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OFFICIAL REPORT
(HANSARD)

Wednesday, October 22, 1997

Speaker: The Honourable Gilbert Parent

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OFFICIAL REPORT

At page 923 of *Hansard* the following should appear in the left-hand column, fifth paragraph, following the words "for the Speaker".

Does he want the article read at the table now?

The Speaker: I would like the article brought to me.

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HOUSE OF COMMONS

Wednesday, October 22, 1997

The House met at 2 p.m.

Prayers

The Speaker: As is our practice on Wednesday we will now sing *O Canada*, and we will be led by the hon. member for Pictou—Antigonish—Guysborough.

[Editor's Note: Members sang the national anthem]

STATEMENTS BY MEMBERS

[English]

TRANSPORTATION

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, in 1975 four rail tanks containing 340 tons of toxic chlorine fell off a barge during a storm on the lower west coast and have never been located.

In May when I requested a summer 1997 search, the Minister of the Environment assured me that the fisheries minister has prime responsibility for this issue. No search was initiated.

We now know that 12 months ago a proven salvage operator in B.C. approached the federal government with a proposal to find the tanks for the sum of \$30,000. This risk free offer was rejected.

The clock is ticking on a potential lethal chlorine gas escape 22 years after the sinking. People living along the Strait of Georgia want the minister to stop sitting on his hands.

Does the minister think spending this \$30,000 is somehow unimportant?

* * *

HOCKEY

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, questions about Canadian identity and unity have been debated for decades, but such debates have little relevance to the daily lives of Canadians.

One reality in our lives is that at this time of year our children are heading back to ice rinks to play a game ingrained in our identity. It

is fall and therefore it must be the start of hockey season. Clearly hockey is Canada's great unifying force. We have all just been reminded of the enormous pride we felt at Team Canada's great victory in 1972.

In backyard rinks and community arenas, people are lacing up their skates to take part in a Canadian tradition. Therefore it is appropriate to thank the dedicated families and volunteers who facilitate Canada's game, for they are the torch bearers of an integral part of Canadian identity, unity, heritage and pride: the game of hockey.

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THE LATE DOROTHY LAM

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, the late Dorothy Lam was the wife of the first Chinese born Lieutenant-Governor of British Columbia, David Lam, and a most gracious chatelaine in her own right.

She will also be remembered in British Columbia as the driving force behind the David and Dorothy Lam Foundation which directed millions of dollars to universities and to cultural and charitable initiatives in B.C., including the remarkable Sun Yat Sen Garden in the centre of downtown Vancouver, in whose classical Chinese architectural design, as well as in the planning and financing, she was a main inspiration.

* * *

[Translation]

MEMBER FOR VAUDREUIL—SOULANGES

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, yesterday the hon. member for Vaudreuil made the following statement "Quebec is not as open to the minority rights of anglophones as Ontario, Manitoba or New Brunswick are to francophones".

With this statement not only did the hon. member for Vaudreuil expose his ignorance and prejudices publicly, but he also echoed the government line, for all of its leading lights denigrate Quebec society, its tolerance, its democratic system.

Today reality is so distorted that the Quebec Liberal MPs firmly believe that francophone Canadians are better treated than English speaking ones by their provincial government. The reverse is true.

Rather than getting all indignant about the insulting words of his colleague yesterday, the Minister of Intergovernmental Affairs

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ought, as should the Prime Minister and the President of Treasury Board moreover, confess to the same attitude, for he is directly—

The Speaker: I am sorry to interrupt the hon. member. The hon. member for Malpeque now has the floor.

* * *

[*English*]

CANADIAN VOLUNTEER ADVISERS TO BUSINESS

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I rise to acknowledge the special achievements of some of my constituents in the riding of Malpeque.

I would like to congratulate Mr. Gordon and Mrs. Antje MacEachern who spent 13 weeks in Lodge, Guyana at the Convalescent Home for Children, an institute operated by the Red Cross Society. As members of the Canadian Volunteer Advisers to Business, the MacEacherns worked to improve the living standards with others in developing nations.

• (1405)

In Lodge, Guyana Mrs. MacEachern set up a system and trained staff in early childhood development which proved to be a great success. Through lectures, hands-on training, role playing and video feedback, Mrs. MacEachern helped provide an enjoyable setting for children and staff.

I would like to congratulate the MacEacherns for their work and dedication to improving our world one step at a time.

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NORTHERN STAR AWARD

Mrs. Karen Kraft Sloan (York North, Lib.): Mr. Speaker, I would like to commend Environment Canada for initiating the Northern Star Award program. The Northern Star Award will recognize the environmental contributions of young people aged 16 to 24 in the areas of public policy, community service, communication and creativity, science and technology, and environmental entrepreneurship.

The 12 winners of the award will form a group called the Polaris Network. They will be provided with a group web site and will receive computer training. Over a period of one year, the 12 members of this network will share their experiences and their expertise. They will work together to inspire others to get actively involved in building healthier environments in their communities and regions.

I ask all members of the House to encourage young Canadians to apply for this award.

Bonne chance aux étudiants.

JUSTICE

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, our hearts go out to the family and friends of Donna Lee Hallett. She was brutally murdered, bludgeoned to death, in 1993. Now, four years later, her murderer was sentenced to two years. Adding to their pain and grief, the bereaved must now also bear the anger of having her murderer go virtually unpunished.

The judge, in trying to justify the sentence, said that the murderer was entitled to 10 years of credit for the four years he served in custody. Stephen Schwalm brutally murdered a defenceless woman in cold blood and in return he gets four years of free room and board in the Edmonton Remand Centre followed by two years in jail. Then he goes free.

When will the justice minister do something, anything, to stop this kind of travesty of justice, this one happening in her very own city?

* * *

LAND MINES

Mrs. Carolyn Parrish (Mississauga Centre, Lib.): Mr. Speaker, I was pleased to be part of the Canadian delegation of NATO parliamentarians meeting in Romania last week which passed the following resolution: “Whereas more than 110 million anti-personnel land mines are placed in 65 nations around the world, aware that existing de-mining efforts and techniques clear fewer than 100,000 per year while 2 million to 5 million are laid yearly, the assembly urges member governments and parliamentarians to the North Atlantic Alliance to sign, ratify and implement a comprehensive ban on the production, stockpiling, transfer and use of anti-personnel land mines and to devote additional resources to the development of technologies intended to improve the efficiency of de-mining efforts and ensure they are rapidly made available to nations suffering the effects of the large scale use of land mines”. This passed at NATO.

I would also like to add my sincere compliments to the Minister of Foreign Affairs for all he has done and to the Prime Minister—

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[*Translation*]

NATIONAL SCIENCE AND TECHNOLOGY WEEK

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, as the Bloc Québécois spokesperson on science, research and development, I am pleased to speak in this House to draw attention to national science and technology week, October 17 to 26.

Science and technology are the very lifeblood of a modern country, and this national week must make the government aware of the need to invest in research funding councils, rather than

sprinkling small amounts here and there, and interfering in areas of provincial jurisdiction.

National science and technology week is an ideal opportunity for the people of Quebec and of Canada to become more aware of the importance of this sector of the economy. Our economic future depends on our ability to rise to the challenge of international competition.

* * *

JOB CREATION

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, two weeks ago, I had the pleasure of announcing the creation of new jobs for young people in my riding of Brome—Missisquoi.

A company from Bromont, Univirtuel-Multimédia & Interconnectivité, will create 30 jobs in the area of multimedia production. The Government of Canada will contribute \$207,600 to support this job creation initiative.

• (1410)

By creating these new jobs for young Canadians, Univirtuel-Multimédia supports our government's youth employment strategy, which is designed to help our young people find that first job when they come out of school. The company will kill two birds with one stone since it will help Bromont strengthen its position in the high tech sector.

I congratulate Guy Désautels and his associates, and I urge other businesses to follow their example. Welcome to Bromont's high tech park and thanks to my colleague, the Minister of Human Resources Development.

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[English]

PORNOGRAPHY

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, the group Canadians Addressing Sexual Exploitation has sponsored white ribbon against pornography week and some of the members of the House are wearing white ribbons in support of this.

People who view pornography are affected in different ways, but they are all affected. Child molesters have been shaped by the pornography they view. Individuals who become rapists have by pornography been desensitized to the personhood and dignity of women.

And those seduced by pornography who do not become sexual criminals nevertheless develop a contaminated view of human sexuality. This breeds unfaithfulness to one's spouse and is therefore destructive to families.

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We are reminded of the need to restrain the pornography industry which causes so much personal devastation and societal harm. Those opposing this cancer are to be commended for their courage and endeavours in these days.

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[Translation]

BLOC QUEBECOIS

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, the PQ's loudspeakers in Ottawa made a lot of noise yesterday, in an attempt to cover the fact that separatists got caught trying to do things behind the back of Canada on the international scene.

In order to give more clout to Lucien Bouchard's visit to Paris, the PQ experts in international wheeling and dealing had managed to include in an agreement on child support wording that would have given the agreement a symbolic meaning that it was not supposed to have.

It is truly deplorable to see how far Bloc and PQ members are prepared to go to enlist France's support. When will separatists stop threatening the harmonious relations that everyone is trying to establish between France, Canada and Quebec?

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[English]

THE ENVIRONMENT

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, I rise today to comment on the climate change treaty to be signed in Kyoto, Japan this December.

Canadians know about global warming. However, empty Liberal promises, broken international treaties, misleading words and fearmongering uttered in this House are not giving Canadians an honest picture. The environment minister and Reform members keep stressing the supposed costs for all Canadians. Why do they ignore the potential benefits for our industry and our workers?

Canadians need to know that thousands of jobs would be created in any country dedicated to meeting international emission targets. There are more than environmental and economic benefits involved: There is our children's future. As we enter the new millennium, Canada should be in the forefront of developing efficient technologies to use existing fuels, while encouraging alternative and renewable energy sources.

* * *

INUIT ART

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, the popularity of Inuit art has brought great opportunities to many

Oral Questions

northern artists. Unfortunately, Inuit artists are not the only ones profiting from these opportunities.

An industry producing imitation Inuit carvings and prints, commonly referred to as fakelore, is making it harder and harder for legitimate artists to sell their work. This clearly must come to an end.

This fakelore is so common that a group of Inuit tourists from my riding were shocked to see that the parliamentary gift shop here in Centre Block is selling it.

I am pleased to inform the House that following our conversation, Mr. Speaker, we will be exploring options to promote legitimate Inuit art in the parliamentary gift shop.

* * *

MOTHERS AGAINST DRUNK DRIVING

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, a young west coast student. An east coast athlete. A mother and her son in Ottawa. Each belongs to a club for which membership was not an option. Each was killed on a Canadian highway by a drunk driver.

This association's membership was sadly increased again today by four, and does so every day. More than 400 people will also be injured today as a result of alcohol related crashes. And this will happen again tomorrow and the next day.

It is a fact that alcohol significantly increases the risk of motor vehicle crashes. It is also a fact that alcohol increases the severity of traffic collisions.

Canadians witness far too many tragedies that could be prevented.

Tomorrow the organization MADD, Mothers Against Drunk Driving, will be in Ottawa to reveal the results of an important survey. Following their press conference, I will host an informal reception where all members of Parliament are invited to meet with the board and members of MADD and discuss the proposed initiatives.

• (1415)

I encourage all my colleagues to participate in what will be a very informative session. Finally, I congratulate MADD for its tremendous efforts in combating the daily carnage on our highways caused by drunk drivers.

ORAL QUESTION PERIOD

[English]

THE ENVIRONMENT

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the environment minister is going to Kyoto, Japan in two

months to sign a massive emissions treaty. Depending on how these negotiations unfold, this emissions deal could end up affecting the life of every Canadian.

Yesterday the environment minister told the House that the Liberals have already made up their minds to sign "legally binding targets in Kyoto".

Why has the environment minister publicly committed to signing a treaty that has yet to be negotiated? Is that not putting the cart before the horse?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, the international community recognizes that climate change is a global problem every nation in the world must address.

The prime minister at the meeting of the G-8 in Denver at the end of May and again at the special session of the United Nations in June committed our country—and others did the same—to medium term legally binding commitments in Kyoto, Japan to address this very serious global problem.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, yesterday we asked the environment minister whether she will sign the Kyoto deal even if the Canadian provinces do not agree to it. She refused to answer, saying only that she would negotiate with the provinces to implement whatever deal she signs in Japan.

Yesterday Alberta's environment minister said in no uncertain terms that Alberta will not accept as binding an emissions treaty arrived at in this way.

Does the Liberal government intend to force this emissions deal down the throats of Albertans exactly in the same way it enforced the national energy program?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, comparisons are odious.

I would like to inform the member across the floor that I have been, with my colleagues on this side, in dialogue with the various stakeholders on this issue across the country. I spent a day long session with my provincial counterparts discussing this issue. I just finished a meeting with all of them, including my counterpart from Alberta, and they all recognize the importance of this country addressing this important issue.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, we remember the dialogue that preceded the national energy program, so excuse us if we do not have much faith in it.

Yesterday environment said that implementing the Kyoto deal will "incur costs". The Conference Board of Canada estimates that those costs could reach \$4,000 a year for the average family. Canadians have to be told where those moneys are going to come from. Are they going to come from fuel taxes? Are they going to come from carbon taxes? Are they going to come from other taxes? Or are they going to come from all of the above?

Oral Questions

Which Canadians are going to have to pay for the Kyoto deal and how much will they pay?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, the federal government assures all Canadians that as a national issue we are all going to have to address the measures that will have to be taken. There will not be measures that are not discussed thoroughly with the major stakeholders on this important issue.

There are also important opportunities for this country attached to addressing this issue.

I would like to quote to the House a statement made by the chairman of British Petroleum some weeks ago in which he said "The time to contemplate action is not when the links between greenhouse gases and climate change can be conclusively proven".

* * *

GOVERNMENT CONTRACTS

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, on October 6 the minister of public works claimed that the government introduced new contracting rules in 1994, rules that were supposed to clean up the contracting fiasco in his department. Two years after the changes were supposedly made, his own director general of audits admits there is evidence of continuing contract manipulation in his own department.

How can the minister claim that the mess in his own department was cleaned up when his own officials were saying there was ongoing contract manipulation?

• (1420)

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, if the member has proof that there is manipulation he should come forward and give it to us. We always try to improve the system. We have a good system and every day we find some discrepancies and we change them.

If the member has any proof he should come forward so that we can look at it properly.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I have a copy of a leaked confidential memo written by the Director General of Audits and sent to the Deputy Minister of Public Works. This memo describes the doctoring of documents and instances where appropriate ministerial approval was bypassed.

How can the minister reassure Canadians that contracting procedures are being followed by the Liberal government when his own Director General of Audits condemns the practices that he has initiated?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, we have a third party review in place. Whenever there is a contract that has not been

following procedure we know about it. We make sure the rules are followed.

Again the hon. member, instead of throwing into the air the usual innuendo the Reform Party is used to, should come forward with specific facts and then we can look at them.

Right now the auditor general report states very clearly that we have a good system. Every day and every year we are improving it.

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[Translation]

FRANCO-QUEBEC ACCORD ON CHILD SUPPORT

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Government of Quebec is under no obligation, by tradition or otherwise, to have Ottawa approve an agreement on a matter within its jurisdiction signed with another government, in this instance to enforce child support with the French government.

How can the Minister of Intergovernmental Affairs claim today that Quebec should have this agreement, which is within its exclusive provincial jurisdiction, approved by Ottawa?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, first of all, I would like to quote, for the benefit of the hon. leader of the Bloc Quebecois, the statement made by the French government.

It reads "The prior agreement of the federal government to the signature of an agreement on mutual legal assistance with Quebec is a necessary condition to the approval—by the French parliament—Without this agreement, the Franco-Quebec accord would not be valid in France".

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, this is fantastic. The minister is now saying precisely what we were saying yesterday and the exact opposite of what he said yesterday.

Yesterday, the Minister of Foreign Affairs stated that France had voluntarily supplied the federal government with the text of the agreement, claiming there was a problem and that it did not have to, when the Minister of Foreign Affairs and the Minister of Intergovernmental Affairs should have known.

How could they claim that France, given its legal tradition, its legal framework, should not supply Ottawa directly with this agreement signed with Quebec?—

The Speaker: The hon. Minister of Foreign Affairs.

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, this statement is wrong, very wrong.

The fact of the matter is that we have signed with France a treaty which applies to all provinces. Unfortunately, Quebec refused to join the Canadian and French governments in signing this treaty. That is Quebec's problem.

Oral Questions

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, my question is for the other Minister of Foreign Affairs, the Minister of Intergovernmental Affairs.

Some hon. members: Oh, oh.

Mr. Daniel Turp: The agreement between Quebec and Paris is an international agreement having to do with the collection of support payments and the government seems to want to stretch its tentacles into provincial areas of jurisdiction.

Is the Minister of Intergovernmental Affairs prepared to admit that, by requiring that the agreement come under Canada's umbrella agreement, the federal government is denying—

The Speaker: The Minister of Intergovernmental Affairs.

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the Bloc Québécois is contradicting itself. The Minister of Foreign Affairs has just explained that the French government cannot sign this agreement without the assurance that the Canadian government is in agreement. That is the fundamental issue.

• (1425)

I will not accuse the hon. member of lying, as the leader of the Bloc Québécois is forever doing. I merely point out to him that he is mistaken.

Some hon. members: Oh, oh.

The Speaker: I ask all members to be very judicious in their choice of words. I do not want the members to use the word "lying" in the House, even in the manner it was used today.

The hon. member for Beauharnois—Salaberry has the floor.

Mr. Gilles Duceppe: He should withdraw what he said.

An hon. member: Tell him he lied.

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): The Minister of Intergovernmental Affairs lied.

Some hon. members: Oh, oh.

[*English*]

The Speaker: Colleagues, when we use words that even come close to being unparliamentary I always ask you to please be judicious in your words.

However, when words are used that are clearly unparliamentary you leave your Speaker with very little choice. I will deal with this matter at the end of question period.

HEALTH

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the disastrous effects of the finance minister's mistake in slashing \$1.2 billion out of health care this year becomes more and more evident.

Canadians are shocked to learn that the federal government is now the lowest contributor among major health care funders. The latest figures reveal that the federal government used to pay 35% of health care costs with individuals paying 24%. Today as a result of Liberal cuts those numbers are reversed with individuals forced to pay over 31%.

When will the finance minister admit that his excessive cuts are leading us directly to two tier American style health care?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the House will be well aware that the government is already committed to establishing a \$12.5 billion floor for the cash transfer to the provinces beginning next year. In doing so we are acting on the recommendation of the National Forum on Health that spent two years looking into the needs of the Canadian health care system.

As we look across the country we see many provinces that have surpluses, that have money in the bank. If they see the need for further investment in health care, it is entirely open to those provinces to make those investments.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the National Forum on Health said that cuts were coming too far and too fast.

Canadians are paying a terrible price for the finance minister's cuts to health care. They are paying with their health and they are paying with their pocketbooks. Canadians are right to be worried that health care will not be there for them when they need it.

