards for mobility between provinces. The government is still trying to establish national standards. It is really having a hard time understanding the Quebec reality.

● (1600)

It is not up to Quebec to take the leadership role, to call for a reduction in the problems. The federal government must show leadership. It is up to the Liberal government to lead. It is up to the Liberal government to realize that a Canadian Constitution exists and that each province has jurisdictions. It is up to the Liberal government to get out of jurisdictions belonging to Quebec and the other provinces and to do its job within its own jurisdictions.

I am convinced that, if that happened, the problems between provinces would be solved.

[*English*]

Mr. Joe McGuire (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I will direct my remarks to the fourth paragraph of today's motion which reads in part:

> That the government should take action to remedy its over-zealous and irresponsible pursuit of greater trade liberalization, which has caused extreme hardship for Canadian farmers,

This opposition motion takes the extremely misguided position that trade is bad for Canadian farmers; that it has caused, in other words, extreme hardship for our producers. It is that supposition that I would like to tackle during my time here today.

In fact, trade, rather than creating an extreme hardship, is the very cornerstone on which Canada's agricultural economy and the nation's economy overall has developed and thrived. We have an agriculture industry in the country that generated some $95 billion in domestic sales last year and over $22.5 billion in exports to markets around the world.

This is a record export performance. I might add that these sales were made in 1998, a year when financial markets were in chaos and commodity prices were driven down. However, because of our access to markets around the globe, Canada's agrifood industry was able to actually improve on its export performance of 1997, which, incidentally, was also a record-breaking year.

This export success obviously plays no small part in helping to build a strong agricultural industry, an industry that contributes more than 8% of the country's gross domestic product, an industry that provides jobs for nearly one in seven people, from the farmer in the field to the person in the processing plant, to the research scientist who is constantly looking for ways to improve our crops and develop new crops that the world will be glad to buy from us. It is also the industry which provides jobs for over one-half of Canada's young people entering the workforce for the first time.

Trade is good for our agricultural industry. We have a small population and we have a large agricultural output. We must trade in order to survive.

A recent analysis by Agriculture and Agri-Food Canada indicates that for every billion dollar increase in agrifood exports, net cash income on the farm can be expected to rise somewhere between $250 million to $310 million.

Some of my colleagues on the other side would argue that is not good enough. They seem to think that agricultural trade is only good if the benefits to the producer are dollar for dollar. In other words, a billion dollar increase in agricultural trade has to bring a billion dollars back to the primary producers or else we should just forget it and that we should forget trying to increase trade.

That is just silly. It is silly because that billion dollar increase will lead to something like $250 million or more of additional money in farmers' pockets. They can reinvest that money in their operations. They can use it to buy a new combine or to upgrade and expand their barns. When they do that, the benefits are passed on.

When a livestock producer decides to expand his capacity, he puts money into the hands of the local farm equipment dealer and his veterinarian. Maybe he will pay his grain-growing neighbour down the road to supply him with some additional feed. Pretty soon everybody is feeling the effects all because of trade.

Meanwhile, beyond the primary producer level, the benefits of that $1 billion increase in trade go to other players in the agrifood system. More and more of Canada's agrifood exports are value-added. Farmers' bulk products are processed and prepared for the direct-to-consumer market, a highly valuable market. This means some of that $1 billion in exports goes to food manufacturers, processors and transporters who also create jobs and economic growth for our country.

● (1605)

The benefits of trade are very clear and that is why the federal government does all it can to expand our trade opportunities. Since Canada started liberalizing trade with its partners around the world, our exports have exploded. In the last decade, as we have pursued freer trade with partners all over the globe, our exports to the world have more than doubled.

In North America alone, our exports have nearly quadrupled in the last 10 years, with more than $13 billion worth of agrifood products going to Mexico and the United States last year. If anyone thinks we would have made these kinds of gains without liberalization, they are dead wrong.

Mr. Speaker, I will be splitting my time with the member for Ottawa—Vanier.

We have been trying to increase our exports to the emerging markets of the Asia-Pacific countries as well. Now, because of what happened in some financial markets in the last year or so and because of some phenomenally good harvests around the world, I admit some of these Asian markets have dropped off a bit. However, we have made gains and we have a foothold in those markets now. As they evolve, we will be able to take advantage of the foothold and build on it.

We would not have made these gains without making efforts to liberalize trade. We free up trade by working with our partners and various associations like the Asia-Pacific Economic Co-operation forum, APEC, or WTO, or NAFTA. We build freer and fairer trade when we put more dollars into producers' products and into rural businesses at home.

Because of our efforts on the trade front, Canada has made progress in a number of areas over the last year or two. We have

worked with the European Union to get them to modify their grain import regime and reduce the duties on some grades of Canadian durum wheat.

We have gained access to the Japanese market for our tomatoes by working with officials there to get them to reduce their extremely time consuming approval process which required that each and every tomato variety had to be tested separately for pest risk.

We were successful in persuading Thai officials to reduce their tariffs on canola meal and alfalfa products earlier this year, opening a sizeable market for Canadian feed exports.

As a result of our efforts in Korea, the Korean government announced earlier this year that its applied tariff on canola would be reduced from 15% to 10%.

In Indonesia, agriculture tariffs were reduced to a maximum of 5% on all food products.

In the Philippines, sanitary import protocols were maintained or updated to ensure we had continued market access for Canadian pork, beef, poultry and other agricultural items like bovine embryos.

Canada also gained access to the Vietnam market for grain and fertilizers.

All this is trade progress that leads to a stronger agrifood industry here in Canada.

No, trade liberalization is not the cause of Canadian farmers' problems. On the contrary, trade is the answer. On average, across the country, about half of farm gate income comes from trade. On the prairies, trade is responsible for the majority of producer income.

Members should think for a moment about what would have happened to our prairie provinces if they had no international markets where they could sell their wheat and canola and beef. They would not be better off. Far from it. It is international trade that sustains our agricultural regions and the Government of Canada is working to improve our trade opportunities all the time. We are doing it by mounting trade missions, by finding ways to build partnerships and alliances around the world and by working with like-minded countries to get better, fairer and more enforceable trade rules that will assist our producers.

We want to increase trade, not reduce it. We are working with our producers, our processors and our counterparts in governments at other levels to ensure we reap the benefits.

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, that was quite an interesting departmental speech handed to the member so he could just rattle off a bunch of things that have absolutely no impact on what is happening here in Canada today.

There is a farm income crisis and this parliamentary secretary does not even seem to notice that. He talks about farmers having money to buy combines. They do not have money to put food on the table. When he is going to wake up?

When is the government going to wake up and address some real problems like input taxes that farmers are paying and by developing a real AIDA program where the money gets off the cabinet table and is delivered to farmers to help them out at this crucial time? When is it going to fight high foreign subsidies by the Europeans and Americans that will have a real impact on farmers in our country?

• (1610)

Mr. Joe McGuire: Mr. Speaker, we waited a little while to have some silly accusations made by the Reform Party and now we have them.

We just finished saying what international trade does for the prairie farmer and what kind of condition the prairie farmer would be in if we did not have trade and the member stands up and harps about high input taxes.

As of today, the federal government alone has put $1.1 billion into a native program. Trade and assistance from the government when it is needed is what is keeping farmers on the farm.

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, I listened with interest when the parliamentary secretary spoke about the benefits of trade and that trade was the answer. I agree with him.

He then went on to state that trade brings economic benefits to the farmers and the sub-industries that feed the farmers. However, as he knows, there is a crisis in the agriculture industry. Would it not be prudent for his government to reduce taxes, as we have been calling for, so that there is more income in the hands of farmers and the farm supporting industries? We see this as a number one priority but the minister, in his economic statement, has totally neglected it. Perhaps he can comment on that.

Mr. Joe McGuire: Mr. Speaker, if what the hon. member and the previous speaker were saying about the prairie farmer not making any money is true, then to reduce taxes when they are not making any money would be very silly.

What he should be doing is talking to his provincial counterparts from the prairie provinces. He should ask the provincial governments that have control over the taxation regime, which farmers are paying taxes to, to reduce those taxes.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I listened carefully to the rambling remarks of the Parliamentary Secretary to the Minister of Agriculture and Agri-Food.

Last week, I attended the hearings of the Standing Committee on Agriculture and Agri-Food. Two prairie premiers came to testify that they needed money and that AIDA was no longer meeting their needs. It is strange that the parliamentary secretary is telling us that everything is fine in Canada when these two premiers had quite the opposite to say.

I find it very odd. I have a question for the parliamentary secretary. How will he meet the growing expectations of Canadian taxpayers, who want the Canadian government to ensure that genetically modified foods are labelled? I would like him to answer that question.

[*English*]

Mr. Joe McGuire: Mr. Speaker, the hon. member talks about novels and novel foods in the same breath.

The agriculture committee had hearings into genetically modified foods two years ago, long before it became the issue of the day. The hon. member should talk to her colleague about the contributions we have made to the government's position on genetically modified foods and on labelling.

We have talked to consumers, scientists and all the partners who were involved in biotechnology. We are on a plane that will take us to either voluntary or compulsory food labelling.

[*Translation*]

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, I am pleased to have an opportunity to take part in this debate brought to us by the New Democratic Party, particularly as regards the reference to cultural diversity in the party leader's motion.

[*English*]

I want to reaffirm to the House that the government sees Canada as a strong player in the world. We also know that culture cannot be compromised as we work to create economic opportunities for Canadians throughout our trade policy.

I would like to quote the Prime Minister who just recently spoke about the government's commitment to the preservation of Canadian culture. He said ''We must work together to protect this diversity, recognizing that cultural goods and services are much more than mere commodities for sale. They touch on something more fundamental and intangible, our identity''.

● (1615)

No one can question the commitment of this government to the preservation and promotion of cultural diversity both at home and abroad. As clearly stated in the Speech from the Throne, our diversity is a source of strength and creativity, making us modern and forward looking. Given the importance that the government places on cultural diversity, we also indicated in the throne speech that we will work to develop a new approach internationally to support this diversity of cultural expression in countries around the world.

Here in the House of Commons on October 20 the Minister of Canadian Heritage acknowledged the work of the Standing Committees on Canadian Heritage, Foreign Affairs and International Trade in developing a creative solution to preserve and promote global cultural diversity. This solution is the creation of a new international instrument on cultural diversity.

The committees developed a study based on the recommendation of the cultural industry's sectoral advisory group on international trade, better known as SAGIT. I would like once again to reiterate this government's appreciation of the work of all of those involved in this debate.

[*Translation*]

The purpose of this instrument would be to set out clear rules allowing Canada and other countries to retain policies ensuring the promotion of their culture, while respecting the rules governing world trade, and giving cultural products access to export markets. The agreement would also recognize the importance of cultural diversity in the social and economic development of a country, as well as for the whole world.

Canada will have recourse to a whole range of tribunals to which it can turn for support in enforcing this instrument, including the international network on cultural policy, UNESCO, the World Trade Organization, the Francophonie, and our bilateral relations. Until these discussions have taken place, we will continue to envisage all solutions.

[*English*]

The new international instrument will evolve over time, building on the advice and consensus gained from ongoing dialogue, both here at home and abroad.

[*Translation*]

During the preparation for these talks on the new international instrument, Canada will continue to insist, in all related international agreements, on maximum flexibility to achieve its cultural policy objectives.

[*English*]

With respect to the WTO, we are working closely with members to build support for language in the declaration that will emerge from the Seattle ministerial meeting to recognize the importance of cultural diversity. The Minister for International Trade has made it quite clear that this is a priority issue for Canada. In upcoming trade negotiations we will secure our ability to design, implement and maintain policies that serve to strengthen our culture.

We are also intensifying the dialogue which the Minister of Canadian Heritage has been championing over the past several years to raise the profile of cultural diversity as an important international policy issue. Many governments have cultural policies aimed at preserving and promoting their cultural diversity. These are the building blocks for further international co-operation which will ensure that culture is a key consideration on the international agenda.

[*Translation*]

Canada has been a leader at the international level in stressing the importance of cultural diversity. We will continue, with the support of provincial governments and the public, to take part in discussions on this issue, and specifically on the best way to ensure that countries can preserve the flexibility required to pursue their cultural policy objectives.

[*English*]

The 1998 UNESCO intergovernmental conference on cultural policies for development held in Stockholm concluded that cultural goods and services are not like other traded goods and services. Cultural diversity is an important condition for peaceful co-existence.

While globalization can enrich cultural relations between countries, it may also be detrimental to creative diversity and cultural pluralism. Building on the Stockholm agenda the subsequent Ottawa international meeting on cultural policy in June 1998 established an international network of ministers of culture. It also urged countries to consider how the principles of cultural diversity could further be integrated into key aspects of international relations.

● (1620)

The international network on cultural policy has responded to an international need to discuss cultural diversity and address the challenges that globalization poses for culture. The network has grown from 19 initial ministers to the current membership of 37, representing a broad spectrum of countries and regions around the world. I am sure the member opposite will recall that meeting of June 1998. She was one of the participants in that meeting, which was held in Ottawa.

