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Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Monday, March 16, 1998

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

● (1100)

[*English*]

TOY LABELLING

The House resumed from December 4, 1997, consideration of the motion.

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Madam Speaker, it is my pleasure to speak to Motion No. 85 which calls on the government to enact legislation which would, among other things, mandate toy manufacturers to label toys containing a substance called phthalates in order to allow parents to make an informed decision when buying products for their children.

● (1105)

The really important word in all this is informed. Informed means that when you arrive at a conclusion all the facts have been before you. Based on those facts you decide what is in your best interests. What this motion is suggesting is that we are going to short circuit that process and we, in this House, are going proceed to determine what is in the best interests by requiring that toys be labelled.

What is the evidence before us. The evidence is that a group called Greenpeace has said that phthalates in toys, when children chew or suck on them, somehow enter into their bodies and this is unsafe. Greenpeace bases that on a couple of scientific studies, one of which came from a Dutch group and the other from a Danish group. The problem is these studies are now being refuted. The Danish environmental protection agency in April 1997 recommended that certain types of teething rings be withdrawn from the market. In July 1997 the Dutch health ministry suggested to toy retailers that they should withdraw some soft vinyl toys from the market. Those recommendations were made after a meeting with Greenpeace.

What has happened since that time is the results of the Dutch study cannot be duplicated. They did some kind of scientific study. When they tried to come up with the same conclusions on the same data a second time, they could not. In the case of the Danish study, any scientist who has looked at the methodology used has said that this is not a study at all but a conclusion reached on certain data given. In terms of scientific methodology is is not acceptable. No scientist could form a conclusion based on the kind of evidence that was being used.

It really is not germane to us in this House if in Denmark or in Holland governments have been pressured by groups such as Greenpeace to make a move based on evidence that is not sound, that is not scientific, that is not replicable, that is not acceptable. That is a decision made in those countries.

Let us remember that in Europe there is something called the European Union which makes rules with respect to a number of issues on a regional basis. It makes it for those member countries. As recently as February 17, almost a month ago, the European Union's scientific committee looked at the evidence that was provided by Denmark. It looked at the evidence that was supplied by Holland. It looked at the evidence supplied by Greenpeace.

It said it could not make a decision. There was not enough evidence. There is no science in any of this. This is a group of experts. This is a group of people who make objective, dispassionate, scientific decisions. They said they could not make a decision. They also pointed out in their decision that there was no urgency in any of this.

We would ask why is there no urgency if, as is being suggested by Greenpeace, this is affecting the health of children. The answer is that phthalates are the most widely researched chemical polymer going. Manufacturers in this country do not include on purpose components in toys or in their goods that are in some way going to affect or harm the lives of children. There is some suggestion that this is a direct attempt or that they are being reckless. That is not the case.

On February 6, 1998 Health Canada had a meeting with representatives of the industry to discuss this matter because the industry was concerned about the allegations being made by

members opposite. The industry met with Health Canada and said it was responsible and that it wanted to deal with it. In that meeting, Health Canada agreed to take a lead in this matter.

● (1110)

I suggest to all members present that if Health Canada is to compile a group of scientists to examine and study this in order to reach a conclusion it would be terribly premature for us in this place, acting on a hunch from Denmark, Holland and Greenpeace, to come to the conclusion that parents are going to make an informed decision because we are going to require manufacturers to stick a label on toys which states the product contains phthalates.

There is a community of scientists within the government supported by the industry that is going to look at and analyse the data and reach a conclusion.

The industry has gone one step further and has said it is happy with the process. It is glad that some independent third party is going to come in and look at it. The industry will support the protocol as established, will support Health Canada and will, most important, support any conclusions reached by Health Canada in this respect.

We have a duty and an obligation in this place that when we start passing motions or enacting legislation with a scientific basis, where we can look for a cause and an effect, that we have the scientific data and all the evidence before us that will allow us to draw that correlation.

If we are to start reaching conclusions we need some type of scientific evidence that allows us to go from point A to point Z, being the conclusion.

What we are being asked to do by this motion is to go from point A to point Z but we do not know why. It is based on a hunch, a suspicion and it is being driven by a group that has no evidence but still wants to propel this matter because it thinks it is in some sort of environmental interest.

In the end I think this motion must, as a result, be defeated. The only thing we are going to end up doing is creating a problem in the minds of parents because there will be the suggestion that when they buy a toy there is something wrong or something in this toy that may, according to the proponents of this motion, be harmful. However, the only evidence, I suggest, is the direct opposite. There is no evidence that will lead us to this conclusion.

It is for that reason that I would ask members of this House that when this is voted on to vote against it and defeat it.

[*Translation*]

Mrs. Maud Debien (Laval East, BQ): Madam Speaker, today we are resuming debate on Motion M-85 by our New Democratic colleague from Acadie-Bathurst. It calls upon the government to:

> —enact legislation mandating toy manufacturers to label toys containing phthalates in order to allow parents to make an informed decision when buying products for their children.

The Bloc Quebecois and all of the other parties in the House support this motion, unlike the Liberal government, which has refused to do so until now. Moreover, my colleague from Sarnia—Lambton, who has just spoken, has given us one more example of how out of it his government is.

Most of us here are parents or grandparents. As parliamentarians, we are, or should be, abreast of the latest developments, but how many of us know what serious health hazards phthalates represent for our children and grandchildren? I congratulate and thank the hon. member for Acadie—Bathurst for raising this matter.

● (1115)

If this motion is passed, parents will be able to tell whether plastic toys contain phthalates. And what are phthalates? They are chemical agents containing lead or cadmium, which are added during the manufacture of plastic toys to make them softer or more malleable. These substances are also found in a number of products made of vinyl or polyvinyl chloride, commonly called PVCs.

If we make a brief list of the commonplace items we have in our homes, we shall see that PVCs are common in consumer products such as plastic tableware, food packaging, furniture, floor coverings, plastic bottles, backpacks, even rainwear. What worries me even more, however, is the frequent use of phthalates in the manufacture of toys and products for infants, such as nipples and pacifiers, teething rings, and other soft objects specifically intended to be mouthed by infants and toddlers.

The danger to health lies in the fact that the phthalates do not bind with the PVC or vinyl, which constitute the basic material of the toys. They remain freely mobile and can separate themselves from the PVCs. What happens when a child exerts pressure on a toy, when he sucks or bites on a teething ring? It is simple; he could directly ingest phthalates.

Some of the soft PVC toys tested by Greenpeace contained up to 40% of their weight in phthalates. Yet, there is no mention of, warning about or label indicating the presence of hazardous substances. Should we not err on the side of safety instead of taking chances with the health of children?

It has been shown that prolonged exposure to phthalates can cause cancer, liver and kidney damage, and even infertility. It is very strange that, in Canada, such substances are labelled as harmful when shipped in barrels but considered harmless, and even safe for eating, when used to make toys. That is a paradox, which must be denounced.

A more recent study revealed that this substance might also imitate, although slightly, oestrogen, an hormone which plays an important role in regulating development and metabolism. Finally, lead, which is one of the ingredients in phthalates, is often found in PVC. Lead poisoning is widely recognized as one of the most serious threats to children's health. Exposure to even extremely low doses causes permanent damage to the nervous system. Let us not forget that young, growing children are particularly vulnerable to the harmful effects of these substances. In many cases, the harm caused is irreversible.

In fact, European countries like Denmark, Austria, Belgium and the Netherlands have warned the public against the risks of playing regularly with these toys. Certain major toy store chains have decided to take certain toys off the market. In addition, Denmark and the Netherlands have banned the use of phthalates in all plastics and, of course, in toys.

The Liberal government is dragging its feet on this issue, Health Canada having decided not to take PVC plastic toys off the market in spite of the fact that a study commissioned by the department showed that lead concentrations were considerably higher than they should normally be.

● (1120)

Can you believe that, out of the 24 products tested by the department, 17 exceeded a level of 200 parts per million, even though the Canadian standard, which is one of the most stringent in North America, is 15 parts per million?

But the department refuses to regulate toys. Yet, it recognizes that lead is a neurotoxin that can cause irreversible and permanent damage to the brain, even when a person is only exposed to small doses. Again, there is a flagrant contradiction.

Lead is regulated, but only for paintings, ceramics, glass and artists' pencils and brushes. Nowhere is there mention of the lead that can be found in toys.

I believe Health Canada is trying to downplay the dangers posed by lead, considering that the levels of lead detected in certain toys during the study can cause irreversible neurological disorders in children.

In order to reassure the public, the department released the results of a risk analysis. However, it is recognized within the scientific community that a risk analysis is based on an approximate exposure to chemical products, so as to draw some conclusions. According to experts, this method can be highly inaccurate in assessing actual risk.

In fact, Dr. Richard Maas of the Environmental Quality Institute, at the University of North Carolina, said that the methodology of this extremely superficial study was clearly biased to arrive at a negative conclusion about the risk involved.

Instead of legislating, the department is proposing the implementation, on a strictly voluntary basis, of its strategy to reduce the levels of lead in products for children and other consumer products, which will come into effect in the year 2001. This strategy relies solely on the industry's good will. The government did not provide any incentive to protect children.

Of course, the best way to avoid any risks related to the ingestion of phthalates would be to eliminate PVCs in all malleable toys. However, this is not the purpose of the motion before us, which only asks the government to enact legislation mandating manufacturers to label toys. This would allow parents to make an informed decision when buying products for their children.

We cannot oppose a preventive measure. We cannot refuse to provide information. To my knowledge, phthalates have always been considered a toxic, carcinogenic substance under the Canadian Environmental Health Protection Act.

The Liberal government is once again sitting back and letting things happen. Yet, it said, in its throne speech, that ''the experiences of Canada's children, especially in the early years, influence their health, their well-being, and their ability to learn and adapt throughout their entire lives''.

This motion is asking the government to be proactive. It is a government's role and duty in the area of public health. Will the government wait until tragedies occur before taking action?

Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP): Madam Speaker, I am pleased today to speak to the motion introduced by my colleague, the member for Acadie—Bathurst. I think it is a sensible motion that should be taken seriously. Its purpose is to protect our children's health against chemical agents in certain toys.

Phthalates are chemical agents put in plastics to soften them. These very widespread agents are present in plastic lids, cellophane paper and children's toys. Studies have shown that these materials can cause cancer, damage the liver and lead to infertility.

● (1125)

Growing children are more susceptible to these harmful effects. Phthalates are released from toys and ingested into children's systems. Even more alarming, phthalates are released from common toys such as pacifiers and other soft toys that children put in their mouths.

I have a two-year-old daughter and this situation frightens me. It is something that should be taken seriously. It is infuriating that the Liberal Party does not consider this a serious matter. I should not say the whole party, because we have been informed that a number

of Liberal members support this motion, but it remains to be seen whether or not they will really support it when it comes to a vote.

We know that new European studies resulted in store chains in Denmark, the Netherlands, Sweden, Argentina, Spain, Belgium, Germany and Italy taking a great number of toys containing phthalates off the market. This is a matter of protecting our children, as well as a consumer-rights issue.

In Canada right now, parents who are concerned about this issue have no way of knowing whether the toys they are buying contain these chemical agents. As lawmakers, we must take a stand on these issues that have not already been debated in Parliament, particularly when it is a question of protecting our children's interests and health.

It is also a question of raising public awareness. This is a very serious matter, when one considers that any young child has plastic toys he puts in his mouth. I cannot stress enough that we are talking about our children and grandchildren.

All that we are asking is for these objects to be identified so that parents may decide whether or not to buy them. We are not asking for them to be pulled off the shelves. We are asking for a study to be carried out and for there to be labelling in the meantime. Some countries have already withdrawn them. We are not imagining things. This is real. It has happened, regardless of what any hon. member may say to the contrary. What has already happened cannot be changed.

This motion is all the more important because of its proactive nature in preventing long-term health problems. Prevention is important because it will protect our children from liver disease, cancer and infertility. It will also impact upon the future costs to our health system. If we can prevent devastating and costly diseases such as cancer now, our already overburdened health system will benefit.

This is not the only instance where this is happening. Many decisions being taken across this country are very costly to our health system. We are making people ill. We are not giving proper care to our people in hospitals. We are shipping them back home before they are ready, and they end up costing the system more as a result. Some in this country end up paying a still higher price, as needless deaths occur.

All we are asking here is for these items to be labelled so that parents can decide whether or not to purchase them. I think what we are asking is very reasonable. There are some doubts being expressed about these products presenting a problem, that they are making our children sick. I cannot imagine that this House cannot reach agreement on such an important matter.

We are asking for assurance that our children will not fall ill as a result of our buying products that are not identified in the stores. It is a sad thing that the Liberals are playing politics at the expense of our children's well-being. This is unacceptable.

We are not asking for the moon and the stars, here. We are just asking for a little label on products that make our children sick. One might well wonder which companies with certain political affiliations are going to be hurt by this labelling requirement. A stop must be put to this. People must come first, ahead of scoring political points, when such important issues are at stake.

● (1130)

[*English*]

I stand today speaking on behalf of this motion. This is something that is very dear to my heart. I have children at home. I have a two year old that puts everything she can find in her mouth and here we are talking about substances that can make her extremely ill. All we are asking is to identify those products.

I could go out there today and buy those products. I do not know which ones they are. We are asking to protect our children, not asking for the moon or the stars. We are asking to keep our young children healthy. That is all we are asking.

Mr. Jim Jones (Markham, PC): Madam Speaker, today I rise to speak to the motion by the member for Acadia—Bathurst. It reads as follows:

> That, in the opinion of this House, the government should enact legislation mandating toy manufacturers to label toys containing phthalates in order to allow parents to make an informed decision when buying products for their children.

This motion was introduced following Greenpeace's allegation about additives in vinyl toys. They alleged that phthalate esters, a common family of chemical products, represented danger to children. However, they have been used safely for over 40 years in toys as well as health sensitive applications. These include blood bags, catheters, IV tubing and surgical gloves.

As they are used in a wide range of products, no other plasticizer has been subject to the same level of scrutiny and testing.

Last fall Health Canada released a report conducted by the product safety bureau, Environmental Health Directorate, that concluded that the lead and cadmium present in these vinyl consumer products does not pose any significant risk to children.

Health Canada has undertaken a risk assessment of phthalates and will be releasing the results later this spring. It is in the best interests of parents and children to wait for Health Canada's risk assessment. The decision to label toys should be based upon sound science.

At present there is no scientifically validated evidence that show DINP is presently posing a health risk. The significance of labelling could be seriously undermined as a responsible way to inform parents about toy content.

Our party respects and expects the health safety of our children to be foremost when buying products. We must be sure that there is a clear and very present risk to warrant labelling. However, our party will be the first to approve appropriate labelling should the scientific and regulatory agency state that this chemical family presence presents any sort of risk.

The recent Danish studies cited by Greenpeace have been discredited; one, for producing unrepeatable results and the other for false methodology. Standards must, however, be put in place by Health Canada's product safety bureau. There needs to be a regulatory standard for intake just as the European Union has already taken the authority to put in place a maximum daily intake of DINP.

We cannot support this motion until the necessary scientific protocols have been established and Health Canada has in place regulatory powers under Health Canada's product safety bureau.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, I am pleased to address the House on this motion dealing today with potential health and safety issues for children.

In light of the general concern over any potential threats to children's health, and that is a concern shared by all Canadians, and our common interest to see that appropriate measures be taken to address these threats, I want to use my time in this debate to highlight some of the more effective means the government is currently employing to protect the health and safety of Canada's children.

Two of the most effective tools at the government's disposal are the Hazardous Products Act and the hazardous products toys regulations which are both administered by the Products Safety Bureau of Health Canada.

Under the legislation, certain toys are banned from sale and other toys can be marketed only if they meet specific safety requirements. It should be noted it is the responsibility of manufacturers and importers to ensure that products comply with the regulations of the act and regulations before they are imported or marketed into Canada.

Product safety officers routinely monitor the marketplace and take appropriate enforcement action on any toys that contravene that legislation.

● (1135)

The mission of Health Canada's product safety bureau is to prevent product-related deaths and injuries. Legislation, safety standards and consumer information are elements of the bureau's activities to ensure safer products for children and to promote their safe use.

These activities dovetail with the department's national information and education program. Child safety and injury prevention in the use of consumer products is one of the major programs and major goals of that particular area. I can say that as a former educator with the Waterloo County Board of Education I certainly understood fully the kinds of goals that were to be achieved by that particular educational program.

[*Translation*]

The federal government will continue to look after the interests of all Canadians.

[*English*]

Unfortunately, no matter how much safety is built into a product, children continue to die or suffer injuries from improper use of products.

The direct aim of Health Canada's information and education program is to reduce that number of accidental deaths and injuries to children in Canada. The program reaches out to children, parents, caregivers, day care centres and schools with useful safety information such as safety awareness campaigns, posters, pamphlets and videos.

Within Health Canada the health protection branch works to eliminate health risks associated with the natural and man-made environments that can lead to illness or death.

Its principal responsibilities involves assessment and control of the nutrition, quality and safety of food; the safety and effectiveness of drugs, cosmetics, medical devices, radiation-emitting devices and other consumer products; the identification and assessment of environmental hazards; the surveillance, prevention and control of diseases and the provision of specialized laboratory services such as those used in the testing and assessment of plastic products containing potentially hazardous phthalates.

It is important to point out, contrary to what has been said in this House this morning, that phthalates do in fact bind to PVC. There is no evidence that long term exposure to DINP causes concern and liver damage. There simply is no proof in that regard. It is a groundless assertion.

I also want to point out with respect to lead that 15 parts per million referred to for lead is not a government standard. It is a proposed strategy. In fact, the lead strategy is still being reviewed and under consultation with the stakeholders and indeed the focus groups are meeting next week across Canada with respect to that very important issue.

One of the common threads which bind these various programs together in the health protection branch is the government's concern for the health and safety of Canadian children. Health and safety is paramount, it is important and is something with which we are very concerned.

This concern is shared with parents and care givers, public health workers, manufacturers and retailers across Canada. By pooling existing resources, knowledge and expertise and by working with those partners across society, the government is indeed taking effective ongoing measures to address potential health threats to Canada's children. It is important that we continue in that vein and do the right thing for all our children, and for all Canadians.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I am indeed happy to be able to enter into the debate on what I think has become an important bill because of some important principles involved.

When I was doing my research for this, I had an analogy which came to mind. I remember many years ago driving on an Alberta highway. At one place there was a corner and a sign which said you must slow down. I forget what the speed was but it was in the old days when we had miles per hour. It said slow down to 35 and so I did. I realized that was an incredibly slow speed. It was not an accurate evaluation of a safe speed to travel that road.

Over time, travelling that same road, I just kept my usual speed of 60 miles an hour and I could do it in total safety even though there was this little yellow information sign that said I should for safety reasons slow down to 35. It was unrealistic.

● (1140)

Unfortunately, there is a sign on an exit which leads to the road where I live. It indicates that the maximum speed is 80 kilometres per hour. Drivers come off the 100 kilometre per hour freeway on to the exit which is at 80 kilometres. However, if drivers take that corner at more than 40 kilometres they wind up with their wheels in the air. The sign is not meaningful.

In one case the sign says ''Go slow, but you do not have to''. In the other case the sign says ''Go 80'', but it should be slower. If the driver does not make the adjustment when he or she actually sees the turn of the exit, it will not be a safe exit.

That principle applies to this bill. This bill asks for the labelling of a product. That label had better be accurate. There are a couple of reasons for that.

If the label says ''This is a dangerous product'' when in fact it is not, that has two important implications. One is that it is an unnecessary cost. It is an economic handicap to the companies which manufacture the product. The second is that it makes the consumers immune to the warning, just like the sign which said I should drive slower than was really necessary.

If the label on the product says ''This is a dangerous product'' when it fact it is not, it is like crying wolf. It means that people will not respond when they see a label which in fact should be a legitimate warning. That is what happens if, in fact, the product is not dangerous.

On the other hand, if the product is dangerous, perhaps there should be more than a label. Maybe the product should be banned. If it really is dangerous, and if it has been proven to be so, then we should ask ourselves: Is it sufficient simply to warn people that if they buy this product it will be dangerous? For people to buy that product is not a wise decision.

Our labels must be meaningful. There must be solid scientific evidence when we put a label on a product which says it is dangerous that it is dangerous. Then Canadians will be able to trust labels. Otherwise they become meaningless and there is a danger of economic hardship and lost jobs for no reason if in fact the science is wrong.

I would like to take another tack, that is the companies which manufacture these products would be totally foolish to use products which are dangerous. What would be in it for them? Why would a company produce a product which, over time, will end up causing harm to or the death of people? It does not make any sense. No company in our present society would do that willingly and knowingly.

I am sure my NDP friends will say that I am attributing too much morality to private corporations. I happen to believe that the morality is there. I have not yet encountered a corporation, except perhaps the tobacco companies, which would do this.

Of course, in the case of tobacco companies there is valid scientific evidence. Perhaps we ought to take stronger approaches to the curbing of the use of tobacco and smoking and wrapping our young people into that habit.

I would like to see solid scientific evidence. I believe that Health Canada has a role to play in this. It is currently conducting a study. It is my understanding that the results of the study will be out shortly. If the scientific evidence indicates there is no real danger, then it would show how badly conceived this bill is. If it comes up with the conclusion, soundly based on scientific evaluation, that the products which are manufactured in this way are dangerous, then we ought to do something more than simply label them and take further steps.

My argument is very simple. We need to make sure the labels are meaningful. They must not be based on emotion nor on the crusade of some group that has no scientific evidence. They must be based on sound scientific health evaluations and research. When that occurs the Canadian government has a role to play to protect our young people and our population.

● (1145)

Ms. Elinor Caplan (Thornhill, Lib.): Madam Speaker, I am pleased to rise today and participate in the debate on Motion No. 85.

When I first reviewed this motion I could not pronounce the word phthalates and I think most Canadians on seeing the word might have the same difficulty. I undertook not only to learn the correct pronunciation but also to try to understand what was being proposed and why it was being proposed.

I want to thank the people at Health Canada for sharing with me the evidence, information and work they have undertaken.

Health Canada has the responsibility for ensuring the safety of products. I am convinced the department will take appropriate action as required to safeguard our children. I say that not just as a member of the House of Commons but as a grandmother. I have three grandchildren under the age of three and a half who also put things in their mouths. If they are putting things that are hazardous to their health in their mouths then I do not believe a label is adequate protection. That is why I have some concerns about the private member's motion before us today.

Health Canada has been concerned about phthalates since the 1980s. Last fall the environmental organization Greenpeace released a report on a group of chemicals. These are polyvinylchlorides or PVC plastics. PVC and plastics are contained not only in toys but in many things found in our everyday lives, from the seats in our cars to coverings on notebooks. The Greenpeace report actually set off the latest round in what is a longstanding debate on the potential hazards of PVCs in children's toys and elsewhere.

Today I would like to review the Greenpeace claim and inform the House of Health Canada's activities in response to this concern. I have been listening very carefully to the debate and I believe that every member of this House shares the concern about the safety of our children and our grandchildren. We also want to know if substances which we come in contact with in our daily lives have hazards that we should be aware of.

The history of phthalates is very important. According to the Greenpeace study eight of the 63 toys it tested were purchased in Canada. The report claimed that four of the six toys contained phthalate concentrations ranging from 20% to 39%.

Health Canada obtained a copy of the Greenpeace report and departmental officials have studied its findings. It is extremely important to note that the assessment was done in co-operation with international experts in this area. It is not just Canada and the United States but the world is interested in products which may have harmful contaminants.

Officials at Health Canada conducted a field survey and found that 63 toys mentioned in the Greenpeace report were available in Canada. All 63 toys were made in the United States and 38 of the toys are available in Canada.

Health Canada's health protection branch conducted its own tests on three of the four products that Greenpeace had identified as having significant concentrations of phthalates. The tests revealed a similar concentration of phthalates as the tests done by Greenpeace with levels ranging from 3.9% to 26%.

● (1150)

It should be noted that the phthalate identified in both studies is the one known as DINP. This chemical was introduced by toy manufacturers in the United States six years ago to replace another phthalate, DEHP. Why is the difference important? DEHP was thought to be potentially harmful and hazardous to children and was voluntarily taken from the marketplace and replaced with DINP.

Following its usual precautionary approach to potential health hazards, Health Canada expanded its testing and assessment of PVC plastic toys to an additional 30 products that were not on the Greenpeace list. With the exception of an unknown phthalate found in one sample, the only phthalate detected was DINP. Eight additional samples were then bought and tested. Only DINP was detected with very small amounts of DEHP.