Will the finance minister agree to correct his mistake and cancel this year's reckless and irresponsible cut of another \$1.2 billion out of health care for Canadians?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as the Minister of Health outlined very clearly, the fact is that the way the set-up was occurring and because of the increase in tax points to the provinces the cash was going down. It was going down far below \$12.5 billion, far below \$11 billion, far below \$8 billion and far below \$6 billion.

• (1430)

As a result of the actions of the government it has been frozen at \$12.5 billion. That is not a ceiling; that is a floor. It is an absolute guarantee to every single province and to every single Canadian

citizen that the federal government stands behind the principles of the Canada Health Act.

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ENVIRONMENT

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Minister of the Environment and is on the issue of climate change.

The minister will know that for Canada this is an extremely serious issue not only for our ecosystem but economically, especially given the fact that our economy is export oriented.

Would the minister confirm and guarantee to the House of Commons today, as we did at the earth summit in Rio in 1992 where she was a member of the delegation, and given the seriousness of the issue and the interlap in jurisdiction, that provincial governments will be full-fledged members of the Canadian delegation at the Kyoto summit?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, as I mentioned earlier, I had a meeting with all my provincial counterparts a few moments ago. I had agreed with them some weeks ago that they would be members of the delegation. The provincial counterparts will determine who will fill the two to three positions.

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, the minister will know how important it is to actually be able to implement the agreement in Kyoto.

Will the minister today inform us of what will be the Canadian position and whether or not the Canadian position will also include a comprehensive approach which allows Canada to take credit for efforts that we allow, that we enable, in developing countries with respect to reducing CO₂ emissions?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, an important element of Canada's negotiating position is to try to put in place the banking of credit. That is one element of the framework in which we will place our targets and time lines.

Frankly, with respect, when we made our commitment in Rio in 1992 we really were not enough aware of what we had to do to achieve our target.

We were not realistic at the time. We hope that through negotiations with all our partners we can come to realistic, achievable targets in Kyoto, Japan.

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CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I used to be a teacher and I know a lot about doing homework. I have

Oral Questions

done my homework today. I want to tell the House that if any Liberals are convicted of influence peddling it is more than the principal's office they are going to be heading to; that is for sure.

It is an undisputed fact that the company of Raymond, Chabot wrote cheques for \$87,000 to the Liberal Party. It is also undisputed that it received CIDA contracts for \$20 million.

Let me ask a question of the minister of public works. Which came first, the cash to the Liberals or the contracts from the Liberals?

Hon. Diane Marleau (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): Mr. Speaker, is this the time for irresponsible innuendo from the Reform Party? I believe it is.

I do not know that this question deserves an answer.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, hopefully this should be the time for a responsible government to say what the responsibilities of government are and how some of these crazy things are happening.

Last night at a Reform dinner people paid money, got a good meal and a good speech. If it were a Liberal fund-raiser they would have got a meal, a speech and a nice big juicy contract for dessert.

Last night we were speaking to the national director of the Liberals, Terry Mercer, who said that we could get the information about the dates of these donations from Elections Canada. They deny even having this information.

Let me ask the minister of public works again because it is under his domain—

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[Translation]

FRANCE-QUEBEC AGREEMENT ON COLLECTION OF SUPPORT PAYMENTS

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

In the matter of the agreement between France and Canada on child support payment enforcement, the Minister of Intergovernmental Affairs interpreted France's consultation with the federal government as repudiation. It is, however, nothing of the sort. It was part of the usual process, and the French embassy confirmed that point very clearly.

I would like to know whether the Minister of Intergovernmental Affairs realizes that he is on the wrong track and that by delaying the approval of this agreement, he is hampering the efforts made by a number of women to collect their child support payments from residents of France?

Oral Questions

● (1435)

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, first of all, I wish to withdraw what I said earlier. I did not say that the member for Beauharnois—Salaberry had not lied.

An hon. member: Answer the question.

Hon. Stéphane Dion: I will now answer the question. No foreign government wants to find itself in a situation of having to reveal to Canadian federal authorities the content of an agreement it is to sign with a Canadian province. This, however, is the situation that Mr. Bouchard's government placed France in, by refusing request after request to inform us of the content of the agreement.

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, the minister should withdraw a number of words. On a whim, the minister is causing women to suffer.

Will the minister admit that he is so keen to put the Government of Quebec under the thumb of the federal government that he is making flagrant errors of judgment by refusing to honour the commitment that there would be no objection to the conclusion of an agreement between France and Quebec?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, we have to come up with an agreement that provides Quebecers with good services.

Thus, with the aim of signing an enforceable agreement, which therefore, in the opinion of both governments—the Canadian and the French governments—must be done within the rules of the Canada-France agreement, the Government of Quebec is invited to negotiate in good faith with the Government of Canada.

* * *

[English]

ENVIRONMENT

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, yesterday the environment minister did not deny that the Kyoto treaty would cost Canadians 10¢, 20¢ or 30¢ more per litre of gasoline.

Today we would like the minister to tell Canadians how much more they will be paying to heat their homes this winter. Will it be \$100, \$200 or \$300 more?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, to set the record straight, I said nothing about what it would cost individual Canadians to deal with this very important issue.

I did say that this is an issue when it comes to determining measures that will be done in consultation with all key players and the Canadian public. They will be aware of what is required to meet our target.

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, this is exactly the problem. The government is saying nothing about this issue.

The Liberal government will bankrupt Canadians with massive tax grabs. We hear about dialogue with the provinces. Yes, the provinces will sit at the table, but the minister has not answered the question that has been asked four times in the House.

Will she answer it now? Is the minister prepared to guarantee that all provinces will be on side before the Liberal tax grab treaty is signed in Kyoto?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, my provincial counterparts are aware of the fact that Canada is committed to legally binding targets in Kyoto. They know that I am in dialogue with them.

There are opportunities associated with what Canada will do. I would like to put another quote on the floor, this time from a chief executive of General Motors who says "We at General Motors are not afraid of a Kyoto summit. We welcome it because there will be global dialogue on a global problem. That's good but it means all of us have to sacrifice".

* * *

[Translation]

TOBACCO LEGISLATION

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, because a government refused to listen to the Bloc Québécois members when its anti-tobacco legislation was being passed, it is now in the process of compromising the survival of the Montreal Grand Prix.

The clock is ticking for sports and cultural events, and I would therefore ask the Minister of Health the following question: When will his anti-tobacco legislation be amended? What are you waiting for, Mr. Minister?

The Speaker: I would remind my colleagues to always address the Chair.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, as I said last week, we are in the process of preparing an amendment to the tobacco legislation. It is our intention to honour the commitment we made several months ago, and the amendment will be tabled when we are ready.

● (1440)

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, at the present time, some major projects have been

suspended at the Montreal Grand Prix site and those involved say that the Grand Prix will be finished, after 1998.

Does the minister realize that the delay resulting from his inaction is causing irreparable damage to the survival of the Montreal Grand Prix?

[English]

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, it is not helpful for the hon. member to put matters in those terms. I assure him that I have been involved in careful and methodical consultations with the people involved in Formula I in the Grand Prix, and we intend fully to respect the commitment we made some months ago. We will table the legislation when we are in a position to do so.

* * *

JUSTICE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, yesterday the solicitor general said that he is not running the parole system. He later on said he is accountable for the national parole system. Which is it?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I appreciate very much not only the content but the tone of the question.

The national parole board operates independently and at arm's length from the government. The Government of Canada and the solicitor general are accountable for the decisions but we do not make them.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, we will give him another day to think about an answer to that one.

Yesterday the minister said the parole system is running itself, that it is motivated by public interest and the interest of public safety.

Could the minister please explain releasing Larry Takahashi, a convicted serial rapist, when police are saying that he is a significant danger to society. How in the world can he explain that it is in the interest of public safety that he be released?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, it is in the interest of public safety to gradually in a controlled way release inmates from the system, because the vast majority of people leave the system. It is that simple.

The success rate in terms of recidivism is much better in the case of a controlled and gradual release. That is a fact.

* * *

[Translation]

TOBACCO ACT

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the Minister of Health cannot remain indifferent to the problems his

Oral Questions

anti-tobacco legislation is causing promoters of cultural and sporting events in Quebec, who have been left without a leg to stand on.

In light of the ambiguous statements made by the government during the last election campaign, could the minister tell us whether the changes to the anti-tobacco legislation promised by the Prime Minister apply only to the Montreal Grand Prix or to all cultural and sporting events jeopardized by this legislation?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, our commitment is very clear. As stated in the letter sent out a few months ago by the Minister of Health, we clearly committed ourselves to introducing an amendment to the Tobacco Products Act to allow events such as formula 1 racing to take place in Montreal. As I said, we are fully aware of these commitments and intend to fulfil them.

* * *

[English]

CANADIAN ARMED FORCES

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, my question is for the Minister of National Defence.

Recently a Bloc Quebecois member charged that the Department of National Defence has not done a thing to recruit women. Will the minister give us the facts? What steps is he taking to integrate more women into the Canadian forces?

• (1445)

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the Department of National Defence and the Canadian forces are committed to the elimination of any discriminatory practices and attitudes. We are making substantial progress.

We have implemented a number of measures, including Operation Minerva, a series of nine initiatives instituted to increase gender integration and awareness in the Canadian forces. We have a gender integration committee of citizens to oversee this matter; modifications to uniforms and equipment to improve performance and comfort for women; the inclusion of integration and—

The Speaker: The hon. member for Calgary Northeast.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, while the defence minister is concentrating on Operation Minerva, in this country some Canadian soldiers are already forced on to the bread lines. Now the government is going to cut the support program that pays for soldiers and their families to move by one-half.

My question is a simple one. Why?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I am sorry the hon. member makes light of our gender integration policy. Let me say that there has been no

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decision with respect to how budget cuts will be made. We are implementing budget cuts, as are all departments and all parts of the government, in order to get our fiscal house in order and get into a balanced budget situation.

There are cuts that still have to be made in our department but we have not made any decision as to where exactly we are going to make those. Therefore he is far too premature in his assumption as to where they are coming from.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, soldiers and their families at the food banks, slashes to training programs, old equipment and threats of more cuts; with the morale in the forces already at an all time low, why is the minister intent on demoralizing our troops even further?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, there are no new cuts. We are just implementing the cuts that were made in previous budgets as a result of the program review process. Those are still being carried out and will be completed by next year.

There will be pay increases this year for the Canadian forces. Many of the other issues in terms of the social and economic needs of our forces and the quality of life issues they and their families face are will be addressed. They are a high priority with this government.

* * *

EDUCATION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, my question is for the Minister of Human Resources Development.

Today the Canadian Federation of Students and B.C.'s minister of education joined forces to condemn schemes for income contingent loans. As the minister is well aware, these schemes have nothing to do with easing student debtload and everything to do with this government's lack of commitment to funding post-secondary education.

Will the minister once and for all reject income contingent loans? Will the minister instead restore hope to Canada's youth and commit to reducing—

The Speaker: The hon. Minister of Human Resources Development.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I think the question has been put in a rather irresponsible way. I am sorry to hear this because this is a very serious issue. There are a lot of students who like income related repayment as an option.

This government is acting in a responsible way. Right now we are talking with all the provinces, the lenders and student

associations. We are going to provide as many options as possible to help youth to go to university as long as possible.

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, that is not enough. It is blatantly obvious that the Liberals are not listening to young Canadians. The despair felt by young people is real.

A survey today revealed that 78% of young Quebeckers believe poverty has increased. Most of them even think that the situation will continue to worsen.

Is this government prepared to invest in young people in this country by making access to post-secondary education a national priority? In addition to setting objectives and creating jobs for young people, will this government stop forcing them to eat Kraft dinners?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I would first like to draw the member's attention to the government's youth employment strategy, which is working very well and which is beginning to produce some very interesting results.

• (1450)

I cannot criticize the hon. member for not having been here when my colleague, the Minister of Finance, tabled his latest budget, which contained significant measures to encourage students and ease their burden by extending the period for paying interests from 18 to 30 months and offering greater possibilities for saving in this area.

We continue to work very hard. I am currently meeting with the provinces and lenders, and we are working to give the students as many options as possible.

* * *

[English]

JUSTICE

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, my question is for the solicitor general.

Six years ago James Mills was murdered while in his own cell at the Renous correctional facility in New Brunswick. Corrections Canada officials came in, removed the body, cleaned up the cell, then called the RCMP.

Because of that, for six years Mr. Mills has been haunted by the loss of his son. He has been trying to get answers. He has been trying to get justice, and he deserves it.

Will the minister, on behalf of the Mills family, take charge of this situation, find a resolution for it and give the Mills family a little piece of mind?

Oral Questions

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I thank the member for his question. I know how deeply he feels about this.

The member is aware, I believe, that arrangements have been made for the commissioner of corrections to visit the region, to meet with the family and also to meet with the member at the family's request.

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I appreciate that effort but on two occasions now the RCMP has recommended charges be laid. Nothing has happened.

After six years of investigation, two recommendations by the RCMP, will the minister tell Mr. Mills why no charges have been laid and what they are doing to get charges laid against the people the RCMP said committed the crime?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, again, I believe the meeting is scheduled for some time next week.

It is the first time that the corrections service has been able to reveal its report. Until this point, the RCMP was still investigating.

* * *

VIOLENCE

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, the YWCA's Week Without Violence reminds Canadians of this serious social problem.

Throughout Canada, agencies like Windsor's Hiatus House have dedicated themselves to support for victims of violence. Can the Minister of Justice tell us what steps the federal government is taking to eradicate violence in Canada today?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I acknowledge the YWCA for the commencement last year of this very important week in Canadian society.

This government has a comprehensive family violence initiative. This initiative involves a number of departments in this government, including the Department of Health, HRDC and my own.

To give a few examples of what the Department of Justice has done in relation to violence against women, we have strengthened the peace bond provisions, we have made spousal abuse an aggravating factor in sentencing and we have strengthened—

The Speaker: The hon. member for Qu'Appelle.

* * *

BANKING

Mr. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, my question is for the Minister of Finance.

There is a letter in the *Globe and Mail* this morning from a concerned citizen quoting a statement by Allan Taylor, CEO of the Royal Bank of Canada.

Mr. Taylor referred to social spending in this country. He said that any assistance that might be considered useful should be willingly offered by the private sector.

In light of that, is the Minister of Finance willing to accept this offer of Mr. Taylor and commit himself to working with the banks to reduce service charges in this country that are such a regressive burden on ordinary people?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Minister of Industry and I have on numerous occasions met with the banks. We have discussed the issues of service charges. We have looked at their adequacy. We have looked at the loss provisions that are there, and it is something we will continue to monitor.

Incidentally, Allan Taylor is no longer the president of the Royal Bank.

* * *

[Translation]

FRANCE-QUEBEC AGREEMENT ON COLLECTION OF SUPPORT PAYMENTS

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Deputy Prime Minister, and it is in fact a different question.

Given the absurdity of the debate going on between the Canadian and Quebec governments, at the expense of the children and women being held hostage in this debate, could the Deputy Prime Minister not ask the Prime Minister to phone the Quebec premier himself to immediately settle the issue, so that children and mothers are no longer caught in the middle of this absurd conflict between the two levels of government?

• (1455)

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, we have already invited the Government of Quebec to meet with us so that we can clarify the text that could be signed under the proper international conventions. If the Government of Quebec is prepared to meet with me to work out the proper wording, we can resolve the matter very quickly. All it requires is an act of political will on behalf of the Government of Quebec.

* * *

SMALL BUSINESS

Mr. Tony Ianno (Trinity—Spadina, Lib.): Mr. Speaker, my question is for the Minister of Industry.

Oral Questions

Taking into account that this is national small business week and there are 2.3 million small businesses creating many of Canada's new jobs, what will the government do to facilitate the commercialization of new technologies being developed by our many innovative small and medium size businesses?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I thank the member for the question highlighting the important contribution that the small business sector is making to the over one million jobs that have been created by the private sector in Canada over the last four years. This becomes particularly important in firms that we know are going to grow. These are the firms that export to markets broader than their own local markets and that adapt and use technology.

For that reason we have initiated a range of programs to support their entry into foreign markets, to help them acquire and use technology. We made an election commitment to increase the funding available for the industrial research assistance program. We will continue to support the efforts of small business.

* * *

WAR MEDALS

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, Colonel John McCrae was the World War I doctor who penned *In Flanders Fields*.

The heritage minister has known for six weeks that his medals were coming up for auction this Saturday. The medals have been authenticated by many historical authorities. The people of Canada have contributed over \$25,000 to this.

I want to know from the government what specific steps it has taken to ensure these medals end up in a Canadian war museum.

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, I reiterate that one must be respectful to the family of Lieutenant-Colonel McCrae. In this instance the family has questioned the medals. As a result we are talking with the family and once those medals are authenticated the Canadian government will do everything in its power to ensure that those medals remain here and we will give financial support.

* * *

[Translation]

NATIONAL DEFENCE

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, my question is for the Minister of National Defence.

Rumours are still circulating regarding the possibility that the federal government will acquire British submarines for the Canadian Forces.

Given the magnitude of such expenditures and the fact that they are so hard to justify, will the minister tell us clearly, once and for all, whether there is still a possibility that submarines will be bought for the Canadian Forces?

[English]

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, no final decision has been made with respect to acquisition of submarines. However, the matter is being looked at very carefully. There are further discussions which are now going on with the British with respect to the matter, but no final decision has been made by the government.

* * *

NIGERIA

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, two years ago Nigeria's rulers killed Ken Saro-Wiwa and eight others. Canada helped to suspend Nigeria from the Commonwealth.

The minister is now going to travel to the Commonwealth meetings this weekend to ask it to extend the suspension. Everyone agrees the suspensions have not worked.

At McGill last week the minister said that we may have to take more coercive measures. What kind of coercive measures is the minister talking about?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, during the past two years the Commonwealth ministerial advisory group has worked very closely on the Nigerian file. I am pleased to report to the House that we have been able to arrive at a very clear consensus including counties from all regions of the Commonwealth.

● (1500)

A report has been prepared that will be presented to the heads of Commonwealth during the Commonwealth meeting. The measures being recommended, if accepted by the heads of government, will provide the right and proper balance of measures which will bring about the proper signal that we want to see democracy and human rights restored in Nigeria.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in our gallery of members of the Standing Committee of Internal Affairs of the German Bundestag.

Some hon. members: Hear, hear.

*Oral Questions**[Translation]*

The Speaker: I would also like to draw the attention of the House to the presence in our gallery of Bernard Thériault, Minister of Intergovernmental Affairs in the Legislative Assembly of New Brunswick.

Some hon. members: Hear, hear.

* * *

*[English]***ORAL QUESTION PERIOD**

The Speaker: I propose to address myself to an incident that occurred during question period. I am sure all hon. members are aware that the give and take of question period is rather accelerated these days. Most members seem to think this is a good thing.

Also with the acceleration many times we do not always have a chance to reflect upon the words we use. Sometimes words are used in the course of the question period which border on being unparliamentary. When that is the case I usually caution hon. members to be very judicious in their choice of words.

From the chair I try to hear as much as I can and to see to it that debate is carried on in an orderly fashion. Whereas some words are borderline in my view and I use words like judicious and cautious, there are some words that we cannot accept. Many times these words are used in the heat of battle and after reflection we find that perhaps we could have had a better choice of words.