[*Translation*]

Among the concrete results of the second meeting of the culture ministers in Oaxaca, the ministers agreed to set up a liaison office to support the follow up and the work of the cultural diversity network. This office will be located in Canada.

Moreover, under the co-ordination of the contact group, interested countries have agreed to conduct specialized work on the theme of cultural diversity and globalization, with findings to be released at the network's next international meeting, in Greece, in September 2000.

[*English*]

The network that the government was key in developing will be central to the debate on the preservation of cultural diversity well into the next century. Subsequent meetings will be held in Switzerland in 2001 and in South Africa in 2002.

The government has done important work to raise the profile of culture and the need for cultural diversity on the international agenda. In fact, earlier this week the Minister of Canadian Heritage co-chaired an international meeting of ministers of culture at UNESCO with her counterpart from France. The meeting reaffirmed the willingness to defend and promote cultural diversity. Ministers recognize that promoting diversity and freedom of choice are keys to the future; elements recognized in the Universal Declaration of Human Rights.

This is not just an issue for governments. That is why we are pleased to see this week's launching of the Coalition for Cultural Diversity, as well as the ongoing work of the Canadian Conference of the Arts. We are committed to supporting their efforts, as are other governments of this country, to engage a broad range of civil society in the promotion of cultural diversity.

We are also pleased to be working with our provinces, which recognize the importance of this challenge.

In Canada we have tried to strike a balance that allows us to participate fully in the global culture, while at the same time ensuring a space for Canadian cultural expression. This goal has not changed. We believe that the approach we have outlined will strike a balance between the benefits of international trade to Canada and the ability to pursue our cultural policy objectives and goals. We will continue to work with all interested Canadians to achieve these important goals.

[*Translation*]

As I said earlier today and yesterday, we are very proud to join the coalition for cultural diversity, which includes the vast majority of stakeholders in Canada's artistic and cultural sector.

This coalition, which was created in Quebec, will soon include most artistic groups, creators, those coming up with the vehicles we need to give voice to our history, capture the essence of who we are, our values, and so on. This is a mandate that the government readily accepts and intends to fulfil.

[*English*]

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I will be splitting my time with the member for Palliser.

I am pleased to join in today's debate on the future direction of our trading relations in light of the upcoming Seattle round of talks at the World Trade Organization, and continuing initiatives of the government surrounding proposals to expand the NAFTA.

I want to talk about how our culture is threatened by trade deals and how I see better ways to deal with protecting and promoting our culture in Canada and around the world.

We have seen a dangerous trend in our cultural policies as they relate to trade in the last decade. Cultural expression is not being viewed by this government, especially by the United States, in the way it should be.

I believe that culture is something to celebrate as an expression of creativity. It is something which allows us to delight in each other. It is something which helps us to understand where we come from. It is our stories, our history, our emotions, an expression of our joys and sadness. It makes us think and it makes us wonder.

● (1625)

New Democrats believe that promoting culture is done by supporting and celebrating artistic achievements. We know that protecting our culture is required in supporting the individual artists, in the companies which nurture them, in their struggles to show us and the world a glimpse of their special view of the world.

Sadly we have a government which deals with culture as a trade-off of film tax breaks against steel quotas, quantifying the values of having a domestic book publishing industry against the pressures of the corporate monoliths who want to sell our trees and water. Culture is seen as a piece on the giant monopoly board of world trade by this government.

Simply remember how the government failed to hold the line on culture last spring when it came to our magazine policy. The Minister of Canadian Heritage used her best speech writers to come up with the careful words reflecting great ideas to protect and promote culture. Then the deal went behind closed doors. What we saw was the sellout of culture and a trading away of principles. The Americans got what they wanted. The principle that our culture was a commodity was entrenched. The Minister of Canadian Heritage was left with a brave face and the Minister for International Trade got a promotion.

The same dynamic is in place still around the current cabinet table. We have a Minister of Canadian Heritage touring the world to garner international support for international cultural agreements. At the same we have a new Minister for International Trade calling upon the business community to rally its support for a new FTAA, with no real protection for culture and, furthermore, a new FTAA which revives the odious concept of investor rights. We know that if the chips are down the government cares more about the corporate view of culture than about supporting our precious creators.

Let me quickly address the concept of the current so-called cultural carve-out in the NAFTA. What we have now is a sham. The NAFTA section on culture grants permission for the Americans to put any dollar value on our culture that they want and to punish us for protecting or promoting it. That is what the current agreement does. We saw that in the magazine debate. Simply put, we are allowed to protect culture as long as we remain contractually obliged to be punished for doing so.

We can pretend that culture is not a commodity, and the Minister of Canadian Heritage does that, as long as the Americans are allowed to quantify it and crush us for having it.

The government has said nothing about changing this and nothing about culture in preparation of the WTO talks. We are starting out going into Seattle and into the FTAA from a position of weakness.

I still have some hope, though, that our culture is actually quite a survivor, one which has survived almost by sheer force of will in the face of tough odds. I can see this by looking at two very special communities in my constituency, the black communities of Cherrybrooke and the Prestons. These communities have been living on the unforgiving rocky soil of Preston, dating back to the days when slaves were still sold on the Halifax piers, before most of the Scots arrived in Nova Scotia. Yet they have overcome all odds, systemic discrimination, economic deprivation and the scorn of successive governments. They have managed to maintain their unique black Canadian culture in their families, in their oral traditions and, mostly, in their churches.

Recently I attended the funeral of Rev. Donald Skier and felt the amazing music, heard the heartfelt stories and saw again how they are proud and unique, and they have survived. They are an inspiration to me of how tough a cultural people we Canadians can be.

We have an obligation as a society not only to respect cultural survival but to promote and protect our unique cultures in a real and enforceable way. As a country it is not good enough to scrape through. Our current trade policy fails to promote and protect our unique cultures.

There are voices which have been trying to address this problem and I call upon the government to listen to them. The recent report of the parliamentary committee on trade has shown that even a majority of Liberals on the committee see that the current trade regimes fail culture and we have to try another way. The recent report of the cultural industry's sectoral advisory group on international trade presented the government with options for stepping outside of the current trade agreement and developing an international trading relationship for culture, standing outside the WTO and the NAFTA. This approach has been supported by the Canadian Conference of the Arts, a leading Canadian cultural organization.

● (1630)

The concept of having a stand alone international trading agreement on culture has significance in Canada and I support such an approach with conditions. There is no point in our minister touring the globe and meeting with cultural policymakers unless

there is an upfront commitment from Canada that we want culture to be really removed from the WTO and all regional trade agreements, not like we have now.

In closing, we need a separate international agreement on culture because the current agreements are a failure. We need a recommitment to domestic cultural policy. These things can be done by the government. The choice is there but the time is running out.

In light of the fact that we have the premier performers in the country in the House today, now is the time for the government to commit to removing culture from the WTO and regional trade agreements. Now is the time for our Prime Minister to guarantee to the artists in the country that the Canada Council and the CBC, the pillars of our cultural foundations, are not in danger of being swept away by the crush of international trade agreements. Now is the time for this to happen.

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, I appreciate the member's comments about the amazing richness of her community in presenting some of our most innovative cultural manifestations.

Last August I visited her riding when I was in Halifax for the national caucus meeting of the governing party. There is a theatre on the water shore there. My wife and I were fortunate enough to take in the last presentation of the newest Canadian opera, *Beatrice Chancy*, created by people living in Halifax. It had also been presented in Toronto. I take this opportunity to congratulate all those associated with it.

I gather that the CBC will be presenting it coast to coast at some point. I encourage Canadians who have the opportunity of seeing it on CBC to do so. It is quite dramatic and quite poignant, a very important piece of art.

I want to ask the member a very simple question. I did say on behalf of the government that we accept the SAGIT recommendation. The government has taken that position. Does the member not recognize that?

Ms. Wendy Lill: Mr. Speaker, I thank the hon. member for his wonderful compliments on *Beatrice Chancy* which was indeed a work of art, one of the works of this century.

As long as I have the great unease that I have about what happened last May in the House surrounding Bill C-55, I have very little confidence that yes means yes, that a carve out means a carve out, and that a total cultural exemption means that. I need to have proof.

I did not get it today in the House from the Prime Minister so I remain a sceptic. I will remain such until it is proven otherwise, until he answers the question.

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I too commend the hon. member for her support of the cultural community.

She spoke about the FTAA and the fact that in the FTAA there was no guarantee of a carve out or the fact that culture would be protected. She must know that in these agreements traditionally Canada has taken a position that it will protect culture. It has done that very strongly. In these negotiations of the WTO, until such times as these issues are negotiated Canada still stands by the principle that it will maintain its right to legislate in the area of culture and it will protect its rights in culture.

• (1635)

Is the hon. member aware that yesterday in Toronto at the trade ministers meeting of the FTAA the Prime Minister came out very strongly in favour of Canadian culture and very strongly in support of doing something around that area in the free trade of the Americas to support our cultural industries?

Ms. Wendy Lill: Mr. Speaker, I was aware of the Prime Minister's speech and that was why I asked him today. I was quite excited by what he had to say.

I wanted to get clarification on whether he meant that the WTO and the NAFTA agreement would have no binding relationship to culture in the country any longer. I did not get the answer to that. I still remain unconvinced.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I am pleased to take part in this debate. I would like to pursue the fourth paragraph of the NDP opposition day motion on free trade. I will read into the record the entire paragraph because the Parliamentary Secretary to the Minister of Agriculture and Agri-Food concerned himself with the first half of it. The entire paragraph states:

> The government should take action to remedy its overzealous and irresponsible pursuit of greater trade liberalization, which has caused extreme hardship for Canadian farmers, whose domestic support payments have been slashed by 60%, three times what was actually required by Canada's international trading obligations.

I will take a moment to define what I think is intended in that paragraph and to go over what has transpired in the past six years.

In 1993 the General Agreement on Tariffs and Trade was signed by Canada and by a number of other countries. For the first time ever GATT dealt with agricultural issues. I was not there but I believe I can indicate what the agreement was. We do not have time to get into all the agricultural concerns right now, but let me say as a starting point that the signatories were to reduce by 20% domestic support subsidies over the next five years. That was the arrangement made and all the signatories to the GATT Uruguay round signed on to that agreement.

In 1993, also an important year, the government opposite came to power in October of that year. As I noted earlier today in

questions and comments, the Reform Party became the only opposition in English Canada with official party status in the House. It had an entirely different agenda, which was to get rid of domestic support payments as fast as possible. This fit very neatly with the decision of the Minister of Finance and the Prime Minister to balance the books. It was a very happy marriage.

The long and short of it is that instead of Canada reducing its domestic subsidies by 20% on agriculture over the five year period it was reduced and slashed by some 60%. This has meant the elimination of the Crow benefit, the subsidy that predated Saskatchewan's entry into Confederation. It actually came into force and effect in 1897. With its elimination there was a loss each and every year on the prairies of some $600 million; $325 million in the province of Saskatchewan alone. Also freight rates for farmers shot up dramatically since the end of the Crow benefit.

The government had the option of eliminating or phasing out the Crow over a number of years, but because it had a different domestic agenda of balancing the books as quickly as possible, it did it all in one fell swoop with a very modest payment going back to farmers and producers.

It now means in my constituency of Palliser for a farmer in Rouleau or Wilcox with three hopper cars filled with grain that 33% of it goes to pay the freight alone. It is no wonder farmers are going broke so fast on the prairies.

● (1640)

Mike Gifford, an international trade negotiator for the Government of Canada, told the Standing Committee on Agriculture and Agri-Food that Canada could put $2 billion back into domestic support payments tomorrow without fear of raising any concerns among our trading competitors. That is how much we have reduced our domestic support payments in recent years.

What they got instead was a modest little announcement today of some welcome assistance for AIDA. The premiers of Manitoba and Saskatchewan were here a week ago today, along with the farm lobby, seeking $1.3 billion. The announcement today says there is a further $170 million available for the agriculture disaster assistance program, barely 10% of what farmers in the two prairie provinces feel they need for their provinces.

There is an interesting sentence in the minister's release wherein he says:

> We presume the provinces will maintain the 60:40 cost sharing arrangement on total safety net expenditures.

That is a rather large presumption for the minister of agriculture to make, especially for the Manitoba and Saskatchewan provinces because I do not think they will decide to enter into this 40% arrangement. The AIDA program is so tainted in those two provinces that I think they will feel they can get a better return on their investment by doing something directly for their farmers themselves rather than entering into what they feel is a very flawed program.

Let me turn to our competitors, particularly those south of the border. We have some concerns. We are not only concerned about what has happened in the past, but now we need to be concerned about what will happen at the upcoming WTO in Seattle. I note what Charlene Barshefsky, the U.S. trade representative, has been saying within the last month. I will quote from a document where she said:

> The goal of the Clinton administration is to eliminate all farm export subsidies, reducing sky high tariffs used by Canada and other countries to keep out U.S. imports and strengthen disciplines on state trading agencies such as the Canadian Wheat Board.