These results support my view that private member's Motion No. 85 is premature. I believe it is premature because the scientific evidence is not in and available. I also believe that if the evidence showed that the phthalate DINP is a hazard to children, then labelling would be inadequate. Therefore, I do not believe we should proceed with this motion. It is my understanding that the research will be concluded this spring. The evidence will be there and will be evaluated.

I am convinced that Health Canada will remain vigilant in its quest to ensure that potential health risks which are posed by PVC plastic toys and others will be brought to the attention of all Canadians in an appropriate manner. If it is a health hazard it will be banned and not simply labelled.

The department is continuing to monitor the situation. It is testing plastic toys. As the minister has indicated, Health Canada and this government will take whatever action is necessary to protect the health of Canada's children.

It is important for us to have these debates in the House. One of the concerns I have is that we not unduly alarm people about potential hazards when there is no evidence to support those findings. I await the results of scientific evidence. I would urge all

members of this House to make sure they get the facts straight when we are having this debate.

Should the investigations indicate that these additives in vinyl products pose or are likely to pose a risk to young children, I believe the department will not and should not hesitate to take necessary corrective measures. However, it would be irresponsible for us to act without the evidence to suggest that our children are in danger.

Mr. Dick Proctor (Palliser, NDP): Madam Speaker, I am pleased to take part in this important debate this morning and to endorse the motion advanced by my colleague the member for Acadie—Bathurst on the toy labelling question.

Just to put this motion in perspective, members will recall that the motion was debated before Christmas. The member was endeavouring to have the toys removed from the shelves during the Christmas rush. We are on the second hour of debate and we are now endeavouring to see if we cannot get some action taken before next Christmas rolls around.

It is also noteworthy that it seemed in the initial hour of debate last December two of the other opposition parties in this place were supportive of the motion. However, they seem to have changed their minds, listening carefully to the debate this morning.

I want to make note of what this motion attempts to do. It recommends that the government introduce legislation requiring manufacturers to indicate on the label when a toy contains phthalates so that parents can make an informed decision before buying products for their children. As has been noted several times, we are particularly concerned about young children at the teething stage who want to put soft malleable toys in their mouths. We are concerned about it because phthalates have been proven to cause cancer, infertility and liver damage.

● (1155)

As I speak on this motion for the first time it alarms me to hear people say that the evidence is not in yet, that more studies must be done, and that Health Canada is doing more studies. Note that Health Canada has been busy laying off scientists right, left and centre. One wonders when and where we will get the scientific evidence referred to by the previous speaker. One hopes it will be this spring. We will wait to see.

A number of other countries have taken varying degrees of action on the issue of phthalates. Some of those countries are Denmark, Sweden, Italy, Spain, the Netherlands, Austria, Germany, Belgium and the Philippines. We are studying the matter.

I suggest to members opposite that we should not be throwing the baby out with the bath water on this issue. We should be heeding what other countries are concluding in this area. An ounce of prevention is worth a pound of cure. It is better to err on the side of safety and wait until the studies are completed. It is better to take the necessary preventive action, put labels on the toys and children's clothing such as raincoats. Put the labels on now. If when Health Canada completes its tests it concludes there is no reason for alarm, then we would proceed accordingly. It is better to be safe than sorry, especially with the youngest and most vulnerable in our society.

In the Health Canada study, of the 17 products tested, 12 contained lead at levels higher than Health Canada's guideline. All of these products were in the range of between 295 parts per million to 17,714 parts per million. High levels of cadmium were also present in the products that were tested and two products exceeded the guideline for Health Canada's extractability which is 90 parts per million. Despite that evidence Health Canada has concluded to date that there is not a problem.

We believe some bona fide criticisms can be made in this area. Testing 17 of the many thousands of vinyl products on sale in Canada every year is not the comprehensive testing program others have done. Certainly there is the Greenpeace report.

Only one type of extractability test was done for the Health Canada report. Health Canada did not do a surface lead test on brand new products, nor did it do an ultraviolet light degradation study. This is particularly problematic since a lot of products are sold for use outdoors. The majority of products tested by Health Canada exceeded its guidelines for total lead content. We fail to understand why this is not deemed to be a problem.

The motion before us today is very important. I urge all members of the House to support this motion when it comes to a vote.

● (1200)

Mr. Hec Clouthier (Renfrew—Nipissing—Pembroke, Lib.): Madam Speaker, it gives me great pleasure to stand in this estimable place today to address this very worthisome motion.

Far be it for me to be at variance with my colleague from Thornhill, but she did mispronounce the word phthalates. She is from Toronto, and being from the upper Ottawa valley, from the great riding of Renfrew—Nipissing—Pembroke, we have our own Ottawa Valley vernacular. I would ask my hon. colleague from Thornhill to forgive me for the way we pronounce it and the way we say Toronto or the big smoke. We do not enunciate Toronto.

Having cleared up that issue, I am very pleased to address the motion before the House on phthalates in plastic toys. The potential health hazards of polyvinyl chloride or PVC in plastic toys is not a new issues. It is one that Health Canada has been involved with since the mid-1980s. Probably the member for Calgary Southeast would not remember it being brought to Health Canada in the

1980s. He was probably in diapers at that stage of his illustrious career.

I take this opportunity to provide the House with some background information on this important children's health issue and to review Health Canada's ongoing response to it.

The department has taken a strong leadership role over the past 12 years in assessing and acting upon potential PVC health risks to children. The issue of phthalates in children's products, especially a potentially hazardous phthalate known as DEHP, has been investigated by Health Canada and other foreign governmental agencies for a number of years.

In the early 1990s Health Canada took an active role in ongoing research over children's PVC products, specifically pacifiers. The department shared its concerns about DEHP and its research with the Consumer Product Safety Commission in the United States.

In 1991 Toy Manufacturers of America voluntarily decided to discontinue the use of DEHP. In early 1992 Health Canada conducted a survey to confirm the toy manufacturers' statement and found that the majority of children's products made of PVC contained only trace amounts of DEHP which were well below maximum acceptable levels. Building on this progress, Health Canada maintains contact with scientific organizations and governments around the world to obtain the latest information and research on potentially hazardous phthalates.

Last June the department investigated a Danish report indicating a potentially hazardous substance in a teething ring. Immediate tests showed no scientific evidence of DEHP in the rings. However, the department is doing further evaluations to determine the potential risk of other phthalates in these and other types of plastic toys. The testing is in line with Health Canada's policy of investigating toys or products brought to its attention as potentially dangerous. While the department is not aware of any incident in which a child has ever had an adverse reaction to phthalates, including the discontinued—

The Acting Speaker (Ms. Thibeault): I am afraid I must interrupt. The time provided for the consideration of Private Members' Business has now expired. The order will be dropped to the bottom of the order of precedence on the order paper.

GOVERNMENT ORDERS

[*English*]

CANADA LABOUR CODE

The House resumed from February 24 consideration of the motion that Bill C-19, an act to amend the Canada Labour Code (Part I) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

Mr. Monte Solberg (Medicine Hat, Ref.): Madam Speaker, I rise today to speak against Bill C-19, an act to amend the Canada Labour Code, for a couple of reasons.

• (1205)

First, Bill C-19 erodes a couple of Canada's highest political values, both democracy and freedom. Second, Bill C-19 causes division not only between employers and employees but also because it creates two classes of citizens in Canada.

Specifically the legislation sets the rights of people who ship grain above the rights of those people who, for instance, might ship other commodities like those of their neighbours next door who grow something like alfalfa.

I also point out that the legislation has been roundly criticized by a number of people. It is not just me who holds the legislation in low esteem. For instance, we note in the last parliament that the Liberal dominated committee which examined the legislation found cause to criticize a number of aspects of the legislation. At that time it was known as Bill C-66. In part the legislation died going into the last election. Liberal senators wanted to take some time to look at it and as a result the legislation died.

It has been reintroduced as Bill C-19 and I want to explain to the public and to my colleagues in the House why I strongly oppose this piece of legislation.

The first thing that concerns me is the fact that the new Canada Industrial Relations Board, the replacement for the Canada Labour Board, would be allowed to certify a union on virtually any pretext without a democratic vote. That is completely anti-democratic. It stands opposed to everything that Canadians as democrats truly believe in. I am offended that the government would choose to introduce this now and to allow that to happen.

If my colleagues doubt for a moment the impact of that type of provision, I refer them to what happened recently in both Ontario and British Columbia where provincial legislation allows labour boards to essentially go ahead and certify unions either in opposition to what workers have decided themselves in a free vote or in some cases allowing labour bodies to go around the idea of having a vote at all.

One of the best examples is a Wal-Mart store in Nelson, B.C., where recently the British Columbia Labour Board disallowed a vote because ''an employer told an employee he would not benefit from the union''. People at the labour board in B.C. have determined that someone's right to free speech, to persuade employees, is somehow wrong. Therefore they disallowed the idea of a vote. It was absolutely unbelievable.

This type of sweeping power would be granted to the new labour board the government is forming now under this new legislation. It is anti-democratic and as democrats we must stand against it.

The second big reason we need to oppose the legislation is that the jurisprudence of the Canada Labour Relations Board would lead us to expect that the new CIRB would deem the use of replacement workers to be unlawful conduct. This causes me grave concern.

Under the current legislation federally regulated industries can use replacement workers to keep their operations viable. In some cases they have to do that if they want to survive as a business. The new legislation will give the board the power to say that they cannot use replacement workers. This is extraordinarily dangerous. It is a step backward.

To all those people out there who understand that in a very competitive global economy these days we need provisions of all kinds to keep our businesses going, they understand intuitively that this will work against that principle and in fact will endanger the livelihoods of the very people who should be benefiting, the employees, if a business is able to keep going. We stand opposed to that.

I note that my colleagues in the Senate raised it as an issue they were very concerned about, as they did also about the issue of the decertification and certification of unions without a vote. It was absolutely unbelievable. They raised these as issues they were very concerned about. I point out that these are Liberal and Conservative senators by and large.

● (1210)

A third point concerns me very much. I know we do not have a lot of time to speak on these issues. Under this new legislation the Canada Industrial Relations Board can order an employer to release to a union representative a list of the names and addresses of the employees who work off site. There is absolutely no provision for obtaining the employees' consent to do that. That causes me concern.

My friends in the Senate were concerned about that as well. They have raised this issue. We know the Sims task force preceded Bill C-66. It provided the basis for some of that legislation. In addition to raising concerns about things like replacement worker provisions the government was proposing and about the proposal to go ahead and certify a union without a democratic vote, it raised concerns about the issue of people's right to privacy. The senators pointed out that if people did not want to be hassled by a union it should be their right.

The privacy commissioner also said that people should not have to be hassled by a union if they do not want to be hassled by it. There could easily be provision for people who work off site to be informed of what a union is proposing, if they give their consent to the employer to release their names and addresses.

That is private information. We should not be putting into legislation provisions that allow unions to go ahead and contact people at home, at their place of work or wherever, when they do not want that to happen. It is important for people who believe in that fundamental freedom, that right to privacy, that we oppose this piece of legislation. Those are things people have talked about in a lot of detail up until now.

I want to talk about one particular aspect of the legislation which affects my riding. It is the provision that would allow service to grain vessels to continue in a strike or lockout condition but would not allow other types of service for other types of commodities.

This is of particular concern in my riding where five plants produce dehydrated alfalfa. When there has been a shutdown on the west coast, in the past those plants have lost millions of dollars in sales. It is a $100 million a year industry. Farmers who grow alfalfa will not get their product from the port to the ship but grain producers will.

We do not want to take anything away from grain producers. Their gain is wonderful. By allowing that essentially what happens is that the bargaining position of alfalfa producers and shippers is weakened. They can no longer combine with the politically powerful farmers who want their grain shipped to markets across the ocean. They are set aside in the legislation. It creates a two tier system and we think it is absolutely wrong.

I stand with my colleagues in the Reform Party and strongly condemn the government for Bill C-19. We believe it is divisive, anti-democratic and works against the principle of freedom. I encourage colleagues around the House to work with their colleagues in the Senate to oppose the legislation. We think Bill C-19 is wrong.

Mr. Jason Kenney (Calgary Southeast, Ref.): Madam Speaker, I am pleased to rise to speak to the Bill C-19 amendments to the Canada Labour Code which my colleagues and I are opposing.

This is an anti-democratic bill which overrides the privacy rights of workers and collective bargaining, properly conceived.

● (1215)

Let me say at the outset that the Reform Party has, since its founding, supported the principle of collective bargaining. We believe that workers, by joining together democratically through an appropriate, open, transparent and democratic process, may decide, quite legitimately, to negotiate collectively and bargain collectively with their employers. That is a fundamental economic right which is recognized in every liberal democracy and which is also recognized by the Reform Party.

What Bill C-19 seeks to do, by amending the Canada Labour Code, is to change the legal framework within which those

collective bargaining rights are exercised by people who work in industries regulated by the federal government.

This bill changes the name and the powers of the Canada Labour Relations Board to the Canada Industrial Relations Board. The cosmetic change of its name reflects a significant change in the powers which will be given to the board.

One of the principal objections I have to the bill is that the new board will have, as my colleague from Medicine Hat mentioned, the power to ban replacement workers in federally regulated industries. That means that a company which has done its level best in fair negotiation to provide a fair deal to its employees but which finds that the union leadership, for one reason or another, decides to strike, will be held ransom. Its livelihood and ultimately the livelihood of its workers will be held at the whim of the union leadership. This company will not have the right, if proscribed by the Canada Industrial Relations Board, to replace striking workers with people who can continue to provide those goods and services. In other words, the economic viability of various companies and indeed various industries can and may very well be threatened by this bill if it is passed.

As the hon. member mentioned, the government recognizes the flaw in empowering the CIRB to ban replacement workers by exempting those workers employed in the area of grain shipping and handling at the ports. In the past there have been several instances when those workers have gone on strike and caused enormous economic turmoil for prairie grain farmers because of their inability to export overseas the grain they have produced. These amendments do not really solve that problem. The ability to hire replacement workers will not necessarily mean that grain will move. What it does mean is that we are creating a double standard for workers, one standard for those who do not work in the grain handling unions and one standard for those who do.

If banning replacement workers is wrong in the grain handling situation, then it is wrong for those who do not handle grain, those who handle other commodities, those who provide other goods and services, those who are as essential to the Canadian economy as our grain workers.

We would seek to remove the provisions of this bill which, in a discriminatory way, create a double standard with respect to replacement workers.

Another serious concern I have with the bill is its treatment of the certification issue. This bill would empower the CIRB to certify a union local at a particular place of business even if the majority of the employees at that place vote against certification.

My colleagues will correct me if I am wrong, but I thought we were living in a democracy. I thought that in a democracy the majority, or at least a strong plurality, prevailed. However, in the case of the amendments to Bill C-19 the government is saying that the principle of democracy can be marginalized.

● (1220)

If a bunch of appointed members of this board, likely Liberal patronage hacks, decide that a particular local place of business is to be certified, it will be certified by that board even against the overwhelming objection of the people who work there.

My colleague mentioned the recent case of a Wal-Mart store in Nelson, British Columbia, which has similar legislation to that being introduced here, where the B.C. labour relations board ordered that the Nelson Wal-Mart employees be unionized even though they voted against it in their certification vote. A similar thing happened at a Wal-Mart store in Windsor, Ontario. We could see the same thing happening across the country in federally regulated industries if these amendments are passed.

We are also concerned about the question of privacy. This bill would undermine the privacy rights of union workers. This is a very serious consideration. People are often forced into a union. We are talking about a labour regime of closed shop unions where the board can force the people to be in a certified union. Now we are saying their privacy rights are to be compromised by this bill. This is really big brother manifest in this kind of legislation and that is why we are opposed to it.

What we ought to do is look at a fair, open and transparent regime for regulating labour unions. We have no objection to people legitimately exercising their collective bargaining rights. However, this bill would create a double standard, would jeopardize the privacy rights of workers and would jeopardize the livelihoods of many businesses and potentially some industries through its treatment of replacement workers.

Finally, this bill would override the principle of democracy which should govern the treatment of unions in the certification process. Frankly, I think it is an exercise of statist tyrannical power to tell a majority of workers that they are going to be forced into a union and forced to pay dues against their will. That is simply wrong.

We ought to look at bills like this at the level of first principles. So often we get buried in the details of technical amendments like this and we lose sight of first principles. One of the principles of liberal democracy is freedom. I know it is a quaint notion to some of my friends opposite on occasion. However, that notion dictates that people cannot be coerced by the state to surrender their freedoms without their consent. Bill C-19 would seek to circumscribe the economic freedoms of workers to not be unionized, not certified and not forced to pay union dues if they choose not to.

We ought to put Bill C-19 and these amendments back on the drawing board. As the Senate committee suggested, we ought to

start all over again and listen to the business groups across this country that are speaking out against this. I have received several phone calls, letters and faxes from different businesses and business organizations that say this bill constitutes a very real threat to the competitiveness of the Canadian labour force and our labour markets.

I would ask all my hon. colleagues, including those on the Liberal side, to look beyond the spin they are getting from the labour department and look at the first principles behind this bill and vote against Bill C-19.

Mr. Dick Proctor (Palliser, NDP): Madam Speaker, I am pleased to rise and take part in this debate on Bill C-19. In contrast to the previous two speakers, it is the wish of our caucus at this end of the House to encourage that this bill pass. We have not seen amendments to the Canada Labour Code in more than two decades and it is now time to move on and get up to speed.

● (1225)

The Liberals in the previous House allowed the amendments under Bill C-66 to die in the face of business lobbying. Some Senate opposition and Liberal tradeoffs to push other bills through before the last election prevented Canadian workers from having the representation and legal rights they should have and that the revisions to the Canada Labour Code will give back to them.

Part I of the code creates a framework for collective bargaining by the federal private sector and applies to approximately 700,000 workers. In June 1995 the Minister of Labour established a task force to conduct an independent review and recommend legislative changes.

The task force report was released a couple of years ago and the minister met with representatives of labour, management and other interested parties to hear the views on the task force recommendations. Bill C-66, the previous bill, reflected the task force's recommendations and these consultations.

Support for revisions to the code are long overdue. Although they do not go far enough we think it is certainly worthy of our support.

I listened with a great deal of interest to the member for Medicine Hat and the member for Calgary Southeast talking about this bill and parading themselves as friends of ordinary Canadians and working people, which is anything but what the Reform Party is all about.

The hon. member's leader is opposed to government regulated minimum wage laws. I am sure the member would support him. He is on record saying that minimum wages should be linked to supply and demand and not to government regulated minimum wage. We know the member for Calgary West comes from the National Citizens' Coalition and worked on something called citizens against enforced unionism when he was a member of that not so august body.

In speaking to the bill I was particularly struck by the amendments introduced last September by the member for Wetaskiwin who I believe was then and is still now the Reform Party's labour critic. He introduced a number of motions at that time and I wanted to go through some of them to give people listening a sense of what this party thinks.

Mr. Jason Kenney: Madam Speaker, I rise on a point of privilege. The hon. member for Palliser said that I have worked for an organization that I have never worked for. I would like him to correct the record and apologize for misrepresenting my background.

The Acting Speaker (Ms. Thibeault): I would ask the hon. member for Palliser to perhaps clarify what he was referring to.

Mr. Dick Proctor: Madam Speaker, if I said it, it was inadvertent. I was referring to the member for Calgary West who replaced Steven Harper, not the member for Calgary Southeast. If I said Southeast I apologize but I was not referring to the member who just spoke.

In any event, I am now referring to the comments made by the hon. member for Wetaskiwin last September 24. Motion No. 4 at that time said government should support rights for all Canadians and young people in particular to enter the workforce and achieve their potential. This sounds very innocuous, very laudatory.

Motion No. 5 states:

> Government should ensure that unions and professional bodies do not block qualified people from working in a trade or profession or from gaining the necessary qualifications to enable them to work in a trade or profession.

An hon. member: Right on.

Mr. Dick Proctor: It is not right on, it is the right to work. Later the same day the same member said in Motion No. 6:

> Expand section 70 of Canadian Labour Code to include rights of individual employees to refuse to allow any portion of their dues to be paid for any cause not related to the function of their union that the employee does not personally support.

● (1230)

We go back to the Ontario Public Service Employment Union and Merv Lavigne in the 1980s, aided and abetted by the National Citizens' Coalition, on this whole question, and what Justice Bertha Wilson had to say about it and the awarding of costs to the union.

She went to the Americans because they have similar legislation to what is being proposed by the member for Wetaskiwin. The following is what Supreme Court Justice Bertha Wilson had to say:

> When American unions speak out on political matters, they must refund to dissenting members the prorated costs of such activities. U.S. Corps do not have this problem. Corporations may speak out with a far louder voice heavily outspending Labour on dissemination of their views. Indeed the proof of this imbalance can be seen in the results in the decline in rate of union reps.

Among American workers Madam Justice Wilson noted that it had gone from a 35% rate of unionization in the United States in the 1940s to barely 20% by 1980.

It is our view on this side of the House that Canadian unions would meet the same fate if we had similar legislation adopted in this country.

This is the area of attack the Reform Party makes against working men and women in close concert with the National Citizens' Coalition and the Fraser Institute, both of which are good friends. They are in favour of making closed shops illegal. We have heard some of that, new laws to undermine effective strike action and paramountcy of private property over collective rights. We certainly have heard that from the two previous speakers of the Reform Party.

I think the official opposition party and their friends in the National Citizens' Coalition and the Fraser Institute could be counted upon to pursue any goals toward deunionization in the country. In fact the Fraser Institute, the research arm of the Reform Party, has dedicated $250,000 for such work over and above the cost of hiring a co-ordinator for a new five-year plan called towards a new millennium.

They plan to publish a right to work, how to guide on establishing right to work in Canada, more conferences in jurisdictions sympathetic to right to work, contrasting U.S.-Canada labour laws, blaming Canada's high unemployment on what they perceive to be unfair, unbalanced labour legislation.

I think it could be summarized no better than what the previous Reform member, Herb Grubel, who is now happily back working with the Fraser Institute, had to say some time ago:

> The most basic contribution that Canadians governments could make is reduction of power of unions by appropriate changes in the labour codes. There should also be expanded deregulation and privatization and an across the board wage cut of 13%.

When the member for Crowfoot suggests that we do not know what we are talking about when it comes to the Reform Party and its views on labour, we think we do know a thing or two.

We think that what they are trying to establish here is Alabama north. It is a race to the bottom, who will do it for the least amount of money. We reject that wholeheartedly and we urge that this bill be passed into law as quickly as possible.

Mr. Rick Borotsik (Brandon—Souris, PC): Madam Speaker, I am pleased to speak to proposed legislation, Bill C-19.

With great respect to the previous speaker, the member for Palliser, I learned a long time ago that in fact there are certain issues that we are going to agree to disagree on. It is philosophical. I will not convince the hon. member for Palliser to think in my direction, nor do I expect that he can convince me to think in his direction.

However, in saying that, there are a number of differing views with this piece of legislation. I will go back to a piece of legislation that I am very familiar with. I look at the parallels of the Canadian Wheat Board Act, Bill C-4, and this legislation. I raise this because both pieces of legislation were flawed when they came to this House.

• (1235)

There was and is a great deal of controversy with both pieces of legislation. Both pieces of legislation were introduced in the previous Parliament and both died on the Order Paper. They essentially came back with very few, if any, changes or amendments although the government at that time had the opportunity to listen to the people who would be affected by both pieces of legislation.

In the case of Bill C-4, western Canadian farmers would be affected. Bill C-19 would not only wrongfully impact the business community in Canada but also the unions in Canada. It is a very divisive piece of legislation that will not resolve any of the current outstanding issues.

I would say to the member for Palliser that I am not a unionist, I never have been, nor have I embraced the philosophies. However, I am a fair individual who believes that there is a need for labour unions. I have negotiated across the table from labour unions and I believe very strongly there is a need and a right to have fair management-labour relationships as well as negotiated settlements in any type of labour contract. I honestly believe that, and it can be achieved.

I also believe there is a need for balance which must be there in order for both parties to put their prospective positions on the table and to come to a negotiated agreement. Bill C-19 does not provide the balance. It has, unfortunately, taken the balance and given it to one side of the equation, one side of the argument. I believe the hon. member would have spoken against the legislation because there was an unfair balance if it would have come forward such that it changed the balance in favour of management and corporations.