In this question period, probably because there was not enough time to react or to think, one of our members used words which in my view were unparliamentary.

• (1505)

In trying to carry out a question period which is both informative and at the same time gives us a chance to air our questions properly, I hope all hon. members would agree that we should use words that are more than anything parliamentary.

Had the hon. member for Beauharnois—Salaberry had a little more time, he probably would have used words other than the ones he used during the course of debate.

I can only deal with the words that I heard outright and I would appeal to the hon. member for Beauharnois—Salaberry to withdraw the words “il a menti”. If he would do that then we could get on with the business of the House.

Would the hon. member please withdraw the words “il a menti”?

[Translation]

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, I would be quite prepared to withdraw these words, as long as I was sure that the Minister of Intergovernmental Affairs will also withdraw his accusation that my leader had lied.

The Speaker: I understand, from his words, that the hon. member for Beauharnois—Salaberry has withdrawn—

Some hon. members: No.

Mr. Yvan Loubier: No, it is the one on the other side who must withdraw his comments.

The Speaker: Dear colleagues, there is no question of setting conditions. Again, I must ask my colleague, the hon. member for Beauharnois—Salaberry—and, with all due respect, I hope his answer will be a simple yes—whether or not he withdraws his comments.

Mr. Daniel Turp: Mr. Speaker, with all due respect, I think it would be completely responsible for the Minister of Intergovernmental Affairs to withdraw the word he used.

[English]

The Speaker: I intend only to deal with one matter at a time. I will deal with other matters which arose from question period after I have dealt with this matter.

Without further discussion I once again appeal to the hon. member to withdraw the words “il a menti”. I will deal with other matters after I have dealt with this one. It is a simple yes or no. Will the hon. member for Beauharnois—Salaberry withdraw the words?

• (1510)

[Translation]

Mr. Daniel Turp: Mr. Speaker, I withdraw my comments, and hope that the Minister of Intergovernmental Affairs will withdraw his.

Some hon. members: Oh, oh.

[English]

The Speaker: My colleagues, I always caution you that we are dealing with the institution of Parliament.

The Minister of Intergovernmental Affairs is seeking the floor.

[Translation]

Hon. Stéphane Dion (President of the Queen’s Privy Council for Canada and Minister of Intergovernmental Affairs): Mr. Speaker, I am pleased to repeat what I said a moment ago: I did not say that the hon. member did not lie.

Some hon. members: Oh, oh.

[English]

The Speaker: I have a transcript of what was said. It would facilitate matters a great deal if the hon. minister would simply withdraw the words. All I want is a yes or a no from the hon. minister.

The hon. minister is said to have said:

Privilege

[Translation]

“I will not accuse the hon. member of lying, as the Leader of the Bloc Québécois is forever doing. I merely point out to him that he is mistaken”.

I am simply asking the hon. minister if he withdraws these words, yes or no?

Hon. Stéphane Dion: Yes, Mr. Speaker, I withdraw all these words.

[English]

The Speaker: I think we have invested enough of the time of the House in this interchange.

Does the hon. member have another point of order which does not deal with this one?

[Translation]

Mr. Gilles Duceppe: Mr. Speaker, generally speaking, when someone from the government side utters words he must withdraw, I think it would be a much better idea if he were asked to withdraw them immediately. Otherwise, we lose questions on this side of the House.

[English]

The Speaker: Your Speaker always takes advice from his colleagues. I will weigh all the advice that will be given to me today.

I would now like to proceed to a question of privilege from the hon. member for Yorkton—Melville.

* * *

● (1515)

PRIVILEGE

AMENDING LEGISLATION

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I rise again on three separate questions of privilege arising from the question of privilege that I raised yesterday.

Yesterday when I raised my question of privilege the table officers failed to follow the procedure of the House according to Beauchesne's. Citation 116 of *Beauchesne's Parliamentary Rules and Forms*, sixth edition, states:

Should a question of privilege be based on published material, the article in question must be submitted and read at the Table.

Yesterday I asked: “I have a copy of this memorandum for the Speaker. Does he want the article read now?”

Mr. Speaker, I am quoting from the blues because the official *Hansard* record does not record my asking you this question or your response. You responded, and again I quote from the blues, “I

would like to have the article brought to”, and so on. Neither my question nor your response were included in the Commons *Debates* for October 21, 1997.

My first question of privilege is to ask that the official record of this House be amended to include my question and your response. I cannot defend my rights and privileges as a member in this House if the record does not accurately reflect what both you and I said in the House.

My second question of privilege relates to the fact that the memorandum which was delivered to you was not read as the procedures of this House say it must be done. I will not go into all the details here. I can explain it to you later. The record shows that you accepted that my question was in fact a question of privilege and only your ruling was held in abeyance.

The Speaker: I will review the blues and *Hansard*. I will review all of the tapes and the television.

I did not say that you had a question of privilege, nor did I intend to convey that. Because of what went on yesterday I asked—and you seem to agree—that I would hold in abeyance any action on this particular point of privilege until I had more information which was going to be forthcoming from the Board of Internal Economy.

On the points that you have brought up I will review *Hansard* and the tapes, and if corrections are necessary I will look into it.

As far as having a point of privilege at this point, I have not made a decision as yet. I will make my decision when I get more information. With respect to what you are bringing up now, if you want me to rule on those points, being points of privilege, I will do so.

Do you want me to rule now on whether those are points of privilege or not?

Mr. Garry Breitkreuz: Mr. Speaker, I would seek your wisdom on that. I can wait. I have not introduced my third point.

The Speaker: I thank you. If you will wait until I get more information, I will come back to the hon. member and he will have a chance, if it is necessary, to bring forward any other point that he wants. Does he agree to that?

Mr. Garry Breitkreuz: Mr. Speaker, I feel that my rights and privileges need to be addressed as soon as possible.

With respect to the Board of Internal Economy, I do not think it is their responsibility. It is your responsibility—

The Speaker: It is of course the responsibility of the House in total to protect all the rights of members but it falls to your Speaker to do that. I have undertaken to get back to you at another time.

I will not rule on the point of privilege that you put before me now. I would like you to hold off until we can come back.

ROUTINE PROCEEDINGS

• (1520)

[*English*]

ORDER IN COUNCIL APPOINTMENTS

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1) these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Procedure and House Affairs regarding the selection of votable items in accordance with Standing Order 92.

* * *

ACCESS TO INFORMATION ACT

Mr. Inky Mark (Dauphin—Swan River, Ref.) moved for leave to introduce Bill C-253, an act to amend the Access to Information Act (disclosure of results of public opinion polls).

He said: Mr. Speaker, it is my privilege to introduce a bill entitled an act to amend the Access to Information Act (disclosure of results of public opinion polls). This bill requires the government to make public any public opinion poll commissioned by any department, branch, office, board, agency, commission, corporation or other body established by Parliament or by the governor in council.

Public opinion polls paid for with public money should be made public. Governments in Canada have had a bad habit of being secretive about the wrong things. Mr. Speaker, you will know that it was not until the 1980s that Canada even had an access to—

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

* * *

IMMIGRATION ACT

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.) moved for leave to introduce Bill C-254, an act to amend the Immigration Act (reimbursement).

Routine Proceedings

He said: Mr. Speaker, I rise today to introduce my private member's bill entitled an act to amend the Immigration Act regarding reimbursement.

The bill provides that a person is entitled to reimbursement of the right of landing fee if the Minister of Citizenship and Immigration is satisfied that the person resided elsewhere in Canada than in a specified census metropolitan area between the day the person was granted landing and the day the person received a certificate of citizenship.

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

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CRIMINAL CODE

Mr. Art Hanger (Calgary Northeast, Ref.) moved for leave to introduce Bill C-255, an act to amend the Criminal Code (prohibited sexual acts).

He said: Mr. Speaker, it is my pleasure to reintroduce this private member's bill in the House today. The bill would amend the section of the Criminal Code dealing with prohibited sexual acts with children under the age of 14 or in the presence of children under the age of 14.

If implemented the bill would raise the age of a child as defined for this purpose from the current age of 14 to 16 years of age. In effect, the bill would allow for criminal charges to be brought against any adult who engages in sexual relations with a person younger than age 16.

• (1525)

I urge all members of the House to seriously consider this bill, its intent and purpose and to lend their support accordingly.

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

* * *

STATUTORY INSTRUMENTS ACT

Mr. Ted White (North Vancouver, Ref.) moved for leave to introduce Bill C-256, an act to amend the Statutory Instruments Act (disallowance procedure for statutory instruments).

He said: Mr. Speaker, this bill would establish a statutory disallowance procedure which does not exist at the moment. It would allow for instruments subject to review and scrutiny by the joint Standing Committee for the Scrutiny of Regulations to be subject to legislative disallowance if the committee rules that they should be disallowed.

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

*Routine Proceedings***EMPLOYMENT EQUITY ACT**

Mr. Ted White (North Vancouver, Ref.) moved for leave to introduce Bill C-257, an act to amend the Employment Equity Act (elimination of designated groups and numerical goals) and the Canadian Human Rights Act.

He said: Mr. Speaker, this bill amends the Employment Equity Act, chapter 44 of 1995, to do as proposition 209 did recently in California; that is, to remove the misguided Liberal concept of state sanctioned and enforced employment based on race or gender instead of qualifications for the job.

The people of Canada are way ahead of the House in recognizing that the Employment Equity Act is undesirable and they want rid of it.

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

* * *

CRIMINAL CODE

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.) moved for leave to introduce Bill C-258, an act to amend the Criminal Code (judicial review).

He said: Mr. Speaker, yesterday the member for York South—Weston introduced a private member's bill which would repeal section 745 of the Criminal Code dealing with judicial reviews of a life sentence for murder.

Today I have the privilege of introducing a similar bill with one exception. It reads: "That the repeal of section 745 will not be retroactive". Previous attempts at repealing this section raised constitutional argument. I think only bleeding hearts and murderers want this clause.

An original advocate of the clause no longer has a seat in this House. Warren Allmand is gone and so should section 745 of the Criminal Code.

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

The Acting Speaker (Mr. McClelland): Before we get into the next private member's bill, I would ask members, when they are introducing their bills, to restrict their comments to the content of the bill itself and leave any editorial comments for debate.

* * *

CRIMINAL CODE

Mr. Myron Thompson (Wild Rose, Ref.) moved for leave to introduce Bill C-259, an act to amend the Criminal Code (arrest without warrant).

He said: Mr. Speaker, it gives me pleasure to reintroduce this bill as I had done so in the last session.

• (1530)

This bill basically is put together to give police the power that they presently do not have to arrest a parolee who is in obvious violation of his restrictions.

In other words, the police are telling me that when these parolees are breaking their parole rules, the police have no ability to prevent anything from happening because they do not have that power. This bill will give them that power, a much needed bill.

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

* * *

YOUNG OFFENDERS ACT

Mr. Chuck Cadman (Surrey North, Ref.) moved for leave to introduce Bill C-260, an act to amend the Young Offenders Act.

He said: Mr. Speaker, I would first like to thank my colleague from Wild Rose for seconding this bill. I am privileged to introduce a private member's bill which will amend the Young Offenders Act to provide for a crown procedural option for anyone who wilfully fails to comply with section 7 or with an undertaking entered into pursuant to subsection 7.1(2).

At present, the punishment under section 7.2 of the Young Offenders Act is limited to a range for summary conviction. This bill will make the section a hybrid offence with imprisonment not exceeding two years or punishable by summary conviction.

This minor amendment will place significantly more responsibility on those persons who agree to ensure that young offenders will abide with specific court conditions.

I look forward to debating this proposal in this place in the very near future and I urge all members to give careful consideration and support to this initiative.

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

* * *

IMMIGRATION ACT

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.) moved for leave to introduce Bill C-261, an act to amend the Immigration Act and the Criminal Code (refugee or immigrant applicants convicted of an offence on indictment).

He said: Mr. Speaker, the enactment deals with persons who commit offences in Canada while applying to remain in Canada as refugees, or to come into or remain in Canada as immigrants.

It provides that a court that sentences such a person for an indictable offence is empowered to order the person removed from

Canada. Such a person is not thereafter entitled to bail pending an appeal or to be released in Canada by any form of early release or unescorted temporary absence but may only be released outside Canada.

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

* * *

CRIMINAL CODE

Mr. Jim Abbott (Kootenay—Columbia, Ref.) moved for leave to introduce Bill C-262, an act to amend the Criminal Code (probation order).

He said: Mr. Speaker, this bill comes as a result of some comments by a judge in my constituency. This judge is concerned about the fact that he did not have any way of influencing probation in future.

In other words, if the judge at the time of conviction believes there should be certain terms and conditions applied to potential parole, those should be taken into account at the time that parole is considered.

In this way, the judgments of the court today will be taken into account in the future and we will not end up with people feeling that the courts are not really responsible. In fact, the probation system is responsible for the ultimate disposition of the criminal.

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

* * *

• (1535)

HOLIDAYS ACT

Mr. Jim Abbott (Kootenay—Columbia, Ref.) moved for leave to introduce Bill C-263, an act to amend the Holidays Act.

He said: Mr. Speaker, the purpose of the bill is to bring back to Canada its original name, that being the Dominion of Canada. We have lost too much of our heritage. The least we can do is to return Canada Day to Dominion Day. Dominion Day is an entity of Canada. Let us go back to our roots of the Dominion of Canada.

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

* * *

PETITIONS

HUMAN RIGHTS

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition signed by 1,114 constituents and residents of the surrounding areas.

Routine Proceedings

These concerned individuals call on Parliament to enact legislation in order to amend the Criminal Code, specifically sections 173 (indecent acts) and section 174 (nudity) to clearly state that a woman appearing topless in public places is an indecent act.

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have a petition signed by 135 constituents of Oxford who request that the Criminal Code be reviewed and amended to correct and clarify the sections pertaining to public nudity.

SEALS

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, I have a petition from the Courtenay area in my riding. These members of the Fish and Protective Association want 40 problem seals culled from the Puntledge River due to their predation of fish stocks.

The petitioners call on Parliament to advise DFO to implement the original plan which would allow the local native band to cull the 40 problem seals. This has the support of the majority of the community.

The Fish and Protective Association obtained 2,300 signatures on a separate petition to demonstrate support.

NATIONAL PARKS

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, I have in hand 100 signatures of people who state that we, the undersigned, the citizens of Canada, believe our national parks belong to all Canadians with our first priority to ensure the cost for Canadians and their families to use and enjoy the parks remain affordable, draw to the attention of the House that we are concerned about the increased entry fees to our parks.

There was a lack of public consultation on the new fee structure. The petitioners believe the standard fee of \$2 for all passenger vehicles or \$25 for a yearly pass should be set for entry into all Canadian parks.

HUMAN RIGHTS

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure to present this petition regarding public nudity.

CRIMINAL CODE

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I am pleased to present two petitions signed by 100 of my constituents in the Selkirk and Beausejour districts.

The petitioners ask this House to support Motion No. M-300 and to retain section 43 of the Canadian Criminal Code. These Canadian parents wish to ensure that Canada continues to recognize the right and responsibility of parents to bring up their children according to their own beliefs.

Government Orders

• (1540)

GOODS AND SERVICES TAX

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I wish to present a petition pursuant to Standing Order 36. The petition comes from the Christian Booksellers Association of northern Alberta.

The petitioners say that we should not have to pay a tax to read. They say that the GST is the first federal tax in Canadian history to apply to the Bible and other reading material. They say that taxing reading material is unfair and wrong, that literacy and reading are critical to Canada's future and that removing the GST from reading material would help to promote literacy in Canada.

They urge Parliament to remove the GST from books, magazines and newspapers, and they ask the Prime Minister to carry out his party's repeated promise to remove federal sales tax from reading materials.

Of course I would take it one step further. It seems to me, and I was convinced, that they wanted to remove the GST, scrap, kill it, abolish it from everything, so I think this would be a great idea.

The Acting Speaker (Mr. McClelland): The Chair will take this opportunity to advise members that when they are presenting petitions it would greatly help the Chair if everyone who wants to present a petition would rise. That way we can spot members and call them in some sort of order.

* * *

QUESTIONS ON THE ORDER PAPER

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

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

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

WAYS AND MEANS

CUSTOMS

Hon. Lyle Vanclief (for the Secretary of State (International Financial Institutions, Lib.)) moved that a ways and means motion respecting the imposition of duties of customs and other taxes, to provide relief against the imposition of certain duties and taxes and to provide for other related matters, be concurred in.

An hon. member: On division.

(Motion agreed to)

* * *

CANADA CO-OPERATIVES ACT

Hon. Lyle Vanclief (for the Minister of Industry) moved that Bill C-5, an act respecting cooperatives, be read the second time and referred to a committee.

He said: Mr. Speaker, it is a pleasure to stand in the House today to make some comments at the second reading stage of the Canada co-operatives act.

This bill will help federally incorporated co-operatives to grow and prosper here in our new competitive economic environment. As members will know, I have been involved in the business of farming all of my life. In my new role as minister of the crown I wear a number of hats, including one with the word "co-op" on it.

Co-operatives have made a tremendous contribution to Canada's economic and social development and we must ensure that they continue to do so.

• (1545)

I express my appreciation to the Minister of Industry and his departmental officials who were instrumental in shaping the co-operative legislation before us today. Officials in our respective departments worked closely in developing policy for this legislation. They worked very closely as well with the Canadian Co-operatives Association and Conseil canadien de la Co-opération. These two organizations played a key role in the development of the legislation.

I know from personal experience the importance of co-ops to the lifeblood of the country. Four out of ten Canadians are members of co-operatives, including credit unions and caisse populaires. Co-operatives are an important vehicle for community based economic development. They are locally based and provide services locally. With so many co-operatives located in rural communities, the co-operative sector has a very significant role to play in maintaining and enhancing the quality of rural life.

Co-operatives emerged first in rural communities in response to an inadequate supply of goods and services at affordable prices. Agricultural producers used the co-operative model to market and process their production.

Stimulated by European immigrants, co-operative creameries were founded and formed by dairy farmers in the maritimes, Quebec and Ontario in the 1870s and 1880s. Co-operatives have been around for a long time.

In western Canada the first co-operatives were formed at the beginning of the century by agricultural producers influenced by American co-operative leaders. Today the biggest non-financial co-operatives in Canada in terms of revenues are agricultural co-operatives. In 1996 eight of them had revenues greater than \$1 billion. It has been estimated that co-operatives account for 47% of the market share for poultry, 57% for milk and 59% for grains.

With industrialization people from rural communities across Canada moved to urban areas and brought with them to the urban areas their institutions including co-operatives. Today a majority of co-operatives are located in urban areas. These include housing co-operatives and credit unions.

Over all Canada's 10,000 co-ops employ about 136,000 people, with total assets of more than \$155 billion. Co-operatives are a potent force across a wide range of economic sectors from agriculture and fishing to housing, to retailing, to public services.

Many co-operatives are governed by provincial law, but 50 co-operatives under federal jurisdiction conduct business in more than one province and are among the largest co-operatives in the country.