That is the goal of the United States. I think it will find support from some other countries as well. It does not like state trading agencies or enterprises and we do not agree. The Canadian government has been very dogmatic in its comments that it will defend to the fullest the Canadian Wheat Board and supply management. There is no question in my mind that the Americans have their guns trained on Canada, on the wheat board in particular, and on supply management.

My concern in this regard is that our government's response is very timid and very pale. It seems to be paralyzed with fear that anything we do in terms of trying to protect our primary producers, particularly in the prairies but elsewhere as well, will trigger retaliatory action by the Americans. They are concerned that everything is in the green box in terms of making it palatable.

For example, in 1995 Canada's total for amber support, the yellow light, was only 15% of WTO spending while in the United States it was almost 27%. In the European Union it was just in excess of 60%.

Canada must approach the next round of the WTO agricultural negotiations in a very cautious and thoughtful manner. That is what paragraph 4 is all about in the motion before us.

● (1645)

A new agreement which just continues the existing formula in reduction of protection and support without correcting the inequities in the current agreement will not necessarily be beneficial to Canadian farmers. In fact, such an agreement will just exacerbate current inequities.

I would make the observation that Canada is so intent on making sure that the very tiny domestic support we have is in the green box and that our farmers in western Canada are turning purple as a result of that.

I notice that you are giving me a signal, Mr. Speaker. I did not realize the time had flown by so fast. I do want to close my speech with a couple of predictions.

I have talked about the Canadian Wheat Board and I have talked about supply management. This is my prediction. The next round of the WTO which starts later this month in Seattle will see the demise of the Canadian Wheat Board. The Canadian government will fight it to the death, but at the end of the day the Americans will win and we will lose the Canadian Wheat Board. The next round of the WTO after this round will spell the demise of supply management. I hope I am wrong but I do not think I will be.

Currently there is a movie called *Eyes Wide Shut*. That is how Canada went into the last round of agricultural trade. I hope we go to Seattle with our eyes wide open.

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I listened with interest to the hon. member's comments. Once again, as many of the speakers from the New Democratic Party did, he came out right at the end with wild accusations of what is going to happen. All of a sudden we are going to go in there and get rid of the wheat board. Then it is supply management that is going to go.

Surely the hon. member must be aware that the Government of Canada consulted. Prior to putting forward what I and most members on this side of the House and many on the other side consider to be a very strong position on agriculture going into Seattle, the government consulted widely with those in western Canada who are most concerned, particularly on the western Canadian side of agriculture. It also met with agricultural groups throughout Canada.

The hon. member should read some of the reports of the agricultural meetings where farmers from across the country came together to talk about a position for Seattle. Then he would agree that the Government of Canada has almost mirrored what these farmers came up with. In fact, the Government of Canada, before putting forward that position on agriculture, sought the advice of not only farming groups and communities, but also the agriculture ministers of all the provinces and territories.

When the hon. member makes wild accusations of what is going to happen, he must first understand that the position we are putting forward is very strongly supported within the agricultural community.

The hon. member also talked about the hardship in western Canada and that many farmers are having a difficult time. I do want to make this one point because it is important. The hon. member should know that hardship is not totally a direct result of foreign export subsidies. Many other factors have come into play.

What we can do for Seattle is to make sure that we take a strong position and that we maintain this to get rid of foreign export subsidies and to get rid of the domestic subsidies that other countries are using that inadvertently come back and hurt Canadian farmers. Certainly the hon. member must be aware of the Canadian position.

Mr. Dick Proctor: Mr. Speaker, I appreciate the question and the opportunity to respond to it.

Part of my background is in labour management negotiations. I have seen folks on both sides of the table come in with very strong, hard negotiating positions and then I have seen those positions collapse.

The concern I have is how strong will the government be in defence of the Canadian Wheat Board given the political realities in western Canada. There are precious few members from the government benches who will be out there vociferously saying to the trade negotiators and others that we have to hold fast and tight on the Canadian Wheat Board. I am concerned.

• (1650)

The member opposite referred to it as a wild accusation but I called it a prediction. What I am saying is that when push comes to shove, we will see how strong the resolve of the Canadian delegation is to preserve and protect the Canadian Wheat Board. I hope I am wrong.

Mr. Bob Speller: Mr. Speaker, the hon. member raises an interesting point. He tries to suggest that because we do not have a number of seats in western Canada that we are not going to stand up for the interests of western farmers. That is totally ludicrous.

We are elected not only as members of parliament representing our constituents here but we are nation builders. We are people who represent all of Canada. As a person from a rural riding in southwestern Ontario that has a number of farmers, I can assure the hon. member that we on this side of the House speak for all Canadians.

Mr. Dick Proctor: Mr. Speaker, if they were the nation builders the hon. member suggested they are, then they would surely come up with a program that would assist the farmers of Saskatchewan and Manitoba rather than the pathetic performance on AIDA that even as it has been announced today falls a day late and a dollar short.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Tobique—Mactaquac, Homelessness; the hon. member for Joliette, Employment Insurance.

[*English*]

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I am very pleased to rise on this motion. This motion really sets apart the ideology of the socialists and shows Canadians that they are living in the past. They do not understand the importance of international trade and the relationships and hard work that our

minister, our parliamentary secretary and our entire team will be undertaking when they attend the meeting in Seattle.

I will point out some of the anomalies, to be kind, that exist in the motion. It states that we should not negotiate any further liberalization of trade or investment at the Seattle meeting of the WTO or the free trade area of the Americas without first securing enforceable international rules on core labour standards, environmental protection, cultural diversity, the preservation of public health care and public education. Are those not the issues among others that we are going to Seattle to discuss? Of course they are. I almost find the motion contradictory. It is saying not to negotiate any further trade deals until we get all of this in place.

Do NDP members think that Canada can simply walk into a world trading organization and simply demand that it do this and to do that or we are going to take our ball and go home? They shake their heads but that is clearly how they think negotiations should take place.

The language is quite interesting. The motion states that the government should take action to remedy its overzealous and irresponsible pursuit of greater trade liberalization. What do they think?

Mr. Hec Clouthier: They don't think.

Mr. Steve Mahoney: They don't think. In all honesty, what do they think has contributed to the dynamic growth in this country since the early 1990s, specifically since 1993? Globalization and—

An hon. member: Free trade.

Mr. Steve Mahoney: I hear the Tories chirping over there. I remember Brian Mulroney standing arm in arm with the president of the United States signing ''When Irish Eyes are Smiling''. With a name like Mahoney far be it from me to take on an Irishman, but I should add that we were not prepared and will never be prepared to simply climb into bed with an elephant like the United States. That is why we need the Seattle negotiations.

• (1655)

That is what the Tories did under the former prime minister and it led to a $42 billion deficit. What happened then?

We came into office in 1993. I was not here. I was elsewhere. But the government changed hands. The Liberals came in and we negotiated a trade deal in Chile. We negotiated trade deals in other parts of the Americas. We negotiated trade deals in Asia. We sent team Canada to Japan and all over the world. We showed Canadians and more important we showed the world that we are a nation of traders, going right back to the roots of aboriginal Canadians who were the first traders.

Port Credit is at the foot of Highway 10 in my constituency. It is named that because the aboriginals used to trade, and nobody had any money in those days, so they would simply trade back and forth and barter for credit, for goods or that type of thing. We are carrying on the tradition of the founders of this nation, the aboriginal Canadians, who were the first entrepreneurs and the first free traders in North America.

Members opposite say that with the policies the government has put in place with regard to international trade, globalization, world trade organizations, FTA, Chile and all of the agreements, we are being overzealous. I understand where they are coming from. It is a lack of self-confidence.

It is a problem that has been in the rank and file of the New Democratic Party since the days when my father was trying to get them to have a little more common sense about their policies and what they should be doing. He understood. I can remember Bill Mahoney saying to me that we have no problem with the NDP as long as it is not in government. This was the leader of the United Steelworkers of America. He said to leave them in opposition because they are not bad if they stand up and just chirp a bit and effect some social policy. Give them credit where credit is due, but for goodness sake do not give them the reins of power.

The proof of the wisdom of those words came through in 1990 when the people of Ontario decided through a mistake of some kind to elect Bob Rae. We all remember what happened. A province that was firing on all engines went into the worst recession since the Great Depression. A New Democratic Party premier intentionally decided to run $10 billion overdrafts. Imagine. It was almost as bad as Mulroney and the Tories. Actually, they were a little worse. Let me give the numbers.

The way government financing works is that deficits get piled on top of the debt at the end of the fiscal year. It is the same as a family that uses an overdraft to buy food and then piles the overdraft on top of the mortgage. Eventually the mortgage outstrips the value of the home.

Mr. Rae and the New Democrats had a great celebration. Remember the fanfare when they came in? Boy, they opened the doors to the world and it was going to be so wonderful. They took the debt of the province in five years from $39 billion to well over $100 billion. That province is choked with the burden that was put on it with the myopic, single minded, narrow lack of vision led and funnelled by the New Democratic Party policies that are developed at their conferences.

Members of the NDP get together, slap each other on the back and say ''We are the social conscience of the world. We know what is best for Canadians. We should never trust the people in the streets to actually do things on their own. We have to do it all for them''.

• (1700)

That is the New Democrat policy. That is where the genesis of this resolution before us today comes from. The members of the

New Democratic Party do not trust Canadians to be able to compete in the international global marketplace.

An hon. member: We do not trust Liberals.

Mr. Steve Mahoney: They do not trust Liberals because they have no confidence in themselves. Before we can trust anyone, we have to be able to look in the mirror and say ''I trust that person in the mirror is going to do the right thing''. We have to be able to look at our children and say ''I trust my sons and daughters to succeed in the world. I trust them to work hard. I trust Canadians''. That is not what I hear those members saying. They are so myopic. They are living in the 1950s.

The Berlin Wall has already fallen, but the NDP members want to build another one. They want to build some kind of a socialist wall around this great country and tell Canadians that they know best what the rules are. They are just going to walk into Seattle and say ''You guys listen up. We are from Canada and you are going to do it our way''.

This is a sophisticated world we live in. I think everyone will agree that the socialists have fallen all over the world. There are the remnants, those who call themselves socialists or labour politicians like the prime minister of Great Britain, Tony Blair, who we can hardly call a socialist. I believe he has cut welfare rates faster than Mike the knife in Ontario.

The premier of Saskatchewan was in this place last week. I am not so sure that purebred New Democrats, if there is such a thing, would really call him a socialist. He is a little more to the right of where some of them find themselves on a daily basis.

Let me speak to the issue of the World Trade Organization and why we are going to Seattle. Unlike the NDP members who simply say that we should shut down any opportunities in the agricultural sector, we want to expand agricultural opportunities in export. Why not find them other markets? What a unique idea.

Do not worry, I am getting the Reform members. I know they are feeling left out. The members of the Reform Party are the extreme of this issue. We have the closed-minded, myopic people on the left and then we have the Reform members who would take out some white-out or a big eraser and eliminate the 49th parallel. They would say that the best way to deal with free trade is to become Americans. That is their basic policy.

I find it fascinating that we saw the Reform Party leader stand in this place over the last couple of days in some kind of a tirade about defending agriculture. Let me share a couple of things that particular gentleman said. I do not want them to get too upset, but this is right out of *Hansard*. This is not me interpreting something that the Leader of the Reform Party said. I assume we all accept the validity of *Hansard*.

> Spending more taxpayers' money is not the answer to any industry's problem. In contrast, Reformers continue to call for reduced federal expenditures. Reformers on the other hand call for a phased clear-cut reduction in the dependence of the agricultural sector on both levels of government.

This was said by the Leader of the Reform on May 10, 1994.

Mr. Greg Thompson: What is his name?

Mr. Steve Mahoney: The member knows I cannot name him. The Speaker will rise and make me be quiet. I am not finished yet, but I may come over and talk about those fellows in a moment.

We have to wonder when we see the Leader of the Opposition stand up and demand more money for farmers. Our Deputy Prime Minister stood up, I think last Friday, and responded to a question from the agricultural critic. He said that he was astounded to hear the critic demanding more help for farmers. By the way, today this government's Minister of Agriculture and Agri-Food announced additional funding of $200 million. We are not ignoring the plight of the farmers in Saskatchewan or anywhere else in the country.

• (1705)

They seem to be doing a complete about-face. All of a sudden, they are pretending that somehow they are the champions of the farmers, that they are going to beat the government up and force it to give money out to subsidize farmers even though that was not what their policy stated. However, that does not surprise me because quite often they will do and say things that do not fit within their policies.

Mr. Hec Clouthier: Selective amnesia.

Mr. Steve Mahoney: ''Selective amnesia'' my little short friend says. I like that.

We are going to Seattle in the hopes that we can negotiate liberalization in trade and protect the things that are important to Canadians. We believe we have an opportunity in Seattle to expand marketplaces for the agricultural sector.