There is an unfair balance in this legislation. There is substantial controversy out there. I wish the government would have put forward a well thought out, logical piece of legislation that incorporated that balance.

I will read some headlines from several local papers: ''Business anxiety is mounting over the proposed changes to the Labour

Code''; ''Liberals ready to duplicate ill-conceived Ontario labour law''; ''Shippers fear scheme will increase labour strife''; ''Grain ports law angers B.C. business''; ''New labour code rules benefit unions''; ''The higher unemployment bill'', referring to Bill C-19; ''Closer examination reveals flaws in rewritten Labour Code amendments''. After having read these articles, I understand there is a great deal of divisiveness in the business community.

Our party has already spoken about a number of concerns with this legislation. Without question our first and foremost concern is with the replacement workers clause in Bill C-19. It is unfair. When the Sims report was tabled, this was one of the areas that was not agreed to in the report. There were some serious concerns about it and a minority report argued against a general ban on the use of replacement workers. It changes the balance of power to the unions as opposed to having that balance between management and labour.

There is another area of concern that is very real and serious with respect to Bill C-19, that of the offsite workers. This is an invasion of privacy, an invasion into a person's ability to be employed in Canada without having others access your employment ability on offsite workers from a particular corporation. It is a travesty that the government would put this forward in this bill.

We are also concerned about certification not requiring the majority vote of the employees. It is very serious when others can dictate to the majority what it will have to do according to the minority speaking.

● (1240)

Another area of concern is that of the work stoppage at ports, the shipment of grain and other commodities. I have some mixed feelings about this particular clause in the legislation. I believe very strongly that for too long western Canadian farmers have been held hostage by unionized workers in the ports and the railroads. They are always held hostage at the time of year when it is most vital. The transportation of the grains should be allowed through to the ports so that our reputation as Canadian producers is not going to be impacted by not having just in time delivery with these commodities.

I have mixed feelings that this particular clause in the legislation is a good clause. However, I would not like to see this clause changed to benefit labour. If it is good for grain, it should be good for other commodities. All commodities should be treated equally. If it is good enough for grain then there should not be work stoppages because the ramifications of the position in the world marketplace.

Other commodities should be given the same co-operation. Those other commodities are in most cases directly related to production of agriculture. Fertilizers should be given the same opportunity. We have other commodities such as coal and potash. We have major commodities that should be given the same opportunity in this legislation as what is given to grain. However, I would not like to lose the clause that speaks to the grain component if that whole clause was going to be rewritten.

Our party is on record as saying that we will be opposed to Bill C-19. My preference would be for the government to see the error of its ways and take this legislation off the table. It should take it back to the Canadians, the business community, as well as the labour unions to try to negotiate and work out a fair and balanced approach to the changes to Bill C-19.

It should have been done with Bill C-4 where there was such a backlash with the legislation. In fact, when the legislation is being approved, it will not solve or resolve any of the problems. It should be done with Bill C-19. The government should learn from past mistakes to take the legislation back and bring forward to this House a balanced piece of legislation that will ensure that all sides of this equation and argument will be satisfied.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I rise today to speak on Bill C-19. This bill starts with a change in the name to the bill from the Canadian Labour Relations Board to the Canadian Industrial Relations Board. This certainly differentiates it from the original bill that was brought forward. It is not as specific. I would like to point out that this bill still has to do with labour relations.

What else does this bill do? The member for Palliser commented very strongly on support of the union particularly on the west coast. I would like to make it clear that the NDP, the member for Palliser and the rest of his colleagues have at heart only the interests of the unions. The Reform Party has the interests of unionized workers and the non-unionized workers such as farmers in western Canada. It is this kind of an approach that is required when bringing legislation before this House.

Serving only the interests of the big unions on the west coast is a dramatic hindrance to the economic performance of this country and it is a dramatic hindrance to agriculture in western Canada. We only have to look at some of the problems that arise for farmers in the west to see that every dollar counts.

● (1245)

In the past couple of years we have had the transportation problems with grain moving to the west coast. Over the years there have been many strikes and grain sales were held up. The problems I am referring to in the past years have ended up costing farmers in the neighbourhood of $100 million between demurrage costs, lost sales and those kinds of thing.

When legislation is brought forward in this House, we have to look at whether or not it is good overall in the sense that is it 80% to 90% good for everyone, or is it really just good for a small segment of workers. Good legislation should not disadvantage to a great extent any one group in Canadian society. As an example, a piece of legislation which comes to mind as good and which everyone

can support is the RCMP superannuation act. It is legislation where everyone wins.

Bill C-19 has some good points. However in the whole it is insufficient to pass a bill that does only a little good and a whole lot of harm. It certainly does good. If there is an elevator terminal on the west coast full of grain and a strike happens, the people who move the grain from the elevator on to a ship are required to go back to work to put that grain on.

However, as the days drag on in a strike and if the elevator was empty or was not necessarily full at the start, what happens then? This legislation will not enable the agriculture products from western Canada to continue moving because there will not be anything to move. What is the solution? Certainly labour has to be treated fairly and properly. There are mechanisms by which this can be done.

The Reform Party has very clearly come out with a plan that would enable the unions and the workers to be treated fairly. They would receive good compensation for the work they do. It would also protect those people who do not have protection under legislation, for example the farmers in western Canada and other small businesses that move their products through ports.

I would suggest as put forward by the Reform Party that a labour dispute settlement mechanism such as final offer selection arbitration would be useful on the west coast. It would ensure that labour is treated fairly, that it is properly compensated for its efforts and that farmers in western Canada continue to have their grains and other products moved.

Strikes in the public sector differ from those in the private sector because of the monopolistic nature of most public services. Final offer selection arbitration gives labour and management the tools to resolve their differences. It does not favour one side over the over. It eliminates government interference in the negotiations.

The Reform Party believes that final offer selection arbitration would provide protection from back to work legislation in a strike or lockout situation.

We only have to look back a few weeks to see the mess we were in during the post office strike. In that case both union and management knew that the House was going to have to do something eventually. Therefore they had no incentive to get together to come up with a good solution. As a result many Canadians suffered drastically as that strike went on, primarily small business and small farmers.

My friends to the left in the NDP represent only the big unions. They have no balanced approach to represent all Canadians. I agree the unions have to have the right to organize, the right to bargain, but their right is not supreme over the right of all Canadians. That is the point I make in that regard.

● (1250)

I will quickly comment on how this final selection arbitration would work. If and only if the union and employer cannot make an agreement by the conclusion of the previous contract, the union and employer would provide the minister with the name of a person or persons they jointly recommend as an arbitrator or arbitration panel. The union and employer would be required to submit to the arbitrator/panel a list of the matters agreed upon and a list of matters still under dispute.

For disputed issues each party would be required to submit a final offer for settlement. The arbitrator/panel selects either the final offer submitted by the trade union or the final offer submitted by the employer, all of one position or all of the other position. The arbitrator's decision would be binding on both parties.

As the member for Brandon—Souris commented, this legislation is exactly like Bill C-4. Nobody but those with a narrow little interest wants to see this legislation go ahead. As a result I cannot support this bill.

I support the Reform Party's position that we want to see unions treated fairly. We want to see non-unionized people treated fairly. I believe the plan we have put forward will do that.

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: No.

The Acting Speaker (Mr. McClelland): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. McClelland): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. McClelland): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. McClelland): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. McClelland): A recorded division on the motion stands deferred.

[*Translation*]

COMPETITION ACT

Hon. John Manley (Minister of Industry, Lib.) moved that Bill C-20, an act to amend the Competition Act and to make consequential and related amendments to other acts, be read the second time and referred to a committee.

He said: Mr. Speaker, I am particularly glad to have this opportunity to introduce Bill C-20, which will modernize the Competition Act, and make one of our most important economic framework laws more suitable for the information age we live in.

[*English*]

This updating is particularly needed in light of a major problem addressed by these amendments, that of deceptive telemarketing. Telephone scam artists have become a contempory electronic plague. Law enforcement officials conservatively estimate total losses to Canadian victims and lost sales to legitimate business to be in the order of $4 billion per year.

● (1255)

These predators use the anonymity of the telephone and their skills of deception to sound plausible. They persuade their victims to trust what seem like reputable businesses or charities. Sometimes high pressure and abusive sales tactics are used to convince consumers to give up their money or give out their credit card numbers.

[*Translation*]

And the term consumer includes businesses as well as individuals. Whenever a business purchases goods or services from another firm, it too becomes a consumer. Small and medium sized businesses are frequent targets of telemarketing scams.

All sorts of ingenious tactics and schemes are used. A potential victim might be told that he or she has won a valuable prize or gift, but must pay a fee, or ''taxes'', before delivery. Then, the prize turns out to be worthless, or non-existent.

[*English*]

Sometimes a plausible mailing or advertisement pitches an attractive job opportunity. All the victim has to do is call a 900 or 976 number for further details and be kept on hold or listening to a long recorded message while expensive phone charges mount up.

Scam might be piled upon scam. Often con artists call people who have already been victimized once and pose as professionals who can recover their losses, for a fat fee of course, which is never seen again.

Dishonest telemarketers might prey upon businesses and charge inflated bills for minimal, unnecessary or non-existent supplies and services.

Although deceptive telemarketers target all groups in society, they tend to focus on those who are most vulnerable, such as seniors.

The Competition Bureau has prepared a public awareness video which shows one scam artist boasting of cheating mothers and daughters, fathers and sons. This individual is shown outlining an international telephone routing scheme that he used to provide fictitious testimonials for his bogus investment plan. He also described plans to target a family's entire savings, including their paycheque, their pensions and even their children's educational funds.

These despicable cheats are bringing an entire legitimate industry into disrepute.

[*Translation*]

In addition, given the nature and capabilities of communications media these days, telemarketing scams cross multiple jurisdictions and make cooperative enforcement particularly difficult.

One credit card scam, for example, was run through a corporation in British Columbia, by telemarketers in Ontario who targeted victims in the U.S.. This is why, at the recent meeting of the United States Attorney General and the Solicitor General of Canada, the topic of telemarketing fraud was an important part of their discussions.

[*English*]

Telemarketing fraud also came up at the April 1997 meeting between the Prime Minister and the President of the United States. As a result our two countries established the Canada-U.S. binational working group on telemarketing fraud which delivered its report to the Prime Minister and to the President last November. That report made several recommendations, including that the ''governments of both countries and their respective agencies clearly identify telemarketing fraud as a serious crime''.

At present the Competition Act prohibits the use of materially false or misleading representations to promote the supply or use of a product or the promotion of any business interest. The act also contains provisions relating to promotional contests. However it does not specifically forbid certain practices associated with deceptive telemarketing. The current law is also not specific enough to nail con artists who do not actually make any representations over the telephone. These inadequacies needed to be addressed.

The amendments to the Competition Act will create a specific new criminal offence for deceptive telemarketing. It will apply to the use of interactive telephone communications for the purpose of promoting the supply of a product or a business interest.

● (1300)

[*Translation*]

Persons engaged in telemarketing will be required to disclose certain types of information during their phone calls. The law will also prohibit a number of deceptive practices, such as requiring consumers to pay money as a condition to receive a prize, or to require advance payments for products sold at grossly inflated prices.

Special provisions will expand the responsibility of corporations, their officers and directors, for ensuring compliance with the law. It will become easier for the courts to issue interim injunctions to halt suspicious activities. Penalties will be stiffened. Indicted offenders will face prison for up to five years, and/or a fine at the discretion of the court.

[*English*]

For summary convictions the maximum penalty will be a fine of $200,000 or a year in jail or both.

In certain cases law enforcement officials will be able to intercept private communications without consent after obtaining judicial authorization. This new provision will be used to gather evidence of deceptive telemarketing and will apply to the serious crimes of conspiracy and bid rigging.

While this provision is not expected to be widely used, in some cases it may be the only way to gather evidence effectively. The director would be required to follow the normal procedures of the criminal code to obtain authorization.

These measures against telemarketing fraud are part of a total package of amendments to the Competition Act. To put these changes in context, we should recall that the Competition Act contains both civil and criminal provisions. Criminal offences under the act include price fixing, bid rigging, predatory pricing, retail price maintenance, misleading advertising and other deceptive marketing practices. For these, the crown must prove beyond a reasonable doubt that an offence has been committed, and the new telemarketing provisions will fall into this criminal category.

[*Translation*]

But the Competition Act also contains civil provisions, whose benchmark is the civil law's less demanding requirement for proof on a balance of probabilities. In civil matters, the Director of Investigation and Research has the option of applying to the Competition Tribunal of Canada for remedial orders to deal with the anti-competitive conduct in question.

Misleading advertising and deceptive marketing practices are criminal offences because they can have serious economic consequences; consequences that can merit a criminal sanction. They hurt both consumers and competitors who are engaged in honest promotional efforts.

[*English*]

However, studies since the mid-1970s show that criminal sanctions alone are an incomplete response to misleading advertising. Criminal prosecution has a number of drawbacks. It is not an effective way to stop misleading advertising quickly, and the criminal law process is expensive and intensely consumptive of time and resources.

The changes before us will create a combination criminal-civil regime to address misleading advertising and deceptive marketing practices. They will foster quick and efficient compliance through a series of measures that allow a great deal of flexibility. This flexibility will enable the competitive bureau to tailor its approach and use the tools that are most effective for each different situation. Criminal sanctions will remain in place but only for the most serious cases of misleading advertising.

Most existing misleading advertising and deceptive marketing offences will fall under the less cumbersome provisions of the civil law as reviewable matters. Remedial orders could be granted by a judicial member of the competition tribunal, by the Federal Court of Canada or by a provincial superior court.

Remedies available to the court would include cease and desist orders, interim cease and desist orders, administrative monetary penalties, information notices and consent orders.

● (1305)

[*Translation*]

Taken together, and combined with the Competition Bureau's existing and strong education program, these measures will permit the Competition Bureau to take a pro-active and preventive approach to anti-competitive practices which go against fairness in the Canadian marketplace. They will expedite decision making and ensure that it is done consistently.

Most of these types of cases would be brought before the Competition Tribunal, rather than the criminal courts.

These amendments would also change the title of the Head of the Competition Bureau from Director of Investigation and Research to Commissioner of Competition.

[*English*]

This new title of commissioner will better reflect the responsibilities of the position, putting it on a par with those, for example, of the commissioner of the Royal Canadian Mounted Police.

Its other most important changes concern prenotification of mergers, regular price claims and prohibition orders. For mergers an effective prenotification process is essential to allow the competition bureau to determine in advance whether a transaction would have a negative effect on competition. The proposed amend-

ments will make the prenotification process more efficient and clarify the law concerning certain types of acquisition.

Information requirements would be revised and outlined in the regulations instead of in the act. There would be greater flexibility to waive the requirement for prenotification or for some of the information required under certain circumstances. Longer waiting periods will provide sufficient time to review proposed transactions thoroughly. Conditions for obtaining interim orders will be relaxed so that the commissioner will be able to delay the closing of a merger that raises competition issues until an inquiry can be completed.

The regular price claims provisions of the act will be amended for greater clarity and to better reflect what consumers and retailers understand by them. The legitimacy of regular price claims would be determined by an objective standard, a test based either on sales volume or the pricing of an article over time.

Consumers will benefit from this clarification of the rules and merchants will have more freedom of choice in selecting pricing strategies and will be encouraged to innovate in ways beneficial to consumers and retailers alike.

[*Translation*]

The other major area of impact of these amendments concerns prohibition orders. Courts will be given more tools to address criminal conduct. They will be able to issue orders to require those accused to take certain steps, or engage in certain conduct to prevent the commission, continuation or repetition of an offence.

The amendments will establish a more cost-effective, enforceable instrument for alternative case resolution, in matters where there is no need for criminal penalties, and where the parties can agree on the terms of an order.

[*English*]

Let me emphasize as strongly as I can that these amendments do not mean more leniency for those who engage in serious anti-competitive behaviour. When a reasonable solution cannot be reached for civil matters, be it consent orders or other means, the commissioner has stated that he will not hesitate to take the matters to the tribunal.

He has further stated that in cases where there are egregious and serious violations of criminal proceedings or provisions, he will not hesitate to refer cases to the attorney general and recommend prosecution with the full rigour of the law.

The amendments before us today will give the bureau an expanded range of tools to ensure full conformity with the law. Its continuum of measures begins with education and goes up the scale to guidelines, advisory opinions, information contacts, voluntary codes, settlements, consent orders, charges and fines all the way to imprisonment.

• (1310)

[*Translation*]

These amendments are based upon partnership and consensus among stakeholders—often, stakeholders whose positions might vary widely. The last major revisions to the Competition Act were made in 1986, an age ago, given the pace of modern business. The changes we are making are long overdue.

[*English*]

They will modernize the Competition Act in ways that have been recognized as needed by consumers and by their representatives, by the business and legal communities, and by academia and law enforcement agencies.

They will help protect Canadian consumers from telemarketing fraud. They will help the competition bureau foster the fair, efficient and competitive functioning of the Canadian marketplace for the benefit of all of society.

In light of these changes I hope they will find swift passage in parliament.

Mr. Werner Schmidt (Kelowna, Ref.): Madam Speaker, it is with pleasure that I join in this debate. I must admit the minister has made a very strong case for the legislation. In general I agree it is a good piece of legislation. It is high time. It has been on the table since 1996. I wonder why it took this long to get on to the agenda. It seems that a whole lot of other legislation took precedence.

If anybody doubts the importance of the legislation they should have watched the Goldhawk exposé last night on CTV. It was very clear in the case of a lady who had been approached by fraudulent telemarketers who bilked her for $38,000. It was no small amount for a retired lady to pay to deceptive telemarketers. That is the flagship part of the legislation. It is high time it was introduced in the House.

The specific provisions in the legislation are interesting. I support them completely. First, telemarketers must identify who they are representing. Second, they must disclose the price of the services or product they are proposing. Third, they must tell why they are calling. Those three provisions are presently omitted. A telemarketer can get along making all kinds of claims without ever saying who he represents, what the price might be or what the reason is for the call.

The minister made a point about saying how large the telemarketing business is. He referred to the joint meeting between the two heads of state, the President of the United States and the Prime Minister of Canada. In 1997 the estimate of that business was

somewhere around $500 billion, with the fraudulent part of it accounting for about 10% or about $50 billion. Canada is roughly 10% of the United States, which makes it $5 billion in Canada.

The minister suggested that the cost to Canadian taxpayers is somewhere around $4 billion. I am not prepared to debate whether it is $4 billion or $5 billion; $1 is too much.

It is refreshing to see this kind of legislation before us at this time. While I support all of its good provisions, there is a significant omission to which I will refer later.

I will focus on the reason for changing the present Competition Act. The Competition Act dealt with a time when things were not as fast as they are today. A lot of things are happening today. Change is happening more quickly. Information technology has advanced dramatically. The network alluded to by the minister a moment ago would not have been feasible several years back. There is a changing world out there. Electronic commerce makes possible and makes necessary this kind of legislation.

Let us review briefly what the Competition Act actually does, not only these amendments but the act itself.

● (1315)

I would like to do this particularly because many of my constituents, perhaps many constituents across Canada, would like to know exactly how the Competition Act works.

First of all, a tribunal is set up. The tribunal is headed by the director, now the commissioner of competition. He deals with the aspects of the act that are not being observed by the participants or players.

The act contains both criminal and non-criminal provisions. The criminal provisions include conspiracy, bid rigging, discriminatory and predatory pricing, price maintenance, misleading advertising and deceptive marketing practices.

The issue of telemarketing falls under Bill C-20 provisions and other areas that fall under the act are reviewable matters such as mergers, abuse of dominant position, refusal to deal, consignment selling and tied selling, market restriction and pricing.

I draw attention to tied selling. Tied selling is becoming a very significant part of our economy today, particularly as it relates to financial and other institutions.

Tied selling, while not the focus of this bill, not the focus of the amendments here, will become a major issue as far as consumers and business people are concerned.

When the bureau becomes aware that there is a possible infraction or some sort of competition offence, the facts are examined, first of all, for whether there is a concern under the act. If the director believes there is reasonable grounds or if he believes that it could be committed very easily, inquiries can commence.

The minister may also initiate concern, and six Canadians may get together and complain to the director and the matter will be investigated.

Although the director can use formal investigative tools to gather information, in cases where the director believes a criminal offence has occurred, matters may and are referred to the attorney general.

The minister has just assured us that that is indeed what the intent of this legislation is and that it is one of his servants who will cause this to happen. I commend him for that. I think that is good.

Bill C-20, which we essentially support as the Reform Party, enhances the current Competition Act. It makes it stronger. We are pleased to see, for example, the issues of misleading advertising and deceptive marketing being enhanced and the issue of deceptive telemarketing being addressed in particular.

Let us go into deceptive marketing. Bill C-20 provides for a much more effective means of punishment and is an improvement in our opinion. If consumers find themselves the victims of deceptive marketing, for instance false advertising, the bill sets out new provisions that will make the system more effective both in terms of administration and cost. That is commendable.

Under the current act where infractions are committed, criminal prosecution is obligatory. That is a cumbersome, expensive and a long, drawn out process. The new bill creates a dual regime of civil and criminal offences.

In serious cases involving repeat offenders or fraud, for example, a criminal regime will be maintained. In less serious cases where an individual or corporation is unaware of the law, the amendments will allow for the infractions to be addressed through civil court by means of fines, cease and desist orders and information notices.

I can speak from personal observation of cases that I have worked on which have been worked through the previous session of Parliament that it is essential that we have these kinds of provisions in the act.

To the credit of the competition tribunal, one case that I am very familiar with was resolved in favour of the client and the persons who appealed to the competition bureau, so the competition bureau does work. This makes it work more effectively and we support that.

What about deceptive telemarketing? I have already indicated the three things a telemarketer must do if he is going to approach an individual for money.

We can all attest to the telemarketing industry, somewhat ruefully perhaps. I wonder who in this House has not had dinner or some other part of their day interrupted by a telemarketer wishing to sell a product or a service. It might even happen twice during supper.

● (1320)

In my case I am thankful that we have an answering machine. When supper time comes the answering machine takes over. Let the telemarketer talk to the machine if they want. There is no way they are going to interrupt my supper hour.

Whether we appreciate the work of telemarketers, it is a legitimate business. It is the fraudulent use of telemarketing we are objecting to. The serious concern is in that area.

There are rules of logic which we should all follow in the buying and selling of products over the phone. For instance, it is wise to be suspicious of anyone who might offer money or a grand prize over the phone for a small fee. ''You can have a prize if you give me money''. We should all be suspicious if someone says something like that.

We should also be suspicious if someone asks us for our credit card number. Some people have advised us to never give anyone our credit card number over the telephone.

I recall, rather interestingly, wishing to make a hotel reservation not too long ago. I wanted the assurance that the room would be available for me without my having to give them a credit card number. I said ''I do not want to give it to you''. They said ''then your room will not be there for you''. Who will win? It is a very interesting question which we need to look at.

More and more we are using the telephone to conduct our activities. We have e-mail. We have electronic commerce. The whole question of the decryption of messages becomes a very significant issue. The old rules simply do not apply any more. In many cases there are no rules.

Is it any wonder that many consumers are confused? Do I or do I not provide my credit card number? Do I or do I not talk to this individual?

The only solution is to ensure that laws exist to address unscrupulous practices. That is what this bill attempts to do.

In order for both the industry and the consumer to benefit the consumer needs assurance that the marketplace is being monitored to ensure fair and legal practices. Where telemarketing is concerned a sound competition policy not only means a confident consumer, it requires an educated consumer. If it was ever necessary for consumers to educate themselves about what is going on out there it is today. By setting out what is required to conduct fair telemarketing practices Canadians will know they can demand from any person who is conducting a financial transaction over the telephone who it is that is calling, on whose behalf that person is calling, how much it will cost and why they are calling.

I wish to move into a broader context and address the entire area of competition. I mentioned earlier that it is important to keep discussion on competition open in order to ensure its effectiveness and efficiency. However, the issue of competition has taken on a broader context over the last few years. Global competition now plays a direct role in determining the economic policies of Canada.

Competition has become the mantra of the 21st century. Governments around the globe promote its merits and its value in generating wealth and contributing to innovation. Competition dictates policy in everything from free trade in softwood lumber to the information highway and whether we have direct to home television.

If we look closely we will see that competition is the reason given by governments to explain many things, including why they must spend money on business subsidies and infrastructure programs, for example. It seems the notion of competition has dominated every policy paper, federal budget, government initiative, piece of legislation, committee report, study and the countless conferences which we have seen since this government came to power. The emphasis is always on the need to become competitive.