The grassroots partnership inherent in co-operatives can play a major part in achieving genuine lasting economic growth in our cities and in our rural communities. Co-ops are major economic engines in Canada with the top 50 co-operatives increasing their workforce by 5% in 1995. The co-operative movement reaches into every sector of the Canadian economy. Consumer co-operatives, mainly retail enterprises, had more than three million members and \$6.4 billion in revenue in 1995.

Perhaps more important the co-operative movement is tightly woven into the social fabric of the country. For example, service co-operatives are a growing part of Canadian communities in the areas of child care, housing, health, community development, fine arts and cultural services.

Worker co-operatives, mainly small and medium size enterprises, are becoming well established and give Canadians more control over their jobs and an opportunity to open viable businesses. In some cases they have helped keep business ventures alive in the face of closures or layoffs.

Government Orders

Another example is aboriginal co-operatives which have played an important role in the economic development of native communities. With more than 20,000 members they are the second largest source of employment in the north after government.

The legislation before the House today provides co-operatives with the tools they need to continue their long history of contributing to the economic and social make-up of Canada. Under the revamped legislation co-operatives would be given a modernized framework similar to the legislation governing other federal corporate and financial institutions and eliminating needless red tape.

For example, incorporation procedures would provide for an approach closer to the Canada Business Corporations Act. Under this new co-operative legislation, however, enterprises would have to certify that they operate on a co-operative bases.

• (1550)

Co-operatives will be better equipped to compete with other businesses by having more flexibility in the make-up of their boards of directors. They will also have new opportunities to raise capital.

Under the new legislation a co-op will be able to issue investment shares to non-members. This will allow co-operatives better access to equity financing while maintaining control of co-operatives in the hands of its members.

Putting co-operatives on an equal footing with business corporations through modernized corporate governance rules requires a strengthening of co-operative principles in the legislation. Co-operatives unite voluntarily and pool their resources in pursuit of common economic interests.

They embrace co-operative principles which centre around concepts of democratic control, equality, equity, education and concern for community. The decisions of co-operatives reflect the interest of the communities in which they operate.

These essential features will be strengthened and enshrined by reinforcing the requirement that a co-operative must be organized and operated on a co-operative basis.

Co-operatives are a powerful form of business organization which contributes in a very significant way to economic growth, job creation and prosperity of communities across the country.

Modernized legislation will equip these co-operatives with the legislative and regulatory authority needed to take advantage of options designed to strengthen their ability to prosper and grow in an evolving economy.

Government Orders

Co-operatives have already made an important contribution to rural Canada and to the economic renewal of our rural communities. This is a key priority of the government, a commitment we have been delivering on since we took office.

We are helping rural Canadians access information technologies and the information needed to develop a vibrant, self-reliant and innovative business sector. In part this is to provide rural Canada with the tools it needs to take greater charge of its future. A new Canadian co-operatives act is another important tool to help make that happen.

Co-operatives will continue to play an important role in promoting jobs and growth in the future as they have in the past. For my part I intend to be a strong and effective voice for the co-operatives sector in the federal cabinet and to do all that I can do within my department and my jurisdiction to help position this sector for sustained growth into the next century.

The Acting Speaker (Mr. McClelland): Before we resume debate, by agreement the House leaders made it possible for the hon. member for Regina—Lumsden—Lake Centre to speak next. We would then go back to the regular rotation.

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, I rise on a point of order. In the spirit of co-operation the member for Regina—Lumsden—Lake Centre will have the normal allocation of time that he would have if he was in his normal place of rotation, which would be 20 and 10. The spokespersons for the official opposition and the Bloc would retain their 40 minute allocation in their usual rotation.

The Acting Speaker (Mr. McClelland): The Chair thanks the the government whip for clarifying the situation.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I am very please to say a few words about Bill C-5.

It is quite fitting that we were speaking about co-ops. In the spirit of co-operation I express my appreciation to the Reform Party, the Bloc Quebecois and the Liberal Party for allowing me to speak first due to a prior commitment.

I also express my appreciation to the leader of the New Democratic Party for assigning me the critic areas of small business, western economic diversification and co-ops. All these areas are of great interest to me. I have been a business person and a member of the co-op and credit union movement for 27 or 28 years. That is a long time for a young person like me. Of course I joined the credit union and co-operative movement many years ago.

Bill C-5, an act respecting co-operatives, is the reincarnation of Bill C-91, tabled in March this year, which died on the order paper with the dissolution of parliament.

• (1555)

Its reintroduction this fall marks another accomplishment in a very active year for the co-op movement in Canada, one in which we celebrate the 10th anniversary of the Canadian Co-Operative Association founded by the former Co-operative College of Canada, which was very prominent in the province of Saskatchewan, and the Co-operative Union of Canada on September 24, 1987.

Also this spring in the Saskatchewan budget the NDP government of Roy Romanow announced significant new resources and a new focus on co-op economic development after some months of consultation and work with the co-op movement in Saskatchewan.

This summer in Vancouver the World Council of Credit Unions recognized the Canadian Co-operative Association for its outstanding work in assisting in the development of credit unions around the world.

As the minister stated, 14 million Canadians are members of a co-op, a credit union or a caisse populaire. Some 10,000 co-ops in Canada employ about 135,000 workers often in regions of the country or economic sectors that have been ignored by the traditional market economy.

Some producer and marketing co-operatives have been very successful. Some 17 of the top 500 revenue producing companies in Canada are registered as co-ops. In 1995, 617,000 people belonged to agricultural co-ops alone. They are very significant players in the economy.

These 617,000 people in agricultural co-ops generated \$16 billion in sales and handled 40% of total farm cash receipts in the areas of grains, oilseeds, dairy products, eggs and poultry, live-stock, fruits and vegetables.

Co-ops also make a contribution to their communities inspired by unique needs identified in the far corners of our country. Many members will acknowledge, as we do in Saskatchewan, that the co-op sector is one of the three major engines which drive our economy: the private sector, the public sector and the co-op sector.

We have always used the co-op sector in western Canada and other parts of the country as an instrument to achieve economic objectives where the private and the public sectors have failed or were not interested in pursuing those objectives in those areas.

I am very proud that we are dealing with the issue today and providing the co-ops in many ways with the modern instruments and utensils they require to meet the modern challenges facing us.

I raise some examples of co-ops. The Co-op Radio in Restigouche provides radio service in French for Acadians and local employment for northern New Brunswick. A co-op named Imagine That, an artists' marketing co-op in Duncan, B.C., helps local

artisans sell their work to the growing tourist markets on Vancouver Island.

Arctic co-operatives work to meet the challenges of a remote economy and marketplace that exist north of the 60th parallel. The Mountain Equipment Co-op, started by a group of university students, has grown into a successful and popular consumer retail co-op operating in four of the country's largest cities.

Prairie Dog Alternative News in my home town of Regina is providing an alternative voice to the mainstream media. Its ownership is growing more concentrated by the year. We are very pleased to see that alternative prosper in Regina, Saskatchewan.

One of the two provinces where co-ops have been most at home is my home province of Saskatchewan. The other is Quebec. The Saskatchewan Wheat Pool founded by farmers in 1924 has grown into one of the largest grain handlers and agricultural co-ops in the entire world with annual sales in 1996 of \$3 billion and gross revenues in the order of \$4.24 billion, up from \$2.8 billion just two years ago.

The Saskatchewan Wheat Pool is the largest co-op in Canada, followed by Federated Co-ops in Saskatoon. The Saskatchewan Wheat Pool is also the biggest corporation by sales in the province of Saskatchewan and the 35th largest company by revenue in the entire country.

As I said, the extent to which the co-op sector contributes to economic development in our country may be unappreciated by the general population. As one of the three engines it is a very key sector.

The contribution of the co-op sector has always been well understood in my home province of Saskatchewan and has certainly been appreciated by the New Democratic Party and our predecessor, the Co-operative Commonwealth Federation.

In particular I extend our congratulations on the occasion of National Co-op Week held just last week and International Credit Union Day held on October 16.

Bill C-5 represents quite an accomplishment for the co-op sector in Canada and puts it on the leading edge internationally. In 1996 the Canadian Co-operative Association, in co-operation with the conseil canadien de la coopération, presented a model bill to the federal government intended to update federal legislation regulating co-ops.

• (1600)

The Canadian Co-operative Associations Act, 1970 is thus receiving its first overhaul in almost 30 years and the resulting statute will in all likelihood serve as a model for coming changes in provincial statutory regimes for the co-op sector in years to come.

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The two main thrusts of the bill are to offer some flexible financial alternatives to co-operatives so they can continue to operate successfully in the modern competitive global marketplace and at the same time to provide work to strengthen the cornerstone of the co-op sector's vitality, which of course is the rights of its individual members.

The federal statute applies to non-financial co-ops operating in more than one province. Only 51 of the 7,300 non-financial co-ops in Canada are affected, but some of them are the largest in the country. It modernizes the regulatory framework for incorporation, structure and organization of co-ops and permits co-ops to issue investment equity for the first time in order to tap new resources and new sources of capital. It also incorporates the revamped 1995 International Co-operative Alliance statement of co-operative principles into an updated definition of what makes an organization a co-op under the act.

Finally, a number of requirements have been modified to modernize the corporate statute law for co-operatives that are federally registered, and this complies with the Corporations Act in many respects.

As spokesperson for co-ops in the NDP I met with a number of officials with respect to this issue, Industry Canada, the co-operative secretariat at agriculture Canada. I have had consultations with the Canadian Co-operative Association, with prairie pools, with Federated Co-ops of Saskatchewan, with the president of the Saskatchewan Wheat Pool, Leroy Larson, representatives of the Alberta Wheat Pool and the Sherwood Co-op, among many others.

However, some sectors of the co-op movement, in particular in Atlantic Canada and some of the smaller co-ops in Saskatchewan, are not in full support of this bill. The differences exist between the smaller co-ops that support the traditional service to members co-op model and the larger co-ops that support the business model of co-ops.

When the bill is referred to committee, which we support, these issues have to be vetted, discussed and heard by the committee members. The NDP requests of the minister that the committee invite witnesses from both viewpoints so that we can understand more fully the differences they have with respect to this bill. No doubt we will hear more detailed views at that time.

I take this opportunity to acknowledge the vitality and maturity of the co-op sector of our economy and to recognize the active contribution co-op employees and members make to our communities.

On behalf of the New Democratic Party caucus I am pleased to offer support for referring this bill to committee for further review.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, before I address Bill C-5 I would like to encourage all occupants of the chair to continue to maintain the decorum that we have had in the House and continue to set the high standard that you are. I would

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even encourage you to elevate this standard as need be. So please pass those comments on.

As I understand Bill C-5 this bill was actually prompted by the co-operative associations themselves. They recognized the need for change in its industry. They recognized the need to be increasingly competitive. They are competing against larger entities with smaller management hierarchies, with less bureaucracy. They are competing with large entities that are very customer focused and front line driven. They have to achieve some measure of increased efficiency if they are to survive.

They also realized they needed access to investment, investment dollars and capital. They also realized that in order to eliminate some of their redundancies in their operations they had to amalgamate, consolidate and knit themselves together so they could be more efficient to survive.

The co-operatives through all of this were dealing with reality. I want to speak about dealing with reality for a minute. I would really like to encourage our government today to take a lesson from what the co-operatives have been doing and start dealing with reality.

• (1605)

Recently the finance minister toured the country celebrating that soon we would have a balanced budget. It is wonderful to celebrate that, but it has been more than 27 years coming.

He presents it as if we are there, we have arrived, everything has been done. He is not dealing with reality. We have a \$600 billion debt in this country and many of us do not realize it but we are sitting on an interest rate time bomb that could go off at any minute.

I can remember a day in Canada when interest rates were almost 20%. When they came back down to 12%, we all breathed a sigh of relief. We have a debt that has an interest rate of around 7% or 8%.

I think the likelihood of those interest rates going down is very small. The potential for them to go up is real. I read recently that there is already pressure to move in that direction.

Here we are celebrating almost having a balanced budget and yet we are sitting on an interest rate time bomb that could blow away that balanced budget in a second and we will never see the days of surplus. But we are not dealing with reality. We are celebrating an almost balanced budget.

How much is the interest on a \$600 billion debt? It is \$45 billion a year. How much is that? I cannot conceive of that much money but let us put it into perspective so that Canadians can understand.

We talk so much about the importance of secondary education. Forty-five billion dollars would pay for 4 million young people to

go through a four year degree program. That is how much that is and we pay that out in interest every year.

We talk about the need for health care. There is a lot of talk from the other side of the House about how we do not want two tier health care. The best way to achieve that is to make sure there is a very strong basic health care system.

Forty-five billion dollars in interest on this huge debt, if we did not have to pay that, that amount of money would pay for every hospital in Canada including the ones that are being forced to close to operate for two years.

That is how much this is costing us, yet do we have a government that is dealing with reality like the co-ops are? No, we get a throne speech with 29 new spending initiatives. I heard lately it is 31.

Canadians are crying out for less government, not more government. We are asking the government across the floor to hear this.

There is something else that the co-operatives demonstrated. They demonstrated they have the ability to plan for the future. They realize that they need to gain capital so that they can build a secure future for themselves.

The government should allow Canadians the same privilege. Again I do not see it listening. Instead, what do we get? We get a Canada pension plan that has been there for 30 years that people have been paying into for 30 years. Where is the money? Nobody seems to know where it is.

The money that goes into that plan by young people and people working today is the same money that goes out of that plan to people who are collecting. It is a flowthrough system. There is no pot of money available. There is a \$560 billion unfunded liability there. It is a flowthrough system.

Canadians are even losing faith in this system. For all the great rhetoric we are getting from across the floor, a recent study done in *Maclean's* magazine showed that 66% of Canadians said this program will not be there when they need it. They have lost faith in this program. What is the government's answer? Its answer is to give us more of a plan that did not work, not just a bit more but 73% more.

• (1610)

It will go from taking 5.85% from our cheques to 9.9%, effectively 10%. That is a 73% increase in a plan that has proven to not work. That is the largest tax increase we have seen. That is 10% off the income of every Canadian, your money flowing into a system that does not work.

What troubles me about this on top of everything else is that the young people of our country who have become trained and are eager to work and build a future for themselves are faced with 16%

to 17% unemployment. We have a government that increases payroll taxes by 73%, further shortcircuiting the chance for these young Canadians to build a future in Canada.

The government has an answer for us. The answer is another government appointed investment board to manage the money that is contributed. If it is consistent with the track record of most government appointed investment boards, I can see why Canadians do not have much faith in it.

The question that should be asked by the members on the opposite side is whose money is this. This money is earned by Canadians. It is not a tax. It is meant to be there when they need it at retirement age. Let them own it and manage it. Within successful private financial institutions that are professionals at managing money, they cannot do worse than the government has done in the last 30 years. It is not possible to do worse than that. Even modest evaluations with conservative interest rates prove out that there is a three to fourfold greater benefit derived by going through private institutions than going through a government run investment board, taking the critical moneys that Canadians earn and further shortcircuiting the hopes of our young people to obtain a job in this country.

The concept of Canadians owning their own investment plan, owning their own pension plan, having title to it, is not something radical or unheard of. This concept is being applied around the world with outstanding success. Countries and governments are allowing their citizens to plan for their future, like the co-operatives are doing.

I am asking the government to allow Canadians to do the same thing instead of going back to a plan that does not work.

There is another dimension of the co-operatives bill. The co-operative management group had the foresight to implement measures with this bill that will protect it and allow it to survive in the long term. That seems like a reasonable thing for Canadians to expect from their government. That is continually what the government says it wants to do and yet we continue to be faced with too much government, too much intrusion in our lives, huge debt and huge interest rates, as I have spoken to.

We have the highest tax to GDP ratio of any of the G-7 countries, and the government comes back with 29 new spending initiatives on top of all that. Even as I speak it in this House I am overwhelmed again with the facts. Surely the light is going to come on one of these days.

Ten per cent off every paycheque of every Canadian, another government appointed board, the litany goes on and on. Behind all this, as we are celebrating a balanced budget finally wrestled to the ground, there are some facts to be looked at.

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• (1615)

The \$7.5 billion that went toward balancing the budget was actually a surplus paid into the unemployment insurance program. It is not really savings. It is intended for a totally different purpose but has gone off somewhere else. It is misleading Canadian people.

The youth unemployment rate is 16.5%. Today I was at a presentation for some gentlemen who were receiving the Order of Canada. I had the opportunity to talk to one senior scientist being recognized about his son who had recently graduated with an honours engineering degree and sought work in Canada.

We have all heard the story. Members know where I am going and where he went. He left Canada to get a real job, not a government job, because he could not get one here. This passionate Canadian who received the Order of Canada was hurt that his own son could not apply what he had learned in Canada. Brain drain to the max, and it is happening.

It is not more government we need. Canadians are burdened with government, taxes and all that comes with them. They are carrying a heavy load. Canadians are a stoic bunch. We tend not to be complainers. We tend to buck up and do it. We have a government that continues to take another brick and put it on top of the load. It continues to weigh us down one more brick at a time, one more brick at a time.

I do not want to depress everybody here although this is a depressing topic. I want to give Canadians some hope and to inspire members across the floor. There is a bright note in all this. The government actually listened to the co-operatives when they came forward and said what they needed. The government actually listened and put together the bill. That proves to me when the heart is willing and they really want to do it Liberals can listen. They allowed co-ops to plan for their future.

Along with the members of my party I am earnestly requesting the government to do the same for Canadians. It should deal with reality and the realities of the debt. It should allow Canadians to plan for the future and to keep the money they have earned. It is their money. Let us emphasize that. It should set us on the road to long term viability and allow for an environment where young people can hope for real employment in their own country.

Canadians do not want more tax and spend governments. They want a government that does a few key, important things well for less cost instead of a lot of things poorly at great expense. It is simple. That is what they are pleading for and demanding. It should stop crushing them with the weight of government adding bricks to the load.

The government has demonstrated that it can listen. It should now listen to Canadians, listen and deal with reality. We have waited too long. It is almost too late. It is a critical time. We have a

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window of opportunity today to make changes but it is only here today.

I encourage all members of the House to deal with the realities and capitalize on the window of opportunity. Whatever we do let us not miss it or future generations will judge us and indict us.

• (1620)

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, may I congratulate you on your appointment.

We are here today to speak on the second reading of Bill C-5, Bill C-91 in the last Parliament. This is a bill which completely revises the federal legislation on co-operatives, at the request of the Canadian Council for Co-operatives and its francophone counterpart.

I would like to start by pointing out that only 50 co-operatives are registered under federal charter. A large number of these, however, are extremely important ones, which specialize in the production and distribution of grain. In Quebec, and I think it is important to point this out, there are only six federally chartered co-operatives, which are of different sizes.

Some people may wonder what we in Quebec have to say about this bill. The same thing, basically, as the representatives of other parts of Canada, because this bill, while affecting only a few co-operatives directly, can affect the entire Quebec co-operative movement indirectly.

In Quebec there is a Conseil québécois des co-opératives, which is part of the Conseil francophone and which, after some negotiations I would say, gave its support to the reform proposed by the Canadian Council. I must point out that, on Bill C-91, some of the demands by the Quebec council were accepted, while others were not. Nevertheless, the Conseil endorsed the bill on behalf of its entire membership.

Still, as the NDP member pointed out, while the bill does not directly affect co-operatives, it creates problems for a number of them—and I will try to explain why—in terms of its possible influence.