We are already leaders, and members opposite know this. The NDP members may not be willing to admit it, but they know for a fact that we are already leaders in fields such as telemedicine and education services. Our ability to expand clearly depends on our ability to negotiate in these marketplaces. We want to use these negotiations and we are not afraid to do that. That is the fundamental difference. We go in with some confidence.

I want to tell members a story about a trip I took with the former minister for international trade, the hon. Sergio Marchi. He led a team Canada trade mission to San Francisco and I was honoured to be able to go. It was with young entrepreneurs. We saw some things.

I do not know how many members get the opportunity to go to a movie but I certainly do not often get a chance. However, I did see

the IMAX technology when I was in San Francisco. The IMAX technology, which is a theatre in the round, is Canadian. It is spectacular technology.

We were in Silicon Valley in a complex in San Jose where there were thousands of people coming and going and looking at all the exhibits. Many of them were going in to watch the movie, *The Story of Everest*, about a group climbing Mount Everest. It was the most incredible sensation I have ever experienced in a movie theatre. It was in the round. The thing that was wrong with it was that it should have had a little Canadian flag on the bottom. IMAX is one of the most successful technologies and it is Canadian. It was invented by Canadians in Canada and is exported around the world.

Is that a bad thing? Is that not what our future depends on?

We were then taken to a site visit of the Alameda Naval Air Base, which is right on the bay in the San Francisco Bay area. There is a huge area right at the edge of the ocean that was a landfill site. It was far from sanitary. It was a place where we had to sign a waver because there was live ammunition around. I said, ''You mean we are really going there? I am not sure I like this idea.''

They took us out and showed us the technology being employed in San Francisco to clean up this toxic and extremely dangerous naval dump site. Guess what? The technology was from Waterloo, Ontario. A Canadian company was the lead winner on the bid. We are talking about a contract that was worth hundreds of millions of dollars to clean up and stop all of the leachate going into the ocean and to eventually make the naval base into a park. There were seven companies involved in this environmental clean up project and six of them were Canadian. The main one was a Canadian firm that had invented the technology. The seventh one was a U.S. firm and its job was to truck things away. What we are talking about is the ingenuity of Canadian firms in developing environmental technologies that can clean up some of the dirtiest messes and the biggest problems in all of the world and it is Canadian.

● (1710)

Why not have a resolution on the floor today to say how proud we are of those Canadian industries that have invented new technologies, that have found ways to help internationally around the world and that are generating jobs. All of the money comes back to Canada on that project and the men and women who are working on that project are Canadian men and women working with Canadian technology.

I do not understand. Instead of saying ''Oh, goodness, do not go to Seattle because they are going to beat you up, or if you are going to go here is the set of rules we want'', why not celebrate the success of Canadians around the world?

I have a couple of facts for the New Democratic Party. Two out of every three jobs in the country depend on trade. Exports are more than 40% of our GDP, more than any other G-7 country. Imports give consumers a wider choice and access to the best products in the world. In 1998, Canada exported $367 billion in goods and services and each billion dollar export sustains 11,000 jobs. Those are outstanding numbers.

This is a nation of traders who can and will compete internationally around the world. We will successfully negotiate and improve our position at the WTO talks in Seattle led by our minister and our team of professionals. I have confidence in them and I have confidence in Canadians.

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, we have seen a great demonstration here.

I think the member is new to this parliament. I would like to turn back the clock a bit to when his party was in opposition. He talks about a free trading nation. I do not know if I am getting sick to my stomach, but to hear a Liberal government talk about trade and free trade just does not sound right because it wanted to rip up the free trade agreement. It is just unbelievable what the hon. member has just said.

I have a very simple question for the member and after he has finished answering it maybe he could thank the Progressive Conservative government for the great job it did in bringing the free trade agreement to the floor. Would we be in a surplus position today if it were not for the free trade agreement?

Mr. Steve Mahoney: Mr. Speaker, we would not be in a surplus position today if it had not been for the wisdom of Canadians who threw that government out of office and put this government in.

I hope the hon. member does not need what he just tore up. I remember a certain prime minister tearing something up and we were not sure what it was. I think what he tore up was the heart of this nation. He left a $42 billion deficit which we have had to clean up.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, even though I am young, I remember that when the Liberals were in opposition from 1989 to 1992 they were against the GST. They were also against any change to the unemployment insurance.

I remember when Doug Young said that it would be a disaster for the country if we ever changed the UI. I also remember when the Liberal Party said the same thing about free trade.

What happened to the Liberals who had the heart of the NDP but all of a sudden, the day after the election, they lost it. Can they explain that to us?

● (1715)

Mr. Steve Mahoney: Mr. Speaker, I have seen selective memories before. This party has never been willing to climb into bed

with an elephant who could roll over and crush it at a whim, unlike the Conservative Party. Members of this party recognize that we have to have agreements all over the world; that free trade does not simply mean a deal between Brian and Ronnie, which is what it was; that free trade means that we have to liberalize trade and take the great technologies and the great talents of Canadians and export them around the world. That is what this party believes. That is what the government believes. That is exactly what we are going to do in Seattle.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I listened to the hon. member's speech, and I would like to tell him about a number of experiences, which show that caution must be exercized in that area.

Three years ago, Canada entered into an agreement on lumber exports with the United States. That agreement was reached at the expense of Quebec and of the four provinces that were forced to take part in the arrangement.

Today, both Canada's free trade lumber board, headed by Tembec's CEO, and Quebec's Association des industriels du bois de sciage want to go back to free trade, because it is an interesting option and they would rather get out of the existing agreement.

I hope the Canadian government will choose that option and do so within a few weeks, so as to send a clear message to our industries with respect to future investments.

As for the NDP motion, I do not think that not being present at the table is the right approach. We understood a long time ago that Quebec must be present at international tables to effectively ensure that what is negotiated by the Canadian government does not adversely affect Quebec, since Ottawa's interests often differ from those of Quebec and other regions of the country.

My question is this: Does the hon. member remember that the free trade agreement, which is very good for all of Canada, was achieved because Quebec's sovereignists supported the idea? Jacques Parizeau and Bernard Landry displayed true leadership, with the result that Quebec is now less and less dependent on the Canadian political space and gradually finding its niche in the North American economic environment.

The federal government should be open to ideas such as the pan-American dollar, which would help stabilize the economy and give an even greater push to our exports.

[*English*]

Mr. Steve Mahoney: Mr. Speaker, we all have fits of common sense, including separatists. It is interesting to me that a separatist would stand to say that they supported the attempts at free trade and the negotiations as a Canadian initiative. It is unfortunate they would not recognize that all of the benefits that have been negotiated through globalization and freer trade around the world have benefited the province of Quebec.

I recall during my days with the ministry of industry and trade in the province of Ontario travelling to various places in the world. I invariably came across an office wherever I went that was the largest, most aggressive trade office representing any government that existed, whether it was Hong Kong or the United Kingdom. That office would be the office of the province of Quebec. They are very aggressive about negotiating trade. They are indeed free traders. For that philosophical understanding I congratulate them.

It is too bad they have to have that one plank in their party to rip the guts out of this country.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I want to ask a question of the member for Mississauga West who thinks a farmer is a clerk behind a 7-Eleven counter. I believe that is his definition. I do not think he knows for sure where wheat comes from or anything else.

I remember campaigning in 1997 when the Liberal candidate did an excellent job of presenting the red book policies. About 75% of my riding is made up of farmers. It was unfortunate for the Liberal candidate, as he got 6% of the vote and I got about 80%. I am here and he is back home. Throughout Saskatchewan I do not believe there are any rural Liberal MPs. Those people have rejected the Liberal version of agricultural issues. In Alberta there is zero. In British Columbia, zero. They are not buying the policies. A committee was sent out to the prairies to find out why more westerners are not supporting the Liberals. The Liberals do not seem to get the message. Western farmers are supporting Reform policies. That is why we are here and our Liberal comrades are not. They do not understand.

• (1720)

Can the member explain to me, is it because Reform MPs are here representing western grain growers and farmers, with a few New Democrats, that the Prime Minister snubbed the farmers who came here the other day asking for help for a disastrous situation which the government is ignoring through its ridiculous AIDA program?

Mr. Steve Mahoney: Mr. Speaker, I do not know. Two hundred million dollars was given at about 12.30 p.m. and by 5.20 p.m. it is a ridiculous amount of money. I find that difficult.

I know that the member takes a little ribbing from time to time, but I know he is a sincere gentleman. While he stands in this place

and goes on about the politics of Saskatchewan, he knows full well that the issue of gun control was probably what sent him here. As long as there are curtains on the back of the truck, somewhere to put the rifle, they will send the member to Ottawa. That is the issue. It has nothing to do with support for the farmers.

The farmers out west know darned well that we are attempting to address the problems they are facing and that it is a crisis. The member opposite cannot in all seriousness stand and try to pretend that he was sent here in some God-like fashion to protect the men and women on the farms. It is a pill I am not prepared to swallow.

[*Translation*]

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, today we have a motion by the NDP. Members will agree is a very, very tough one. There is reference to sabotage. It says that if there is no guarantee, we ought not to negotiate.

I have heard comments by just about everyone today, either here in the House or on television. Among these was the last comment made by our Bloc Quebecois colleague. He said that they had understood that the empty chair tactic does not work. Quebec must be present for negotiation, to be sure that it is not dealt a bad hand by Canada. Perhaps they ought to adopt the same attitude during negotiations within Canada. That might be a good thing.

That said, there must be openness to consultation with the provinces in order to ensure that indeed, when the time comes for the next round of negotiations, the position will suit the greatest possible number of Quebecers and Canadians.

Mr. Speaker, before I continue, I must indicate that I am going to share my time with the member for Kings—Hants. I forgot to say that when I started.

Today we also learned that our friends in the Liberal Party have discovered free trade. I have never heard such passionate speeches about free trade from Liberals. They are saying ''We have always been for free trade, just not the Conservative brand of free trade''.

We remember the 1993 election campaign. After the election, they said ''You know, there are some technicalities to be changed''. We never really knew what, and whether it was really important.

However, we must remember that free trade, despite everything that was said on both sides, was no miracle solution, but is now a vital tool for a country. It will not fix everything, however. Today, we have to pay attention, with what the NDP is telling us.

On the eve of the negotiations, a constructive and credible position is needed for the people of this country. The government has a report by the Standing Committee on Foreign Affairs and International Trade. The committee travelled, with some difficulty from time to time, and heard exceptional witnesses.

When the time came to write the recommendations, they were completely fudged. We hope that the response by the Minister for International Trade will improve the quality of the recommendations and the work done.

There are a number of examples. In cultural matters, I would like someone to show me where words such as ''protection'' and ''cultural exemption'' are to be found in the recommendations. They are not there.

• (1725)

All they did was come up with a new instrument that was unanimously approved, supposedly, by the cultural sector. There was no such unanimity. They said that if we were really not capable of getting real protection, real cultural exemption, we should have a mechanism as strong as the WTO or we would have to protect our culture. That was not a recommendation at all.

We hope that the government response to the recommendations will be much more credible. The upcoming negotiations have changed. Five, ten or twenty years after signing a treaty or a contract, we realize that there are some good things and some not so good things we did not think about. It is not possible to think of everything, because society is evolving as well. It is therefore normal that the major rounds of negotiation are occurring more frequently. Before, they were few and far between. Why is the cycle shortening? Because things are changing more quickly.

The Seattle negotiations are beginning. We cannot rest on our laurels, but things are not desperate either. The Progressive Conservative Party would approach things credibly. It would not put up a wall or establish measures to block free trade. Nor would it do as the Liberals are doing and claim to have rediscovered the true value of trade trade. Credibility must be maintained.

I would remind the House that the Liberals opposed free trade, and not just when the Progressive Conservatives were in power. One of Sir Wilfrid Laurier's speeches was mentioned. Members will recall that Sir Wilfrid Laurier had decided to open up the country's borders. Why? Because there was an economic boom in the United States.

Canada had just finished building a railroad, a financial ordeal, and it needed money, so that markets could be opened up for the new territories served, it needed the Americans' money, know-how, and enterprise here in Canada, especially in Quebec, to develop the country's economy. So, Laurier was interested in free trade because he needed money.

When Laurier came to power, Canada was in financial trouble. There was a lack of financial, human and technological resources with which to develop the country and there was definitely no

market. The government had just opened up a huge country, built a railroad through uninhabited lands, and there was no market. So yes, Laurier made the right decision to open up to his American neighbour. He had no choice, however.

The Liberals did not always think this way, however. When Mr. Trudeau was in power, what exactly was the Foreign Investment Review Agency all about? It was one of the most protectionist measures Canada ever had. It was not the work of the Conservatives, but of the Liberals.

During the Trudeau era, they created a review agency that prevented billions of dollars of investments from getting in or out of the country. This limited the country's growth. Thank heaven, changes were made when the Conservatives came along. Instead of the concept of screening—surrounding Canada with a kind of sieve instead of a wall—they moved to a far more positive term: Investment Canada.