Sometimes, it has to be said, this is the umbrella under which are hidden euphemisms for political patronage and vote buying.

This bill has been pushed aside. Since 1996 other bills have taken precedence and amendments to the Competition Act have had to wait, and yet competition is the thing which drives our economy.

It must be very confusing to the average consumer if this is the case. They ask questions. Can competition be good if the result is downsizing and the loss of jobs? Can competition be good if it means lower wages? Is competition good when the success of the new Wal-Mart means the closure of the local business down the street?

● (1325)

Is all competition good? Is uncontrolled competition good? Obviously not. That is why we need an act of this type. The average consumer should not apologize for being confused, or for asking questions, or for feeling some anxiety. For too long voters have been left out of the economic process. The answer that it is good for competition hardly suffices in their attempts to understand which government policies are sound.

The truth is that fair competition is a good thing but notice there is a very significant adjective there, fair. Competition in and of

itself as an end in itself is not sufficient. Fair competition is integral, however, to sound economic policy.

The Reform Party is a strong supporter of the competitive marketplace. However, we are very aware that competition alone is not enough to ensure economic stability, nor will it alone create the kind of marketplace that builds strong industries and businesses and protects the consumer.

Reformers do not accept that in order to have competition it must come at the expense of the taxpayer. Reformers believe in competitive strategies that have substance. We believe that there are ways in which we can increase competition by allowing the taxpayer to function freely in the marketplace without compromising the interests of the consumer or create costs to the taxpayer.

In fact, our definition of a competitive Canada would not only save the taxpayer money but provide economic stability. For the sake of good and fair competition, we would take the politics out of economic decision making in Canada. We would not use competition as an excuse for the unreasonable waste of taxpayer money spent on business subsidies. We would eliminate grants and subsidies to businesses. Businesses would be able to survive, as businesses should be able to survive, on their own merits. Taxpayers should not support inefficient and ineffective businesses.

For the sake of good and fair competition, we would support the removal of all measures that insulate industries, businesses, financial institutions, professionals and trade unions from domestic and foreign competition. That would mean dropping Canada's internal trade barriers once and for all.

I think the minister is only too well aware of how intrusive the internal trade barriers are to trade within Canada. In order to realize fair and good competition, Reform would orient federal government activities toward the nurturing of physical and human infrastructure. We would give greater priority to the development of skills, particularly those that would provide future job flexibility within a co-operative training government. We would base physical and infrastructure spending on economic criteria rather than on the basis of artificial temporary job creation.

In order to realize a fair and competitive marketplace, we would invest in basic scientific research and ensure grassroot investment in research and development in order to keep Canada on the leading edge of innovation.

If Canada is to be truly competitive, we will see a better Canada where the entrepreneur is valued, the small business person is free to grow, where our children are educated and provided with the skills they need to succeed, where families are relieved from an unfair tax burden, where Canadians are free from worrying about their futures, each one empowered to reach out and grasp every opportunity that comes their way. Competition must mean something to the average citizen, not just the bureaucrats and the policy makers.

Canadians must see real evidence of competition in their everyday lives and feel the effects that a truly competitive society provides. That means things like direct to home satellite. It means fairer and freer internal trade. It means prudent regulation of our financial institutions. It means reasonable interest rates on our credit cards which means fair prices at the grocery store and the gas station.

I would like to now refer to another major section which I believe is an omission in Bill C-20. It should have dealt with this but it did not. It has to do with mergers.

There is a reference to mergers and there is a more sensible approach to them. However, it fails to deal with a major issue that has come to the attention to virtually every Canadian within the last six months, the proposal to merge two major banks. It is conspicuously silent about this merger.

Let us examine the details of the provisions of the Competition Act.

● (1330)

Section 92 of The Competition Act as it currently stands reads as follows:

> Where, on application by the Director, the Tribunal finds that a merger or proposed merger prevents or lessens, or is likely to prevent or lessen, competition substantially
>
> (a) in a trade, industry or profession,
>
> (b) among the sources from which a trade, industry or profession obtains a product,
>
> (c) among the outlets through which a trade, industry or profession disposes of a product,—

There is another category and then the director may dissolve the merger, dispose of the assets or shares in addition to or in lieu of the action referred to in the first two paragraphs with the consent of the person against whom the order is directed takes any other action.

It then goes on to specify these. That sounds very good and that is the provision of section 92 and that is great. That must be okay.

Let us look at section 100. It is clause 24 in the proposed bill. The proposed bill says that an application to the commission certifying that an inquiry is being made under paragraph 10(1)(b) and in the commissioner's opinion more time is required to complete the inquiry of a merger, the tribunal finds that the absence of an interim order a party of the proposed measure or any other person is likely to take an action that would substantially impair the ability of the tribunal to remedy the effect of the proposed merger on competition under section 92 because that action would be difficult to reverse.

The provisions are rather clear and rather far reaching except that in section 94 of the Competition Act we read that the tribunal shall not make an order under section 92 in respect of a merger substantially completed before the coming into force of this section, or an amalgamation or proposed amalgamation under section 255 of the Bank Act or an acquisition or proposed acquisition of the assets under section 273 of the Bank Act.

Section 255 of the Bank Act is rather clear. Section 255 of the Bank Act specifically states that that section which deals with competition and with mergers states that in lieu of the relevant sections in the Combines Investigation Act, the Trust Companies Act, the Loan Companies Act, the Canada Business Corporation Act and conspicuously absent, the Competition Act.

The Minister of Finance, when the Royal Bank and the Bank of Montreal announced that they were proposing to merge, said that this will be investigated by the Competition Bureau. He may do that and I would commend him if he did. He wants the tribunal to investigate this but the competition tribunal has absolutely no authority.

There is nothing in the existing Competition Act that would allow them and direct them to investigate this. They may if the Minister of Industry agrees with his colleague the Minister of Finance, to go ahead, get resources, personnel and time to investigate. The Competition Act exempts Section 255 of the Bank Act from them considering this particular merger.

That I think is a very serious omission. Why do I think it is such a serious omission? Because a merger of a major bank will affect virtually directly or indirectly every Canadian if not now, certainly in the future.

I think there is a major issue here that should have been addressed but was not. It is not too late to bring an amendment. I hope the minister and the Minister of Finance will see fit to introduce an amendment that will bring about this kind of jurisdiction to the Competition Act. It is in the interest of Canadians that this be done.

While there is much that has been done in this particular act there is a lot of direction that we would commend.

● (1335)

In summary, I would like to review a couple of those. First, this act creates a new criminal offence for deceptive telemarketing, the maximum penalty being five years in jail or a fine in the discretion of the court, or both.

Second, it allows for the judicially authorized interception without consent of private communications, that means wiretapping. Neither party needs to consent to the wiretapping. The RCMP may do so to combat the most serious cases of deceptive telemarketing, as well as price fixing and bid rigging. That is a good provision.

Third, to require those engaged in telemarketing to disclose certain information, which I have already covered, and prohibit practices such as required payment prior to delivery for products offered for sale at prices grossly in excessive of their fair market value.

Fourth, the enactment of a special provision to expand the responsibility of corporations and their officers and directors to ensure compliance with the law.

These are good provisions and we would support them. The bill should pass speedily through the House. I suggest to my colleagues that there is an omission in this bill that should have been included. With that, I commend this bill to the House and would like to encourage its passage and its support with appropriate amendments.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, I am pleased to rise in the House and speak, on behalf of the Bloc Quebecois, to Bill C-20. If all the bill contained were provisions relating to fraudulent telemarketing, there is no doubt that we would be pleased to give it our strong support.

But this bill, which deals with fraudulent telemarketing, has many other provisions. In some ways, it resembles an omnibus bill, or an important overhaul of the Competition Act. We have very serious reservations about a number of the amendments and would be unable to support the bill at this time.

I would like to begin by stressing the importance of a law to promote competition. In both the United States and Canada, at the time of the industrial revolution, there were large social movements calling on governments to prevent trusts and large corporations from getting together and doing what they wanted.

Support for real competition was the beginning of social conscience and of public social conscience. This support came not only from consumers, but also from small businesses, which often suffered from agreements made over their heads and often against their interests.

I would remind the House that the Canadian Competition Act is two years older than its American counterpart. I would also remind it that the first prison sentence under the Competition Act in Canada was handed down on September 9, 1996 following a driving school price war between 1987 and 1991 in the Sherbrooke region.

Mr. Justice Paul-Marcel Bellavance of the Superior Court was quoted in *Le Journal de Montréal* the following day. This is what he had to say ''In order to underline the objective seriousness of

this kind of crime, which is not always taken seriously by the businessmen of this country, the court adopts the recommendation made by the crown—the crown meaning the federal attorney—that a prison sentence be handed down, even though I agree with the probation officer that what we have here is not an individual who lives off the proceeds of crime, and that the risk of recidivism is minimal, although he has a legal record that must be taken into account''.

● (1340)

Let me continue by quoting excerpts from the judge's ruling. He said ''The difficulty in discovering the crimes of which the accused was found guilty justifies harsher penalties than mere fines. Indeed, fines are often paid by the corporate body, which lowers the degree of respect required to ensure the proper application and effectiveness of the Competition Act''.

The judge added ''In fact, the supreme court recommended imposing penalties that will force Canadian business people to understand that unduly lessening competition and using threats to unreasonably raise or lower prices are prohibited. The interest of Canadian society requires an exemplary and appropriate penalty''.

A little further, he said ''The financial, physical and psychological distress of the competitors who were subject to the threats of the accused, and the fact that half of the driving schools that were then in operation had to shut down following the accused's actions—with their competence not being an issue—are also aggravating circumstances''.

Earlier, the minister reminded us that consumers are businesses that need products made by other companies, as well as ordinary citizens.

It is important to remember the purpose of the Competition Act, as amended in 1985. Why do I go back to it? Because we can already see some possible contradictions that explain why I have many questions for the minister, for the Bureau of Competition regarding the changes they want to make to the Competition Act.

The current act reads as follows ''The purpose of this Act is to maintain and encourage competition in Canada—'' So far so good. But it goes on ''—in order to promote the efficiency and adaptability of the Canadian economy''.

Already, this may lead to questions of interpretation. The purpose of the act also includes the following ''—in order to expand opportunities for Canadian participation in world markets while at the same time recognizing the role of foreign competition in Canada, in order to ensure that small and medium-sized enterprises have an equitable opportunity to participate in the Canadian economy—'' That is not all: ''—as well as with a view to ensuring competitive prices and product variety''.

It is understandable that these four key objectives may on occasion appear to be contradictory.

The efficiency of the Canadian economy plays a considerable role in the evaluation of mergers on competition, and the act itself—this may sound like gobbledygook but these are the prohibitions or conditions for application—states ''The Tribunal shall not make an order under section 92 if it finds that the merger or proposed merger in respect of which the application is made''—even in the case of the two major banks that want to merge, just listen to this ''—has brought about or is likely to bring about gains in efficiency that will be greater than, and will offset, the effects of any prevention or lessening of competition that will result or is likely to result from the merger or proposed merger and that the gains in efficiency would not likely be attained if the order were made''.

Basically, what this means is that there are two kinds of competition.

● (1345)

There is, for instance, the competition between two banks in Canada, and the effects it may have on small business loans, for instance, and on Canada's competitive position with respect to foreign businesses. It is therefore understandable that there are at least grounds for interpretation here.

The purpose of this review is to indicate just how important the Competition Act is, and how it also needs to reassure consumers, the public, small and medium size businesses, about the efficiency of the competition bureau and the mechanisms in place. It is important to keep in mind that the federal government is not the only one with a competition bureau.

It is important to keep in mind that the provinces have also looked out for their consumers. Quebec passed a consumer protection act a number of years ago in response to public demand. Several of the provisions in the federal legislation are also found in Quebec's law.

How can these two provisions co-exist? Because, as the House knows, Quebec, as a province of Canada, has authority for civil law. Canada has authority for criminal law. It is also responsible for interprovincial provisions. So I have to say that yes, here again, Quebec's legislation contains many of the provisions found in the federal legislation but that, so far, the way in which the federal law has been implemented has not resulted in overlap, or very little, which will not be the case or, at least, we will be in a very good position to ask questions with respect to the legislation as the government is proposing to amend it.

I repeat: the provisions regarding deceptive telemarketing should be passed. If these were the only provisions, we would be happy to see them passed, because of what we have seen, as quickly as possible. But, while this bill creates a new criminal offence in the case of deceptive telemarketing, something we support, this bill

also decriminalizes the present competition act and numerous offences under the existing legislation. Decriminalization would give the commissioner, who is now the bureau's director, very extensive authority, including the authority to make out-of-court rulings and to agree on orders, on what companies must do to comply with the legislation.

We have a great many questions. There is a lack of logic. We are talking about a system in which companies could be subject to criminal charges, depending on the bill's provisions.

● (1350)

We find ourselves with a system where, in the future, the commissioner will be able to make deals concerning the enforcement of orders. We cannot look at that and applaud. There is a lack of logic in there, which will definitely not reassure the public, especially in these times we are going through.

Perhaps this is not what the government intended, but the enactments before us are certainly likely to have the impact I just described.

The wording of the amendments is all very politically correct. But when we look at their implications, it is quite another story indeed. The bill is said to be intended to improve the merger notification process and to reduce the regulatory burden of businesses.

I can understand that. Under the existing legislation, business people who agree to a merger without notifying the competition board face imprisonment. This provision has been eliminated. In the future, there will be a $50,000 fine. Even the notes from the research branch mention that.

It is fair to say that the regulatory burden will be reduced. But a few explanations are required here. Why was a system designed to show businesses that it is important to comply with the Competition Act replaced overnight by one that is said to be more expeditious? What assurance do we have that it will be as effective in convinving businesses to comply?

Not all businesses deliberately break the law, but we all know that there are some that take great glory in it or commonly do it.

The documents proposing speedy passage of this bill further state the following: ''Ensure quicker and more efficient action against misleading advertising and deceptive marketing practices''. What they fail to say is that, with regard to misleading advertising, while there is still a provision under which charges could be laid under the Criminal Code, conditions that did not exist previously and which have significant implications are being added in the new legislation.

I will quote a passage from the legislation ''No person shall, for the purpose of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever''—and they add three words ''—knowingly or recklessly, make a representation to the public that is false or misleading in a material respect''. It is quite something to add these words.

Currently, all documents from the Bureau of Competition provide that those responsible for misleading advertising, when it is misleading, even unintentionally, are liable to penalties, including jail sentences and huge fines.

So, the Bureau of Competition and the government are recommending that we amend the Competition Act, on the grounds that issues will be solved more quickly and efficiently. However, the bill almost totally changes the spirit of the act.

● (1355)

From now on, businesses will no longer be taken to court for a number of offences that used to be criminal offences. The commissioner will go before the Competition Tribunal—or another tribunal of his choice—but for what purpose? To have the court determine that a person is engaging in or has engaged in reviewable conduct. Members will agree that this is much nicer than to be accused and found guilty of a criminal offence.

From now on, a person might be found guilty of having engaged in reviewable conduct. In such a case, the court may order that person to do or not do something specific.

At worst—and this is something new which I am sure academics will look at very carefully—instead of being fined or even sent to jail, the person will be ordered, under clause 74.1(1)(c), ''to pay an administrative monetary penalty''.

Why go that route? Let me try to explain. In Quebec, the same provisions are included in the Consumer Protection Act. The province can impose penalties in civil actions, something which the federal government cannot do through the Bureau of Competition and the tribunal. Therefore, it is trying to find another way to do something it cannot do directly.

Mr. Speaker, you are signalling me that I will have to continue after oral question period, which will, I am sure, be calm.

The Speaker: I thank the hon. member. Indeed, you will have about 20 minutes left.

We will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

WINTER PARALYMPIC GAMES

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, today I rise to congratulate all the Canadian athletes who took part in the 1998 Paralympic Games in Nagano last week. After 10 days of action-packed competition, the games wrapped up this past Saturday.

Robin Lagacé, who lives in my riding of Scarborough Centre, competed as a member of the Canadian Men's Ice Sledge Hockey team. Going into the games Canada was ranked third out of seven competing countries. After a surprising win over the tournament favourite, Sweden, Canada went on to the gold medal game against Norway.

Today I am proud to say that the Canadian Men's Ice Sledge Hockey team will be bringing home the silver medal from Nagano.

The Canadian team's goalkeeper, Pierre Pichette, had the honour of being named top goalkeeper of the tournament.

I say congratulations to the team on its success in Nagano. The team truly captured the spirit of the Olympic games and proved once again that Canada indeed has a wealth of world class athletes. We as Canadians are very proud of them. Good job, Team Canada.

* * *

RAINMAKERS BASKETBALL TEAM

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, on Saturday, March 7 all the hard work of Prince Rupert's Secondary School basketball team paid off.

I would like to congratulate the Rainmakers for their 81 to 61 win over J.L. Crowe from Trail, B.C. to claim the AA basketball provincial championship.

Described as quite likely the best basketball team Prince Rupert has produced in a very long time, this is the Rainmakers' first provincial championship in 34 years.

Justin Adams scored 33 points and picked up 15 rebounds in the final game and was named the most valuable player. Colin Yates scored 18 points despite spraining his ankle in the second quarter.

According to Rainmaker coach Mel Bishop, every member of his squad stepped up for their game. He says it takes more than a few players to win the AA senior boys provincial championship against teams from bigger schools.

Congratulations Rainmakers for this great achievement. You worked hard, you got along and you won. You have made the city of Prince Rupert proud.

S. O. 31

PRECISION SKATING

Ms. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, I rise today to congratulate black ice double gold medalists at the precision skating national championship on March 8.

• (1400)

Precision skating, one of the newest and fastest growing disciplines of figure skating, consists of a team of skaters performing various footwork formations in unison.

Last week the senior team successfully defended its title on the way to the second consecutive Canadian championship. The junior team, in its first year in competition, also took first place honours.

In April the 27 member senior team is off to Bordeaux, France, to defend its title at the World Challenge Cup.

Now entering its sixth season, Black Ice continues to work toward its goal of representing Canada at the 2002 olympic games where precision skating will be included for the first time.

I ask all members of the House to join me in congratulating Black Ice and wishing the senior team the very best of luck as it heads to France for the World Challenge Cup next month.

* * *

[*Translation*]

CANADIAN HISTORY

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, recently the Canadian government marked the anniversary of the inauguration in 1848 of responsible government in Canada. In its letter of invitation to the ceremony, the government committed a major historical error. It implied that the rebellions of Upper and Lower Canada took place in 1848, whereas they occurred 10 years before.

In a Citizenship and Immigration brochure intended to give information about the history of Canada, the government has committed another historical faux pas. Instead of telling young people that Canada was created by the British North America Act, it tells them the Act of Union was our founding document. Let us recall that this Act of Union abolished the use of French in our institutions.

While the Minister of Intergovernmental Affairs is busy boasting of his desire to rectify historical facts and tell Quebeckers and Canadians the truth about our history, his own government seems incapable of presenting the most significant events in Canadian history properly.

S. O. 31

[*English*]

NUTRITION

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, March is nutrition month and this year's theme is ''Make nutrition come alive—it's all about you''.

This campaign, spearheaded by the dietitians of Canada, is aimed at helping consumers make healthy food choices that fit into their personal lifestyle.

In the Hamilton area including my riding a luncheon was held and the proceeds of this event went to the Hamilton community foundation school nourishment fund.

These nourishment programs are planned initiatives which make food available to school children in a safe, non-stigmatizing environment. These programs support healthy eating practices and help children maximize their learning potential.

Nutritionists have organized local events across Canada. They encourage all Canadians to participate, making nutrition come alive for themselves.

* * *

[*Translation*]

RAIL TRANSPORT

Mr. Guy St-Julien (Abitibi, Lib.): Mr. Speaker, the employees of northern Quebec's short line railways and trucking companies are wondering about the good faith of the Government of Quebec. It has made the study of the impact of the tractor trailer load limit increase, from 59,000 to 62,500 kilograms, available solely for consultation, and only in the offices of the CRD, or regional development council, and the Quebec ministry of transport in the regions of Saguenay—Lac-Saint-Jean, Haut-Saint-Maurice and Abitibi.

This decision deprives people living at a distance from these offices of access to this document, which is of great importance to them. Quebec's minister of transport, Mr. Brassard, and the mayor, Mr. Munger, of the CRD are afraid to discuss highway safety and the environment with the public, or to provide mayors and elected members for these regions with copies of their study, which was kept confidential for a very long time.

It is time to get up and do something about this.

* * *

[*English*]

SEARCH AND RESCUE

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, members of the Canadian forces yet again proved themselves as heroes.

During this past weekend two men found themselves adrift in a small, sinking boat off the coast of the Bahamas and had probably given up hope for survival.

Our sailors searched for hours for the two men, and minutes before their boat became swamped with water our submarine, the HMCS *Okanagan*, came to the rescue.

Two Bahamians, Edmond Johnson and Alvin Wilson, are alive today thanks to the valiant and dedicated efforts of our sailors. These men have a great deal to be thankful for and so do we as Canadians. Our Canadian forces have done us proud.

* * *

HEMP

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, on Friday afternoon, March 13, the federal Minister of Health came to Tillsonburg, a town in my riding, to announce officially regulations for the growing of industrial hemp in time for the 1998 growing season. This will be the first time in over 60 years that industrial hemp can be grown legally in Canada.

Every part of the hemp plant can be used commercially: the seeds for oil and food; the foliage for medicine; and the stems for fabric, paper, fuel, paints, construction materials and auto parts.

● (1405)

Hemp does not need pesticides in order to grow well and should assist us in saving our forests because a relatively small acreage can produce vast amounts of paper on a sustainable basis.

I thank the Minister of Health and members of the Liberal rural caucus from both houses of parliament for working hard to make this announcement a reality. I look forward to keeping the House apprised of the development of this incredible crop.

* * *

[*Translation*]

SEMAINE NATIONALE DE LA FRANCOPHONIE

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, today the Government of Canada is inaugurating the Semaine nationale de la francophonie.

We affirm Canada's linguistic duality and note that there are over one million francophones living in provinces other than Quebec.

The Semaine nationale de la francophonie is also an occasion to reaffirm that the Canadian government has primary responsibility for promoting the official languages in its points of service throughout Canada.

Canada plays a major role in the French-speaking world, taking part in the decisions of institutions as important as the Francophone Summit, including the one to be held in Moncton in 1999.

Canada will continue to assume its leadership role with respect to la francophonie internationally. It is well aware of the challenges awaiting us in the new millennium with respect to the principle of freedom to express oneself in both official languages in Canada.

* * *

[*English*]

LIGHTHOUSES

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, the department of fisheries is threatening to destaff Pachena light station, the lightkeeper who guided the minister to safety.

The minister is promoting this destaffing initiative by his bureaucracy simply by saying nothing. He is more concerned about salvaging his yachting pride than dealing with this issue. Eighty per cent of British Columbians want keepers on the lights.

The minister and a crew sailed a racing yacht from Hawaii to Victoria. Near land they ran into heavy rain and 45 knot winds. He radioed the lightkeepers who guided him to safe haven at Bamfield, 75 miles away from their destination.

The minister shrugs this off with a combination of yachting vanity and political expediency as a no risk non-event when in a storm he ended up in a completely different harbour from where he was headed.

People on the west coast know this is nonsense.

* * *

THE LATE BILL REID

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, Canadians were saddened to learn of the death of Haida artist and sculptor Bill Reid on Friday. Canada has lost not only one of its greatest artists but an inspirational cultural leader among the First Nations people.

For roughly 40 years Mr. Reid created numerous works incorporating traditional Haida Gwaii carvings and designs. He is credited with the revival of Haida art in British Columbia, which coincided with a renewed pride among First Nations people in the province.

Bill Reid brought the rich, proud history and culture of the Haida people to the rest of Canada and to the world. For this we are very grateful.

Mr. Reid's art work is internationally prominent. At the Canadian embassy in Washington, D.C., his Canadian canoe sculpture ''Spirit of the Haida Gwaii'' is a source of pride to First Nations people, British Columbians and all other Canadians.

Let us remember Bill Reid. I urge Canadians to see his work and take pride in what he has given to all of us.

* * *

THE ENVIRONMENT

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, today Canadians join over 200 groups in North America, Europe and Asia in a worldwide declaration against government plutonium policy.