One may wonder why it was necessary to review, to modernize the federal legislation on co-operatives.

In Quebec, the provincial government just modernized the co-operatives act. The same thing is being done in Canada and it has also been done in recent years in other countries where co-ops are important institutions. Why? Because of the changes affecting markets, because of globalization and the stiff competition often faced by co-ops, particularly those that are key players.

In Quebec, these key players include the Nutrinor agri-food coop, which is fairly big but not as big as Agropur, the 53rd largest business in Quebec, and much smaller than La Co-opérative fédérée de Québec, which ranks 19th among the province's businesses.

Although the bill does not deal with financial coops, I take this opportunity to say that the Mouvement Desjardins would be number one in Quebec, with assets of \$82 billion.

Businesses located in Quebec and governed by a federal charter must have some leeway to face new market conditions.

• (1625)

However, we can understand that in doing so co-operatives sometimes give rise to vigorous debate among their members, among the various types of co-operatives, because some people wonder whether, through better financing, by a turning profit in a co-operative fashion and selling shares on a market, that is, a sort of stock, whether they are not selling their soul. This debate goes on among the big co-operatives and between them and others operating in the service industry.

This should be pointed out, because the criticism I will make is in the context of full support for the bill. However, during committee work, we will express concerns, and move amendments on a number of specific points.

Co-operatives, I must point out, are vital in Quebec. When we look at Canada's history we see they are vital in western Canada as well and that their emergence showed the producers were taking control of their future rather than leave it to capitalist development, which, at the time, was largely unregulated. It is therefore a means of taking of control and the sign of an economy more collectively oriented and yet a strong market player.

In Quebec, this truth goes hand in hand with the fact that co-operatives have given Quebecers control over a large part of their economy. When we put this in a historical context, it takes on proportions even broader than those in the west of Canada, because there is not only the context of social ownership, but also of Quebec ownership as opposed to foreign ownership. This explains the importance we give to having rules for the co-operative movement and consolidated legislation that underscores these principles.

There are various types of co-operatives. Some may be threatened by the new principles appearing in Bill C-5. In addition to grain, meat or agricultural production co-operatives, which bring producers together, there are also family investment co-operatives, student co-operatives—and there are many flourishing ones in Quebec as young people learn to build financial strength by using their purchasing power—and there are increasing numbers of co-operatives in new areas as well. There are some in the Montreal area, and no doubt elsewhere, in the new field of electronics; one

will be known as “La Puce”, another will make it possible to offer Internet sites to all community organizations in the Montreal area with large servers.

It is therefore an area of high activity as far as sectors in the new economy are concerned, but the service sector is also represented, with housing and consumer co-operatives. Finally, I have not mentioned workers’ co-operatives, which also operate on different principles.

So these various kinds of co-operative operate on co-operative principles having to do with the various aspects of pooling capital and, in the case of workers, pooling the activities of an enterprise supplying work. Therefore, even if the new principles in Bill C-5 do not affect them directly, they may be a cause of concern for these different kinds of co-operative that wish to continue to operate on a co-operative basis.

• (1630)

Having done a little research, I must point out that, in the various countries modernizing co-operative legislation, there are three approaches. The first is to go with values, but this poses a problem because it depends on the kind of co-operative involved. The second approach is to be pragmatic, but this raises concerns, and I am inclined to think that Bill C-5 falls into this category. The third approach is systemic and tries to respect the inherent logic behind the various co-operative principles as implemented in co-operatives.

What are the stumbling blocks in Bill C-5? Once again, I repeat that, overall, the Bloc Québécois and the Conseil québécois des co-opératives are in agreement with the bill as it stands. But a few problems remain.

First of all, the major stumbling block, and I will conclude with this, is that this bill, the Canada Co-operatives Act, is modelled on the Canada Business Corporations Act. This raises a structural problem, because a co-operative is community owned. A member of a co-operative does not own a share in the co-operative that he may sell as he wishes to whom he wishes. One cannot therefore say that one is going to buy a share in a co-operative and be a member of the co-operative. That is not how it works. If co-operatives are successful, it is because they let it be known that they intend to be consumer, producer or worker co-operatives, so they issue shares, which is why people then meet to achieve a common purpose stated in their bylaws. That is what co-operative officials’ performance for instance is assessed against by their members.

Co-operative members hold shares that they can sell back to the cooperative and the co-operative only. They are not free to sell their shares to whomsoever they wish; it is up to the co-operative to decide who will be allowed to join. This is a far cry from a business corporation.

Since the entire legislation is modelled on the Canada Business Corporations Act, it is understandable that, even if an effort was made to adapt the spirit of the law, the corporations act sometimes

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shows through. As I said, I do realize that the intent was to update the Canada Cooperatives Act and enable co-operatives to secure new capital on the market, without interfering with the spirit of the legislation.

So, this is the first major flaw, as far as I could see—I perused this very thick bill and checked also with others and these are the problems we found—in fact, the Conseil québécois des co-opératives even had a question about this—under the charter, co-operatives are not required by law to disclose for what purpose they were established. This is a very serious problem because, for one thing, how can members be asked to use the services provided by their co-operative if these can change?

• (1635)

No doubt there is room for improvement. An improvement that could, one might say, be made fairly easily. The reasons for the refusal to do so remain to be seen.

The bill also contains some worrisome elements. For example clause 4, where once again the spirit is really that of a corporation, where control is defined as going to the person with control of 50% of the votes. In my opinion, one shared by all those I spoke to about this, this is incompatible with the co-operative spirit. This is an example, but I will not go through the entire bill because it is a very long one.

Before Bill C-91, fears were expressed concerning the proposal made by the minister of the time, to the effect that co-operatives in Quebec, as in the other provinces, could choose to be registered under either a Quebec or a federal charter. This problem has been corrected in this bill, and a co-operative must, in order to be federally chartered, carry out business in more than one province and have offices in more than one.

This allows me to say that, given the rapidly changing markets, co-operatives can make acquisitions and find themselves in a position to be able to use the federal charter, hence the importance of taking the necessary time to study the wording.

The two clauses that are the most serious grounds for concern are, however, those which deal with reserve splitting during the lifetime of a co-operative. This is, one might say, hard to understand. It could open the door to all sorts of abuse. I know that the response will be that this bill is an enabling one. That means that the co-operatives are not obliged to use all of the clauses, except that the bill, or the act, cannot be a sort of self-serve affair, either, where one helps oneself to the elements one wants; it cannot be like that without a real danger of moving away from the co-operative spirit.

I know that the answer may be “But the co-operative movement itself will protect the co-operative spirit”. But it is hard to create the conditions that would allow that to be changed and then to say that it is up to the co-operative movement to do what has to be done.

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Another important provision stipulates that only two thirds of the board will be made up of members, which could mean that 20%, if not more, of the board's membership would have investment shares. The danger would then be that decisions would not be made by members but by—shall we say—major investors.

Another provision of the bill seeks to counter such an effect, but it remains to be seen whether it is adequate. In fact, the principle underlying the whole notion of co-operatives is that members must have control over major decisions, and that co-operatives must know what their mandate is.

• (1640)

The committee has its work cut out. Hopefully, it will have the time required to do it.

We agree that the legislation must be updated. Quebec has done it. I imagine the other provinces have also done it or will do it. Other countries have done it. It is not an easy task, given the rapid changes occurring in the market and the very stiff competition major co-operatives must face. Still, we should not throw the baby out with the bath water.

When we hear those who can help us deal with the issue, we will have to make sure the bill does not weaken but strengthens the co-operative movement, which is so greatly needed in Quebec and in Canada.

I am convinced that co-operativeness, as well as the Conseil québécois, as well as various professors—there are two chairs on co-operation in Montreal—will be pleased to provide advice to us, as they did when the Quebec government updated its legislation.

[*English*]

The Acting Speaker (Mr. McClelland): 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 Winnipeg North Centre, Health; the hon. member for Prince Albert, Aboriginal Affairs; the hon. member for Oakville, International Trade.

By agreement with the Conservative Party and the Reform Party they will switch their time slots, so we will recognize the hon. member for Surrey Central. We will then go to the Liberal side and then back to this side.

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, I am proud to rise today on behalf of the constituents of Surrey Central to declare our support for Bill C-5, the government's proposed legislation to replace the Canada Cooperative Associations Act.

The proposed legislation, to be known as the Canada co-operatives act, promises to be a helpful piece of legislation. All sides of the House of Commons in the 36th Parliament should be proud to support this bill.

I have some previous experience with co-operatives in Canada. I am a former director of the second largest credit union in Canada. The successful story of that credit union is a fine example of Canadian co-operatives. It was the very first credit union in Canada to be placed for public trading on the Toronto Stock Exchange.

Bill C-5 is a legislative proposal prompted by a request from the Canadian Cooperatives Association to the federal government to update the current legislation affecting co-operatives in Canada. The association made specific recommendations as to what it needed in the bill. Bill C-5 contains the recommendations which the industry requested.

Bill C-5 will modernize the legislation affecting co-operatives in Canada. This bill will provide the financing tools the sector needs to compete effectively. It will strengthen this vital component of the Canadian economy.

The definitions in the legislation affecting Canadian co-operatives will be broadened by Bill C-5 so that current policies, practices, values and principles in this sector of our economy are reflected in the legislation governing it.

For example, co-operatives will be allowed to access capital markets directly. Co-operatives will continue to be able to raise capital from their members. But also with the passing of Bill C-5 into law they will have access to the financial markets.

• (1645)

Co-operatives will be able to recruit directors from outside their membership to a maximum of 20% of the board of directors of a co-operative.

Bill C-5 also includes definitions of the duties, liabilities and responsibilities of directors. It addresses the governance of the board of directors. As a former co-operative director, I can assure the House that this section of the bill, in particular, is a very welcome measure. Under Bill C-5 the standards that apply to directors under the Canadian Business Corporations Act will now apply to co-operatives.

This bill also gives co-operatives access to the modern and flexible legislative tools such as the right to amalgamate, which is very important in this industry.

On behalf of the people I represent, I can declare that this is a rare occasion. My colleagues in the Reform Party, veterans of the previous Parliament, have assured me that it is a rare experience to find ourselves on the side of the House supporting a successful event accompanied by the lame side of the House, the government side.

Even the hon. member for Edmonton North, formerly the member for Beaver River, who is our most experienced team member admits that by working closely with Canadians and

listening to the concerns of affected parties, the Liberals got it right this time just for a change.

I mention the deputy leader of the Reform Party because as a new member of Parliament representing a brand new constituency, she has taken the time to explain to me, a rookie MP from British Columbia, that she can remember very few times in the House when she could cast her vote in support of a Tory or Liberal government initiative. We rely on her sage wisdom. She has seen almost every flat footed, maniac antic of Tory and Liberal governments.

She has seen hundreds of millions of dollars go to Bombardier in Quebec. Bombardier always remembers the Tories or the Liberals at election time, of course, depending on which party is most likely to win.

She has seen Liberal and Tory cabinet ministers, MPs and party hacks brought up on all kinds of charges of bad behaviour, questionable conduct and things that extend to criminal acts and RCMP investigations. Surely, it must have been our deputy leader who coined the phrase, Liberal-Tory, same old story.

These days in question period she is trying to find out how the current Liberal government has rigged it so that 70% of the companies that get hundreds of millions of dollars in contracts from the Canadian International Development Agency are the same companies that give hundreds of thousands of dollars to the Liberal Party of Canada.

Imagine, companies that get CIDA contracts are 70 times more likely to have given money to the Liberal Party of Canada than any other company. A group of companies directed by former Liberal cabinet minister, Marc Lalonde, has donated a whopping \$80,000 to the Liberals in the last two years and the payoff is \$80 million in CIDA contracts. This situation is unacceptable and almost unbelievable.

• (1650)

Mr. John Harvard: Madam Speaker, I have a civil question. What in the world do the remarks of the current speaker have to do with Bill C-5? I know that we take a very liberal approach around here and that our discipline, when it comes to enforcing the rules, is quite lax. I can understand that. I just cannot understand how his remarks are in any way relevant to Bill C-5.

The Acting Speaker (Ms. Thibeault): I would ask the hon. member for Surrey Central to please be pertinent in his comments during this debate.

Mr. Gurmant Grewal: Madam Speaker, I am well aware that I am discussing Bill C-5, but there is a strong desire and need to mention this particular fact because for a surprise, we see that this bill, presented by the Liberals, is a strange thing.

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In most of the previous bills, they have been dealing with how to squeeze money from the taxpayers who are taxed to death. For a surprise, we are looking into this matter. This is a matter for accountability. I refer to this simply because we are amazed and surprised how this bill is presented and quoted by them. I will go to my debate.

The Reform Party whip, the hon. member from Fraser Valley, has researched this same sort of behaviour by the Liberals which I mentioned earlier. I believe that there is a need to mention this because it is pertinent and important here.

He found that a Montreal accounting firm that gave \$87,000 to the Liberals over the past few years has received \$20 million in contracts from CIDA. I suppose that the true reason that the Liberals have it right this time with respect to Bill C-5 is that somebody else wrote this bill for them.

The Liberals have, in fact, very little to do with this bill. That is the reason my colleague from the other side has pointed out, because they have to do very little to this bill, that it is not written by them. It is given to them by the co-operative themselves.

I would guess that most of the Liberal backbenchers, especially the neglected, lonely and largely unknown members from Ontario may not have even read Bill C-5. Liberal MPs who are not in the cabinet do not have to read this bill because they are told by their Liberal Party whip how they are supposed to cast their vote, how to behave in committee and what to say in the media and to their constituents. Their whip does all those things for them.

The good constituents of Surrey Central know that, as their member of Parliament, I am free to vote the will of my constituents. My constituents tell me, not my party whip, how to cast the vote of Surrey Central in this House.

Again, I point out that this legislation was written for the Liberals by the co-operatives in Canada to modernize the current definition of co-operative basis, improve the governance rules, increase financing possibilities, amalgamation and other flexibilities needed by many of Canada's co-operatives.

In fact, my constituents and I are glad to be of some service and assistance to the more than 10,000 co-operatives operating in Canada by casting the vote Surrey Central has in this House in favour of approving the passage of this Bill C-5.

Most sectors of the Canadian economy have co-operatives. Co-operatives have been a very successful component in our economy. In fact, many co-operatives are non-financial co-operatives. These co-operatives serve many sectors of our economy, including agriculture, consumers, fishing, forestry, health, child care, housing and community development.

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The largest amount of co-operatives in Canada exist in the agriculture sector. These co-operatives include marketing co-operatives as well as those involved in supply, production and services.

• (1655)

Canada's co-operatives employ more than 133,000 Canadians. Canadian co-operatives have over 14.1 million members, which is about half of the population of this wonderful country.

On this side of the House we are anxious to support anything which will help Canadians continue to be employed. We want to do everything we can to create jobs. We want to ensure fair treatment of the small business community and our co-operatives.

Bill C-5 will assist in ensuring a level playing field for our co-operatives to be competitive in the business industry.

By supporting an initiative that will modernize and assist the work of co-operatives in Canada, Bill C-5 will do something to help overtaxed Canadians who are struggling to find jobs. The Liberal Party has done nothing to create jobs for unemployed Canadians; however, it has killed jobs with taxes.

The billions of dollars the Liberals have spent on infrastructure—which is the wrong approach since the Liberals have no vision—have failed to change the unemployment rate in Canada since 1993. For 86 consecutive months Canada's unemployment rate has been hovering at about 9%.

The co-operative movement in Canada now reaches most sectors of the Canadian economy. Canadians co-operatives compete head to head with national and international businesses and corporations. It is important that the federal government support this movement, particularly with the globalization of businesses.

The Reform Party supports measures to ensure the successful operation of the marketplace, including promoting competition. We recognize private sector investment as an important source of capital for Canadian businesses, unlike the Liberals, who have been patting themselves on their backs day after day, even in question period.

We believe that the private sector is the key to job creation in Canada. Small and medium size firms in Canada could create more jobs if they were not taxed to death.

Most jobs in Canada are created by small business. That is not what the Liberals believe. They continue to spend hard earned tax dollars on public make-work programs which provide few short term jobs. Ask any Liberal on the other side and he or she will put you to sleep rambling on about what the Liberal government has done to create jobs for Canadians. Any Liberal spin doctor can give

you a seemingly endless litany of things the Liberals have done to create jobs, but we know that the Liberals just do not have it right.

Governments do not create jobs. People create jobs. Our small businesses and entrepreneurs create jobs, but they cannot do that when the smiling Minister of Finance cripples their businesses with taxes. How can they do it?

The Liberals have reduced the deficit by increasing taxes. They have frozen the unemployment rate since they took over the reins of the federal government from the Tories.

Bill C-5 is a good bill because it addresses the needs of the private sector. Canada's private sector is in the best position to determine what it needs to be competitive. For once, we have the Liberals allowing the federal government to respond to the needs of the private sector. It is a miracle.

Not only that, but it appears that the Liberals are allowing us to have a debate on Bill C-5. We were only allowed to debate Bill C-2, which was the largest tax increase in Canadian history, for a very brief time, less than seven hours. Following that the Liberals only allowed one day, a couple of hours, for Bill C-10 to be debated in the House. It was another tax grab. That we are allowed to debate Bill C-5 is another miracle. I hope that I will continue to see such miracles in this House for all bills which come before the House in the future.

We on this side of the House give a clear warning to the Liberals that we do not want debate on any bill to be suddenly cancelled, particularly those which dig deep into the pockets of Canadians.

• (1700)

These are the same Liberals who cancelled the Somalia inquiry. Never before in the history of our country has any government shut down a commission of judicial inquiry. The Liberals did. The Somalia inquiry was only two-thirds of the way through its work when the Liberals shut it down. The inquiry was very close to analysing events at the department of defence that took place under the Liberal government.

In Bill C-10, the bill that only saw the light of this House for a matter of a few short hours before the Liberals shut down debate, we saw that the Liberals cannot even do something as simple as negotiate a tax treaty with another country without trying to figure out a way to squeeze more money out of the already overtaxed Canadian taxpayers.

Income tax take has been rising steadily in this country. The Liberals are balancing the budget on the backs of Canadian taxpayers. Canadians know that the average family's purchasing power has been decreasing since 1993. Personal income tax revenues have increased significantly since the Liberals have been in power.

The savings rate for Canadians has dropped from 10% in 1992 to less than 1%—

[Translation]

Mr. Denis Coderre: Madam Speaker, I can understand that our hon. colleague is new to this place but one must not wander too far away from the subject matter. We are discussing co-operatives.

We are interested in the opposition's views on co-operatives. Besides, if we start dealing with what the Reform Party has done wrong, I could speak for a very long time. I could indeed, but I would like us to stick to the matter at hand and discuss Bill C-5.

[English]

The Acting Speaker (Ms. Thibeault): I would remind the hon. member to please keep the debate pertinent.

Mr. Gurmant Grewal: Yes, Madam Speaker, I appreciate that but on the other side, I have to justify why we are supporting this bill. What we have seen in the past on the other side is why we have to mention these things. These are bitter truths. I am not making up these figures.