We must take care. The Liberals are not all that protectionist. But when they are really hungry, when they really have the bit in their teeth they go as far as they can, sometimes too far, not only up to the edge of the precipice, but right over it.

It is all very fine to sign agreements with the United States, with Mexico, Israel, Chile, all of the Americas in fact, excluding or including Cuba—we are not sure which, because Cuba was not at Toronto, so we do not know the government's position on it—but we must take care.

Today we see cases Canada has lost before the WTO and others it has won. In Europe at the present time, if one were to speak with the French parliamentarians for example, one would be told ''That beef with hormones, you know, we don't want any more of that—nor genetically modified organisms—nor asbestos''. That is the situation in Europe right now, the barriers are not tariff barriers but non-tariff barriers. At the WTO, this is not sufficiently clear. In the report, a number of witnesses emphasized that this matter must be addressed.

• (1730)

There are currently problems in international trade that have a direct effect on events in this country. We would like them addressed in a credible and proper way.

We should not make free trade available to everyone, and say thank you very much. With our experience, we should look nevertheless at the real effects. Positive, yes, because the Liberals are quite happy to have had free trade. Without these new agreements, Canada would have been in an economic downturn for over three years under the Liberals.

We would have had a recession, because the domestic market was in a slump. Foreign trade, however, was strong. So it is all very well to run around saying that we are open to the world, but when we open the door of our house, we do not want people to go off with our furniture. They are welcome to buy. They can come in and leave as they wish, but they cannot go off with our furniture. So, we are saying we have to take care.

Last weekend, I had occasion to meet Bill Phipps, when he was in my riding. He is the moderator of the United Church of Canada. The member for Winnipeg—Transcona knows him very well, being a United Church minister himself.

I discussed trade with Mr. Phipps. Since becoming the moderator of the United Church, he has spoken of faith and the economy. He raises some very interesting issues; not necessarily miracle solutions from any one point of view, but issues that are worthy of discussion.

What we are saying is that the issue of the individual rights of Canadians is important, but the impact on other people living in a country with whom we have free trade relations should also be taken into consideration. We are saying that free trade is important, as is being outward-looking. Canada has always been an outward-looking nation. This has evolved through successive governments.

However, through experience we have learned to look before we leap, as it were. New information is now available to us and we must do a proper analysis.

[*English*]

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I listened with interest to what the hon. member was saying about the standing committee report, the future of the World Trade Organization, and how he felt he was handled unjustly in terms of putting recommendations forward which I think were very strong recommendations that the government is taking very seriously.

The recommendations go to the fundamental issues of trade in this country. They draw on some of the issues, as the hon. member said, such as culture and agriculture. They reflect the 120 or 130 representations before the standing committee. The hon. member knows the standing committee had 38 meetings and met with over 138 or 139 different groups. Could the hon. member tell me how many of those 38 meetings he showed up to?

Had the member spent more time in committee he would have known that the committee debated all the issues he talked about. The rest of the committee members came together and discussed the issues. The hon. member could have learned a lot about what Canadians were saying on this issue if he had shown up to the committee meetings where we drew on the recommendations rather than write a dissenting report stating that there was no debate in committee in this regard.

[*Translation*]

Mr. André Bachand: Mr. Speaker, I will use an expression which is not unparliamentary. I checked a few years ago. I find the parliamentary secretary to be patronizing, because given the situation in the Progressive Conservative Party, one must wear several hats.

I find it somewhat despicable to see the parliamentary secretary would so patronizing as to say that a member was or was not present at meetings of a committee. I want to say that I was there rather often, if not on a regular basis. When I was not there, I could always rely on technology to follow proceedings.

I want to point out that we do not live in a third world country. We have documents. We have everything.

• (1735)

Indeed, we had quality witnesses. The parliamentary secretary said that I may have been there less often than him. I can say that I brought a lot more to the discussion than he did. I am very disappointed by his attitude.

If this is how the parliamentary secretary behaves, if this is how the debate is to proceed, I find it somewhat despicable. But I will remind the parliamentary secretary that if there ever was one person opposed to free trade, it was him.

If there is a person who made an about face, a 180 degree turn, it is the parliamentary secretary.

An hon. member: He is a snake.

Mr. André Bachand: I hope the parliamentary secretary will be much more open with members of this House, in the future.

He is well aware that committee members from both sides of the House, except himself of course, were disappointed about how the recommendations were drafted, very disappointed indeed.

I hope that the quality of replies will be better with the Minister for International Trade than with the parliamentary secretary. I have more faith in the minister than in that fellow opposite.

[*English*]

Mr. Bob Speller: Mr. Speaker, I find it difficult that the hon. member would attack me in that way, given the fact that he only showed up to two of the 38 meetings and would—

Mr. Greg Thompson: Mr. Speaker, I rise on a point of order. The parliamentary secretary had his kick at the can in this debate. I thought Your Honour would at least move to the other side of the House so that we could put our point of view forward.

The Acting Speaker (Mr. McClelland): I will repeat once again that if a member stands for questions and comments and represents the same party as the member who has just finished speaking, the Speaker will always recognize someone from across the aisle, or at least from another party. As long as there is someone standing who represents another political party or opposition to the member's point of view, that person will be recognized.

Mr. Bob Speller: Mr. Speaker, is the hon. member not aware that prior to drafting these recommendations the standing committee met with some 138-odd representatives from across the country? In fact it travelled to different parts of the country to seek the views of farmers and of people involved in the cultural industries. The recommendations in the report reflect very clearly what the representations were.

The hon. member claims that somehow I spoke out against free trade. This party spoke out against the American-style free trade agreement that members of his government were bringing in at the time. We spoke out against the fact that we did not have the access into the American market that they were claiming.

Some hon. members: Oh, oh.

Mr. Bob Speller: Obviously that hit a chord because they are continuing to yell at me.

[*Translation*]

Mr. André Bachand: Mr. Speaker, I will quote the hon. member. This is an excerpt from *Hansard*, dated December 23, 1988, on page 767. He said:

[*English*]

He has come out and said that well over 100,000 jobs in the agri-food sector could be lost. I rest my case.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it is with great pleasure that I rise today to debate the New Democrat opposition day motion. It is a wonderful time to recognize the success of one of the most forward thinking and innovative policies to be introduced in the 20th century by any government in Canada, the free trade agreement.

It is interesting for me to recognize today the Liberal position on this issue and how it is diametrically opposite to what the Liberal position was during the 1988 election. I often wonder what it would be like to be able to float through one's political life without being burdened under any of the impedimenta of values, principle and consistency on policies. That is exactly what the Liberals do on almost every issue.

• (1740)

The only thing worse than their stealing our policies would be for them to implement their own, and that is what we are a little concerned about at this juncture. They are starting to implement

their own policies and we are a little afraid about the impact of them in the long term.

The free trade agreement in Canada, liberalized trade, has been a winner for Canadians across the country. The *Economist* magazine in its 1998 year preview said specifically that the ability of the Liberal Government of Canada to eliminate the deficit was based largely on the free trade agreement and on the GST, both of which were vociferously opposed by members opposite. However the fact is that the policies worked.

We rise today to debate the opposition motion of the New Democratic Party on trade. Unfortunately New Democratic Party members are confusing a number of issues relative to trade. There is within the New Democratic Party a belief that environmental issues and trade issues cannot co-exist comfortably. I believe they can. We may agree on the ends we want to achieve in terms of an environmentally sustainable and economically sustainable global economy, which can co-exist. The ends are very similar, but the means to get there are quite different.

Good trade policy can mirror sound environmental policy. The World Trade Organization recently came out with a paper that recognizes both the pitfalls of trade in terms of environmental policy and some of the strengths and opportunities. There is a movement now for a world environmental organization which would mirror the World Trade Organization but would focus specifically on environmental issues. I think that would be very positive.

Trade as an economic vehicle helps improve the lot of all countries. In fact it helps improve the lot of the poorest countries. Let us look at what has happened in Mexico since the free trade agreement or the North American Free Trade Agreement. It has made significant advancements economically. In terms of democratic reform and in terms of environmental reform there has been significant advancement.

Wealthier countries and countries enjoying relative prosperity can better afford to have sound environmental policy. Some of the worst environmental policies and disasters existed in closed economies before the end of the cold war in eastern Europe. To somehow say that free market economies, trading economies and integrated economies somehow will lead to bad environmental policy is counterintuitive.

I would argue that the environment is essentially and intrinsically a global issue. Pollution does not stop at borders. Nor does trade. As a result these issues need to be dealt with globally. Increasingly I think trade can be an extraordinarily successful lever in achieving a greater level of global commitment to environmental policies.

The issue of labour standards is raised frequently. Some point to trade as exacerbating the problem when the opportunities provided to some of the developing economies by trade will ultimately provide greater levels of economic opportunity and flexibility. What happens in countries that take advantage of trade opportunities is that ultimately they prosper economically. Their economies become integrated, as do their political systems. Quite frequently the people enjoying better levels of economic success will ultimately see opportunities too and demand greater democratic reforms.

The issue today is how we can best embrace trade opportunities to provide a greater commitment to environmental or labour policies. It certainly is not by putting a relatively weak trade minister in the position of the ambassador to the WTO.

● (1745)

The previous ambassador to the WTO, John Weekes, was a professional. He was exceptional and he served Canada very well. I would argue that with the appointment of the former minister of trade, Sergio Marchi, as the ambassador to the WTO we have gone from Weekes to weak. My concern is that as we go into the next round of trade negotiations the global community is going to see an inherent weakness in our representative at the negotiating table.

The MMT legislation that people so often point to in demonstrating a weakness in chapter 11 of the NAFTA was in fact bad legislation. The MMT legislation was poorly drafted and poorly designed. Ultimately it was not a failure of chapter 11; it was a failure of bad legislation. The environment minister responsible for introducing that legislation was Sergio Marchi. He went on to become minister of trade and is now representing our interests at the WTO. In terms of our ability to be represented strongly at the next WTO rounds, Canadians should be very scared because the depth and breadth of knowledge and the understanding of trade issues by that individual is simply not sound.

Beyond that, we are now paying copious quantities of quid to the previous ambassador to the WTO in his new role as consultant. Effectively we fired him as our ambassador to the WTO, but because the guy we hired, the former trade minister, cannot handle it, we ended up hiring the consultant company that the former ambassador works for. Canadians are paying twice the money and getting, I would suggest, half the representation at the WTO. That is the real issue.

The problem is, even when Liberals finally decide that free trade is a good idea, they do not know how to maximize Canada's opportunities in the global environment.

It is extremely important that we recognize, if we are going to be successful in the new knowledge based global economy, that trade and technology go hand in hand. E-commerce is expected to grow to $1.3 trillion by 2002. There are no borders with e-commerce. With or without trade agreements, e-commerce will continue to grow. The only levers that will have any impact on the ramifications of e-commerce and the increasingly interconnected knowledge based economy will be through trade.

I would suggest to members of the New Democratic Party that we begin to accept, first, that we are in a global environment, second, that trade is going to continue to be an engine for growth and a vehicle to achieve greater prosperity for all citizens of the world and, third, that the free market system is the best vehicle to achieve that. We should be working together to find out how we can maximize those opportunities within those parameters.

I would suggest to members of the New Democratic Party that the recent statement from the WTO, recognizing both the environmental pitfalls and strengths of trade and some of the alternatives to achieve better environmental policy in a global trading environment, would be a good place to start. We are heading in the right direction and we look forward to their constructive involvement in that process.

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I want to correct the record for the hon. member, who obviously reads *Frank* magazine. I do not.

He talked about Mr. Weekes coming back on contract with the Government of Canada. The hon. member should know that is totally false. In fact, we are happy that Mr. Weekes has taken a contract with another company, which has no relations with the Government of Canada or that office. The story is totally false.

Mr. Scott Brison: Mr. Speaker, I really did not expect the parliamentary secretary to have his facts straight. In fact, I suggest that his facts on this issue are probably as wrong and that he is as misinformed as he was when as an opposition member he was one of the most vociferous opponents of free trade.

● (1750)

The Acting Speaker (Mr. McClelland): It being 5.50 p.m., it is my duty to inform the House that the proceedings on the motion have expired.

PRIVATE MEMBERS' BUSINESS

[*English*]

FIRST NATIONS OMBUDSMAN ACT

Mr. Myron Thompson (Wild Rose, Ref.) moved that Bill C-222, an act to establish the office of First Nations Ombudsman to investigate complaints relating to administrative and communication problems between members of First Nations communities and their First Nation and between First Nations, allegations of improper financial administration and allegations of electoral irregularities, be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased to present this private member's bill on behalf of thousands of grassroots natives from many reserves across our land who have, through their work throughout the last couple of years, proposed the idea of creating an ombudsman, someone to whom they can go with the difficulties they face on the reserves. It gives me a great deal of pleasure, having worked with many of these people over an extended period of time, to present this bill today.