The Liberal government is opening Canada's borders to accept this waste without an environmental assessment, without a transport or emergency policy, without parliamentary debate, and without public consultations with the communities through which this highly toxic substance and weapons grade plutonium will pass.

Canada does not have an adequate nuclear waste plan and the Liberals want to burden our children with more waste. Can Canadians trust the government and the AECB to protect the health and safety of our workers, our communities and our environment?

Today the world is aware of the dangers and is calling for action to protect our lands for future generations. Will the Prime Minister listen?

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[*Translation*]

SEMAINE NATIONALE DE LA FRANCOPHONIE

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the Semaine internationale de la francophonie provides an opportunity to recall that French is a language shared by over 125 million people.

The Government of Quebec has played a key role in the development of international organizations to ensure that the French language, and French cultures and economies flourish internationally.

• (1410)

The Bloc Quebecois wishes to pay tribute today to the contribution made by Canada's francophone and Acadian communities to the enrichment of the international French-speaking world. The community life of these francophones, who are holding on in the face of myriad difficulties, is an expression of the vitality of these communities and of their desire to conduct their lives in their own language.

Finally, the Bloc Quebecois hopes that the French-speaking world will continue to encourage ties of solidarity between industrialized nations and developing countries.

S. O. 31

[*English*]

THE LATE YVES LANDRY

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, this morning Canadians learned with great sadness of the sudden passing of Yves Landry, chair, president and CEO of Chrysler Canada.

Mr. Landry, a constituent of Windsor—St. Clair, was truly a great Canadian: a federalist, a leading industrialist, an officer of the Order of Canada, chair of Canada's millennium scholarship fund, a leader in our Windsor community and in the nation.

Yves Landry made a personal commitment to many causes. More important, he brought the Chrysler corporation to the table with him. The environment, the education and training of Canadian youth, and health care were among the causes he championed.

To the families and friends of Yves Landry we offer our condolences. His was a vision of Canada which we must work to keep alive.

* * *

FARM SAFETY WEEK

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, safe farming is smart farming. That is the theme for Farm Safety Week in Manitoba which began on March 11 and will end on March 18.

A recent study by Statistics Canada revealed that from 1991 to 1995 almost 72% of all farm deaths in Canada resulted from working with or around agricultural machinery.

Without a doubt a farm can be a dangerous place to work and live. On average, 100 work related fatalities occur on farms annually.

StatsCan also revealed that the three prairie provinces have a much higher rate of injuries than those in eastern Canada. That being said, knowledge, experience and technical advances in safety are crucial to reducing farm incidents in the future.

I hope this week that Canadians will take note and further educate themselves to the realities of farming life. It is vital that we do our best to make farming communities the safest they can be.

* * *

[*Translation*]

THE LATE YVES LANDRY

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, it is with great sadness that we learned today of the death of Gaétan Yves Landry, the president of Chrysler Canada.

Mr. Landry, who was born in the region which I represent, more specifically in Thetford Mines, had a career marked by commitment and hard work.

His energy and know-how earned him the respect of his friends, but also enabled him to become one of the most prominent leaders in the business community in Quebec and Canada.

My colleagues in the House of Commons join me in expressing our most sincere condolences to Mr. Landry's family.

* * *

[*English*]

TRADE

Mr. Carmen Provenzano (Sault Ste. Marie, Lib.): Mr. Speaker, team Canada trade missions really work, and a Sault Ste. Marie architectural firm has the contract to prove it.

On the most recent team Canada mission to Latin America, Ellis and Pastore Architects Incorporated was engaged to design a $30 million hospital in Buenos Aires, Argentina.

Partner Franco Pastore said the trip was a phenomenal success. He told a local newspaper that the presence of high level federal representatives improved his company's credibility and gave it greater opportunities.

This is a good example of what can happen when we match the entrepreneurial spirit of Canadian business people with the job creation techniques of the federal government.

I say thanks to the Prime Minister and the rest of the team Canada delegation for helping to bring this contract to Sault Ste. Marie.

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[*Translation*]

SEMAINE NATIONALE DE LA FRANCOPHONIE

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, Canada's linguistic duality is one of our greatest assets and we must celebrate it, particularly during the Semaine nationale de la francophonie.

The Canadian francophonie is alive and vibrant, and we should all be proud of it. Beyond its borders, Canada continues to play a leading role in promoting the francophonie at the international level.

In addition to its involvement in the summits and in the Agence de la francophonie, Canada is a major player in promoting the use of French on the information highway.

As we approach the new millennium, we must support the advancement of the French language all over the world and particularly at home.

ORAL QUESTION PERIOD

● (1415)

[*English*]

THE SENATE

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, earlier this month the Prime Minister appointed Ross Fitzpatrick to the Senate. Besides being a B.C. Liberal fundraiser and campaign chairman, Fitzpatrick once hired the Prime Minister to serve on the board of his company, Viceroy Resources.

Last week the Prime Minister told the House that he received no remuneration for that work. According to insider trading reports, Fitzpatrick gave the Prime Minister a sweetheart stock deal worth over $45,000.

How does the government explain the contradiction between what the Prime Minister said in the House last week and the insider trading reports?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, as I understand it, the Prime Minister was addressing the question of whether he received remuneration as a director. Directors are not paid by shareholders, they are paid by the company. So there is no contradiction whatsoever.

The insinuation in the hon. member's question is totally unwarranted.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, it sounds like more creative Liberal accounting. That explanation does nothing to clear the air.

Ross Fitzpatrick gave a lucrative stock deal to the Prime Minister. That private stock deal gave the Prime Minister a $45,000 profit in one week. The Prime Minister owed him a favour. Now the Prime Minister gave Ross Fitzpatrick a B.C. Senate seat.

Does this not leave the impression that Senate seats are for sale?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, this will leave the impression only in the mind of the hon. member. I cannot account for what is in the mind of the hon. member, but it is not supported by the facts.

At that time the Prime Minister was in private life. He was entitled to engage in business transactions. He left his directorships when he began in 1990, years later, to seek the leadership of the Liberal Party. At the present time all his assets are in a blind trust.

Surely this is an indication of totally proper conduct.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Prime Minister told the House that he received no remuneration from Viceroy Resources Corporation. But the insider trading reports say he received $45,000 or more in a sweetheart stock deal.

Ross Fitzpatrick first denied selling shares to the Prime Minister, then he changed his story. The public does not know what to believe but is left with the impression that Senate seats are for sale. All of this shames an already discredited institution.

Will the Prime Minister now cancel Fitzpatrick's shady Senate appointment?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, if the hon. Leader of the Opposition thinks that there is something shady in what is going on, he is making an allegation of improper conduct. I challenge him to put his seat on the line and go outside the House and repeat the allegations in front of the cameras. If he cannot or will not do that, then I say that what he is saying is nothing more than Reform rot, Reform rubbish. It is a sickness in the mind of the hon. member to make these allegations.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I will tell the government member what is sick, a Senate that just condones this kind of behaviour and a Liberal government that thinks it is okay.

Ross Fitzpatrick has a company. The Prime Minister last Monday replied to me in question period that he received no remuneration from working at Viceroy Resources. That is simply not true. Ross Fitzpatrick has absolutely agreed that, oops, maybe he did get $45,000 on this sweetheart deal.

There are two stories here. We want to know what the real story is. Who is telling the truth, the Prime Minister or Ross Fitzpatrick?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, they are both telling the truth. The Prime Minister, as I understand it, did not receive any remuneration from Viceroy Resources for serving as its director.

The transaction question was between Mr. Fitzpatrick, a shareholder, and the then Jean Chrétien who later became Prime Minister.

The insinuations are unwarranted. The allegations are unwarranted. The hon. member ought to be ashamed of herself for engaging in more Reform rubbish. She already has been found not to know her facts. Now the same sickness, the Reform rubbish, has surfaced.

The Speaker: With respect, my colleagues, please do not refer to each other by name.

● (1420)

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the Deputy Prime Minister accuses us of not having our facts straight.

Three times last week we asked questions in this House. Three times they said we had our facts wrong. Three times they had their facts wrong. It is a hat trick.

There are two problems here. First, the Prime Minister denied that he got any remuneration. Second, it is perfectly acceptable to ten years later pay back your political buddies and put them in the Senate. It looks like a real sweetheart deal from both angles.

Will the Deputy Prime Minister ask the Prime Minister to stand up as soon as he returns and say he is going to cancel—

The Speaker: The Hon. Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, unlike the hon. member, the Prime Minister is a stand-up guy and he is going to stand up and confirm his behaviour was perfectly proper, unlike the unwarranted assertions of the hon. member. She ought to apologize again for her Reform rubbish.

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[*Translation*]

EMPLOYMENT INSURANCE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Minister of Finance repeatedly denied that the huge surpluses in the employment insurance fund were being used to reduce the deficit.

Over the weekend, however, he stated that this money was included in the government's budget and belonged to the taxpayers.

Does the Deputy Prime Minister recognize that this statement by the Minister of Finance amounts to an admission that he did reduce his deficit on the backs of the unemployed?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, it is obvious that we have cut cash transfers. At the same time, one must realize that we have increased the value of tax points. Increased equalization payments and lower interest rates have saved the Province of Quebec approximately $350 million over three years.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, that was a nice answer by my hon. colleague, but to the wrong question. He did not answer the question. I do not understand his answer, but that is indeed his right.

In the light of these surpluses of between $6 billion and $7 billion a year, which will reach $25 billion by the year 2000, is it not time my hon. colleague realized that the government can afford to substantially reduce premiums and to improve benefits to the unemployed in order to preserve the very nature of the plan instead of using it as a tax on jobs?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, that is exactly what we have done. We have already cut taxes by $1.4 billion. That is a huge amount.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, excessive premiums—in the words of management and the employees themselves—significant cuts to benefits and restrictive eligibility requirements enable the government to pocket a surplus of $135 million a week.

With the arrival of the so-called spring gap, a period in which many unemployed workers will be short of funds because cheques will no longer be coming in, how can the minister responsible for the unemployed in this country allow the Minister of Finance to siphon off the surplus in a fund that should be the responsibility of the Minister of Human Resources?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the government has been fiscally responsible and it makes sure the reforms it undertakes serve all Canadians equitably.

As part of this reform, we have invested a lot in active measures to help the unemployed return to the labour market and we are pleased that there are a million more jobs in Canada today than there were four years ago. Many people in the regions with the highest unemployment have adapted well to the new reform.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, there are still 1.3 million unemployed, and, with a surplus in the employment insurance fund of nearly $14 billion, how can the government politically allow the accumulated surplus in the fund to head blithely toward the sum of $25 billion in the year 2000 while it causes misery in the regions to Quebec and Canadian families?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, our government is acting responsibly. This is why we have lowered employment insurance premiums every year for the past four years.

• (1425)

We are lowering it in a responsible, fair and cautious fashion, but that is where we are headed.

What we can say is that, if the economy were to slow down this year or next—it will happen one year or another, the later the better—we will not be obliged to do as we have done in the past, which is raise premiums at the very moment they should not be raised.

[*English*]

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Deputy Prime Minister and it concerns the multilateral agreement on investment which, he will know, is currently under negotiation in Paris.

Despite the speculation that there might not be an agreement by April 1998 as planned, will the Deputy Prime Minister commit the federal government to engage the Canadian public in discussions and consultations on an MAI agreement before its finalization?

Will the Deputy Prime Minister commit the government to that kind of process on the final agreement should there be one as a result of negotiations in Paris?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, there has already been and continues to be a wide range of consultations. There were extensive hearings held by a parliamentary committee which issued a report. There are all sorts of meetings and discussions going on and I do not know how the hon. member expects us to give him a more concrete answer to what he asks because at this point we do not know if there is ever going to be an MAI agreement.

We have said that if there is not the right deal for Canada we are not going to sign it.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, if there is an agreement that the government is willing to sign, will the government commit to bring it before Parliament and to engage the Canadian public in discussions and consultations? Or does the Deputy Prime Minister intend to speak against this resolution this weekend at the Liberal Party convention, because what I read to him was a resolution out of the Liberal Party resolutions booklet?

What is the position of the government with respect to the Liberal Party's own resolution that he just dumped on?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is pleading for a call to join the Liberal Party. If he files his application we will consider it.

* * *

HEALTH CARE

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, on March 9 the Prime Minister during question period told me: ''The hon. member should go back to Winnipeg and look at the budget of his provincial colleagues, the Tories, who reduced taxes but did not add one cent to medicare''.

Unlike this government, the Manitoba government has a another commitment of $100 million to health care, has balanced its budget for four years in a row and cut taxes.

Will the Deputy Prime Minister stand up in the House, retract the statement and apologize both to the premier as well as all Manitobans?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member will know that the Prime Minister was right on the money when he made his comments in the House of Commons in the past. He knows it and he knows of the actions of his own provincial government. He knows as well of the commitment of our government and the commitment of my colleague, the Minister of Health, who has been doing an outstanding job to protect and promote health care in Canada.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, that did not sound like the apology I was looking for. The premier of Manitoba also sent a letter to the Prime Minister dated March 11 in reference to his comments on Manitoba's health care: ''I hardly think it can enhance co-operative federalism for the Prime Minister to place this misinformation on the record in Parliament''.

Is the Prime Minister's idea of co-operative federalism blaming the provinces for the problems this government has created?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, quite the contrary. In a few days we will have a vote in the House on Bill C-28 to increase the amount of the CHST floor.

I ask the hon. member and his colleagues to show their support for health care by voting in favour of Bill C-28. I am waiting to see how they will vote.

* * *

SEAFORTH HIGHLANDERS

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Prime Minister's office has a strange view of what it means to look Canadian.

The Seaforth Highlanders were replaced as the guard of honour at the APEC summit conference because in the eyes of the Prime Minister's office they did not look Canadian enough. Worse, the decision to fly another regiment to Vancouver cost Canadian taxpayers $210,000.

Can the Deputy Prime Minister explain to the House why one of the oldest and proudest regiments in Canadian history is not Canadian enough in the eyes of the Prime Minister's office?

● (1430)

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, the very proud regiment of the Seaforth Highlanders did

play a major role at the APEC meeting. They piped in the leaders. They provided honour guards and a number of very important functions. We are very proud of the work they did.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the minister is not aware that the regiment that was flown in was from the province of Quebec at a cost of $210,000. The Prime Minister's office insulted the Seaforth Highlanders, he insulted British Columbians and he insulted the Canadian taxpayers by footing that bill, all because of some crazy idea of what it means to look Canadian.

My question again is to the Deputy Prime Minister. When is the Deputy Prime Minister going to apologize to the Highlanders and British Columbians for this ridiculous decision?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, once again the hon. member displays the parochialism of the Reform Party. The fact is that the hosting of APEC was a Canadian initiative. We had regiments from across Canada, we had a delegation of the mounted police and we had the Seaforth Highlanders from the west coast to provide a very important part. We wanted to present the face of Canada to our guests from Asia.

* * *

[*Translation*]

MIDDLE EAST

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

On Tuesday, three Palestinian workers were killed by Israeli soldiers. Since then, the fighting has resumed between Palestinians and Israelis, and Israeli journalists have started criticizing the army's attitude. As for Chairman Arafat, he urged the international community to provide protection for Palestinians.

How does the Minister of Foreign Affairs intend to respond to the call for help from the chairman of the Palestinian Authority?

[*English*]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, as the hon. member will know, the Prime Minister of Israel has already taken this matter in hand. He is asking for an inquiry and investigation into the event that took place, in particular the actions of the Israeli defence forces. The matter is being handled by the Israeli authorities.

In terms of the larger question, after my visit to the Middle East before Christmas, I am now working with my colleagues at CIDA and in other areas to establish a special initiative on refugee problems so we can help the peace process in the Middle East.

[*Translation*]

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, we are witnessing a resurgence in the fighting and the minister is telling us about possibilities and investigations by the Israeli government.

I am not asking the minister what the Israeli government is doing. I am asking him what the Canadian government intends to do in response to Chairman Arafat's appeal.

[*English*]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I answered the question. I said that I met with the president of the Palestinian Authority and various leaders in the Middle East. The one area of competence that Canada has a special responsibility for is helping in the reunification of families and dealing with refugee problems. We have undertaken to provide a major initiative in the Middle East on this matter and I hope to announce it in a matter of days.

* * *

THE BUDGET

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, when asked last week where he got the money for his new millennium scholarship fund, the Prime Minister told the House: ''Yes indeed, we have two and a half billion dollars available at the end of the year''. In other words, what the finance minister was saying before about there not being a surplus was wrong according to the Prime Minister. The real story is finally starting to emerge.

Given the glaring contradiction between what the Prime Minister said and what the finance minister said, how can we trust any of the numbers in this budget?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, talk about cooking the books.

Some hon. members: Oh, oh.

Hon. Jim Peterson: When this government took office, we found billions of dollars of undisclosed liabilities. We vowed to end that practice and we have.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, those words are his, cookin' the books.

The auditor general does not trust the government's accounting, neither does the Canadian Institute of Chartered Accountants. They all say that there are problems. From one day to the next the Prime Minister and the finance minister cannot keep their stories straight.

● (1435)

My question is when will the government give Canadians a full and frank accounting of the government's financial position without the game playing that has become the finance minister's trademark?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the Reform Party does not criticize us for the first balanced budget in 29 years. They are not criticizing us today for the $2.5 billion that we are investing in Canada's young people.

No. All they can do is use complex accounting arguments to show that we federate up what our books disclose. This opposition is not opposing, it simply does not have an issue.

* * *

[*Translation*]

SEMAINE NATIONALE DE LA FRANCOPHONIE

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the President of the Treasury Board.

In its last bulletin, entitled *Info-parents*, the Commission nationale des parents francophones said, and I quote ''What is apparent is that, in 10, 15 or 20 years, unless things change, we are headed for a situation in which there will no longer really be a pan-Canadian francophone presence. The presence of francophones from coast to coast is at risk''.

In his speech to inaugurate the Semaine nationale de la francophonie, why did the President of the Treasury Board not propose concrete measures to support la francophonie outside Quebec, given the very precarious situation in which it finds itself?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, first of all, I must say we are very proud to celebrate the Semaine nationale de la francophonie. It emphasizes the dualistic nature of Canada and the fact that we have two official languages, a fact of which we are proud and which is part of our national identity. I thank my opposition colleague for pointing this out.

The Treasury Board has adopted a series of measures to enable the federal government to respond and provide service to clients in both official languages, and we are going to try to perform this duty more effectively in the future.

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, speaking of measures, will the minister undertake to ask the English speaking provinces to provide their francophone minorities with the same rights and benefits as Quebec provides to its anglophone minority?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, there is no doubt that the way provinces treat their linguistic minorities must reflect the obligations that the federal government has itself undertaken to fulfil vis-à-vis minority linguistic groups in each province.

In Quebec, the anglophone minority is usually very well treated. I think that this is recognized by everyone. In all the other provinces, the federal government is fulfilling its responsibility of also providing francophone minorities with the excellent treatment they are entitled to expect.

* * *

[*English*]

YOUNG OFFENDERS ACT

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, after one year in her portfolio, the justice minister has failed to bring in a single amendment to the Young Offenders Act. I would like to ask if she will commit to increasing the maximum penalty from three to seven years for those convicted of serious violent offences.

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, let me say that the hon. member has his math a little bit wrong. I do not believe I have been minister of justice for a full year.

I should remind this hon. House that in fact my predecessor brought in important reforms to the Young Offenders Act and I have indicated that I will be bringing forward this government's response to the Standing Committee on Justice and Legal Affairs report on the Young Offenders Act. I intend to do that in a timely fashion in the coming weeks.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, we have heard from Canadians all across this country for years crying out for changes to the Young Offenders Act, including the attorneys general of this country. She has failed to move on this until now. In fact, all we have heard are whispers through the news media as to what she intends to do.

I ask the justice minister specifically if she is prepared to reduce the minimum age from 12 to 10 years for violent young offenders so that society can be protected and these young people can get the rehabilitative care they require?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I had the opportunity to discuss reform of the Young Offenders Act and the renewal of the youth justice system with my provincial colleagues in Montreal in December. I can do no better than repeat that I intend to respond to the standing committee's reporting in a timely fashion. I look

forward to working with the hon. member when that report is tabled.

* * *

● (1440)

[*Translation*]

KOSOVO

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

It seems more and more unlikely that a dialogue between Kosovo's Serbs and Albanians will solve the current crisis, but the Serbian government is refusing to let the international community get involved, on the grounds that the conflict is an internal issue. The United Kingdom proposed international mediation, while Canada and the United States seem in favour of sending a peace-restoring force.

Can the Minister of Foreign Affairs tell us whether he agrees with the British government's proposal for a mediation team?

[*English*]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Yes, Mr. Speaker.

* * *

MULTILATERAL AGREEMENT ON INVESTMENT

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

As Canada continues to negotiate the MAI with our economic partners in Paris, would the minister tell this House what kind of action he is taking to guarantee the services of health care and the preservation of our social safety net from foreign interference?

Mr. Julian Reed (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, three weeks ago the Minister of International Trade laid down the concerns of Canadians very clearly in a public statement. I can assure the hon. member that nothing will be negotiated that will interfere in any way with Canada's ability to run its own house.

* * *

YOUNG OFFENDERS ACT

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, the Liberals gave Canadians a flawed Young Offenders Act in the 1980s and since then have only tinkered with and not fixed their mistake. Two successive governments have had endless consultations since 1992 as the YOA has gained little public support.

I ask the minister if she is open to real change: no hiding of names, no hiding of records, no day camps for murderers? Will she finally commit to doing it right this time and make these long sought after changes?

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, let me first reassure Canadians that we on this side of the House understand that youth crime cannot be dealt with through a simplistic approach. Therefore, we in the government will be tabling a response to the standing committee's report that acknowledges the fact that not only must we protect society but we must prevent youth crime and rehabilitate young offenders.

* * *

HERITAGE CANADA

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, the question is: What do Canadians get for $40 million?

After two years of spending on fancy prestige offices for 30 people sitting at expensive desks, they get a pointless tourism program and a redundant website.

From the word go, Canadians have questioned the need, use or function of the Heritage Minister's Canada information office where they have blown away millions for nothing. Now having fired the top CIO bureaucrat, can Canadians hope that the minister will do the right thing and shut down this Liberal boondoggle?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, as usual the facts claimed by the hon. member are not facts.

* * *

PHARMACEUTICAL INDUSTRY

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the Minister of Industry rammed through drug patent regulation changes late last week which will continue to push up the prices of medications.

Conveniently, when the cabinet decision was announced, Merck Frosst had all their paperwork ready to block a new generic heart drug from entering the market.

What is the link between the industry minister and the pharmaceutical lobby? Why does the industry minister always grant the pharmaceutical industry protections not granted to any other industry at the expense of the health of Canadians?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, it is very hard to say that the changes to the patent drug regulations were rushed through. They were pre-published back in January. There was a public consultation period that lasted 30 days and ended on February 23. We heard submissions from all sides. The

changes were put before the special committee of council in the normal course for regulations last week and then were signed and proclaimed after they were passed. There were no surprises here.

What we have done is achieve an appropriate balance between the interests of the two sectors of this industry.

● (1445)

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the minister is right. There were no surprises. The minister once again supported the pharmaceutical drug lobby.

Today representatives of the generic drug industry and seniors do not agree with what the minister just said. They in fact called for the resignation of the Minister of Industry this morning because in their words ''he is nothing but a servant of foreign owned multinational drug companies''.

Will the minister do the right thing and allow competition by the generic industry as in any other industry, or will he do as seniors and the industry demand and resign?

Hon. John Manley (Minister of Industry, Lib.): Not today, Mr. Speaker.

What is very peculiar is that we already have the most pro generic pharmaceutical policy in the developed countries. We have permitted exceptions which allow generic drugs to get to the market quicker than would otherwise be the case. These exceptions are not generally offered in other developed countries.

We have devised a system which we think achieves the correct balance between giving effective 20 year protection, as is our obligation under international treaty, and enabling generic drugs to enter the market as soon as the 20 years has ended. That is the appropriate balance.

* * *

[*Translation*]

CHILD CARE

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, the federal and provincial ministers responsible for social services met last Thursday to discuss provincial provisions in the new child benefit system. Among other topics, they discussed increasing the child care support the provinces could make available to low income families.

I would like to know from the Minister of Human Resources Development what happened to the federal government's commitment to a national daycare system. Where are the 150,000 daycare places promised in the red book in 1993?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, indeed, last Thursday we continued working with our provincial colleagues on the national child benefit system. Our commitment at the time to child care did not receive provincial approval.