The finance minister has just introduced the largest tax hike in Canada, a 73% increase in CPP premiums, that will cost \$10 billion to the Canadian taxpayers. Those are the reasons why we have to mention these things. They are the ones who are not creating jobs. On this side of the House we have to say these things because we will support any motion or bill that will create jobs.

To summarize what I have been saying, Canadians want our federal government to be effective and efficient in terms of leading our nation to prosperity. Bill C-5 is a lesson for the Liberals. If they do their work honestly and well then everyone in this House can give their support to such work.

When the Liberals are pork-barreling, when they are handing out patronage appointments, when they turn their backs on the victims of crime, when they hide their heads in the sand like ostriches and ignore the unemployed and when they refuse to assist our private sector to be competitive in the global economy, we will hold the government's feet to the fire.

In conclusion, on behalf of the constituents of Surrey Central, I am casting my vote in support of Bill C-5 and the strengthening of co-operatives in Canada.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, I listened with some interest to the member opposite with respect to what he was saying and, of course, in typical Reform fashion, preaching the politics of fear and the politics of doom and gloom. It struck me, that wonderful picture we saw in the paper today of Frederik Eaton with the Leader of the Opposition, whether or not that was the kind of thing they were discussing last night at the fund-raising dinner held in Toronto.

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In reality, the government has created over the course of the past four years a climate of economic growth unparalleled since the 1950s and 1960s.

• (1705)

All we have to do, which the hon. member should do sometime, is look at the evidence. The evidence indicates that we have the lowest interest rates that we have had for 30 years, housing starts are up, growth is up and consumer sales are up. The government has done a very good job, unlike what the member opposite would lead Canadians to believe.

I was most intrigued by his statement with respect to how he reflects his constituents. I wonder if he could lay out precisely for the House how he goes about scientifically taking the pulse of what his constituents tell him to say on any given issue. I would be interested in hearing whether he polls, whether he has town hall meetings, what he does to ensure that all the people in his riding have their voices heard.

Mr. Gurmant Grewal: Mr. Speaker, I am delighted to answer the hon. member's question. He did not read Bill C-5. He has no concrete question to ask on the bill so he is asking a question on what he believes he has been doing on the other side when his whip tells him to vote in support of the bill or against the bill.

On this side of the House we keep completely in touch with our constituents. We meet with them frequently. We have a free right to vote on this side of the House.

I sent a survey to my constituents asking for their views on different matters and I have received encouraging responses from them on various issues. I will be putting forward their concerns in the House.

Unlike the other side of the House, I am free to vote the way my constituents want.

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I will be splitting my time with the member from Essex.

I rise today on the occasion of second reading to the proposed legislation regarding the Canada co-operatives act. This bill marks another step in this government's effort to provide modern up to date framework laws that establish fair and efficient marketplace rules.

In the past we have passed legislation to modernize and streamline laws from bankruptcy, insolvency to copyright. These framework laws are an important part of Industry Canada's contribution to the government's jobs and growth agenda.

The bill before us deals with non-financial co-operatives. Financial co-ops or credit unions were reformed in the last parliament with the passage of the Co-operative Credit Associations Act.

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The value of Canada's co-operatives can be found when we look at the kinds of principles they instil in their members and their communities, principles such as democratic control and concern for their members, principles such as community development and education for the young. For the better part of this century co-operatives have prospered in Canada as an alternative form to business enterprise.

In communities across Canada co-operatives have proven that it is possible to flourish in a market economy with principles that emphasize community participation, democratic equality and co-operation.

That being said, it is true that even though co-ops are a unique and distinctive form of business organization they nevertheless compete in a market economy against business corporations. For example, retail co-operatives compete against the Canadian Tires, the Loblaws, the Wal-Marts, the Price Clubs and so on.

Survival in this marketplace depends on innovation and flexibility. It depends on getting the best advice from board members who are knowledgeable of the business world. In this environment co-operatives have been competing for years with their hands tied behind their backs because the marketplace framework laws governing these organizations restrict their freedom to make some choices needed to respond to changing demands, to changing competition and to changing markets.

These co-operative associations work closely with their members. They discuss their draft model act within the co-operative movement. When they have a draft bill ready they approach the Minister of Agriculture and Agri-Food, responsible for co-operatives, and the Minister of Industry, responsible for marketplace framework laws.

This is a good way of preparing legislation, working co-operatively with organizations and the government in partnership to make things happen. I hope we see more of these examples in the future.

• (1710)

Industry Canada had to assure itself that the draft legislation met the requirements of the contemporary marketplace framework laws. The bill before us governs co-operatives that are incorporated federally. Most non-financial co-operatives are incorporated in the province in which they do business. This means the bill before us today affects only a small portion of non-financial co-operatives in Canada. But the relatively small number of businesses affected directly by this bill should not detract from the importance of this bill.

The bill creates a Canada co-operatives act that provides co-operatives with the same flexibility now enjoyed by federally incorporated businesses. However, it still maintains the key co-operative principles essential in any co-operative legislation. It leaves the

choice to adopt the new business oriented measures in the hands of the membership, the members.

To help co-operatives compete more effectively in the marketplace, the bill provides more flexibility to recruit directors from outside the membership. At least two-thirds of directors of the co-operative have to be members or representatives of those members of co-operatives, corporations or entities. One-third of the board can be from outside. If the co-op issues investment shares, members will decide on that. In each case it is the members who decide.

In other words, this bill enables the co-operatives to draw on the expertise of those who can help guide the co-operative whether or not they are members of the co-operative themselves. At the same time, however, the members themselves continue to make the fundamental decisions that set the rules for the co-op. These include the articles of incorporation, the bylaws, the right to make proposals at any annual meeting and the ability to request special meetings of the members.

In short, this bill gives co-operatives the best of both worlds. It continues to promote the distinctive features of co-operatives that have made them such an important force in Canada's economy. At the same time it provides a modern, flexible, business type set of tools to allow co-ops to compete against other forms of business on a level playing field. I hope hon. members will join me in supporting this bill.

[*Translation*]

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, I am very proud to rise today to speak on a bill that is so important for the health and prosperity of the Canadian economy, especially as far as rural and remote communities are concerned.

I want to talk about co-operatives in sectors like agriculture, fisheries and forestry, co-operatives providing energy to remote communities and serving aboriginal communities.

[*English*]

As of 1995 there were over 617,000 members of agricultural co-operatives in Canada. These co-ops were responsible for almost \$16.3 billion in sales. Types of co-ops in the agricultural sector include marketing co-ops which account for 34% of the membership and realize 73% of the revenue. They are responsible for marketing some 57% of the market share in dairy products, 59% in the grains and oilseed sector and 47% in the poultry and egg sector.

[*Translation*]

Take for example the Agropur co-operative in Granby, Quebec. It is currently the largest producer and distributor of fancy cheese and whey in Canada. It is represented in the yogurt and fresh deserts sector by Ultima Foods Inc., a company co-owned by Agropur and Agrifoods International Co-operative Limited, of

British Columbia. In 1995, Agropur's sales figure exceeded \$1 billion. It has 4,500 members and 2,200 employees.

• (1715)

[English]

Agricultural co-ops also include those involved in production and services. One of the most successful producer co-ops is the Saskatchewan Wheat Pool, the largest co-op in Canada. It was formed by farmers in 1924 to handle their wheat harvest. It has come a long way.

In 1995 it had annual sales of almost \$3 billion and handled 60% of the total grain movement in the province. In recent years it has successfully diversified into valued added processing, bakery supply and manufacturing, fertilizer manufacturing, an ethanol plant, biotechnology development and a host of other areas.

We can see the impact of co-operatives in the energy sector in Alberta. At one time the rural electrification program carried out by co-operatives in Alberta accounted for almost 90% of the electricity supplied to the province's farmers.

Those co-ops are fewer in number today. Many of them have sold their assets and responsibilities to power companies, but even while the number of co-ops in Alberta's electricity grid is decreasing the importance of natural gas co-ops to supply Alberta farms is increasing. In 1995 these co-operatives accounted for over 54% of the total sales of energy co-operatives in Canada.

[Translation]

Consumer co-operatives are also having an influence on the rural economy. Federated Co-operatives Limited, a federally regulated co-operative, is the second largest Canadian co-operative in terms of revenue.

[English]

In 1995 it earned \$2.1 billion in sales. It is a supply, production and services co-operative that provides retail co-ops with food, petroleum, seed, hardware and building products, crop supplies, livestock feed and family fashions. It also provides a number of support services such as training, as well as computer, audit, advertising, legal and communication services. It owns the Consumers Co-operative Refineries Limited of Regina, seven feed plants, a plywood plant, a sawmill and the Grocery People Limited retail chain.

In the fishery sector co-operatives have managed through the tough times since the 1992 cod moratorium. Their strength lies in their people. During tough times these people stand together behind their co-op. We have a situation, for example, where despite the moratorium there are still over 9,000 members of fishing co-operatives. We can find a number of success stories in the fishing sector.

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In Prince Edward Island the Tignish Fisheries Co-operative Limited has been canning lobster since 1925. It has 250 employees and in 1995 had \$14 million in sales. As production moves from canning to specialty packaging the co-op expects that it will need to hire more people and keep them working longer.

[Translation]

Forestry co-operatives are enjoying phenomenal success. Their membership has increased by more than 63% between 1985 and 1995, and their revenue has gone up 247%.

They are doing particularly well in Quebec. In the Saguenay—Lac-St-Jean region, for instance, the Co-opérative forestière Latérière-Saint-Honoré has a payroll of some \$5.4 million and sales of \$30 million. It is involved in forest management, logging, and production of seedlings, as well as sawmill and planing operations.

[English]

I would also like to mention the important place that co-operatives have in the economy of aboriginal communities. By 1995 there were 76 aboriginal co-operatives in Canada. They are especially strong in the Northwest Territories and northern Quebec. In fact these co-operatives have more than 20,000 members.

Co-operatives are big business for the rural economy and in communities far from urban centres without losing sight of the community values that led to their creation in the first place. They are big businesses that pursue the interest of their members as a whole. They are big businesses that have shown Canadians another way to operate in a market economy.

The future of co-operatives in Canada is integral to the future of the economy in rural and remote areas. The bill before us gives these organizations the tools they need to keep on contributing to the economic growth of Canada.

The co-operative movement has a long and distinguished history of helping people in smaller communities. It goes back 150 years to when the first modern co-op was formed by the weavers of the village of Rochdale in Britain. By the turn of the century there were thousands of co-operatives throughout Europe and a growing co-op movement in Canada. The movement gained momentum with the birth of the prairie wheat pools at the beginning of this century.

• (1720)

[Translation]

But the economy is evolving, and the tools available to co-operatives must evolve in turn. The Canadian Co-operative Association and the Conseil canadien de la co-opération submitted the model legislation, which includes the amendments they would like to see incorporated in the draft bill. The Minister of Industry and the Minister of Agriculture and Agri-Food have examined it carefully and have circulated a working document containing their analysis.

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In the best tradition of the co-operative movement this bill comes from the people. It is not a top down statute designed by government departments to remedy perceived problems. It is a bill created by the very people who know best what they need to maintain a healthy and vibrant co-op movement for the future.

I emphasize that the bill is entirely in keeping with the government's own stated aims and objectives. I see the bill as a key element in the government's commitment to strengthen the rural economy. It is a commitment we made in the Speech from the Throne when the government made the economic renewal of rural Canada a priority for this session of Parliament.

The government said it would address the problems facing rural Canadians in a way that is tailored to their needs.

[Translation]

The bill gives them these tools. I urge the House to pass it.

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, everyone is interested in co-operatives. I have a particular interest in them, since there are agricultural co-operatives in my riding. Naturally, many of my constituents are members of caisses populaires, and even the weekly newspaper in my riding belongs to a co-operative with several hundred members. This weekly owns the riding's radio station, CKNU FM, at 100.9, which broadcasts news about the Portneuf area from Quebec City to Trois-Rivières.

So you will understand that, when the topic of co-operatives comes up, I am not just interested but very much involved because it is a topic of importance not just in my region but in Quebec and, as I can see, in Canada as well.

As other speakers for the Bloc Québécois mentioned earlier, we are going to support this bill in principle. There are certain provisions that worry us, however, and I would like to ask our hon. colleague on the government side why, in the case of housing co-operatives, for example, the procedures for dissolution are different from those of other co-operatives.

What is the reason for these differences? Could she clarify this for us? I await her reply.

[English]

Ms. Susan Whelan: Mr. Speaker, I thank the hon. member for his question.

Co-operatives are associations of individuals who work together, volunteer and pool their resources. There are many differences among the different types of co-ops. As I said earlier co-ops are

found in fishing, agriculture, housing and community development initiatives. They all have slight differences.

I believe the hon. member is aware there are differences for co-ops because they serve different purposes.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, the hon. member made a very eloquent speech on co-operatives.

I am very interested in her views on something happening today that will have a negative effect on the ability of Canadians to create jobs: the CPP premium hike that will take place by the beginning of next year. This hike will almost double the premiums on CPP payments Canadians from coast to coast will have to pay. It will double the premiums of those who are independently employed and employable.

• (1725)

This increase at a time of pending surplus budgets will have a massive crushing effect on the ability of the primary driver—

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I rise on a point of order. A number of discussions this afternoon have gone totally away from the subject at hand, Bill C-5 and co-operatives.

I ask for your direction, Mr. Speaker. I think it would be good in debate if we stuck to the topic of Bill C-5 and co-operatives rather than go all the way around the world to all those other things that have absolutely no relevancy to co-operatives and associations that worked so hard with the government to get the legislation to where it is today. I ask for your assistance.

The Acting Speaker (Mr. McClelland): The hon. member is quite correct. We have to keep the debate relevant.

I was interested in trying to figure out, as were other members, how the hon. member for Esquimalt—Juan de Fuca would weave his comments into a question.

I give the remaining time to the hon. member for Essex.

Ms. Susan Whelan: Mr. Speaker, Department of Finance officials have been consulted on Bill C-5. They have indicated that there are no foreseeable tax implications for co-operatives under the bill.

I am not sure why the hon. member would go off on another issue, but there are no tax implications in the bill.

Mr. Charlie Power (St. John's West, PC): Mr. Speaker, it is a real honour to represent the people of St. John's West. This is my first speech in the House, after having asked a couple of questions.

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Although having represented a riding called Ferryland, part of St. John's West, in the Newfoundland legislature for about 17 years I am pretty reluctant to call my first speech a maiden speech.

I thank the people from the constituency of St. John's West for giving me this tremendous honour. It is a real honour for anyone to come here and serve the people of Canada. I am very grateful for that.

I would be a little remiss if I did not also thank the wonderful team I had who helped me put together my campaign which was very successful in getting me to the House of Commons.

Tomorrow I will be making a real speech about some Newfoundland issues. Just so that people understand, one of the duties of parliamentarians besides representing their own constituents is to be a critic of certain industries and certain portfolios in government. My critic responsibility is industry where the co-operative legislation lies. Thus today I will debate the bill on co-operatives.

Bill C-5 is a good piece of legislation. It will be supported by all colleagues in the Conservative caucus. It is a piece of legislation that has evolved after much discussion with many of the principals and parties involved, many levels of government, and the associations of co-operatives both in Quebec and in the rest of Canada.

It is not very often that we will see such a large degree of co-operation in the House of Commons. Co-operatives involve people organizing around a common goal, usually not for profit but rather for the economic benefit of their members.

I might point out in my first chance to speak in the House of Commons the purpose of Canada in the beginning: a group of people organizing together for common goals where everybody works for the good of everyone else.

In the short period of time I have been here I have seen that some of us have forgotten that principle of Canada, the principle of co-operation, the principle of a co-operative, the idea we should work together.

We are now all broken down into the regions of Canada and each region seems to lose some of its empathy and compatibility with the rest of Canada. That is most unfortunate and something that simply should not be allowed to continue in the House.

Co-operatives come from the grassroots movement. As such ordinary people are trying to make their ordinary lives a little better by organizing in certain elements which we now call co-operatives.

Co-operatives are also in many ways leaders in our community in environmental issues. They think the economies they are involved with must be sustainable and must not do any damage to the environment. As such I want to commend many of the

co-operatives in this country for taking a very progressive leadership role on the environment.

• (1730)

Many co-operatives—I presume all co-operatives—are committed to Canadian economic prosperity. They do this through links with other international co-operative associations and in doing so they are able to participate in worldwide trade and many marketing ventures.

In doing research on Bill C-5 I found the role which co-operatives have played in Canada to be absolutely amazing. It started back in the 1800s with the Mutual Farm Insurance Company. By the late 1800s farmers wanted to have the same security in producing and marketing their products as successful large businesses. The farmers decided it was in their best interests to band together to gain better control over the marketing of their products and purchases. Today agricultural co-operatives play a major role in the Canadian economy.

I will be sharing my time with my colleague from Brandon—Souris, who will elaborate on and emphasize the importance of agricultural co-operatives.

Agricultural co-ops supply 36% of fertilizer and chemical sales. They have over 221,000 members and employ 18,000 people full time. That is something which I, coming from Newfoundland, would not have understood if I was not the critic responsible for debating Bill C-5.

There are also many fishery and forestry co-operatives. I was involved with a fishery co-operative in the small town of Petty Harbour, Newfoundland, where fishermen had real difficulty in marketing and selling their product. They formed their own co-operative. Although they ran into the same difficulties which all of the Newfoundland fishing companies ran into, they certainly showed that if people in small communities want to pool their resources and work together then success stories can evolve.

There are many consumer co-operatives in Canada. In 1995 there were 582 consumer co-operatives, with almost three million members. In 1995 there were also 28 health care co-operatives that generated \$268.3 million in revenue and had over 316,000 members.

There are child care co-operatives that involve either day care or nursery school services. In 1995 there were 437 day care and nursery school co-ops in Canada. Where would all those children receive their day care and nursery schooling if these co-ops were not in place?

Co-operatives in many areas play a very major role in our economy.

There are also housing co-operatives. The number of housing co-operatives has been on the rise since the mid-1970s. In 1995 there were 1,946 housing co-ops across the country, with over 107,000 members. When I was campaigning in St. John's West I

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encountered people who were members of a housing co-op. They were very upset that the Canada Mortgage and Housing Corporation, the agency which had funded their co-op, seemed to have classed them in with social housing, which is a different kind of housing, and was becoming reluctant to get further involved in co-op housing.

I talked to the participants of the project which I visited that day. They are very soundly proud of having co-op housing, which was funded through the Canada Mortgage and Housing Corporation.

There are workers co-operatives, which reflects the need for people to have more control over their own employment. In 1995 there were 225 of these co-operatives, with about 14,000 members.

Essentially, there are more than 7,000 non-financial co-operatives operating in Canada, with over 4.5 million members. Therefore it is important that we examine Bill C-5 to see exactly what it means because it affects so many Canadians in so many different ways.

Our role in the House is to do what we are doing today. Although I said that Bill C-5 is an excellent bill, and there has been a lot of discussion, there are still small parts of it which we want to discuss. I am sure we can do that in committee at a future time.

While the principle of a co-operative is to function outside a market economy, it must nonetheless respond to the same pressures and logic of that market. Therefore competition compels co-operatives to adopt the operating style and environment of the market oriented firms which dominate our economy. This point has fueled the necessity for change in this legislative environment.