My involvement with Indian affairs began in December 1998 when I was named deputy Indian affairs critic. At the same time, the Stoney Reserve in my riding was undergoing a forensic audit. This reserve has been a hot bed of allegations of financial mismanagement. The audit uncovered enough evidence of criminal activity that 43 allegations of wrongdoing were turned over to the RCMP.

Immediately after word got out that I was responsible for accountability on the reserves I was literally bombarded by grassroots natives from all across Canada. The files I received number in the hundreds, while well over 200 cases of mismanagement have been reported by the media.

As I travelled in Canada from reserve to reserve the stories were the same. The chiefs and councils have mismanaged money, so there is no place to live and, in some cases, no clean water to drink. The squalor, suicides and despair were absolutely sickening.

In addition, I have had hundreds of cases brought to me concerning election irregularities. The election practices were clearly flawed and corrupt.

The list of problems goes on and on, but to be fair I must point out that not all reserves are this bad. Many of them are very good. However, unfortunately the majority of them fall into this category.

As we held accountability summits across Canada I met a lady by the name of Leona Freed from the Dakota Plains First Nation. Since we first met she has set up the First Nations Accountability Coalition which represents approximately 5,000 grassroots people from coast to coast.

The First Nations Accountability Coalition wants grassroots aboriginal people in Canada to work together to ensure that their rights to equality, democracy and accountability are protected and enhanced. They have tried to solve their problems by working with the department of Indian affairs, but in most cases the problems have simply not been recognized. They feel their only recourse would be the appointment of a first nations ombudsman.

The first nations ombudsman would be similar to the auditor general in that he or she would serve as an impartial and independent investigating officer. With this as the mandate, I had the legislative drafters create a bill to meet the grassroots objectives and that is what is before us today.

Since the bill was first introduced there have been a number of cases reported, as well as organizations and individuals who have recognized the same problems of lack of accountability on the reserves.

There is simply no point in mincing words. In 1998 and 1999 the federal government will spend $6.3 billion on special programs for aboriginal people. The total benefit for status Indians on reserves is estimated to be $19,903 per person. While the amount spent is massive, there is often little in the way of accountability on how the funds are disbursed. Much of the money ends up in the hands of the wrong people, while poverty on aboriginal reserves remains the norm. Mismanagement and fraud have become standard practices.

• (1755)

Some of the most notorious examples follow. At the Saulteaux Band in Saskatchewan, Chief Gabe Gopher's honorarium and travel expenses totalled $171,000. In 1997 about $600,000 was spent on travel by chief and band council. This band had accumulated a deficit of $1.2 million as of March 31.

The second example is that of the Poundmaker Band in Saskatchewan. Chief Ted Antoine made some $200,000 in salary and benefits, while his brother Duane, a band councillor, pulled in salary and benefits of $149,000. The total band population is only 1,000 people and the accumulated deficit of the band is $1.8 million.

Then there is the Stoney Band in Alberta, where the chiefs and councillors received $1.4 million in salaries and benefits, ranging from about $65,000 to $160,000 per year. The total band population is 3,300 people. The unemployment rate on this reserve is 90%.

At the Samson Cree Band in Alberta, the chief and 12 councillors are paid $1.5 million in salaries and benefits. The total band population is about 5,000 people. The unemployment rate is at 85%, while 80% of the reserve is on welfare.

At the Tlaoquiaht Band in B.C., Chief Francis Frank's salary and benefits totalled $109,000 in 1997. He resigned in December of that year. There were only 500 to 600 people living on the reserve. An auditor who was called in to look at the band books was unable to express an opinion on the financial statements due to inadequate record keeping with reserves, in particular with respect to expenditures and payroll. Most of the reserve population is unemployed.

The pay levels of chiefs and councils are incredible, given the horrific economic conditions and unemployment rates which exist on many reserves. What it demonstrates is that often it is those who have the power who also get the lion's share of the benefits.

Over the past 30 years at least $60 billion has been spent by the Department of Indian Affairs and Northern Development to create a myriad of programs exclusively for aboriginal people. What is the result of spending all this money? One-third of aboriginals on reserves live in overcrowded conditions. Over 50% of the aboriginal children live in poverty. The infant mortality rate is twice as high for aboriginal children as for other children. Alcoholism, suicide, illness and crime rates are three times higher than they are for the non-aboriginal population. About 25% of Canada's aboriginal bands are being run under remedial management plans, with the combined debt of bands being $139 million. A department survey of 300 band councils found that the most common problem was lack of control and conflict of interest.

With all of these problems, what recourse is there for band members when chief and council squander their money? The people have gone to the RCMP in many cases. They have overcome the fear of reprisal. That is what happens in a lot of cases. If they cannot overcome that fear and bring some of this information forward, they have a tough time.

They have asked chief and council where the money has been spent. Tony Pascal, a band member from Vancouver, said:

> The way I see it is Indian Affairs just calls natives who raise such issues liars. They don't realize we are the people who live with and witness our allegations.

A group from the Shuswap Band even tried to initiate an investigation into financial matters on their reserve with the RCMP's criminal investigation unit. Xavier Eugene, a former chief of the Shuswap Band, said:

> We actually thought we might succeed but as we went along we found out there are many blocks to our pathway. Primarily these blocks were and are caused because of DIAND's antiquated policies regarding accountability of fiscal reporting. They require very little documentation to satisfy band council's requirement as being accountable to the grassroots members of the bands. The only prerequisite that DIAND has is that they must satisfy chiefs and council and not necessarily band membership.

• (1800)

The previous minister called for partnership. Partnership is what is going to work. The problem is that the people have been left out of the partnership. The band council only audits what it chooses to audit and that seems to satisfy the government.

I have had a forensic accountability study made of the books of a number of first nations. They would corroborate Mr. Eugene's statement. So much is not accounted for, but the department allows this to go on. The bigger problem is that the band members have gotten hold of the books and there has been clear mismanagement of money. They decided to go to the RCMP but that is where the investigation seems to end.

In correspondence between my colleague the member for Skeena and the commissioner of the RCMP, in not so many words the commissioner has stated that the all clear must be given by DIAND before an investigation can begin. I have that in a letter from the

commissioner. Where does this leave grassroots aboriginals? Where are they supposed to go next? If they cannot go to the police and get any results and if they cannot get any results from DIAND and if they cannot get any results from the chief and council, where do they go? That is their question.

This resolution will solve that problem and provide an answer to their question. It has been their hard work that has been approved by thousands and thousands of grassroots natives across the country.

I think the Liberal government would be interested in knowing that I have in my possession an authentic letter that is addressed to all concerned citizens of the Hollow Water band. It is signed by the former and present elected leaders of the Hollow Water First Nation. The letter reads: ''We have been involved in illegal and corrupt acts in the finances and management of the Hollow Water band, Hollow Water Corporation, Housing Authority, Band Welfare and other affiliates''.

It is a letter in writing signed by three chiefs in an apologetic manner about all the corruption. This letter was taken to the RCMP, but absolutely nothing has been done. That letter was written in 1994. The letter has been taken to the police and nothing has been done. Even when the people admit to their crime nothing is done and today the band members suffer more than they ever have.

I visited North Bay and was at a meeting for six hours. I heard stories of nepotism, favouritism, the doling out of funds for things like housing and post-secondary education. Some complaints were gut wrenching.

Eva Pitt is 72 years old and nearly blind. Her husband is 74 and he suffers from a heart problem. She has tried continuously for three years to get the Nipissing First Nation to install a sewer line to her house. She would like to have some running water as well, but they do not have that either. Even today there is still no sewer line.

Anne McLeod told of her sister-in-law dying in the back of a truck because there is no ambulance service for medical attention on her reserve. There are older ladies who have witnessed this for many years, but it is the helplessness and hopelessness that has attacked the youth on these reserves.

Judge Reilly from Alberta on September 22, 1999 released a report about the suicides on the Hobeema reserve. It begins with the story of Eric Johnson. On the day he killed himself, Eric Johnson walked home along a deserted dirt road and hugged his mother at the kitchen table before he went to the basement to hang himself. He spoke what turned out to be his last words, ''I love you, Mom''. Eric was 12 years old. A few days later he was buried in a cemetery down the road from his mother's home on the Samson Cree reserve, on the prairie south of Edmonton. His mother put his teddy bear next to his white cross.

One week earlier in a house just a few minutes away 17 year old Lee Soosay had hanged himself as well. He stood on a chair and tied a shoelace to the rafter in his bedroom. Then he kicked the chair aside. His brother found him hanging with the little red Bible on the floor near his feet.

● (1805)

In a period of less than eight weeks last spring, four young men committed suicide on the Samson Cree reserve. Their deaths added to the grim suicide stats for young native men who have killed themselves at a rate that has been estimated up to 10 times the national average. I have sat with mothers in tears on these reserves. One mother has lost three sons to suicide because of the hopelessness and the helplessness that they feel.

According to Judge Reilly there are clear reasons for this heartbreaking epidemic. The report said the blame should be laid at the feet of corrupt native leaders and misguided federal bureaucrats who have created a legacy of despair. Judge Reilly said:

> There was an outrageous combination of greed and ignorance that destroyed the culture of the youth's reserve and made success virtually impossible.
>
> The reserve was a place of helplessness and hopelessness that he was unable to leave because of a history of dependence that was imposed on their people. Not only do vested interests divert money that should be going to help the poor members of the reserve, but I also believe that they deliberately sabotage education, health and welfare programs, and economic development in order to keep the people uneducated, unwell and unemployed so that they can be dominated and controlled.

Judge Reilly said that testimony from the reserve members had left no doubt that leaders had pursued a systematic but unspoken plan to break the reserve culture for their own benefit. The judge said:

> A member of the tribal council spoke of a proposed development plan that was opposed by one man (a chief) because he did not want to allow the opportunities for employment that it would create. He testified at length as to the repression of Stoney people as a form of control, and said that tribal income is spent on social services, instead of economic development, as part of a deliberate policy of keeping people dependent so that they can be controlled. He volunteered his theory that controls lead to the depression that leads to suicide.

The deaths of these boys was due to a long history of mismanagement and the politics of self-interest that had created an atmosphere of despair and denied them the services and programs that were supposed to support them. Judge Reilly's report noted that the number of drug and alcohol related deaths on the Stoney reserve was at least 10 times the Canadian national average.

Yolande Redcalf, yet another case of despair, came to me just two weeks ago. Yolande Redcalf completed a 44 day hunger strike protesting the poverty and the housing shortage on her central Alberta reserve. The hunger strike was due to the fact that she had to share a rundown house with 14 relatives. She watched her diabetic aunt drive four kilometres each day to fetch drinking water

that smelled like sewage. She saw her people trudge along the same potholed gravel road that has been the reserve's main thoroughfare since it was built in 1944.

Redcalf said she ended her hunger strike after Sunchild band chief Harry Goodrunning promised that two new houses would be built on the reserve before winter. I think the new minister had something to do with correcting this situation and I applaud him for that.

I had some documents brought to me which list the social welfare payments on the Alexander reserve. There were payments of made of $300, $400, $500 and $600. Suddenly there was one for $8,000. Then there was another one for $9,000. I asked the people who produced these documents why the payments were small, yet there were two that were very large. They produced two more documents. Both of the individuals had been dead for 13 years. They produced their death certificates. My question was who was signing the cheques.

I went with the band members to the RCMP. We delivered these documents in person. The RCMP looked at them and said they looked very suspicious and that it should be investigated. It was taken to the police in commercial crimes. Two months later they phoned back and said there would be no further investigation. When I asked why, there was no answer. One of the RCMP officers, who will remain unidentified, alluded to me that what went on in Ottawa was very strange because there was obvious evidence and somebody had said to drop the investigation, just drop it. That is very suspicious and I do not like the sound of that.

• (1810)

The auditor general, as we know, has been asking for ages to bring some accountability to these reserves. Every year for the six years I have been here that has been his plea.

The First Nations Accountability Coalition is growing every day. Leona Freed is still desperately looking for solutions. She has made a statement that we all should hear:

> We, the grassroots people have nowhere to go for help! Indian affairs is the problem! Their henchmen are the chiefs, who if they are good little Indian people, are rewarded with no accountability. We need a native ombudsman who is not controlled by the chiefs. I have gone across the country and I can say, everybody is scared of chiefs and everybody is scared to deal with native issues, including our native politicians. And I can also say, Canada is not a democratic country when our government will allow third world conditions to exist on our first nation reserves. If our first nations communities were democratic and if Indian affairs was accountable to parliament, there would be no need for a national accountability coalition.

In conclusion, I would like to pay tribute to Debbie Neepoose, Greg Twoyoungmen, Roy Littlechief, Edwin One Owl, Yolande Redcalf, Eva Pitt, Anna McLeod, Laura Deedza, Floyd Minifingers, John Chiefmoon and especially Leona Freed. These native people are living in the most dire straits. They are seeking a solution. They have unanimously across the country asked for the House to provide them with an ombudsman they can go to with allegations that will be addressed, to try and put an end to this tragic life on the reserves.