Since child care is a provincial responsibility, under their jurisdiction, we have found another way to help families, including those with a low income. This is why, over the next three years, we will be increasing the child tax credit by $1.7 billion. The effect of this will be to give the provinces manoeuvring room to implement child care systems.

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, we recognize the federal government's efforts in the child tax benefit, be we consider them inadequate. One of the weaknesses of the credit is its lack of protection against inflation. It is only partially indexed and thus considerably reduces Canadian families' buying power.

In 1996, the government fully indexed seniors' pensions. It is just as necessary to protect the value of benefits today for families and children. Why then is the government refusing to index the benefit fully? Is it because, unlike seniors, children cannot vote?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, with each new budget, our government tries harder, but our commitment of $850 million this year and a further $850 million over the next two years for a total of $1.7 billion seems eminently reasonable.

It is a commitment that goes far beyond indexation at this point and that will be of significant value to low income families.

* * *

[*English*]

PERSONS WITH DISABILITIES

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, two weeks ago Canada was recognized by the United Nations for its work on persons with disabilities. However of the 55 recommendations in the report of the Scott task force on persons with disabilities only eight have been implemented so far.

Is the government intending to implement the balance of the recommendations? What specific action is being taken and when can the people of Canada with disabilities expect some action?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, our government is moving forward on many fronts to help persons with disabilities particularly in relation to the recommendations of the Scott task force report.

Just last week we reached an agreement with the provinces to create the new employability assistance for persons with disabilities program. That program will give a clear focus to help people with disabilities integrate into the workforce.

The 1997 budget extended $30 million to the opportunities fund. The Government of Canada also invests $12 million a year in support for non-governmental organizations.

● (1450)

The Speaker: The hon. member for Calgary—Nose Hill.

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CANADA PENSION PLAN

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, nearly three years ago the HRD department discovered that 90,000 Canadians were shortchanged on their CPP benefits. One poor guy was owed a hundred grand. Today we have access to information documents showing that 40,000 of these pensioners still have not been paid. Why not? When will the minister send these people their cheques?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I will look into the matter when I return to the office this afternoon. If some of the cheques have not reached our clients, this is something we will correct immediately.

* * *

[*Translation*]

YOUNG OFFENDERS ACT

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the federal Young Offenders Act costs Quebec over $80 million yearly.

Despite the original 50-50 cost-splitting rule, and despite the fact that one quarter of the young people are within Quebec, Ottawa pays Quebec only 18.3% of the budget allocated to this program.

The Minister of Justice is talking about amending the Young Offenders Act in order to satisfy the Reform Party, but who will end up inevitably paying the increased costs of applying this legislation? Will the minister not admit that it is time Quebec was paid its fair share in this area?

[*English*]

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I want to reassure all hon. members that our renewal of the youth justice system is done on behalf of Canadians and at the request of Canadians.

The other thing I want to reassure the hon. member in relation to is that we will continue our negotiations with the provinces. The administration of youth justice in this country is cost shared between the federal and provincial governments. Yes I would concede there have been some reductions in our funding to the administration of youth justice but we continue to work with the provinces in a co-operative way to deliver—

The Speaker: The hon. member for Bras d'Or.

* * *

DEVCO

Mrs. Michelle Dockrill (Bras d'Or, NDP): Mr. Speaker, my question is for the Deputy Prime Minister.

When asked to confirm the existence of a plan to shut down Devco, this government claimed to know nothing about it. Today I ask the government to confirm the existence of a new 15 month shutdown plan for Devco.

Is it just a coincidence that this 15 month plan dovetails perfectly with that secret cabinet memo on Devco? Will the government release this plan to the House so that Cape Bretoners can know what this government plans for them today and not after the polls close in Nova Scotia next week?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to have the opportunity to respond to the hon. member. She has asked that question on the floor of the House on numerous occasions.

The subject has been raised here. I want her to know that her questions will be duly noted. The Minister of Natural Resources will endeavour to respond to her at the earliest opportunity with further details.

* * *

YEAR 2000

Mr. Jim Jones (Markham, PC): Mr. Speaker, Ray Thornton, Royal Bank vice-president for risk management, says he cannot imagine any corporation surviving if it is not year 2000 ready. Executive members of Canada's other leading banks agree that if companies do not get with the program before it is too late, they do not have a chance of surviving. It is a fact that companies that are not year 2000 compliant may not be here in the year 2000.

My question is for the Minister of Industry. Is there one person in this government who will be accountable and responsible to make sure that our country will be ready for the 21st century?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the hon. member asks a very important question. In fact, we did take action to establish the year 2000 task force to provide a central point of information and motivation for the private sector.

Jean Monty, the chairman of Task Force 2000, together with his group have taken the initiative with the government to support us in our efforts to call attention from coast to coast to the very serious problem that Canadian businesses face. Action was taken as well

by the Minister of Finance in the recent budget to ensure that the tax treatment is clear for action that is taken by companies which need to comply with year 2000. Our hope is that efforts such as those the member has cited will—

● (1455)

The Speaker: The hon. member Parkdale—High Park.

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FOREIGN AFFAIRS

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

In light of recent newspaper coverage and an incident concerning a constituent of mine, can the minister tell this House what discussions he or his officials have had with the United States administration regarding the apparent heavy-handed treatment of Canadians at the Canada-U.S. border?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, I would like to report to the hon. member that during the visit of Secretary of State Albright we had very extensive discussions on the whole matter of border issues and how we could work together and co-operate to facilitate movement without any undue interference.

On the specific case as referred to, we have also raised this matter directly with U.S. authorities.

I can state very clearly to the House that no U.S. official in any preclearance situation has the right to search and seizure of a Canadian citizen. We maintain that. We are asking for an investigation into the facts of this particular case.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, the slaughter continues in Kosovo. On Friday our defence minister suggested that we may have to send troops to that area.

It is critical that we be part of the contact group if we are going to send soldiers to that area. Can the Minister of Foreign Affairs tell us whether or not we are on that group? Yes or no?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, first let me indicate that we take with great concern the developments in Kosovo. We are in constant discussion with a variety of allies, at the NATO meeting and at the steering board meeting. We had a very extensive meeting with Secretary of State Albright.

I raised the issue of membership in the contact group. We have not received satisfaction on that matter yet. We are using the NATO and steering board meetings as well as our bilateral meetings. I can indicate as well that we will be reviewing very quickly the ongoing situation. As the minister of defence said, if other contingencies are required we are certainly prepared to consider them.

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[*Translation*]

AIR TRANSPORTATION

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, my question is for the Minister of Transport.

Subsequent to the Aéroports de Montréal decision to change the use of Dorval and Mirabel airports, the Government of Quebec struck the Commission sur le développement de la région de Mirabel. Chaired by Guy Tardif, the commission is in operation at the present time.

Why does the Canadian government, which is still obligated to keep Dorval and Mirabel airports operational, safe and in compliance with the standards for major international airports, still refuse to appoint a representative to the Tardif commission?

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Mr. Speaker, concerning Mirabel Airport, a commission has indeed been set up.

What we have said in this connection is that the Government of Canada would participate when information or documents were requested. Although the Government of Canada is not a presence as far as a seat on the commission is concerned, it will participate when information is requested.

That said, it must also be understood that Aéroports de Montréal has worked toward the creation of a development plan for the Montreal airports, Mirabel in particular. The plan in question addressed freight, vacation charters and also focusses on—

[*English*]

The Speaker: The hon. member for Saskatoon—Rosetown—Biggar.

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INSURANCE INDUSTRY

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, my question is for the Minister of Industry. It arises from the proposed merger of two of Canada's largest insurance companies.

Bearing in mind that these mergers always end up with Canadians losing their jobs, they end up in reduced competition and we do not get better services and better prices as a result, would the minister not consider the advice his government gives to youngsters? We tell them to say no to drugs because they are bad for them. Will the minister say no to these big mergers because they are bad for Canadians too?

Speaker's Ruling

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, in our review of this proposed merger we will be looking at the competitive aspects. Those are very important. We will be looking at the impact on consumers. We are very concerned about the impact on jobs.

All of these things will be taken into consideration. I can assure members that we will be working with caucus members as well as the affected parties.

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● (1500)

[*Translation*]

POINTS OF ORDER

ORAL QUESTION PERIOD—SPEAKER'S RULING

The Speaker: I wish to address the incident that occurred before the House adjourned Thursday, February 26, 1998.

I also wish to speak of the subsequent related events, which appear to have overtaken this House.

[*English*]

As the House knows, when asked to rule, Speakers usually restrict their comments to the four corners of the specific incident before them. However, in this case, the original incident has been so distorted that it has virtually been lost sight of while controversy rages around matters which were not originally at issue. Under the circumstances, then, I ask that you bear with me while I address the salient points that have arisen in and around this case.

[*Translation*]

First, let us recall the original incident. During oral question period on February 26, the hon. member for Rimouski—Mitis was recognized. Before she even had the opportunity to begin her question, a disturbance among some members prevented her from proceeding any further. Once some measure of calm had been restored, the hon. member went on to ask her question.

After oral question period, the House leader of the Bloc Quebecois raised a point of order about this disturbance and several other members also intervened to give their views on the matter.

The recess and the ongoing deliberations of the House leaders allowed me to reflect carefully on the disorder that day and on the issues that were raised as a result. Although I have been ready to rule since the return of the House, I wanted to give the House leaders ample time to resolve this situation.

[*English*]

It seems to me that there is a simple, fundamental principle at stake here: the duty of the Speaker to maintain order and decorum in the House.

Simply described, our Parliament works this way. First, members have a right to speak. Second, the rules and practices of the House determine how that right is applied so that all members are treated fairly. Third, the Speaker is charged with maintaining order in the Chamber by ensuring that the House's rules and practices are respected.

As cited on pages 50 and 54 of Beauchesne's sixth edition:

> —the Speaker has the duty to maintain an orderly conduct of debate by repressing disorder when it arises—Those who preside must be mindful of the rights of Members to speak freely, and the equally important right of the House to be free from obstruction and grave disorder.

In other words, the Speaker must balance the competing claims of different members.

Regardless of how dramatically our opinions may diverge or how passionately we hold to convictions that our political opponents do not share, civility must be respected in the House of Commons. This means that each member is entitled to speak and each member can expect a fair hearing, whether or not we agree with what they say or what they stand for.

[*Translation*]

The issues that face the nation and that are debated in this House are formidable. During debate, emotions can run high and, in the heat of the moment, behaviour can sometimes stray beyond the bounds of what is acceptable. When that happens, the Chair must be vigilant in bringing the House back to order and insisting that our practices be respected.

I have looked carefully at practice here in the House of Commons and in other Canadian legislatures: in the House of Commons of the United Kingdom and in other Westminster-style Parliaments. Everywhere we have looked, we have found that the orderly conduct of business is fundamental to parliamentary practice.

[*English*]

Here, in their own vigilant defence of orderly proceedings, my predecessors have consistently ruled out of order displays or demonstrations of any kind used by members to illustrate their remarks or emphasize their positions. Similarly, props of any kind, used as a way of making a silent comment on issues, have always been found unacceptable in the Chamber.

● (1505)

Regrettably some of the media coverage of this incident and subsequent events seem to have missed the point. Pundits are indignant, claiming that the issue is whether the Canadian flag has a place in this Chamber. One newspaper went so far as to state in a lead editorial ''decorum be damned''. I think this is a foolhardy comment that betrays a sad misconception of the nature of parliaments and the way they work. If it is to function effectively and constructively, this House, like any other deliberative assembly, must rely on the respect of civility.

In a ruling given on March 24, 1993, Speaker Fraser eloquently captured what order and decorum means in an assembly like ours when he stated:

> —the institution and our country has to take precedence over our own convictions when it comes to remarks in this place—there has to be reasonable order. When I say reasonable order, I say that because without it, there is no free speech and that is (fundamentally what) this place is all about: the right to speak.

Standing here today before the House, with a flag of Canada on either side of the Speaker's chair, I can agree without reservation that there is no better place than the House of Commons for our flag, the symbol of our nation. Similarly we can take pride in the relatively new practice of the singing of the national anthem before we begin proceedings on Wednesdays.

But this ruling is not about the flag. It is not about the national anthem. It is not about patriotism. It is not about the rights of one political faction over another. As I said earlier—and it bear repeating—the basic principles at issue here are order and decorum and the duty of the Speaker to apply the rules and practices of the House.

[*Translation*]

Our law guarantees the right of all duly elected members to speak; our practice guarantees their right to be heard. It is the duty of the Speaker to guarantee that those rights are respected by guaranteeing that the House's rules and practices are respected.

[*English*]

Today, my duty for which I have taken an oath as Speaker requires me to uphold the rules, precedents and traditions of this House that have served us so well during the last 130 years of parliamentary democracy in Canada. The events during question period on February 26 were clearly out of order, according to our parliamentary rules and practices. I therefore rule that such an incident must not be repeated.

However, I have been challenged to show my colours as a patriotic Canadian by allowing the unfettered display of flags in the Chamber. This would constitute an unprecedented unilateral change to the practice of the House of Commons, a change, my colleagues, that no Speaker has the authority to make. So, whatever pressure that I have to do so, I cannot and I will not arrogate such authority to myself. Unless and until the House decides otherwise, no displays will be allowed and current practice will be upheld.

I trust, indeed I expect, as all hon. members have the right to expect, that when the Chair recognizes a member to speak, the House will extend to that member the courtesy of a respectful hearing of all Canadian members of Parliament. I ask all hon. members to govern themselves according to the House's existing rules and practices which the Speaker is bound to uphold.

[*Translation*]

We owe it to the constituents who have elected us to make every honest effort to maintain what has been—for the most part—civil and courteous debate.

* * *

● (1510)

[*English*]

THE LATE MR. ALFRED HALES

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, Alfred Hales retired from the House of Commons in 1974 after a full parliamentary career which was similar to those of many who served in the House.

He worked hard to protect the interests of his constituents and his community. He was chairman of the public accounts committee where he worked to promote economy in public expenditures. He lived up to his belief that community service is the rent we pay for space on earth. Had that been the sum total of Alfred Hales' parliamentary career, we would be justified in saying well done.

However, Alfred Hales has left a legacy to the House of Commons and to Canada which for over 25 years has returned great dividends to parliament, to Canada and to hundreds of people who have gained a unique insight into parliamentary life in Canada.

It was Alf Hales who gave leadership to the establishment of the parliamentary internship program which operates under the auspices of the Canadian Political Science Association. That program has been mirrored in other parliamentary assemblies in many provinces.

As a new member of Parliament who has benefited from the work of an intern, I consider it an honour to be able to salute Mr. Hales' vision and to express my thanks for his work which continues to bear fruit every day in parliament.

To his family, Mrs. Hales, his wife of 62 years, their children, grandchildren and great-grandchildren, I offer the sympathy of my colleagues in their personal loss. I hope it is a comfort to them to know that Mr. Hales was one who truly made a difference. The rent has been paid in full and more.

Mrs. Brenda Chamberlain (Parliamentary Secretary to Minister of Labour, Lib.): Mr. Speaker, it is with sadness that I rise now to commemorate a great citizen and a former parliamentarian, Alfred Hales, who passed away on Saturday, February 28.

● (1515)

Alf Hales was a long time Conservative member for the riding of Wellington South, now my riding of Guelph—Wellington. On

Saturday, March 7 many people gathered in Chalmers United Church in Guelph, Ontario to say goodbye.

We said goodbye to a man whose involvement and drive for a better country and community was endless. His story is one we can look to for inspiration and one we can be proud of. His story is how a local boy gave so much to home while reaching the highest elected position in the land, a federal member of Parliament.

Born in 1909, Alf Hales attended Guelph public and high schools and graduated in 1934 from the Ontario Agricultural College, now the celebrated University of Guelph.

In 1936, during the depths of the Great Depression, he married Mary Gertrude, a marriage that lasted 62 years, right up until the day he died.

Alf Hales launched his impressive career playing football for the Toronto Argonauts of the CFL before becoming director of the Guelph YMCA. He also joined the navy reserve at the outbreak of World War II.

In quick succession, he joined the Guelph Chamber of Commerce, the Guelph Kiwanis Club and, long before environmentalism was popular, joined the Grand Valley Conservation Foundation which is still going strong today.

His political career started with his election as alderman for the city of Guelph and quickly changed to member of Parliament for Wellington South. He was the member from Guelph for seventeen and a half years, an impressive feat by anyone's standards.

Prior to his retirement in 1974, he held a number of prominent positions such as Parliamentary Secretary to the Minister of Labour and chair of the public accounts committee. He was known around the House as someone who was honest and a good source of quotes for the press gallery.

One of his most important accomplishments in the House of Commons was the establishment in 1970 of the parliamentary internship program. After his retirement from active national politics, he continued to receive important appointments to committees needing the wisdom of his experience. At the same time, he continued to give with vigour and energy to the community he had already given so much to.

He joined the Guelph historical society. He was a member of the Colonel John McCrae Society and he was the first non-Italian inducted as an honorary life member to the Guelph Italian-Canadian Club.

Alf Hales' life is a testimony to selfless giving to the community. As a volunteer he helped co-ordinate the fundraising committee for the Puslinch community centre. Upon completion he handed over the key to the centre to the reeve of Puslinch township without one cent owing.

The list of Alf Hales' accomplishments and contributions is long, longer than I have time for here today. I will close by saying that Alf Hales will be missed by his wife of 62 years, Mary, his children and grandchildren and by all the people whose lives he touched.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I rise today to pay tribute to Alfred Dryden Hales, a former member of this House, who recently passed away. I did not have the opportunity or the pleasure of meeting Mr. Hales, but in his biography I discovered a number of points we have in common.

He was born in Guelph, Ontario, in 1909 and earned a diploma in agricultural sciences in 1934. Before becoming active in his community in Guelph, he played football for the Toronto Argonauts, between 1934 and 1936. This is the first point we share, as I am an avid football fan.

He started his political life as a candidate for the Progressive Conservative Party in the 1953 federal election, but was defeated. He was elected for the first time in 1957 representing the riding of Wellington South in the House of Commons. He was re-elected in every election thereafter until his retirement from political life in 1974.

In 1962, in the Diefenbaker government, he served as Parliamentary Secretary to the Minister of Labour. In opposition, he chaired the Standing Committee on Public Accounts from 1966 to 1974.

● (1520)

He was responsible for the creation of the parliamentary internship program. In 1965, he tabled a motion in this regard. Four years later, Parliament welcomed its first interns.

As a former intern at the National Assembly, I can testify to the importance to an institution such as ours of the parliamentary internship program and I think we owe a debt of gratitude to Mr. Hales' innovative spirit and vision.

I would therefore like to offer my sincere condolences and those of all my colleagues in the Bloc Quebecois to his family and friends.

[*English*]

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I rise to pay tribute to a man of character who believed in the importance of family, the community and service to others.

On February 28 of this year Mr. Alfred Hales died at the age of 88, leaving behind his wife of 62 years, Mary Hales, three children, nine grandchildren and seven great grandchildren.

I note that Mr. and Mrs. Hales had two sets of twins, one of them deceased. I can imagine what an exciting family it was when the children were young.

In reading about the life of Mr. Hales, one is quickly struck by his sense of community and passion for causes he believed in. It is truly refreshing to read of a man who took great satisfaction from attaining goals not for himself, but with an understanding of the greater impact on those around him.

Mr. Hales was quoted in an interview at one time, commenting that community service is the rent we pay for space on earth. That was a motto with which he lived his life and, as has already been mentioned, the rent was paid in full.

In 1956 Mr. Hales had his first taste of community service by way of politics. He served as an alderman for the city of Guelph. He then went on to federal politics. He was elected to the House of Commons in 1957 and re-elected seven times. I do not think anything speaks more highly of the character of a person than his constituents choosing to re-elect him seven times.

During his 17 years as a member of Parliament, he served as Parliamentary Secretary to the Minister of Labour. He served on many committees and was actively involved in a number of foreign delegations.

It is, however, the parliamentary internship program which stands out as one of his greatest accomplishments. In 1970 the House of Commons, thanks to the work of Mr. Hales, saw its first class of interns. This program, still in place today, gives students from all over the country the opportunity to learn about life on the Hill.

Politics was not the only rent that Mr. Hales chose to pay. After 17 years as an MP, he retired and began to look for other ways to give back to the community. Although he was active in public causes before and during his time in Ottawa, it was following his retirement from politics that Mr. Hales took a more local approach to issues, jumping into Guelph community activities with both feet.

According to his daughter, he felt deep roots in the Guelph community because a long line of Hales' generations had lived there. That is why he worked so hard for the city, serving on the Guelph police commission, founding the Guelph prayer breakfast, fundraising for and building a community centre, preserving the history of Guelph through the historical society and serving on innumerable fundraising projects for charities.

He also had time for his four-legged friends in the community, serving as the law representative on the Ontario Veterinary Council.

Although Mr. Hales took on his activities out of a sense of duty and responsibility, he was recognized by his peers for his generosity. He was made a Paul Harris fellow by the Guelph Rotary Club. He was inducted into the University of Guelph sports hall of fame. He was awarded the certificate of merit for outstanding service to the Red Cross. He was awarded a commemorative medal on the 125th anniversary of the Confederation of Canada. He was made a Mel Osborne fellow by the Kiwanis Club of Guelph.

Although I did not know Mr. Hales personally, I believe it would be fair in the reading of his life to comment that his greatest awards and rewards were not those which I have mentioned were given to him. Instead, in the words of his son, it was strong beliefs that drove him to work so hard for others.

● (1525)

His son, David, is quoted as saying ''father believed very strongly in family, community and his church. He was committed to all of these''.

Although many awards were given to Mr. Hales for his service, I believe it is those who have been touched by his generosity that have been truly rewarded.

We express our sincere condolences to his wife, Mary, and all the family. May they find comfort in the memory of his life well lived.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am honoured to join with other members in the House in expressing the deep condolences of all members in the New Democratic Party to the family and friends of Alf Hales and in particular to express our heart-felt sympathy to his wife, Mary, their three children, nine grandchildren and seven great grandchildren.

As has been mentioned by other members, Alf Hales was a member for Wellington South for 17 years and felt very deep roots in the Guelph community.

Having been born and raised in a community very close to Guelph, a place called Winterbourne, Ontario, I feel a particular sense of loss at hearing the news of the passing of Alf Hales.

But mostly today I single out the fact that Alf Hales was the founder of the federal parliamentary internship program. He conceived of the idea in 1965 and although it was not until 1969 that the House agreed to implement the federal parliamentary internship program, it became a reality and has been with us now for almost 30 years. That took incredible foresight, vision and courage and in fact a lot of persistence that is so evident in the career of Alfred Hales. He in fact had a private members' bill before the House year after year until finally it was agreed to and became a reality in 1969 with the first group of interns being established in 1969-70.

I rise not only as a member of the House but as a former parliamentary intern, in fact the only parliamentary intern to end up pursuing a career in federal politics. I am deeply grateful for his

pioneering spirit and the contribution he has made to so many in the country.

I speak today on behalf of all federal parliamentary interns, past and present, whose lives have been enriched by this program. It has offered an incredible opportunity for so many young people over the years to combine practical learning with academic analysis, helping us all to pursue our respective careers in a more effective way.

In fact it was in 1972, and I quote from an article in *Time* magazine, that we get the true reason or sense of this program from Mr. Alfred Hales own words when he said: ''The experiment brings the interns out of the ivory tower and puts them into a world of reality''.

By founding this program, Alfred Hales has done a great service for the country and helped ensure a high calibre of young people prepared to make a great contribution to the country.

I suggest that we can best honour the life and work of Alfred Hales by remembering our own roots, our roots in family, in church and community but more specifically by pledging to ensure that the federal parliamentary internship program continues as a part of this institution and an integral part of our parliamentary traditions.

● (1530)

The Deputy Speaker: I want to thank all hon. members for their contributions.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

* * *

INTERPARLIAMENTARY DELEGATION

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the delegation of the Canada-Europe Parliamentary Association to the session of the Council of Europe's parliamentary assembly, which was held in Strasbourg, France, from January 26 to 30, 1998.

EMPLOYMENT INSURANCE ACT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ) moved for leave to introduce Bill C-377, an act to amend the Employment Insurance Act, 1997.

He said: Mr. Speaker, I am pleased and honoured to table this bill, which is the result of thorough consultations with all the groups protecting the unemployed and with all Bloc Quebecois members.

The bill includes the Bloc Quebecois' proposed amendments to the Employment Insurance Act, which we feel should be made at the earliest opportunity.