It is also why the proposed changes in Bill C-5 mirror some of the existing rights for businesses which are granted under the Canada Business Corporations Act. Thus it is called enabling legislation. Powers are expanded and existing rules are clarified, but no co-operative is forced to change the way it currently operates.

While the provinces have been updating their co-operative legislation over the years, there have been no changes to modernize the framework of the federal legislation since its inception.

The proposals put forward by all of the co-operative associations, both in Quebec and in Canada, were based on consultations with both memberships. As previously mentioned, the most notable feature was that the changes would more closely align the Canada Co-operatives Association Act with the Canada Business Corporation Act.

• (1735)

It is time to get these changes moving forward, adding more flexibility, more competitiveness and the principle of using surplus

funds to allow members to access additional funds for expansion. Finally the principle of education is also emphasized.

There is also an important principle in this bill which reduces ministerial authority, which is always good in legislation.

I would like to point out that Bill C-5 is not a controversial bill. Agreement between all parties was slow. It took over five years to develop. I believe a reasonable compromise was reached. Overall this bill is a positive step in bringing co-operatives into the 21st century by making them more flexible, more efficient and more competitive.

The changes in Bill C-5 are wide scale adjustments but I am confident the overall co-op membership of some 4.5 million Canadians will benefit greatly.

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I want to take the opportunity to congratulate the member for St. John's West on his maiden speech. As he said, he has had much practice before, but I would like to welcome him to this House.

I also want to welcome him to the industry committee. Although his title might be industry critic, I know that there are many items that we can work on in co-operation. I would also like to thank him for sticking to the topic of Bill C-5 and co-operatives, like the Bloc and the NDP but unlike the official opposition who went off topic.

It is important when we are talking about a bill like Bill C-5 that we do stick to the topic and put our best foot forward at all times.

As parliamentary secretary I would like to ask the member whether he has had a chance to discuss with the co-operatives in his area and surrounding areas the improvements that have been suggested in Bill C-5 and how will it benefit his area?

Mr. Charlie Power: Mr. Speaker, I thank the member for his question.

Obviously in Newfoundland we do not have the same degree of co-operatives as there are in western Canada. We do have several very successful fishing co-ops, one being Fogo Island co-op which has been in existence for many years and has been a model for many of the smaller co-ops in Newfoundland and Labrador.

We have the Newfoundland Teachers Credit Union of which I was a member for many of my earlier years when I was teaching. It is a very successful credit union and it gives excellent services to the people of St. John's West and to Newfoundland and Labrador.

One of the things we might have missed in Newfoundland was a greater degree of co-operation and the co-operatives which could have resulted from that. I mentioned the Petty Harbour co-op. The community was catching lots of fish in the early 80s, but had no means to sell that fish, no means to process it. Through the leadership of people like Mike Hearn and Tom Best in that

community they ran a pretty successful co-op for a period of time, but then ran into fishery problems.

Co-operatives in Newfoundland could play a much greater role. One of the greatest problems we have in Newfoundland is finding access to capital for small business. The Canadian banking establishment does not aggressively get involved in the Newfoundland business community. Maybe co-operatives could play an active role there as well. I hope to see it grow over the years.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I also support this bill.

I want to say to the hon. member that back in Saint John, New Brunswick we have a lot of co-operative housing. Under CMHC it has been very successful. I hope that members of the government will take a look at that program. My understanding is that CMHC is cutting back on the program and cutting out co-op housing. We have over 700 families looking for housing.

I ask the hon. member if he will do some work for us on that because he has stated there is a need. We see the need as well.

• (1740)

Mr. Charlie Power: Mr. Speaker, I would be delighted to check with Canada Mortgage and Housing officials to see exactly where their program now stands. I know that during the election campaign in St. John's West it was of great concern to some persons who were in co-op housing.

I say to members opposite that it is an excellent program. It probably does not really cost the Government of Canada any money because the money gets repaid. I just hope it continues to put some emphasis on those types of programs.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I appreciate your recognizing me to speak as my colleague has shared his time. I have 10 minutes, although I would like to hear the hon. member from across the way. I am sure I can stay in the House and hear his words of wisdom.

I hope my colleague will not ask as many questions of me as she did of my colleague from St. John's West.

When I was first elected, not that many months ago, I said that when good legislation was put forward by the government I would make sure that I congratulated them and that I would speak positively on positive legislation. Coming from Manitoba and western Canada, the birth place of co-operatives, I stand today to say that this legislation is very positive.

Wherever I walk in my community or in my constituency I constantly see examples of co-operatives, whether they are agricul-

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tural co-operatives, housing co-operatives or a media co-op which has been developed within the constituency of Brandon—Souris. Being the birth place of co-ops, I appreciate that legislation from the 1970s is being updated to the 1990s and into the 21st century so that co-operatives can compete in a very competitive age that we have currently with the private sector.

I should also say that I will not stray, as has been mentioned earlier. I am not prepared to stand up here and talk about issues such as Stornoway or hypocrisy or things of that nature. I would like to speak to the very positive nature of the legislation put forward, as did my colleague from St. John's West.

As we all recognize, co-operatives really are the grassroots of industry and commerce. It started in western Canada in the late 1880s and in fact was put forward because individuals wanted to work together. They wanted to, as the name suggests, co-operate with one another, put their resources, assets and abilities together so that they could, in a non-profit way, make sure that they had opportunities to compete with the private sector.

By the late 1800s, the farmers were the ones who wished to make sure that they took up this opportunity in agriculture. In the FP-500 ranking in 1995, the Saskatchewan Wheat Pool does \$2.7 billion worth of business in western Canada. The Alberta Wheat Pool does \$1.5 billion worth of business. The Manitoba Pool Elevators does \$744 million. These are 1995 figures. I can assure members that the numbers are much larger in 1997 numbers, to the point where the Manitoba Pool Elevators have shown a record profit. When I use the term profit, it is profit that goes back to the owners of that particular co-operative which in fact are the members of that co-operative.

I can also say that we have, by example, in western Canada one of the co-operatives that is vying constantly for first place with that of the Saskatchewan Wheat Pool and that is the Federated Co-operatives. They are a wholesaler. They make sure that they supply retail to these other co-operatives and are extremely successful.

We also have co-operatives, as my hon. colleague has said, in the Atlantic provinces. They have the Co-op Atlantic. I have to say that simply because I sit beside the hon. member for Saint John.

Mrs. Elsie Wayne: You had better believe it or you won't be able to sit at all.

Some hon. members: Oh, oh.

Mr. Rick Borotsik: The principles of the 1970 Canada—

An hon. member: That wouldn't be a bad idea, Elsie.

Mr. Rick Borotsik: Thanks. No, we do not use names here. We use only the member for Saint John. I am learning, Mr. Speaker.

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● (1745)

The principles of the 1970 Canada Cooperatives Association Act were based on provincial legislation dating back to the early 20th century. While the provinces have been constantly updating their co-operative acts, as provinces normally are ahead of the federal government, it is about time the federal government caught up.

I commented and complimented the government on bringing this legislation forward and I continue to do so, but I should also say that it was done through the co-operation of the Canadian Cooperatives Association. It was the co-operatives themselves who wanted to bring forward legislation that was going to allow them to compete.

I think it rather interesting and rather appropriate that national co-op week was held October 12 to October 18. Members were not in the House during that period, which is unfortunate. The theme of national co-op week this year was co-operation now more than ever. I believe sincerely that theme in itself speaks also to the legislation.

The legislation allows a number of things. First and foremost, it allows the ability to capitalize in a different fashion from what they have been allowed to do in the past. They now have the ability to go public, to sell shares in corporations, which they never had before. It allows them to capitalize so they can expand and put more assets back into the co-operative.

The legislation requires two-thirds or more of the membership to make changes to a co-operative. That is very important. You must be flexible in today's global economy to be able to deal with the issues that are going to face the co-operatives not only now but in the future.

There is one minor issue that we will be able to discuss at committee, members' dissenting rights. I will not get into the detail now but there are some obvious issues that have to be dealt with in terms of dissenting rights. The question is not whether members should have the ability to dissent, because they should. They are members of a co-operative and have every right to do so. The legislation speaks to a timeframe, and that timeframe is a period of five years to pay out dissenters of their equity in the co-op.

A lot of co-ops want to merge, which they did not have the ability to do under the old legislation. Now I am sure they would like to in order to compete with the major corporate structure. In dissenting rights I think timeframe has to be dealt with. It has to be talked out in committee and perhaps an extension of the timeframe could be arranged. Instead of five years perhaps there could be an extension of years so co-ops will not be dealt with adversely if they have dissenters.

The bill attempts to balance member rights with corporate directorate. It also allows the directors now on the co-ops to have a

20% non-membership make-up, which again is very important to bring in new ideas, new people and new capital to the co-op systems.

It provides for alternate dispute resolution assistance from the federal government with regard to grievances between co-operatives and their members. Again, it is very positive to have that dispute settling mechanism.

Bill C-5 makes changes to the rules governing a corporation. It permits co-operatives to incorporate provided they operate on a co-operative basis, again very positive.

Bill C-5 introduced the concept of natural persons when describing co-operatives. As a result they are awarded the same rights and privileges as natural persons. This is instead of detailing the various rights, powers, privileges individually. It also is in keeping with the same rights now awarded to business corporations and mirrors the powers some province already offer co-operatives, a harmonization of legislation from provinces to the federal government.

Bill C-5 makes changes to the rules governing the issue of shares, which is very important. The conditions of issuing membership shares are set out in the corporation charter. Bill C-5 will permit co-operatives with share capital to issue investment shares to their members and to the public. This is provided the members have agreed to do so and have set out the rules in the charter bylaws. Traditionally co-ops have looked only to their members to finance their operations. This is probably the most important aspect of the legislation that has been put forward. It is very positive.

The government along with the Canadian Cooperatives Association has put forward an excellent piece of legislation. It is important that we do allow co-operatives, people working with people in order to make it better for co-operatives, to compete in today's global economy and global society.

● (1750)

When I arrived here I wanted to be positive about positive legislation. I did not talk about CPP or OAS. I do not plan on doing that right now. I congratulate the government. We will be supporting this piece of legislation. Not only does it help co-operatives but it helps Canadians where they live and where they work.

Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.): Mr. Speaker, thank you for allowing me to ask a question of my colleague from Brandon—Souris. His most fortunate experience since coming to the House has been that he is fortunate enough to sit beside the member for Saint John. I am sure that if he pays attention he will find much wisdom in his seat mate.

The importance of co-operative housing, in the area he represents and in the area in Saskatchewan, as we heard earlier from the spokesperson for the New Democratic Party, and the federal

involvement in co-operative housing has really been a success story in Canada.

I can only relate my own parochial and personal interest inasmuch as we have several co-operative housing ventures in the area I represent in Thunder Bay, one being the Castlegreen co-operative housing venture. I have visited Castlegreen on many occasions.

I would like to express exactly what I see when I drive into Castlegreen. First there is the pride of ownership among all the residents. It is about the best well kept area in the whole of our community of Thunder Bay. They have the community spirit that I do not see in any other communities. It is due to the residents who live there. It is interesting because many people who live in this co-operative housing area are physically challenged. Although they are physically challenged they participate in all the activities that go on in that area.

My question for the member for Brandon—Souris is on the Sask wheat pool that he mentioned, as did the member who spoke for the NDP. I have a concern about the Saskatchewan Wheat Pool, it being one of the largest co-operatives referred to. I read in the last while that it became a member of the Toronto Stock Exchange and is selling its stock.

Perhaps the member could explain how it can be a co-operative and be a corporation selling shares on a public exchange.

Mr. Rick Borotsik: Mr. Speaker, I met with the executive of the Saskatchewan Wheat Pool on a number of occasions. It has a number of subsidiary companies, one which is referred to as AgPro which has a number of retail enterprises developed into its whole co-operative structure.

This is exactly what I spoke about, allowing co-operatives to compete in the global economy and in the economy that we have developed today in this great country of ours. The Saskatchewan Wheat Pool has gone public. It has sold shares. They are non-voting shares. It is allowed.

I talked about dissenting rights. They have in the province of Saskatchewan dissenting rights. Those members of the co-operative who do not wish to be part of that co-operative based on a share structure can with their equity get out of that particular corporation.

• (1755)

That did not happen, quite frankly, because the members of that co-operative found that the direction they were heading in with the share offering they made was quite successful. The dollars generated from that share offering were used to capitalize the co-operative to compete further against other member co-operatives, the Manitoba and Alberta pools, as well as the private sector. They were able to put up sufficient assets to compete with the private sector. So it has been very positive for them.

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This legislation will allow the same thing to happen with any co-operative if it wishes to take that step.

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I congratulate the member for Brandon—Souris for his comments and especially for staying focused.

In various areas of the country there are small and large co-operatives. There has been some concern that there may be some problems there and also some work to be done in committee. Has the member had any feedback or any comments?

The small co-operatives can stay exactly where they are, but it does not limit the other co-operatives from doing some of the things the member just mentioned.

Mr. Rick Borotsik: Mr. Speaker, I can honestly say that I have had very little if any opposition to this legislation coming from small or large co-operatives.

One area where I did have some concern with was how the private sector would deal with the legislation. I have made inquiries and quite frankly the private sector is not opposed to the co-operative legislation.

Mr. John Harvard (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I would like to speak in support of the new Canada co-operatives act and right off the bat I would like to say that I am absolutely delighted with the tenor of this afternoon's debate. The comments in large part are very supportive and positive about this bill. That speaks well of the government's work.

I know the government consulted widely before the introduction of the bill. It seems that the government has done its work well, has listened to the people in the co-operative movement. I think it has done a good job in drafting the bill. I am quite sure that if anything significant has been overlooked it will be caught at the committee stage.

Co-ops can be found in many important sectors of the Canadian economy. They will be found in agriculture and forestry, in retailing and health care, in housing in most cities right across the country. These co-ops provide benefits for their members and contribute significantly to Canada's economic development and prosperity.

In some sectors of the economy they increase the competition while in other sectors they provide services not otherwise available to members.

There is a mentality that goes along with co-op membership. Co-op members are often people who prefer the distribution of wealth on the basis of effort rather than on capital. They place a priority on meeting the needs of the community. Members have found they can pool their physical efforts and capital resources to create an effective service they would not have otherwise.

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In a co-operative the capital is often invested, not for an expected return on investments or dividends but rather often invested for the purpose of providing goods and services at reasonable costs.

A co-operative does not usually make a dividend on the basis of the amount of money someone has invested. Rather it distributes its surpluses on the basis of patronage within the co-operative itself.

By pooling their resources in a co-operative, members reduce their individual risks. The co-operative structure provides a limited liability to its members. They cannot lose on bankruptcy more than their share of the investment in the co-operative. This helps enable the service to be as efficient and co-operative as an incorporated business.

Traditionally a co-operative gives each member one vote in conducting its affairs. It does not generally allow proxy voting.

• (1800)

The co-operative structure can increase the efficiency of capital markets by increasing competition. It promotes a certain amount of risk taking, innovation and economic growth that might not otherwise happen. Co-operatives are different. They contribute to the Canadian economy because of those differences. They enable Canadians to participate in the growth of the economy in an alternative way to the other corporate structures that dominate the rest of the economy.

At the same time most co-operatives are run like businesses. They charge members a price for services. They return some of the profit to members. Indeed some of the larger co-operatives are integrated both vertically and horizontally. Some have joint ventures with corporations. Some even own corporations.

In September I had the pleasure of spending three days with executives of the Saskatchewan Wheat Pool in Regina and Saskatoon. I also visited their terminal facilities in Vancouver. What I found was a very smooth running, highly professional and aggressive organization. If all Canadians could gain an appreciation of Sask pool the way I did I think most people would come away believing that this is a smart organization. It really hums along. It is doing well for all its members.

Many co-operatives are not very small. Sask pool is one and I will mention more about that in a moment.

In the 1996 *Financial Post* listing of the top 500 companies in Canada, 17 non-financial co-ops were listed. According to analysis by the Co-operative Secretariat of Agriculture and Agri-Food Canada, seven of these had revenues of over \$1 billion. The largest is the Saskatchewan Wheat Pool, number 54 in the top 500. It is incorporated in the province of Saskatchewan. Two federally incorporated co-ops are the next largest. Federated Co-operatives

Limited ranked number 75, with revenues of over \$2.1 billion, and XCAN Grain Pool Limited ranked 85th, with revenues of over \$1.8 billion.

Other major federally incorporated co-ops include Agrifoods International Cooperative Ltd., Co-op Atlantic, Western Co-operative Fertilizers Ltd. and Interprovincial Cooperative Ltd.

These co-operatives compete directly with business corporations, whether Canadian or foreign. They need the flexibility and certainty of good marketplace framework laws so they can respond to the changes of and competition in the domestic and global economies. They need the flexibility of good marketplace framework laws to enhance growth and create more jobs for Canadians.

When it was first introduced in 1970, 27 years ago, the Canada Co-operative Associations Act was the first national legislation specifically developed for co-operatives. It was modelled primarily on the Canada Corporations Act, the federal law regulating business corporations at the time. Business corporate law has been revised substantially since 1970 but the Canada Co-operative Associations Act has not been amended significantly since it was first passed. In the meantime co-operatives have continued to change and evolve.

Provincial legislation regarding co-operatives has continued to change and evolve as provincial governments update their legislation. The result is that the co-operative sector has come to the federal government to inform us that the current federal act is no longer suitable to meet the business needs of Canadian co-operatives, not for today and certainly not for the future.

• (1805)

Let me give an example of that. Some co-operatives find the present act to be very restrictive with regard to access to capital sources and corporate arrangements. As a result, some co-operatives have had to seek special legislation to obtain an acceptable corporate statute law for their operation.

This method of legislative reform is expensive. It is inefficient and does not result in changes that are available to all co-operatives right across the co-op spectrum.

Bill C-5 strengthens and clarifies the corporate governance rules relating to co-operatives. It enhances the ability of co-operatives to carry out business fairly, efficiently and effectively.

Co-operatives are a powerful form of business organization. They contribute greatly to the growth, jobs and prosperity of many communities right across Canada. Modernized legislation will ensure that co-operatives have the legislative and regulatory environment to achieve their full potential in contributing to the wealth of the country in both rural and urban Canada.

The users of co-operative legislation, the co-operative sector, told us it needed changes to the act. The Canadian Co-operative Association, in association with le Conseil canadien de la coopération, has spent several years developing draft model legislation. The associations went to the co-operative movement to discuss this draft model. They built a consensus. Then they came to the federal government and in effect said what needed to be changed and the way they thought it should be done. They were explicit and we tried to respond to their suggestions.

The co-operative movement had another opportunity to provide input along with all Canadians who were concerned about effective marketplace framework laws for co-ops.

Industry Canada and Agriculture and Agri-Food Canada released a consultation paper in September 1996, a little more than a year ago. They invited all parties who were interested to submit comments or suggestions. The paper presented a number of key suggestions as guidelines. They helped solicit comments on the suitability of the proposals as well as stimulated discussion about what should be included in the new federal co-operative legislation.