Let us put our political differences aside and solve the real problem of the dire straits of those in the human race who are suffering dearly.

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I would like to begin by congratulating the member for his speech. As he knows, there have not been too many times I have risen in the House to say that. The member deserves the respect of members of the House for the sincerity he has put forward in trying to address some of the very serious problems that exist on reserves across the country.

I too spent some time on reserves in my younger days with the department of lands and forests in Ontario. I saw the poverty. I saw brand new schools being built and all the windows smashed out the very next day. The lack of self-respect, the lack of self-esteem, the lack of jobs that existed in northern Ontario, not in western Canada, are still a problem in too many areas.

I have often thought it is a real travesty that a nation as wealthy as Canada, blessed with its natural resources and financial capabilities, has a people within its boundaries who live life in what could only be described as third world conditions in many instances.

The member will probably not be surprised to know that I disagree with his solution to the issue. I appreciate the fact that it is not his solution, that it has come from the grassroots. I do not mind saying that I disagree with them in using this particular issue as a solution. Let me say why.

I had a private member's bill in the Ontario legislature that would have abolished the office of the ombudsman in the province of Ontario. The reason was that from the days when the ombudsman's office was created in our province, it grew from being a complaint or resolution mechanism to becoming a bureaucracy that was, and in Ontario still is, out of control. It became nothing more than a court of last resort.

• (1815)

I recognize it is different with the folks on the reserves the member is talking about, but there are similarities. Once that is set up it becomes a no at this level and a no at that level but there is always the ombudsman. It just becomes one further process in the bureaucratic jungle with which people have to deal.

My argument to eliminate the ombudsman's office in the province of Ontario was that elected representatives were the

ombudsmen. We should be the ones to raise issues. To suggest that the ministry is not accountable to parliament is simply not a fact.

The member may not like the action and there may be things that need to be done to improve it, but I would have thought in all honesty that at the end of the member's speech, for which I did congratulate him, he would have said that therefore he supports the Nisga'a treaty, as an example.

What about a long term solution? This is not an overnight quick fix, the setting up an office and appointing an ombudsman. There would be great criticism about how such a person gets appointed or who it is. There will be accusations of partisanship. All that will take place.

The reality is that we should be working with our first nations to develop programs around self-government and partnership, and I believe the ministry and the minister are doing it. They may want to establish an ombudsman. I appreciate it may not be going fast enough, but Nisga'a is a clear example, whether the member likes the fine print or the details, of a self-government treaty that it is totally beyond my comprehension. I do not understand why the Reform Party opposes something like ensconcing democratic principles in a first nation that has been debating the issue for over 100 years.

I do not want to fight the Nisga'a battle. It seems the Reform continues to do that. However I want to talk about the ministry's attempt to work with first nations leaders and develop self-government principles.

What is wrong with self-government where the members of the band actually elect the council and elect the chief? If an individual is not being accountable to his constituents then there must be mechanisms to deal with it. The member has talked about people making six figure salaries when most of the members of the band are on some kind of social assistance. That is not acceptable. I agree with him and I think we should do something about it.

He talked about the auditor general and the public accounts system. He is empowered to go in and investigate. If there are criminal acts and wrongdoing, the RCMP is also empowered. It is unacceptable for anyone to stand in this place and say an RCMP officer who shall remain nameless told him or her about a criminal activity and then said to forget about it. That is unacceptable. That is not the role of the police. If it happened, it should not have happened. It should have been reported to his superior. There should not be any attempt to withhold an individual's identity or name when that kind of issue comes forward.

The reality is that self-government will ultimately bring self-esteem, not perhaps as quickly as members of the Reform Party would like. They like to think that at the snap of a finger they can solve all these problems. Self-government will bring self-esteem. Self-government will bring democracy to the reserves. We owe a debt as a nation, recognizing that for years we have treated our first nations, our aboriginal people, in an unacceptable and disgusting manner.

Mr. Myron Thompson: For 130 years.

Mr. Steve Mahoney: I do not care for how many years. It is not an acceptable solution. If the position of ombudsman is created, it should be created by the reserves. We talk about the programs being introduced on reserves. Something like 83% of the programs were administered in a paternalistic fashion by the ministry in years gone by, dating back to the fifties when it was all just handouts and doing it the government's way. Some 83% of the programs have been transferred to local communities and an additional 7% have been transferred to the provinces. This is making huge strides in a heretofore very difficult, very paternalistic, very government dominated process.

• (1820)

Reformers are constantly yelling about the fact that we should slash government and cut funding. Their policies would decimate the funding of that ministry, the assistance to aboriginal communities. It is difficult to understand how they suddenly think an ombudsman will come cheap. It cost tens of millions of dollars in my home province, and I am sure that was the case in other provinces. My colleague tells me the office of the ombudsman in Newfoundland has been abolished. That is not the way to solve these problems.

I do not doubt his sincerity or the fact that the member spent an enormous amount of time this summer travelling and talking to the men and women whom he has identified in this place. However there is a better way. There is a democratic way to work within government. It is not easy because we are dealing with human beings.

I would ask members of the Reform Party to take an inward look at their own policies, to take a look at the fact that we have just signed an historic treaty in British Columbia which protects the rights of every Canadian. It passes on our constitutional rights to the Nisga'a band yet they continue to oppose it for reasons that are totally unclear to the vast majority of Canadians.

The member may have his heart in the right place, but I am afraid his head is a bit off when it comes to finding a solution. It should be self-government. It should be working with the tribes to help them develop their own programs and their own self-esteem.

Mr. Dale Johnston: Mr. Speaker, I rise on a point of order. Perhaps you would find unanimous consent to question the member for five minutes.

The Acting Speaker (Mr. McClelland): We are masters of our own destiny. The hon. member for Wetaskiwin requested unanimous consent of the House to provide five minutes for questions and comments on the speech of the member for Mississauga West. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, I am a bit perplexed as I take part in this debate today to speak to Bill C-222, an act to establish the office of First Nations Ombudsman to investigate complaints relating to administrative and communication problems between members of First Nations communities and their First Nation and between First Nations, allegations of improper financial administration and allegations of electoral irregularities.

I used the word perplexed because I wonder about the need for such a bill. Bill C-222 proposes to first nations a totally useless structure, a structure they have not asked for and, moreover, one that duplicates processes already in place.

Budget management by band councils has been the focus of the efforts and energy expended by both the Department of Indian Affairs and native communities, particularly over the last two years.

The implementation of efficient, standard accountability regimes is a new challenge that is in line with the recommendations of the Erasmus-Dussault commission concerning the need for communities to have access to the necessary tools for sound fiscal management.

● (1825)

Administrative problems do exist, but they have more to do with the fact that these are new agreements than it does with defective or inadequate management. Financial transfers to reserves are new, and we are experiencing problems now because we are undergoing a transition phase, which is quite normal, and not because of poor management. It is obvious that, with time and experience, the existing relationships will only get better.

Answers that emerge from the local communities themselves are far better than those that are brought in by people from the outside, well intentioned as they can be. The Department of Indian Affairs and Northern Development and the first nations can find solutions, and these should come from within those organizations. It is the key to success. Nobody should come in from the outside and tell people ''This is your problem, and here is how you are going to solve it''. It would be paternalistic and arrogant.

Having an ombudsman who would tell the first nations how to deal with problems between and within them would be a little bit like trying to settle squabbles in a school yard.

We are not dealing here with kindergarten kids, but with people who have been looking at achieving self-government for a very long time. We should not impose on them an ombudsman to solve all their problems. We should support them as they move toward self-government.

Far from being naive, we do not believe that everything is fine, but I would say that we are optimistic and mostly we believe in the capability of the first nations to efficiently manage their finances, as long as they are given the means to do so. This is the goal of the negotiations currently underway.

Also, with the co-operation of the native people, the governments are trying to set up round tables to discuss ways to develop standards relating to financial administration, internal control, public accounts and auditing.

I think that these round tables are more useful than an ombudsman would be, because the constructive solutions put forward are in sync with the values of the first nations, as well as with the legislation and guidelines of the various provinces.

Canadian chartered accountants took part in the development of the many administrative agreements signed by the stakeholders and the federal government. These chartered accountants provided and are still providing some advice. They came up with relevant and dynamic solutions and are providing band councils the support they need to carry out the administrative duties related to the management of their financial resources.

As for the allegations of electoral irregularities, the information we have leads us to believe that more specific rules are needed to ensure that the complaints are received and processed appropriately. Here again, an ombudsman would be useless.

But what disturbs me the most is not the presence or absence of an ombudsman responsible for looking into administrative or electoral difficulties among first nations, but rather the conviction that seems to be behind this bill. It is a false one, based on the assumption that there are major problems. This is incorrect. There are no major problems. This is a period of adjustment and there is certainly room for improvement, but the situation is not disastrous, nor will it become so, because it is changing for the better.

According to the progress report by the Department of Indian Affairs and Northern Development and the Canadian Polar Commission for the period ending March 31, 1999, the number of financial statements by first nations on which there was a favourable opinion by an independent auditor has risen from 57% to 81%

since 1985. Is this not an improvement? Does such progress not deserve to be highlighted?

● (1830)

This is not the time to make the machinery more unwieldy by adding something to it unnecessarily. What we need to do instead is to support the first nations in their progress toward self-government and independence. Bill C-222 attacks band council administrative procedures head on, and by that very fact attacks their administrative ability.

The Petit Robert defines an ombudsman as ''a person responsible for defending the rights of the citizen against the public administration''. This is a noble and laudable function, but one that is pointless in the situation we are concerned with here.

An ombudsman would not be the right answer here. The right answer is to continue along the path on which the first nations and the department are already engaged. They must continue to work to improve the administration and monitoring of financial transfers and must set stringent rules for handling any allegations of wrongdoing.

Bill C-222 is therefore, for all the reasons I have given, totally pointless. As well, it demonstrates a somewhat paternalistic attitude, one which has no place in the new relationships we must forge with the aboriginal nations in order to reinforce their capacity for good self-government. This is why the Bloc Quebecois will be voting against Bill C-222.

[*English*]

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, I share the very deep worry and concern of my hon. colleague from Wild Rose about the plight of first nations people and his desire to go to accountability as a way of making sure that wealth is distributed and passed to those who need it. We are talking about a desperate need in these circumstances.

The problem I have is with the method, which is appointing a ombudsman who would be accountable to the department itself. If we look at our own government, we can see example after example of a lack of accountability.

We have had a military ombudsman who, a year after his appointment, still lacks a mandate. We have a military that cannot be trusted to investigate itself. We have a headline that says that an air force captain alerted the defence minister's office of impropriety but nothing was done about it. Another headline says that the top military is not accountable.

It is department after department. We have the immigration department that is barely accountable to parliament and even to its own minister.

We have MPs who cannot crack Canada's tight-lipped spy chief. We had a situation this morning about concerns around CSIS and the accessibility we have to that.

Another example was even in the smallest detail as an MP phoning and requesting some information from a minister and being told that it was confidential. My assistant had heard this particular paper being given in public just barely a week before and we were told that it was confidential. So he went to his home address and phoned for the information and it was sent out to him because the request did not come from an MP's office. That is the kind of accountability we hold ourselves to.

Another headline says that Ottawa gets around access to information requests and that the government sets a dismal example of accountability. Members of the foreign service have tried to bring forth information about misspending and inappropriate spending of funds.

Here we have a private members' bill that would hold first nations people to a level of accountability that we are not even willing to hold to ourselves. We had the Krever inquiry that led to untold suffering and death. Was there any single person ever held accountable? No. We had the Somalia inquiry shut down and nobody was held accountable. We have rapes and harassment in the military and nobody is accountable.

What is proposed is that we impose on first nations people another attachment to the Indian Act or another piece of the department, when obviously our departments are not capable of investigating themselves.

● (1835)

However, I do think the auditor general's office could play a very strong role if we were willing to reassess the auditor general's role in holding any financial transaction to a very strict and enforceable code of accountability.

An hon. member: It's the ombudsman's responsibility.

Ms. Louise Hardy: But the ombudsman, if I understand it properly, would be responsible to the minister. The appointment would be political and would go through the committee. I am saying that the bureaucracy would be interested in sustaining itself rather than looking at the true needs of first nations people. I think those needs can be addressed through self-government, by getting rid of the Indian Act and its very odious imposition on their lives and by giving them the chance to set up governments that work and systems that are accountable.

I know my colleague from Wild Rose used many examples. I have an example of democracy and the spirit of first nations people where there was serious conflict within one band in the Yukon. There was a coalition for democracy that fought long and hard because they did not agree with what they believed to be actions that were, in some instances, what they considered to be corrupt.

They fought as a group of people, as a democracy, and they made changes democratically and got new people elected. They have a very strong band council and they are negotiating their land claims. It was not easy but they did it among themselves, they did it with pride and they did it with integrity. They made changes for themselves.

What we could be responsible for, and should be, is to make sure that every band has the capacity to do that and not be squashed from above and held in positions of dependence.