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

* * *

[*English*]

EXPORT DEVELOPMENT ACT

Hon. Charles Caccia (Davenport, Lib.) moved for leave to introduce Bill C-378, an act to amend the Export Development Act.

He said: Mr. Speaker, the purpose of this bill is to require the decisions made under the Export Development Act to be made in accordance with the principle of sustainable development. I welcome the seconding by the distinguished member for Etobicoke North.

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

* * *

CANADA ELECTIONS ACT

Hon. Charles Caccia (Davenport, Lib.) moved for leave to introduce Bill C-379, an act to amend the Canada Elections Act.

He said: Mr. Speaker, with the support of the distinguished member for St. Paul's, I am glad to introduce an amendment to the Canada Elections Act, the purpose of which is to give voters the option of indicating on their ballots that they choose not to support any of the candidates listed on the ballot.

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

* * *

INTEREST ACT

Mr. Sarkis Assadourian (Brampton Centre, Lib.) moved for leave to introduce Bill C-380, an act to amend the Interest Act and an act to amend certain laws relating to financial institutions (mortgage prepayment and consumer disclosure).

● (1535)

He said: Mr. Speaker, it is my pleasure to present this bill in the House today. The purpose of the enactment is to ensure the right to redeem a mortgage by a payment of no more than three months

interest penalty or a percentage of the principal outstanding as has been previously agreed to by the parties, even if the term of the mortgage is less than five years. I look forward to a debate on this subject very soon.

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

* * *

PETITIONS

EMERGENCY PERSONNEL

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present a petition to the House which is signed by a number of Canadians, including constituents from my own riding of Mississauga South.

The petitioners draw to the attention of the House that police officers and firefighters are required to place their lives at risk on a daily basis. When one of them loses their life in the line of duty, the employment benefits do not often provide sufficient compensation to their families. The public also mourns that loss and wishes to support, in a tangible way, the surviving families in their time of need.

The petitioners therefore call on Parliament to establish a public safety officers compensation fund for the benefit of families of public safety officers who are killed in the line of duty.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Guy St-Julien (Abitibi, Lib.): Mr. Speaker, in early December 1997, I tabled my questions about an RCMP detachment that was being built to the tune of several million dollars just to accommodate one secretary in Rouyn-Noranda, but the 45-day period has long gone by.

Will I be receiving answers to Questions Nos. 53, 63 and 64 anytime soon?

[*English*]

Mr. Peter Adams: Mr. Speaker, I can only apologize to the member. He has been very persistent and patient in his own way waiting for this reply. Again I assure him I will do my very best to produce the reply as soon as possible.

The Deputy Speaker: Is it agreed that all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

COMPETITION ACT

The House resumed consideration of the motion that Bill C-20, an act to amend the Competition Act and to make consequential and related amendments to other acts, be read the second time and referred to a committee.

The Deputy Speaker: Going into oral question period, the hon. member for Mercier had the floor. She now has 19 minutes left to complete her speech.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, just before oral question period, I was saying that Bill C-20, an act to amend the Competition Act and related amendments to other Acts, introduces a new criminal offence relating to fraudulent telemarketing.

The Minister of Industry described in great detail why this new offence and the clauses in the bill which relate to it had become necessary. I added that we would be pleased to support the bill, if this were all it contained.

I pointed out, however, that the bill before us, although stressing—as do those defending it—the clauses relating to fraudulent or abusive telemarketing, in reality conceals numerous other clauses with which we cannot agree. Not all the other clauses, but a sufficiently large number to prompt us to ask pressing questions and to disagree with the principle of the bill.

It is important to point out that the bill decriminalizes a number of former offences. Although the bill introduces a new regime which could be termed civil, it in fact creates new provisions, some aspects of which are questionable to say the least.

● (1540)

After an investigation has been conducted under several provisions of the act, after the case has gone before the competition tribunal, it may be determined that the business has engaged in reviewable conduct.

For the purpose of hearing such a case, the competition tribunal would be made up differently: you would not have a judge, a counsel and other interested parties, so to speak, but just a judge.

When the conduct of a business has been determined to be reviewable, this business may be ordered what to do or not to do, depending on the offence and the evidence. It would face what constitutes, as far as I and the individuals and lawyers I consulted know, a new penalty called an administrative monetary penalty, which is similar to the penalties imposed previously under criminal law, but which seems to be a new, civil version of what the government no longer wants to do.

There is no doubt that the evidence rule has been changed. What paragraph 74(1) provides is that evidence should be considered as convincing prima facie, which, on the face of it, is surprising. The least we can do is to question this.

But there is a more serious concern in that the current director of the competition bureau is the only one authorized to investigate the businesses and ask the tribunal or another court of his choice to make a determination of reviewable conduct.

This is to say that this is a complex bill, but behind this complexity is the concentration of power in the hands of the competition bureau and its director, who actually becomes a commissioner under this bill.

These provisions are also intriguing to say the least. In Quebec, the consumer protection act contains provisions similar to those found in the Competition Act with respect to misleading advertising, to conspiracy, and Quebec, which took action in civil matters, is doing quite well in that area. What will businesses do? Will they not, in Quebec at least, be subject to two systems? Are they compatible or not? These are certainly important questions that need to be answered.

The bill is touted as providing the courts with new means of dealing with crime through orders on consent and orders including prescriptive terms upon what I described earlier as prima facie convincing evidence.

● (1545)

As I have said, these means cannot be requested except by the commissioner, who has total discretionary power. One could assume he will choose to go before the Competition Tribunal.

Moreover, it was stated during the inquiries and committee sittings that the Competition Tribunal has limited means at its disposal. It is, therefore, not surprising that only the commissioner can act in this connection.

The cost of this decriminalization is that powers are centralized in the hands of a commissioner who is, and I must again emphasize this point, a federal public servant answerable only to the minister.

When the commissioner applies for an order from the competition tribunal, he gives the person whose conduct is to be reviewed 48 hours' notice. This in fact allows plenty of time for an out-of-court settlement to be reached. During these 48 hours, the commissioner and the party may reach an agreement on the terms of the order, including the possibility of their being taxable. The order will be filed for immediate registration.

We are moving from a system of criminal offences to one that is not only decriminalized but can end up completely sidestepping the criminal system with out-of-court settlements.

Some may argue that this is more efficient. What must be asked is whether this system includes everything necessary to ensure that the spirit of the Competition Act is respected by all businesses, not only small and medium-sized ones, but large ones as well.

I will close by saying that one addition was made on deceptive telemarketing after introduction of the first bill, C-67. Deceptive telemarketing—and this may be essential, but was not included in the first bill—may, under sections 45 and 47, be subject to electronic surveillance. This was not in Bill C-67.

The Canada-U.S. report on deceptive telemarketing, dated November 1997, recommended that the matter be studied in greater depth before a decision was reached on the use of electronic surveillance to gather evidence on major offences related to deceptive telemarketing.

A number of questions need to be asked in connection with the application of this bill.

For instance, according to the Parliamentary Research Branch, deceptive telemarketing costs consumers $60 million. That is serious.

● (1550)

It is far from the losses that the same research branch estimates at $40 billion in the United States.

The reason we must target deceptive telemarketing is that this misleading advertising by telephone is generally aimed at defenceless people, including the elderly, who stand to lose a lot of money. We have seen tragic cases of people who lost just about all their savings.

The advisory committee was not in a position to make concrete recommendations, but it agreed that the bill should go ahead with this provision.

This bill includes worthwhile, innovative provisions, but its review of the Competition Act does not fully satisfy consumers—in the broad sense used by the industry minister this morning, which includes businesses as consumers. Indeed, based on the consultations I have held, the administrative monetary penalties may very well be challenged. Some practising lawyers and others in the education sector told me that, on the face of it, they were practically convinced that this provision would be challenged before the courts.

Since we have just started second reading, we will have to insist in committee on finding out what kind of studies were conducted. In addition, the potential for duplication and overlap with Quebec consumer protection legislation is extremely troubling and warrants considerable attention.

Finally, there may be some concern over decriminalization aimed at centralizing powers in the hands of one official. I have no quarrel with that person's ability. However, he will have absolute discretionary power opposable only by the minister, to whom he is accountable.

In this period of worldwide economic upheaval, the negotiations on the multilateral agreement on investment are worrying many people. While the underlying intentions are laudable, there are other intentions that are of huge concern, and it is not clear that even Canada will approve, given the exceptions sought, in the field of culture, for example.

When negotiations of such importance are being conducted, it is vital the government reassure the people that competition will be maintained. Too many small businesses and thus consumers could be deprived of opportunities and, worse, heavily penalized. We must take a hard look at mergers and doubtful and fraudulent business practices, and consumers must be assured that the minister and the commissioner will not be tempted to enter into agreements that will result in two justices: one for ordinary individuals and one for businesses, including major corporations, that would always put them above suspicion.

For reasons of overlap and because of questions about the spirit of the Competition Act and its application, the Bloc Quebecois cannot support the bill in principle at second reading.

● (1555)

[*English*]

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I am pleased to rise to participate in the debate on Bill C-20, an act to amend the Competition Act. It is important to recognize what this piece of legislation is intended to do and then to assess the changes which have been proposed in that light.

The purpose of the legislation has been, for a long period of time under whatever name the legislation has had, to ensure that the Canadian marketplace is as competitive as possible in the interest of consumers. It ensures that consumers have a wide range of products available at competitive prices in circumstances in which sellers do not use practices which are unacceptable, misleading and deceptive to attract sales.

It is in the interests of consumers to ensure that various assertions about the quality a product or a service might possess, about the price at which that product or service might or might not have been sold in the past and about various qualities of that product or service be truthful. In that way consumers know what it is they are comparing so they can make efficient and sensible consumer decisions.

It is also plainly in the interests of competitors to ensure that all businesses within the marketplace abide by the same rules and pursue honest, clear and open business practices. If a competitor is able to generate a sale as a result of a misleading practice, then competitors who are adhering to proper and honest business practices will suffer losses accordingly.

It is in both the interests of consumers and the business community that we have effective competition policy. In that regard the legislation approaches these practices in the marketplace in both criminal and non-criminal ways. It deals with conspiracy, bid rigging, discriminatory and predatory pricing, price maintenance, misleading advertising, with which many people are familiar, and deceptive marketing practices.

The courts have the power in those areas to impose fines, to order imprisonment and to issue orders to stop the practice in question. They also have the power to issue interim orders to stop the practice in question and to administer a wide range of remedies.

In addition there are issues which at first blush are not so close to home to consumers but which have a significant impact covered by the act. These primarily deal with restrictions on competition, mergers, the abuse of a dominant position in a marketplace, refusing to sell to someone because of some of their selling practices and essentially dealing with the more macro issues rather than the ones that affect consumers precisely.

This legislation and legislation before it sets out the rules and regulations of the marketplace. This piece of legislation can be divided into two or three segments.

The first deals with deceptive telemarketing. With the growth of telecommunications and the reduction in price of telephone services, by using the telephone it is now very easy and inexpensive for a marketer in one province or country to sell to a buyer in another country or province. As a result we have seen a growth both in legitimate and illegitimate telemarketing. In order to protect those who pursue this activity legitimately, it is necessary to deal with those who bilk millions and perhaps billions of dollars from Canadian consumers. It is also important to protect those Canadian consumers.

This bill should be applauded in that it sets out much more explicitly what the crime of deceptive telemarketing will be. If enforced effectively, the legislation will serve to reduce the abuse of Canadian consumers across the country.

● (1600)

As every member of the House will know, the kinds of people who have been the target of telemarketing are very often those who are most vulnerable in society. Seniors, at least in my estimation, are trusting. They generally believe that people are telling them the truth because that is the way they conduct their affairs. If the evidence is correct, and I believe it is, they tend to believe what telemarketers tell them. When they are offered the $10,000 prize, if they would only send $500, $600, $700 or $800 to cover taxes and other incidental expenditures, they believe they will in fact receive the $10,000 prize.

To many of us it is an incredulous idea, but we know from the evidence that maybe hundreds of thousands of Canadians and perhaps millions across North America have been taken in, in this

way, and for significant amounts of money. I have met many Canadians who have been tricked in this way.

Part of the bill is very significant. We have done little about this criminal activity, this defrauding of Canadian consumers, mostly older Canadians, to the order of $4 billion. Making something a crime is only part of the story. We have to be sure that we can enforce the sanctions which flow from making deceptive telemarketing a crime.

To date there is a very small police department headquartered in North Bay, Ontario, called Operation Phonebusters. At last count it had one person who knows the area intimately, Staff Sergeant Elliot. He has done a terrific job on this question. Many of us in the House will have spoken to him and to his very small staff attached to that operation in North Bay. They are dealing with a criminal activity which is costing the most vulnerable Canadians perhaps $4 billion a year.

Let us match that with the resources we spend across the country, province after province, to deal with drivers who speed, with people who break windows and with street crime. The mismatch of resources attached to and applied to this kind of criminal activity is so obvious that we have to ask the solicitor general and the government to make sure they commit adequate resources to deal effectively with this matter. It is not enough to have a small joint OPP-RCMP force in North Bay to try to deal with these cases across the country.

Without that commitment the legislation will mean very little to ordinary Canadians who have been bilked and are likely to continue to be bilked if the kinds of people that engage in deceptive telemarketing, those who are not likely to stop just because the House says it will be a crime, carry on in the way in which they have been carrying on.

We absolutely need a commitment from the government. Maybe the Parliamentary Secretary to the Minister of Industry will be able to commit today to ensuring that the legislation is effectively enforced. It is important to recognize and to support the government in acting on the telemarketing fraud that exists.

Much of this fraud is centred in Montreal. A small number of people are using very sophisticated telephone and marketing techniques across the country into my province, my district in Saskatoon—Rosetown—Biggar, on a regular basis, making billions of dollars off other Canadians.

We must ensure that Quebec authorities effectively deal with this question even when a loss has not occurred in the province of Quebec. We have to make sure we co-ordinate activities across the country to put an end to this kind of activity.

• (1605)

Let me summarize that point by saying that I support the government in its measures in this regard. I hope it will commit resources to make sure that the legislation is adequately enforced and that Canadians are adequately protected.

We need to do a little work on informing consumers. Last year, faced with complaints in my riding, I provided a telephone security tip brochure which people could put by their telephones telling them what not to do and what they might do to protect themselves from telemarketing scam artists.

Let us see some commitment on the part of the government to enforcing the legislation. Although it is late, I think we should congratulate the government for introducing the legislation.

On another part we have some serious questions which arise as a result of what I indicated in the beginning. The legislation is designed to ensure we have a competitive marketplace in Canada. Separate from issues like health care and education which we and Canadians believe should fundamentally be largely outside the markets and administered in a separate way in the public interest, things should be bought and sold in the marketplace in a competitive environment. The actors in the marketplace, the sellers and the providers of goods and services, should also act in a competitive way.

We can also support dealing with changes to trade practices and misleading advertising to provide the government with a number of different ways to approach this problem. Making something criminal is not the only way to attack an issue. That has been made clear. We need a mixture of criminal, civil and administrative measures to ensure that consumers and competitors are best protected.

Let me come to the point where I have some difficulty, the merger part of the legislation. Canada has one of the weakest anti-merger pieces of legislation in the world. Of any developed country we have not treated the question of larger mergers seriously. Only one has perhaps ever been seriously called into question.

We are now faced with merger mania, with big banks merging and with big insurance companies merging. I believe we are just at the beginning of merger mania. Many of our large corporations will be telling us that it is in their best interests to have less competition in Canada so that they can compete in the world economy.

I am sure members have heard in their ridings that Canadians simply do not buy that argument. They do not want big mergers to take place. They do not want the Royal Bank and the Bank of Montreal to merge. They do not want big insurance companies to merge. They do not want their fellow Canadians to lose their jobs and they do not want to have less competition. They want to have more choice, not less.

What does this merger legislation do with regard to these questions? Essentially it does not do anything. It leaves our whole structure, our whole process, pretty darn weak. It does not ensure that we will have serious review of bank mergers, insurance company mergers or any others.

Does anybody seriously think that the merger between the Royal Bank and the Bank of Montreal is anything other than a foregone conclusion? Is there any expectation across the country that because of the power of those two big banks and our weak merger legislation this merger will go ahead? We would be foolhardy to think this was not essentially a foregone conclusion. We can work as hard as we can to stop it because Canadians do not want it. Many of these mergers are not in the public interest.

Because of the legislation, because of the approach the government takes and because the approach of the Conservative and Reform parties and those parties that tend to support big business, there is unlikely to be anything significant in this regard without a major change of heart.

We see The Bay and K-Mart merging. Is anybody going to ask any questions about whether it is in the public interest? I do not think so, from those three parties I mentioned. Indeed the public interest seems to be the last thing anybody cares about in pro-business parties with regard to mergers.

Canadians want better, deserve better and should have better. They should have merger legislation which puts proposed mergers to the test. It would require those who want to merge to show why it is in the interest of Canada that they do so.

● (1610)

Nothing in the bill requires any accounting by the Bank of Montreal and the Royal Bank. We know jobs will be lost. The presidents of those two organizations have made sure they will not lose their jobs, but the cashiers in the branches in our communities will not be there and the branches will not be there because of the merger. That is not good enough.

Passing legislation of this sort is an opportunity to beef up the legislation so the interest of Canadians can be protected, so we have an economy that is getting more competitive and not less, and so we have an economy that acts in the interest of Canadians and not just in the interest of large banks, large insurance companies and large retailers. It is unfortunate that the government did not take the opportunity to do what it philosophically says it wants to do, that is enhance the competition inherent in Canada's marketplace.

Perhaps some would find it odd that it has to be a social democrat who asks why we do not focus on a competitive marketplace. Why do the Reform Party, the Tory Party and the Liberal Party say they do not give a damn about competition? They would rather have these big mergers taking place. They would much rather have a policy of deregulation, privatization and monopolization, which is exactly what has happened in Canada over the last few years.

It is time we had merger legislation that is actually in the interest of Canadians and not just in the interest of those who want to merge and consolidate their own power, their own prestige and their own ability to control the rest of us.

There are good parts in the legislation. I applaud the government's move on fraudulent telemarketing. It is very important to commit adequate resources to ensure these crimes can be effectively policed and Canadians can be effectively protected.

However, on the merger part, which in an odd way is kind of combined with the telemarketing legislation, much more could have been done. The government deserves significant criticism, as do those who support this weak merger regime that we have in Canada, for not taking strident measures to make sure we have a more competitive economy in Canada rather than a less competitive one.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, I thank the hon. member for Saskatoon—Rosetown—Biggar for his comments. He suggested that the Reform Party together with others were opposed to competition in the banking sector. I would like to correct the record. The Reform Party has said that it would only approve the proposed merger of the two large chartered banks if we had a more competitive banking regime.

I would like to ask the hon. member about what happened to his social democratic principles. I grew up in Saskatchewan down the road from where Tommy Douglas was first elected. As a high school student I read the Regina manifesto, the glorious socialist vision of our friends to my far left in this Chamber. It said among other things that the CCF and its progeny, the NDP, were committed to no competition in the banking sector, not to more competition but to none, to nationalizing the banking sector.

I wonder what this hon. member has done with his socialist principles. Did he lose them along with his psychedelic Volkswagen bus in 1968?

Mr. Chris Axworthy: Mr. Speaker, I never had a psychedelic Volkswagen bus in 1968. I always bought much more enjoyable cars than that. Maybe the member for Calgary Southeast had one.

Times change. If we look around the world, the most effective governments with regard to growth in the economy are not the governments looking back to the past, to the 19th century as the Reform Party does on economic policy, but looking forward to the 21st century.

● (1615)

I am sure the member is aghast at the prospects of a social democratic government in Germany. That will make 14 out of 16 developed countries in Europe with socialist governments. All of them deal with the most important issue which is to provide an economy that ensures people can earn a decent living, raise their families and look forward to the future with some kind of confidence and expectation that they will be doing better rather than worse.

Looking around at the Canadian economy and Canadian society, it is not predominantly the social democrats who take economic ventures into public ownership. There is much more public ownership of the economy in the province of Alberta than there is in the province of Saskatchewan. Incidentally, Saskatchewan also has the lowest per capita cost of government than any other province. It is much lower than in Alberta. There are significant lessons to be learned by looking left instead of looking backward.

The important element of the social democratic economic strategy is that we work in partnership. Business, governments, workers, aboriginal peoples and communities all work together to build a vision for that economy. We all undertake certain responsibilities within the performance of that vision.

It is not difficult to understand if we look at how the Saskatchewan government under Premier Roy Romanow has built that province. It has the lowest unemployment rate in the country and the best indexes of economic growth of any province because it works in partnership.

Saskatchewan is now growing in population. Only last week I learned that last year 1,000 Manitobans moved to Saskatchewan. That has not been normal in the past. We are required to bring Canadians from across the country because that economy is booming. We have full employment. We have skill shortages. We need people for existing jobs and we cannot find them.

This is a successful economic strategy. It is a modern economic strategy. Social democrats are looking forward to the next century, not like the Reform Party which is looking back hankering after and longing for the 19th century.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, the hon. member was so eloquent about mergers when he said that he was opposed to mergers and that sort of thing. I do not think he listened very carefully earlier this morning when we talked about this. I want to leave that aside and ask the member whether he would be as opposed to the merging of co-operatives as he is for the merging of private enterprises.

Mr. Chris Axworthy: Mr. Speaker, it is not a question of being opposed to or in favour of mergers. It is a question of what is in the public interest. If a merger is in the public interest, then of course I and my colleagues would support it. It is not a matter of some ideological fixation that someone is automatically in favour of these large organizations, as I think the member for Kelowna would be. Neither is it a matter of being automatically opposed. In this modern world we have to be pragmatic. Socialists are as pragmatic as anybody else. We are supportive of things that are good for Canadians.

The member raises the question of co-ops. Let us look at the Canadian Wheat Board. That has been a huge success story for Canadians. The Reform Party is opposed to it even though it works because philosophically Reformers do not like it. It does not suit their philosophy. It does not suit their 19th century view of the world. Therefore they do not like it. But it works. Canadian farmers know it works. That is the way that New Democrats across this country are approaching our economic challenges. If it works, we do it. If it does not work, we do not do it.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, in terms of referring to an actual economic philosophy based upon less debt and less tax, I actually take exception to the concept that an economic philosophy based upon less debt and less tax and putting more disposable income back into Canadians' pockets is considered to be a 19th century philosophy. If anything, over the last 10 to 15 years we have learned that governments cannot spend their money any better than individual Canadians do. The only economies that actually have any consistent growth are the ones that have less debt and less taxation.

● (1620)

Looking at the initiatives in other countries such as Ireland or the Netherlands, when they made substantial reductions in terms of their personal taxes what was the result? The result was more growth in their economy.

The Canadian domestic economy is at its lowest compared to the other G-7 countries. The reason is that there is not the amount of disposable income in Canadians' pockets so that they actually have an opportunity to spend money and get the economy going here in Canada. Any growth we have is based on our export industry.

Will the member at least admit that the only economies that have actually had any consistent growth among the G-7 countries are the ones based upon less debt and less tax?

Mr. Chris Axworthy: Mr. Speaker, I do not know whether the member for Fundy—Royal is running for the leadership of his own party or switching sides to the Reform Party, but certainly they sound pretty much alike to me.

Let me make one response to the member's question. The United Nations has said that Canada is the best country in the world in which to live. The *Financial Post*, not very often a friend of the New Democratic Party, said that applying those same criteria,

Saskatchewan was the best province in which to live. That was the *Financial Post*, their buddies, not mine.

What we need in order to make our economies work is a balanced approach. If all they want to do is reduce taxes for the wealthy, that will not generate the economic growth and economic opportunities for ordinary people. They have never done that. In fact their tax policies would ensure that ordinary Canadians do not get a break at all or are in worse shape than they were before.

In addition, they might reduce taxes but what are they going to do about health care? They are going to make Canadians pay for that. What are they going to do about Canada pensions? They are going to make Canadians pay for that.

What we need is a balanced approach, one which is pragmatic, one which answers the questions Canadians are concerned about. We do not need one which is based on some old fashioned ideology which this country threw away and which most sensible people around the world threw away centuries ago.

Mr. Jim Jones (Markham, PC): Mr. Speaker, it is my pleasure today to speak on a bill that is important to the success of business competition in Canada. It is a bill that introduces amendments that will modernize regulations for the Canadian business environment. The amendments in Bill C-20 strive to guide business in a fair and more equitable fashion.