Before closing I would like to review some great co-op success stories. There are a number of them. They are not all federally incorporated co-operatives. For example, Agropur is Canada's largest fine cheese and whey manufacturer and distributor. It operates in the yogurt and fresh desert sector through Ultima Foods Inc., a company co-owned with Agrifoods International Co-operative Ltd. from British Columbia. In 1995 Agropur had sales of over \$1 billion and 4,500 members and 2,200 employees.

The Fogo Island Co-operative Society Limited was formed in 1967 to salvage the economy in Fogo Island, Newfoundland. By 1994 the co-op had grown to 1,234 members and 500 employees.

In Alberta electricity and gas distribution co-operatives have been quite successful. At one time the rural electrification program carried out by co-operatives in Alberta accounted for about 90% of the electricity supplied to Alberta farmers.

In recent years as depreciated assets have had to be replaced many of these co-operatives have sold their remaining assets and responsibilities to power companies, resulting in a decline in the number of co-operatives in this sector during the past decade.

In the meantime natural gas co-ops increasingly supply the rural areas of Alberta. In 1995 these co-ops accounted for over 54% of the total sales of energy co-operatives in Canada.

I could go on listing a number of other success stories. There are a lot of them out there.

Government Orders

• (1810)

The co-op movement is very successful. We can all be very proud of what has taken place in that field. We expect further successes in the future. I am sure when the bill ultimately becomes law will contribute to further successes in the co-op movement.

I look forward to further examination of the bill when it is before committee.

* * *

BUSINESS OF THE HOUSE

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, I rise on a point of order. There have been discussions among the members concerned and among representatives of all parties. I believe there would be unanimous consent for the House to make the following order:

That Bill C-202, now standing in the name of the hon. member for Pierrefonds—Dollard, be kept in its place on the Order Paper but put down in the name of the hon. member for Pontiac—Gatineau—Labelle instead.

The Acting Speaker (Mr. McClelland): Does the hon. member have unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

CANADA CO-OPERATIVES ACT

The House resumed consideration of the motion that Bill C-5, an act respecting co-operatives, be read the second time and referred to a committee.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, Manitoba has many co-operatives. I happen to be a member of the Red River co-op located in Arborg and Teulon districts. I wonder how many other members of the House are members of a co-op and show their support through actual financial support.

I will leave that aside for a moment. The Manitoba Pool Elevators has a grain terminal at the end of a rail line owned by the CPR which runs up to the town of Arborg. This line is currently in the process of being abandoned. At some point it will be offered for sale to the federal government. I am not sure what the federal government's intentions are when that is done. The ultimate users of the line are the co-op members in that district.

Government Orders

My question would be along the lines of whether the provisions of the bill would assist co-op members to raise the capital necessary to buy this line and maybe operate it as a short line railway.

Mr. John Harvard: Mr. Speaker, I too am a member of a co-op. I just pulled my membership card out of my wallet. It is the Red River Co-operative Ltd. My membership number is 113284. I have also been a—

Mr. Bob Kilger: Has it expired yet?

Mr. John Harvard: I do not know. It is in my wife's name. If it has expired she takes full responsibility.

I have been a member of the Astra Credit Union in the city of Winnipeg for I do not know how many years and it serves me very well.

With regard to the concern raised by the hon. member for Selkirk—Interlake, I hope the particular matter would be addressed by the bill.

However it would be more appropriate for him or one of his party members to raise that question at committee. I am quite sure he could get the technical answer to the question.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I am pleased to rise, at this late hour, to speak to Bill C-5, which however dry it may be, is still very important for both Canada's and Quebec's economies, even though the co-operative movement, which comes under federal law in Quebec, is not a strong presence under a federal charter.

The Bloc Québécois supports this bill and will act as spokesperson for the co-operative movement in Canada and Quebec, which, after consultation, supports the bill in its entirety.

I would like to take this opportunity to salute the management and staff of the Caisse populaire Sainte-Madeleine, of which I am a member. I became the thousandth member in the early 1950s, and my father, Raoul Rocheleau, was a founding member in the 1940s.

• (1815)

I would also like to acknowledge the management and staff of the Fédération des caisses populaires de la région de la Mauricie, who do an extraordinary job in regional development, and to the management and staff of each of the caisses populaires in the riding of Trois-Rivières, which do a most effective job in their areas. In fact, I would say they make our constituents throughout the area feel more secure.

The caisses populaires and the Mouvement Desjardins form one of our major institutions, along with other major co-operatives,

such as Agropur or the Coopérative fédérée de Québec, which are booming and continually growing both at home and abroad.

There are of course other kinds of co-operatives—housing, consumer protection and worker co-operatives—with new ones being developed all the time, particularly in the area of the new economy where Quebecers are in the forefront technologically through their co-operative movement.

The Mouvement Desjardins is a jewel in Quebec's economic crown. We might well ask where Quebec would be economically if there were no Mouvement Desjardins. As proof, I have two accounts, which recently came to my attention, one personal and the other more a collective experience. The collective one is contained in the account of Mr. Ricardo Petrella, who spoke recently at a conference in Quebec City on social democracy.

As a European academic, a humanist, a thinker, a renowned philosopher and president of the club of Lisbon, he expressed the hope that the Mouvement Desjardins would not only continue to grow but that the Quebec co-operative movement, which is exemplary, would also continue to grow. However, he encouraged the management of the Mouvement Desjardins—and I urge them to heed his advice—to retain its truly co-operative quality in the face of the current trend to focus more on business.

These are the words of a credible individual, who is looking at the Mouvement Desjardins from outside and considers Quebecers to be in an enviable position.

Another person who had good things to say was the British consul posted to Montreal, whom I recently had the honour to host in my riding. As he was going past the building of the Fédération des caisses populaires Desjardins, which I mentioned earlier, he interrupted me to say: "Yes, I know the Mouvement Desjardins. It is one of the very fine achievements of the Quebec people and is known internationally". The consul, Mr. Rawlinson, praised it highly, and without prompting.

The Mouvement Desjardins has an international presence, particularly in developing countries in Africa, where, as in Quebec, the co-operative approach has helped give people more control over their destinies. One might well wonder what would have become of these people in Africa, and in Quebec, if they had not had the good sense, and the backing of the Mouvement Desjardins and its human resources, to take charge of their destiny by means of co-operatives.

I would, however, like to draw your attention to some reservations that the Bloc Québécois has about certain clauses, particularly clause 3 regarding the purpose of the co-operative, which could have been confusing. I will read it rapidly:

3. (1) The purposes of this Act are (a) to set out the law applicable to the business endeavours of persons who have associated themselves in a democratic manner to carry on a common purpose; and (b) to advance the cause of uniformity of co-operative business law in Canada.

(2) No co-operative may be incorporated under this Act unless (a) it will carry on its undertaking in two or more provinces;

This represents a victory by the co-operative movement, because the government initially intended to drop this clause, present in the earlier bill, which could have resulted in confusion in communities faced with both federally and provincially incorporated co-operatives for the same product.

• (1820)

In Quebec, in any case, it appears that this way was not desirable, and fortunately it appears that the government understood the message sent it.

Nevertheless, there is a word in clause 3 that poses a threat, in our opinion, and that word is “uniformity”. Uniformity, in the mouth of the federal government, means a lot of things. It can mean hegemony and centralization as we saw in the case of the securities commission and in the case of health care, where the government withdrew in financial terms but wanted to maintain national standards. We also saw it with the rumours of the federal government wanting to set up income collection agencies for the country as a whole, eliminating departments of revenue, including that of Quebec. Therefore, when a word like “uniformity” is used, it is cause for concern or at least for finding out the political will behind its use.

Clause 122 on distribution at dissolution contains a broad principle, which provides that the remaining property of a co-operative is to be distributed among the members. There are, however, two exceptions to this. One appears in clause 354 on housing co-operatives and the other appears in clause 361 on worker co-operatives.

In the case of housing co-operatives, without any explanation, the clause provides that any remaining property is to be distributed to other housing co-operatives rather than to members. There is no explanation. Perhaps this could be explained in committee soon.

Clause 361 on worker co-operatives provides that, rather than apply the general principle, at least 20% of the remaining property is to be distributed to another co-operative or a charitable entity before any distribution is made to members. Here again things seem a bit arbitrary.

There is no explanation for the double standards, where two types of major co-operatives, housing and worker co-operatives, are treated differently from what is provided for in the general principle applied to co-operatives on distribution at dissolution.

I conclude on this point by saying that the co-operative movement serves as a sort of insurance for people against the neo-liberal current in which people are increasingly divided, singled out and where individualism counts most, where governments are subjugated and where the social safety net is increasingly in jeopardy. The co-operative approach is doubtless the way to the future for people, who will learn to work together to develop solidarity from day one in their own community recognizing that mutual support

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and not the need to dominate is the way to success and to greater social justice.

[*English*]

The Acting Speaker (Mr. McClelland): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the second time and referred to a committee)

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I rise on a point of order. I think you would find unanimous consent to call it 6.30 p.m.

The Acting Speaker (Mr. McClelland): Is there unanimous consent to call it 6.30 p.m.?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

• (1825)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, on October 6 I posed a question to the Minister of Health as a follow-up to a number of other questions pertaining to the cuts to the drug and food research labs in the health protection branch of the Department of Health. These cuts took place on the sly, in secret. They were not presented to parliament, not presented publicly, but done in the dead of summer by the Minister of Health at the very time he was announcing publicly that cuts were over.

Since the cuts were carried out in July, which I might add were not announced publicly contrary to the minister's statement on September 24 when he suggested he was placing a moratorium on the whole area.

The information about the cuts and the news of the devastation to our health protection branch came about as a result of conscientious scientists who are concerned about the health and safety of the drug and food supply of Canadians. It came about as a result of

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public pressure and as the result of political outcry. It also came about as a result of good in depth research by the media.

At the beginning of this Parliament the minister succumbed somewhat to that pressure and announced a moratorium on some of the cuts and proposed changes. Today, one month later, the Minister of Health puts out a release announcing that he would do what he said he would do on September 24, 1997.

It will probably come as no surprise to members of the House that our concerns are still as relevant, as serious and as deep rooted as they ever were. Despite this announcement Canadians remain deeply concerned. Let me give four quick reasons for that concern.

First, in terms of this decision and on every decision of crucial importance to Canadians the government has operated on the basis of a very secretive, very undemocratic and almost despotic approach.

Second, for three to four months the government caused a great deal of uncertainty and instability to reign over the health protection branch. That uncertainty was demoralizing to scientists and upsetting to those who value the work they are doing and want to contribute to society.

Third, the drug research lab remains closed. There has been no attempt by the government to address that issue. It is of deep importance to the health and safety of Canadians on matters pertaining to drugs.

Fourth, we are still left with a very large question. Is the announcement today but a temporary reprieve from a much longer term, very deep rooted agenda to move toward privatization and deregulation in the health protection branch as a whole?

I conclude by referring to a document from the department which outlines proposals to look at cost saving measures, privatization and ways to reduce the liability of the department, all contrary to the original purpose of the health protection branch and contrary to the very significant role performed by the drug and food research labs. Certainly it is contrary to the intent and spirit of the Food and Drug Protection Act.

I remain concerned and I look forward to the government addressing these issues on an urgent basis.

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I applaud the member's attempts, grudgingly as they were, to recognize that the minister makes decisions on the basis of good, sound evidence, data, careful study and analysis.

As well I am glad that she acknowledged the minister announced today the reinstatement of the majority of the 24 projects in the food programs branch initially slated for termination last July. All these projects will be restarted with the exception of five that would require the use of research animals part way through the project.

The projects involving the use of research monkeys will be considered by the Royal Society of Canada as part of its study in the animal research division. They will also be submitted to a science advisory board. The board will be appointed shortly by the Minister of Health to provide him with the expert advice on how Health Canada's protection program can be strengthened.

• (1830)

[*Translation*]

Not only where the food research projects re-established, but the moratorium also re-establishes the projects and programs in other sectors of the health protection program and ensures their continuance.

[*English*]

These announcements underscore the Minister of Health's commitment that his bottom line is the health and safety of Canadians. The moratorium stabilizes the health protection program to ensure that a three-year project to review and strengthen the science and regulatory capacity of the health protection program is as comprehensive as possible.

The Canadian public must be reassured that its health and safety is of paramount importance and that the scientific capacity of the health protection program remains strong.

Out of a staff of 2,100 individuals, the health protection branch has some 1,300 scientists and professional personnel. The moratorium and the scientific review will further strengthen this capacity for the health protection program of the future.

ABORIGINAL AFFAIRS

Mr. Derrek Konrad (Prince Albert, Ref.): Mr. Speaker, on October 10 I asked a very specific question of the Minister of Health. The minister chose to answer a question that was not asked. Today I wish to put my question to the minister again and trust that the response will address the question asked.

In the report of auditor general some alarming facts were reported in the chapter on aboriginal health. In the years between 1986 and 1996 many accounts of prescription drug abuse were reported among aboriginal people. I was amazed to read that the Department of Health has known about this for 10 years.

For background I would like to review part of minister's response to a very specific question. He said:

It is true this problem has been known for 10 years. Throughout that time the health department has worked with provincial authorities and with the First Nations to address the problem.

By the end of this year, December 31, we will have in place technology across the country to help pharmacists detect abuse and reduce the problem the member refers to.

That is nice. Here are the facts of a real tragedy. The report of the auditor general shows that in one three-month period 15,000

aboriginal people went to three or more pharmacies, 1,600 obtained more than 15 drugs and over 700 people had 50 prescriptions or more.

For 10 years a very serious health problem, purported to have caused deaths, has been neglected by those charged with the responsibility for the care of Canada's aboriginals.

My question is not what wonderful things the government is going to do to solve the problem. My question is very clear and I would like a clear answer in response.

Has the minister identified those in his department responsible for overlooking this very serious matter for 10 years and what, if any, disciplinary actions or legal sanctions have been taken or are contemplated by his department?

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I think the hon. member wants some indication of what has been happening.

Let me reiterate what was said in the House on October 10. Specifically, Health Canada has been working on this problem for a number of years and now has in place, in over 50% of the pharmacies across the country, a state of the art point of sale adjudication system. By the end of this calendar year this system will be in place in all pharmacies. It will eliminate most of the problems identified by the auditor general.

In addition, the drug utilization review report has been developed which allows Health Canada to identify potential abuse situations for physicians, pharmacists and clients. This system ensures that all those involved can be alerted and that appropriate follow-up action initiated to address situations where abuse is identified. In fact, that abuse occurs in a very limited number of cases. When one looks at the statistics in the auditor general's report, it would appear that some 98% of the time First Nations utilize non-insured health benefits drug programs in an appropriate fashion. No one wishes to condone any abuse.

Health Canada continues to develop advanced systems, technology and an appropriate review processes to ensure that all those who are involved are aware and alerted to the issues of abuse. It must be clearly understood that addressing these problems is a joint responsibility of Health Canada, physicians, pharmacists, provincial licensing bodies and First Nations communities.

• (1835)

It would be unfortunate to stigmatize First Nations citizens as being the problem when it comes to the issue of prescription drug abuse. Without the diligent co-operation of providers and practitioners, this problem will not be completely resolved.

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[*Translation*]

The department's staff worked with the first nations to ensure they better understand the scope of the problem so strategies may be developed to resolve matters in the community itself.

[*English*]

I emphasize this is a complex problem. Abuse exists but it does so in a very small percentage of cases. Simply designing a system, no matter how advanced, will only produce maximum results if all the various jurisdictions collaborate to create an environment where there is zero tolerance and zero opportunity for abuse.

INTERNATIONAL TRADE

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, thank you for this second opportunity to talk about the multilateral agreement on investment.

Any international agreement on investment, once achieved, will take us another step further down the road toward globalization of all economic activity. Some people view this as a positive step but I do not perceive either a broad knowledge of this agreement or a broad consensus on its value.

While among the business elite it is politically correct to see free trade of any kind as a good thing, some Canadians remain unconvinced. For example, those who lost their good manufacturing jobs south of the border feel bruised by the free trade agreement of 1989 and the NAFTA of 1994. Naturally they are worried about further steps toward globalization.

Beyond that group there is a larger group of Canadians. This group feels that all the repercussions of NAFTA have not yet been felt and that the collection and analysis of data on its effects have not been presented to them. They remember what was promised if they took the leap of faith and went for free trade on this continent. They were promised free access to the large market to the south. That access and the resulting increase in business was supposed to give us economies of scale, improve our productivity and thereby make us more competitive in the new global economy.

Leaders in the steel industry tell me that the promised access on a level playing field to U.S. markets is still blocked by irritants based on American law. So certainly in one of our primary industries the current agreement with the U.S. and Mexico did not deliver the promised access.

We all agree that the key to competitiveness and success in the global marketplace is productivity. Has Canadian productivity increased as a result of NAFTA? Two respected columnists in two different newspapers have said no. Before free trade, Canadian productivity was under 10% less than American productivity, but today Canadian productivity is 20% less than American productivity. I am aware that exports and investment are both up but most

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economists agree that it is due to our low Canadian dollar and our low interest rates, not free trade.

The MAI is supposed to bring in one set of rules to replace the multitude of agreements in place today. As a medium sized economy, a rules based system should work to Canada's advantage. But that is only true if the rules represent our values, our mixed economy and our business culture, not the cutthroat values of the unregulated marketplace held up by some as the best environment for business.

I believe Canadians are worried about the impact of the further globalization represented by the MAI. Canadians agreed to the free trade agreement as a leap of faith. They agreed to NAFTA accompanied by definitions of subsidy and dumping, definitions that have not yet been agreed upon. I do not believe Canadians are willing to buy another deal arranged behind closed doors, then delivered as an unamendable package to be fast tracked through Parliament.

How is the minister going to ensure that all interested Canadians are made aware of the controversial aspects of MAI and have an opportunity to express their opinions before the MAI package emerges from the negotiations now under way in Europe?

Mr. Julian Reed (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, if Canada has learned any lesson in the last 10 years, it is that having rules for trade and for interactions between countries have been to Canada's benefit. I should point out that the free trade agreement with the United States, which is 10 years old this year, has actually resulted in a doubling of trade with the United States.

• (1840)

One of the advantages when we have ground rules is that we have dispute settling mechanisms. It is true that not every transaction is 100% and entirely smooth, but to have rules in place has proven to be a benefit to the country, perhaps because of our smaller size and that we do not have to participate in the jungle of international trade.

The government has been very forward in trying to put together an international multilateral agreement on investment. The negotiations have been taking place for the last three or four years. However it must go on record that negotiators are still at the point where they are negotiating what it is they want to negotiate. Those negotiations will not begin until next January.

The government has put in place a very comprehensive consultative process committed to ensuring the opportunity for full public discussion on the proposed MAI. It was initiated at the same time that MAI negotiations commenced in 1995.

Provincial officials are now consulted through regular meetings. There are conference calls. The consultation process is intensifying and will continue to do so until an agreement is reached.

The Acting Speaker (Mr. McClelland): The motion to adjourn the House is now deemed to have been adopted.

Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.41 p.m.)

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Mr. Casey	969	Bill C-255. Introduction and first reading	973
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Mr. Martin (LaSalle—Émard)	969	Employment Equity Act	
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(Motions deemed adopted, bill read the first time and printed)	973	Mr. O'Reilly	975
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