I read the condemnation by the Alberta judge of both the department and the bands very closely. I think we have a lot to learn from what he said. I hope the department of Indian affairs paid close attention.

[*Translation*]

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, I am very pleased to rise in this House today to speak to Bill C-222, introduced by the hon. member for Wild Rose. This bill seeks to establish the office of first nations ombudsman to investigate complaints relating to administrative, financial and electoral irregularities by members of first nations communities in Canada.

We all read and heard about the issue of interfering in first nations' affairs in Canada, and about how first nation members never got the $4 billion that was supposed to be transferred to them for their well-being.

The problem is that some people think there is interference in the affairs of all first nations. This is not true. In my riding of Madawaska—Restigouche, the Hill River First Nation is very dynamic and productive, and its economic growth is absolutely unbelievable.

This does not mean that the idea of an ombudsman is not a good one, on the contrary. This suggestion has a lot of merit. A number of institutions often rely on this kind of service to file complaints.

[*English*]

As members of parliament, I know all of us have had occasions where we have either advised constituents of the presence of an ombudsman office or been a last resort when a constituent feels that an ombudsman has still not responded satisfactorily to the problem.

There are ombudsman offices in government and business with many, if not all, provincial governments providing the service to consumers. Other institutions, such as Canada Post Corporation, the Canadian Broadcasting Corporation and a number of financial institutions like the Canadian Imperial Bank of Commerce, offer this service.

• (1840)

I feel the establishment of a similar office for first nations would be an effective and useful means of addressing concerns of aboriginal people, whether it be matters resulting from alleged unfair election practices or financial or administrative problems.

Aboriginal people have expressed their frustration with the lack of options available to them when they question the procedures or process of the band chief and council. An independent ombudsman office would provide a possible solution and be in a position to access information that could respond to the complaints. Furthermore, it would allow aboriginal people to air their grievances when they feel they have been ignored by the chief and council and are unwilling to discuss it in a more public format. Under this bill, any member of a first nation community could use the service.

The ombudsman would be appointed for a term of five years under the provisions of the bill, with the governor in council making the appointment on the recommendation of the minister. First nations would be involved in the process by making representations to the committee that would then report to the minister. It is important to ensure the impartiality of the ombudsman and this process would distance the first nations from the appointment of the ombudsman. Otherwise, the effectiveness and objectiveness of the office could be jeopardized.

On first nations where there have been questions about legality of election processes or suspicions of inappropriate use of band funds, there is currently little opportunity for aboriginal people to lodge a complaint except with the chief and council who are often implicated in the allegation. Obviously this is not an ideal situation and does little to alleviate the problem.

The only other course of action available is to complain to the minister or to members of parliament, particularly those in this critic area or in whose constituency the aboriginal people reside.

The federal government has a fiduciary responsibility to aboriginal people and is obligated to work on behalf of aboriginal people to protect their rights. This is a responsibility that is sometimes misunderstood and occasionally abused.

The bill would acknowledge that first nations people also have to rely on themselves, their organizations and elected bodies to protect their rights and access to services. Instead of having to outline their complaint to the Minister of Indian Affairs and Northern Development, they would have an independent ombudsman office that would address their concerns.

With the input of first nations, this process has the potential to help first nations people assume greater responsibility and accountability for their actions. In some cases, band members are not able to access information that would prove their allegations, something the bill would address. Under the proposed bill, an ombudsman would have the power and authority to access such records. At the

same time, it would be at the discretion of the ombudsman as to what constitutes reasonable grounds for an investigation and whether accessing such records would be justified.

As I said earlier, I feel the bill has a lot of merit. Misunderstanding and discord can often be resolved if a process is in place to address these concerns. I feel the establishment of an ombudsman office is one solution that could help first nations better serve their communities and in the long term provide better service and more transparency and accountability. These are objectives that all governments and institutions strive to achieve and with varying degrees of success. It is always a good idea to explore new options and possibilities for improvement. I think the bill has made a worthy proposal.

● (1845)

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.): Mr. Speaker, I note that we have approximately four minutes left and I have a 10 minute presentation to make. Is it possible to ask for unanimous consent that we stop debate at this time and continue the next time the matter is before the House?

The Acting Speaker (Mr. McClelland): If we are to see the clock at a particular time, we see the clock at a particular time. The answer is no. Either the time is the time or it is not.

Ms. Marlene Catterall: Mr. Speaker, may I help you out of this dilemma and suggest that the House see the clock as 6.50 p.m.

The Acting Speaker (Mr. McClelland): The deputy government whip has asked for unanimous consent of the House to see the clock at 6.50 p.m. Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): The time provided for the consideration of Private Members' Business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

HOMELESSNESS

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Mr. Speaker, I congratulate my friend and neighbour, the hon. member for Whitby—Ajax, on her appointment as the Parliamentary Secretary to the Minister of Labour. I look forward to having many vigorous debates with her.

That being said, I express my profound disappointment with the government's malicious neglect of what has become Canada's national homeless crisis. In particular, I want to voice my absolute horror that the member from Moncton, who in the past did so much for impoverished Canadians and showed so much promise when she was appointed minister responsible for homelessness back in March, would turn out to be such a train wreck as a minister.

On March 25 she promised to have a strategy in place with new money to help the homeless within 30 days. It has now been 224 days and there is no money or plan in sight.

Also in March she vowed in the House that ''every child in Canada will have a safe bed to sleep in''. Here we are eight months later and most places in Canada have already had their first snowfall, and the minister has done nothing to prevent thousands of homeless children from spending another winter freezing on the streets.

Last spring her government passed Bill C-66 which will divert $200 million from social housing programs, after cutting $55 million from CMHC's social housing budget last year. The minister opposed many of her own Liberal colleagues and voted down Bill S-11 which would have prohibited poverty as a legal grounds of discrimination under the Canadian Human Rights Act.

In June she refused to meet with Lifeline Centre, an Ottawa organization seeking help to set up a new and innovative facility to assist homeless men who are addicted survivors of trauma.

This summer when the city of Toronto asked the federal government for emergency assistance to provide short term shelter for the city's homeless, the Liberals offered the use of the Fort York Armoury and then sent the city a bill for $250,000. It is sad to note that the Liberals made a hefty profit on the backs of Toronto's homeless.

● (1850)

The minister claims she has been working day and night seven days a week to come up with a plan for the homeless. Yet the week the throne speech was delivered and other parliamentarians were coming back to work the minister was jetting off to Mexico.

In May the minister hired 18 new bureaucrats at a cost of over $1 million to taxpayers in salaries, benefits and office space. Her new million dollar staff includes three new correspondence assistants even though as Minister of Labour she already had six letter writers and six new program assistants even though she has no programs to administer as the homeless minister. Instead of putting up a shiny new office that million dollars could have provided emergency shelter for 30,000 homeless Canadians.

The minister was given the mandate to find a solution for Canada's homeless. She made a lot of promises to a lot of people but now she is backing away from her commitments. She has recently been quoted as saying that she cannot do anything but pass along a few ideas to cabinet and hope that something gets done. The minister now says that it is not her job to produce a strategy, that it is not her job to find new—

The Acting Speaker (Mr. McClelland): I am sorry to interrupt the hon. member but his time has expired.

Mrs. Judi Longfield (Parliamentary Secretary to Minister of Labour, Lib.): Mr. Speaker, I thank my colleague opposite for his kind words.

The Minister of Labour has been fighting poverty and abuse for 31 years. It has been her life's work. In March the Prime Minister asked her to continue her fight by co-ordinating the activities of the Government of Canada related to homelessness. The Minister of Labour has made this assignment a priority.

To assist the minister with the co-ordination of a response to homelessness, Human Resources Development Canada established a national secretariat on homelessness. The secretariat staff of 16 in total have been reassigned. They are on loan from other Government of Canada departments. They were chosen because of their expertise in homeless related issues such as housing, health and community capacity building.

The secretariat is currently compiling the comments the minister heard from the community activists, the homeless themselves and the countless frontline workers across Canada. In addition, these borrowed staffers are referencing and summarizing the information contained in the many excellent reports that have been prepared by municipalities and community based task forces. This material will help the minister in preparing her recommendations for her colleagues.

I want to make clear that the Minister of Labour did not promise to have solutions within 30 days of her appointment. When she addressed the conference in Toronto she asked participants to judge her not in two days but in two years. The only promise the minister made at that conference was a promise to meet with the mayor of Toronto, and she has fulfilled that commitment.

There are no quick fixes for homelessness. Communities, the private sector, municipalities and provinces must all be part of the solution. The Liberal government is committed to addressing the plight of the homeless. We have heard this from the Minister of Labour, in the Speech from the Throne and the fiscal update.

We are working to address the issues through various programs including youth at risk and the aboriginal jobs program at HRDC in addition to the recently augmented RRAP. The government will continue to work with all sectors, private and non-profit, and with other levels of government, to meet the immediate needs of the homeless people in Canada for the winter. We remain determined to address and to sort out the root causes of homelessness.

[*Translation*]

EMPLOYMENT INSURANCE

Mr. René Laurin (Joliette, BQ): Mr. Speaker, on Wednesday, October 27, I put a question to the Minister of Human Resources Development in order to find out whether she thought it reasonable to cut employment insurance benefits to an individual because that person had no means of transport to get about easily, according to an official of the department.

The minister, visibly ignorant of the facts, said that my statements were unfounded accusations. She said, and I quote: ''The accusations made by the hon. member are false''. Those are her words.

• (1855)

I proposed to the minister that I table a copy of a letter I had received from a taxpayer in my riding illustrating the situation. But the government opposed this because, apparently, it is government practice to not be too informed of the reality of matters. They do not want to know too much of the truth. They just said my allegations were false.

In the letter I could have tabled in the House—I could not do so because a Liberal member objected—a taxpayer in my riding was told the following:

October 19, 1999

> We wish to inform you that we cannot pay you benefits effective October 18, 1999. You have no means of transportation and are thus prevented from accepting employment. For this reason, you have failed to prove your availability.

She was told as well:

> If you do not agree with this decision, which is based on the Employment Insurance Act, you have the right to appeal within 30 days.

With the pressure the minister is putting on her officials to harass the unemployed increasingly, we end up with this sort of situation.

What is the reaction of an employee under heavy pressure from the department, when faced with an unemployed worker? It is to try to save the government as much money as possible, not to help the individual who is without resources and lacks the means to make a case before a labour tribunal.

In addition, the claimant is told to appeal if he or she is not happy. People without resources are being asked to go the extra step of justifying benefits, when they are entitled to them because they have paid their premiums.

To illustrate how ridiculous this is, we are talking about a 65-year old woman. She has been told that she has no means of transportation. In a city with public transit, this is a bit much. The woman in question had stated that she usually went on foot to look for work, and had done so until the age of 65. Until that age, she had been able to find work by using the public transit system, taking her bicycle, or walking.

This time, she was told that, since she had no means of transportation, she was no longer available for work. Are we to conclude that all unemployed workers without their own cars have no means of transportation and that, as a result, they no longer qualify for employment insurance?

That is the question I wished to ask and I hope that this time I will receive an answer.

[*English*]

Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, let me assure the hon. member that the department treats clients with fairness, understanding and compassion. That is why Human Resources Development Canada is known as the people department.

The primary purpose of employment insurance is to compensate workers in case of involuntary unemployment. However, as the hon. member knows, every person who is claiming regular benefits must prove availability for work. This is a longstanding condition of the EI legislation. Each case is assessed individually and all circumstances are examined and considered in a compassionate manner. At the same time, the government has an obligation to Canadian taxpayers to protect the integrity of the EI fund. We have in place a number of control measures which ensure that public funds are protected. We have as well a series of appeal procedures if a person is unhappy with a particular decision.

We do not have quotas. We have reasonable performance expectations for our investigation and control program as a way of measuring results. Again, they are not quotas. We allocate our resources according to workload, as does any other organization.

The hon. member may be interested to know that other governments also have similar expectations for their social programs. For 1996-97 the Quebec government set a target of $100 million for its verification of social assistance cases. It surpassed that target and recouped $112 million. For 1996-97 the Quebec government set a target of $58 million for its in-depth investigation of social assistance cases. It surpassed that target and recouped $112 million. For 1996-97 the Quebec government set out a target of $58 million for its in-depth investigation of social assistance cases. It surpassed that target and recouped nearly $68 million.

Finally, the hon. member will undoubtedly appreciate that as the people department, it is our intention to ensure that claimants receive their full entitlement to benefits and nothing less. I would suggest if he is not happy with a particular decision at a particular level that perhaps he look further into the appeal route.

[*Translation*]

The Acting Speaker (Mr. McClelland): 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 p.m.)

CONTENTS

Thursday, November 4, 1999

ROUTINE PROCEEDINGS

GOVERNMENT ORDERS

STATEMENTS BY MEMBERS

ORAL QUESTION PERIOD

GOVERNMENT ORDERS

PRIVATE MEMBERS' BUSINESS

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