The Canadian Competition Act was last substantially amended in 1986. These amendments gave Canada a powerful law that served the business community well. However with the huge changes in the technology of doing business and the rapidly evolving marketplace, the law is long overdue for revision and review.

We understand that in 1995 the director of investigation and research released a discussion paper which had been sent out to 1,000 interested parties. About 80 responses were received regarding the proposed changes to the Competition Act. We also understand that the director set up a consultative panel whose mandate was to discuss the comments made within the discussion paper and to hold indepth reviews with concerned parties.

Over a year later in April 1996 the report of the panel was released and provided the basis for Bill C-67 which died on the Order Paper in the last Parliament. Almost another year later we finally get to debate Bill C-20 which is essentially the same as Bill C-67.

However through my own consultation with concerned parties, there are segments of this new bill that are radically different than those existing in C-67. The addition of amendments that have not passed through the same rigorous debate with the consultative panel has me concerned. Is this government trying to slip these through discreetly?

● (1625)

There were four main amendments that existed in Bill C-67 which have not changed. These will require adjustment.

I would like to focus on these aspects of the bill: misleading advertising, ordinary price claims, pre-merger notifications and deceptive telemarketing practices.

Misleading advertising practices can and do have serious economic consequences especially when directed toward large groups or done over extended periods of time. Misleading advertising is detrimental to both competitors who follow the rules and engage in honest promotion and to consumers themselves.

Covered under the act are such promotional tricks as double ticketing, where the higher of the two ticketed prices is charged, pyramid selling, and bait and switch selling when a product is advertised at a bargain price but a reasonable supply is not available.

Proposed amendments to the Competition Act relating to misleading advertising are intended to change the focus on the misleading advertising and deceptive marketing practices provisions from punishment to quick and effective compliance.

In discussions with key members of the Canadian marketplace, I believe this amendment is acceptable. We are supportive of this amendment in philosophy. The creation of a dual criminal-civil system is expected to result in the majority of cases involving misleading advertising being dealt with through civil means, including such remedies as cease and desist orders, corrective notices, consent orders and where needed, administrative monetary penalties.

The competition bureau will then have to create a set of guidelines which clearly explains to retailers and businesses what types of misleading advertising will result in civil penalties and which will result in criminal enforcement. We strongly urge the competition bureau to have full public consultations regarding these guidelines as this issue is very important.

Ordinary price claims is a powerful marketing tool used by retailers and businesses. It is the representation of significant savings by the reduction of a regular price.

Consumers often wait for items to go on sale before purchasing. Many companies will say that their product is on sale when in fact a number of these businesses usually sell that item for that price.

Section 52.1(d) currently prohibits materially misleading representation to consumers regarding the price at which items and similar products are or will ordinarily be sold. There are certain criteria which must be met for a business to claim that an item is at a discounted price as opposed to its regular price.

The current provisions in the act do not clarify sufficiently the circumstances which determine whether a retailer is making an

ordinary price claim properly. The competition bureau listened to concerned members of the retail industry who asserted that a significant number of businesses could not comply with a test based on sales volume and that a time based test would be better suited to their situation.

Through discussions with the consultative panel, the competition bureau and the members of the retail industry, it was agreed that the amendments represented in Bill C-20 for regular price claims are fairer and more equitable. The test for ordinary selling price will now consist of two parts: a substantial volume of the product that has been sold at or above the claimed regular price within a reasonable period of time before or after the making of the representation, or the product has been offered at or above the claimed regular price in good faith for a substantial period of time or immediately after the making of the representation.

Although some of the terms in the testing prescriptions are ambiguous, members of the retail and commerce community which I have spoken with feel that the setting of rigid tests would not be in the interests of Canadian businesses or consumers. Stringent tests would not allow retailers to act and respond according to competitive initiatives and other market dynamics.

We are comfortable that the guidelines as they exist in the amendments will effectively eliminate some of the confusion around the regular price claims and that setting guidelines in this area will also help businesses understand the parameters for effective pricing policies, yet there is flexibility for the exercising of judgment.

The one area that should be excluded from the regular price claims arena would be the critical issue of clearance sales. We urge the government to look into this aspect of pricing and ensure that the scope of the ordinary price claims provisions explicitly excludes clearance pricing.

● (1630)

Pre-merger notifications is another area I would like to address. Companies are obligated to notify the Competition Bureau of a proposed merger when two thresholds set out in the Competition Act are met. However, the consultative panel and many of the business community recognize that a vast majority of transactions that are subject to pre-merger notification do not raise serious competitive issues. This concern can be mended by raising the thresholds in sections 109 and 110 of the Competition Act and by creating additional exemptions.

Raising the pre-merger notification thresholds and creating additional exemptions is now more essential than ever. As of November 1997 there was a substantial fee of $25,000 plus $1,750 in taxes imposed with pre-merger notification filings. Because so many transactions are caught due to the low thresholds, we believe that raising these thresholds would not only alleviate the number of cases the bureau would have to review, but it would also allow the thorough research of the cases that are truly detrimental to competitiveness in Canada.

The increases that have been suggested to me from key members of the business community include raising the size of parties and their affiliates' threshold in section 109 from $400 million to $500 million. I believe when this came out it was $400 million, but through inflation that is equivalent to $530 million, so $500 million is reasonable. Raise the size of transaction thresholds in section 110 from $35 million to $50 million, and in the case of amalgamations from $70 million to $100 million.

The recommended increases in the above noted thresholds are particularly warranted in view of the fact that these thresholds have caught substantially more transactions than initially contemplated.

There is little risk of substantially lessening or preventing competition by increasing the size of parties and their affiliates' thresholds because, one, the director has the ability to challenge a merger up to three years after its completion. Two, this fact clearly leaves merging parties, where there is any material overlap between their operations, to submit a significant amount of information to the bureau in support for a request for some type of comfort that their transactions will not be challenged subsequent to closing by the director. Finally, in any event, only a handful of mergers each year raises serious competition issues.

In addition to raising the thresholds, we are looking also at the possibility of reducing the burden of information that the bureau requests for pre-merger notification. The amount of time and effort it takes for a member of the private sector to prepare the pre-merger notification is not justified.

We believe that the bureau receives information not pertinent to mergers and that the filing of this information is time consuming for the companies giving notice. We suggest that this burden could be reduced by streamlining the amount of information required to be filed. This streamlining is likely to be accomplished through the joint operation of the proposed amendments of the act, which would transfer the information required currently in sections 121 and 122 of the act to the notifiable transactions regulation and the proposed revisions to the regulations. However, those revisions will substantially increase the amount of information required for long form filing imposing a substantial burden on merging parties.

Clause 31 of Bill C-20 still allows parties to have a choice between filing either a short or long term form. The commissioner, formerly the Director of Investigations and Research, would have the discretion to require a long form filing if the short form filing is considered to be insufficient. The information that is required for these filings would be set out in the regulations rather than the act, as is currently the case.

Due to the information requirements being moved from legislation, which would receive full public review before amendment and being transferred to regulations, there are many parties concerned that the final wording will be decided by the commissioner alone. We have some serious concerns that we will present in the committee stage as amendments to Bill C-20 as we see fit and what has been suggested to us by those outside the Department of Industry.

Everybody is concerned about deceptive telemarketing practices. We recognize that telemarketing is now a $500 billion business in Canada and in the U.S.

● (1635)

In recent years, total telemarketing sales in Canada and the U.S. have exceeded $500 billion per year. While most telemarketing activities are legitimate, unfortunately some are not.

The report of the Canada-U.S. working group on telemarketing fraud highlights that telemarketing has become one of the most pervasive and problematic forms of white collar crime in Canada and the U.S. It is estimated that this form of crime accounts for as much as 10% of the total volume of telemarketing. In Canada that would mean $4 billion annually.

There is no doubt that telemarketing has seen an increase in deceptive marketing practices. However, it must also be recognized that telemarketing has its place in today's competitive marketplace.

There are some specific concerns that members of the marketplace have expressed regarding the wording proposed to define what telemarketing is. Subsection 52.1(1) defines telemarketing as a practice of using interactive telephone communications for the purpose of promoting a product or any business interest. This definition requires either a greater clarification or the addition of exceptions to ensure that the provision is not amenable to an overly broad application to entities whose services are not meant to be targeted by the legislation.

We suggest that it be made clear in the legislation that the provisions be confined to live voice communications. We would like to see the words ''live voice'' placed before the words ''interactive telephone communications'' in the wording of section 52.1.

Other changes to the current act will require the disclosure of certain matters either at the outset of the telephone communications or in a fair, reasonable and timely manner.

The item which many want to see expressed outright in the telephone interaction include the identity of the person on behalf of whom the communication is made, the nature of the product or businesses being promoted, the purpose of the communication, and in the case of price of the product being promoted and any material restrictions or conditions applicable to its delivery.

We request that there be a particular exception made with regard to instances where the price of the product cannot be determined at the time of the telephone call. For example, in the case of mutual funds and other securities whose prices may not be known until the end of the day, we ask that the required disclosure be made within a reasonable period of time subsequent to the determination of the item's price.

We recognize that telemarketing fraud is a serious crime and needs to be identified as such. We will not stand by and allow there to be $4 billion in losses a year in Canada because of this type of behaviour.

However, the competition bureau tells us that it intends to seek permission to use wiretapping in cases of egregious behaviour. There is some uncertainty as to how this wiretapping will be used. This is an extremely sensitive area for the business community and yet it has been given no discussion.

The proposal in Bill C-20 which deals specifically with permitting judicially authorized interception or wiretapping concerns many individuals, corporations and members of the retail and commerce groups across the country. This segment of Bill C-20 was never brought before the consultative panel, was never reviewed in discussion papers or made its way into any panel report. The government has decided to slip in this amendment.

Why does it exist in Bill C-20? The proposal in Bill C-20 will amend section 183 of the Criminal Code to allow wiretapping without consent of private communications in connection with investigations under the conspiracy, bid rigging and deceptive telemarketing offences of the act.

The conspiracy provisions in section 45 of the Competition Act set out two points that must be proven to convict of conspiracy. First, there must be an agreement and, second, the agreement must be anti-competitive. Wiretapping only proves the first point of the two necessary to convict under the Competition Act. However, in most cases this point is not the one that makes or breaks a case.

What must be proven for a conviction in most cases is the second point and this is not provable with a wiretap.

● (1640)

Most cases are lost solely on the point of trying to prove that the agreement was anti-competitive. Given the broad definition of telemarketing that currently exists, we are concerned that wiretapping powers could be used in a wide range of situations that most Canadians would not consider to be justifiable.

We need to clarify what situations will warrant wiretapping. There must be stringent administrative filters and strict legal procedures that will limit usage to what is only absolutely and undeniably necessary.

We do not feel a need to push this provision through at this time and would like to have a further round of consultation on this matter.

The amendments to the Competition Act are long overdue. I look forward to reviewing Bill C-20 in committee and working with other members of this House to come up with a bill that is practical, understandable, equitable and fair to all, a bill that does not give unnecessary and overly evasive powers to the government where private ventures are concerned.

Competitiveness is essential to a successful Canadian marketplace and the Competition Act has served all Canadians well for decades. Now we must work to keep it moderate and functional.

The Deputy Speaker: Before I call for resuming debate, 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 Davenport, Alternative Fuels Act; the hon. member for Kamouraska—Rivière-du-Loup-Témiscouata-Les Basques, Employment Insurance; the hon. member for Bras D'Or, Cape Breton Development Corporation; and the hon. member for Beauséjour—Petitcodiac, Trans-Canada Highway.

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, today the House is considering amendments to one of Canada's most important pieces of framework economic legislation, the Competition Act.

The Competition Act provides basic principles for the conduct of business in Canada. It is, therefore, vital to the functioning of our economy and in some way, directly or indirectly, touches the life of virtually every Canadian every day.

One of the major purposes of the act is to promote competition and efficiency in the Canadian marketplace. This, in turn, leads directly to innovation, a wide variety of consumer choices that are quality goods and services, competitive prices and greater international competitiveness.

The Competition Act was last revised in a significant way in 1986. Clearly, Canada's Competition Act must be kept up to date and remain suitable to economic reality in the 21st century. That is why we are considering the amendments that are before us today.

They are a carefully crafted series of measures that reflect the views of a very wide spectrum of stakeholders who expressed their opinions over the course of extensive consultations. The bill includes provisions that would create a strict liability criminal offence to deal with deceptive telemarketing.

It would allow the law enforcement officials in certain circumstances, and after the authorization by a judge, to intercept private communications without consent to fight deceptive telemarketing, as well as conspiracy and bid rigging.

It would provide for the quicker and more effective resolution of instances of misleading advertising and deceptive marketing practices and revise the law regarding regular price claims by retailers. It would improve the prenotification process for major transactions and the mergers review process.

In addition, it would revise and increase the flexibility of the prohibition order provision to make it a more effective tool for promoting compliance with the law.

Telemarketing predators put this entire industry at risk when they cheat Canadians out of sums of money that law enforcement officials estimate to be a minimum of $76 million in 1996.

These amendments will create a new criminal offence of deceptive telemarketing which will carry criminal penalties for those who break the law.

The new law will also require that telemarketers provide consumers with information on the purpose of the call, the product being promoted and any material, conditions or strings attached to such products. Amendments to the Competition Act will also address misleading advertising and deceptive marketing practices.

We are all aware that advertising is one of the most important and universal tools for business success. Fairness and truthfulness in advertising by all players is essential for a healthy, vigorous marketplace.

● (1645)

The approach of the current Competition Act is too cumbersome and inflexible. Moreover, experience has shown that criminal sanctions, the only remedy available in relation to these offences under the act now, do not always respond well to the problem. What is needed is a range of responses that can be applied to fit the nature and severity of the deceptive practices involved.

Better tools could stop misleading advertising quickly before there is an adverse reaction in the marketplace. More flexible tools would also have greater scope to foster business compliance and voluntary resolution of problems.

The bill retains criminal provisions for flagrant cases of deceptive marketing practices. It also introduces a range of civil remedies that can be applied promptly so the alleged misleading advertising does not continue while lengthy criminal prosecution winds its way through the courts.

The courts and the competition tribunal will be able to issue orders requiring parties to stop misleading advertising. Advertisers who fail to exercise due care may be required to publish information notices to alert the affected public of the nature of the deception.

These amendments will also facilitate voluntary measures to correct the deception that has occurred and provisions will allow such a resolution to become registered and enforceable as a court or competition tribunal order. The area of regular price claims is another where the present act needs updating.

The retail industry has changed dramatically in recent years. Comparative price advertising is more than ever a critical means by which retail competes. Moreover, consumer purchasing patterns are closely linked to sales advertising. Both consumers and retailers have commented that the current law does not reflect the current marketplace reality.

Provisions in the new bill will clarify a critical area of advertising law for business and provide clearer guidance for consumers about the meaning of price comparisons. Two straightforward tests will provide simple criteria for defining a genuine regular price. One test will be based on sales volume and the other pricing over time.

As a result of these and other changes to the Competition Act the changes before us take into account business realities, shifting consumer behaviour and attitudes and the marketplace developments that affect law enforcement.

I am confident that these are worthy of the support of all members of the House. The discussions that will be coming up in committee will be very interesting as we all have additional information that we can add to and improve on the legislation now before the House.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I want to thank the hon. parliamentary secretary for his comments and also his party for bringing this bill forward. I am wondering whether the hon. parliamentary secretary could talk to us a bit about what he sees in this bill that would actually come to grips with the question of competition and the misleading advertising or fraudulent pressure should e-commerce become an issue.

Electronic commerce, as the hon. member I am sure recognizes, is a growing field. More and more merchandise, services and products are being offered via electronic commerce. The transfer of funds, the incurring of loans and the making of deposits and things of this sort are all part of the various agencies that are covered under the Competition Act.

I am wondering if he could address this part of the bill because my reading of the bill would suggest that perhaps this is not covered in the bill. Does he have some opinions about the fraudulent or competitive abuse of electronic commerce?

Mr. Walt Lastewka: Mr. Speaker, I want to first thank the hon. member on his remarks earlier. I know that his items will be considered within the industry committee and I am sure will have some discussion.

The hon. member brings up a very good point on e-commerce. This is still a developing area, an area on the global scene, and there is more and more discussion going on. I believe there will be a stage when we get more global understanding of what e-commerce is, how it is going to operate, how it is not going to operate and the basic rules of e-commerce which need to be established on the global scene. Those items will then have to be rolled into the Competition Act as we move forward.

There are other items in the Competition Act which will make it very important for us to consider, the telemarketing of today and the telemarketing of tomorrow, as the member opposite has brought forward through the e-commerce.

● (1650)

It is important that those items be considered in committee in order to detail how these things are going to happen in the future. I thank the member for his remarks. I know he is looking down the road at additional things in terms of how the world will change. That is the situation we find ourselves in with this Competition Act. We need to bring it up to date. It has been brought forward since 1986. We need to get the best information we can in relation to the Competition Act so we can prepare ourselves for the future.

Mr. Werner Schmidt: Mr. Speaker, I appreciate the response. The hon. parliamentary secretary might go one step further and talk about another dimension of electronic commerce, the privacy component or the security of information that is transferred from one point to another. I am concerned in particular with the encryption of information so it cannot be side tracked by someone getting into the communication inadvertently or by design, actually stealing the information. Then there is decryption which allows a person to get into that system and make the information sensible.

I am sure the hon. member knows that it is the way in which the information is coded and then decoded, which is really what we we are talking about here, that is fundamental to this whole business. Perhaps he could answer that question.

Mr. Walt Lastewka: Mr. Speaker, the member brings up some very good questions. He is basically talking about a code of conduct that we need to put in place and about how e-commerce is to operate around the world. More work needs to be done in that area. I do not have all the details that he would like at this time but I am sure those are the types of questions that will be referred to during the industry committee's deliberations. I am sure these deliberations will take some additional time because of the complexity of this type of legislation.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am going to use my time to point out that the Standing Committee on Industry will have its work cut out for it. As I see it, there are really

two different things involved. On the one hand, there are the provisions on deceptive telemarketing, where consensus will rapidly be reached on all the provisions. On the other hand, there are the remaining amendments to the legislation.

Starting immediately, I think the committee will have to take the time required, since it took all these years to come up with proposals that would eventually take the form of a bill. The advisory committee's report leaves many questions unanswered. I asked some, as did others, and according to the people who were consulted, this bill does not enjoy unanimous support, far from it.

Once it is amended, this Competition Act will have to reassure Canadians and Quebeckers. We are going through a period of transformation somewhat like the industrial revolution at the end of the 19th century. We therefore cannot do without a strong instrument.

I therefore ask the parliamentary secretary, who has always been very open-minded, whether he is aware that there are actually two kinds of proposals going to committee.

[*English*]

Mr. Walt Lastewka: Mr. Speaker, I thank the member for her remarks. It is a major piece of legislation. Many stakeholders and groups were involved in the preliminary work. The Competition Act and the changing world around us are part of what the committee will have consider in depth.

● (1655)

I have three pages of people who have provided input. Some of the provinces have participated and some have not. Some departments in the provinces have participated. I believe very strongly that the legislation before the House today, the Competition Act, will require an in-depth study by the Industry Canada committee. It is something that touches everybody in Canada in one way or another.

We will have to take our time as we go through the industry committee to make sure we have heard from Canadians from all provinces and territories to understand how lives will be affected and how lives will be protected at the same time.

Whether it is $4 billion or $5 billion made from telemarketing fraud, the numbers are very high. People have lost their complete life earnings as a result of telemarketing fraud people who do not care at all and want to get as much as they can. We as a committee have to make sure we have laws in place to stop it.

A Canada-U.S. working group has spent a lot of time on it. There are a number of items in the Canada-US working group that both countries need to address. This legislation is trying to address our portion of it.

There are other areas that need to be looked at. As previous speakers said, there is a lot of work to be done to try to make the legislation we have reflect the changing world around us today.

Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP): Madam Speaker, I am happy to rise today to join the debate on Bill C-20.

As members will know, this is a bill which seeks to modernize the Competition Act to respond to a changing business environment by increasing flexibility in the administration of the act and efficiency in its enforcement.

I would like to focus my speech today on what New Democrats see as the two main parts of Bill C-20. The first part of my speech will deal with the aspects of Bill C-20 which are aimed at getting tough on telemarketing fraud. New Democrats support this part of Bill C-20 without any reservation.

In the second part of my speech I will talk about Bill C-20 as it changes the administration of the merger notification process. This is where New Democrats have reservations with Bill C-20.

I want to begin by talking about the serious problems of telemarketing fraud in Canada. We know that it is a $4 billion industry in Canada and it is growing. We know that after being chased out of the U.S. by aggressive law enforcement efforts, the scam artists started moving north to Canada. Offering prizes, cheques, trips and more, these silver tongued artists have targeted Canada in their latest wave of greed. Victims are usually people in a vulnerable position, most often seniors and even sometimes people suffering from Alzheimer's disease.

I point out that I will be sharing my time with my colleague from Colchester.

While we should all applaud and encourage the efforts of our police to catch and prosecute these offenders, I believe it is important that we also try to make members of our communities aware.

I may have been a victim if I had not caught on. I got a phone call at 11 o'clock at night to say I had won a trip to Florida. All they needed was my cheque number so they could get some money. During that same week people unfortunately did get caught in that scam. We have to make sure people are phone smart so that they are no longer in danger of being victimized.

This time last year New Democrats launched a public information campaign in our ridings to educate the most vulnerable members of constituencies about telephone fraud. New Democrats included in their householders a quick reference card entitled be on guard which could be hung by the telephone. New Democrats also went around to senior residences in our ridings and handed these cards out personally.

● (1700)

A few minutes ago I said that I would talk more about the efforts of the police in tackling this awful crime. I want to single out a certain OPP force which is dealing specifically with the crime of telemarketing fraud. It is called Operation Phonebusters and is a joint OPP-RCMP clearing house.

Several New Democrats have had the opportunity to work with Mr. Bob Elliot, the OPP officer heading up this effort called Operation Phonebusters. I want to express to the House the tremendous job Mr. Elliot is doing, and with limited resources I might add.

The hard work of Mr. Elliot can be seen directly in Bill C-20 and the changes which will make it easier to prosecute these con artists. I do however feel the need to express to the House and all hon. members the concern that Operation Phonebusters has become virtually a one person operation. While its prosecution record is impressive, its limited resources means that there is a serious delay between the reporting of a crime and the laying of charges. In some cases this allows the offending operation to bilk seniors, close its doors and move on before prosecutions can be undertaken.

I encourage the solicitor general to provide the much needed policing support by bolstering the federal government's commitment to Operation Phonebusters.

I also encourage the solicitor general to instruct the RCMP to take a leadership role in fighting this fraud on a national level. We cannot tackle this problem on a city by city basis because these guys will just pick up their shop and move to the next city. With just a handful more full time RCMP officers, we can send a clear message to the con artists and those who would steal from the innocent, that Canada is not open for that kind of business and is working hard to pull the plug on phone fraud.

There is some urgency in taking a hard line on this type of crime. In fact, it seems kind of silly to me that it has taken the government so long to realize that this is a serious crime. The problem in my mind has been very serious since the 1980s when lower cost telecommunications offered crooks a cheap, effective way of picking pockets.

The victims with whom I have met in my riding are truly the honest and the innocent. They should be able to answer their phones with the confidence of knowing that they are protected by law, especially since the laws are in place to protect them.

New Democrats support any effort which leads to a harder line approach against this type of crime. Canada has been without a national strategy to fight telemarketing fraud for too long. New Democrats are willing to work together with the government to achieve this.

Before I finish, I want to stress that telemarketing fraud is a very important part of the bill. It is a serious problem. I think we all know somebody who has either been or almost been a victim. We can also relate that to where one lives.

At a time when I was a seasonal worker I was told I had won a trip to Florida and thought is was great. They target areas where people are vulnerable and will go for it. It is very easy for some people to get access to phone numbers, even private phone numbers. It is scary how easily some groups access such information.

Mr. John Bryden: Madam Speaker, I am very pleased to be able to join in this second reading debate on what I think is very important legislation. I heard the parliamentary secretary indicate that the government is very anxious to hear all ideas on the subject.

I must say that I very much support the legislation. It is very timely and indeed overdue. It addresses a serious problem that affects some of the most vulnerable in society.

I particularly like the provision in the bill that blends criminal penalty with civil penalty. One of the problems with the existing Competition Act is that too much of it is done through the Criminal Code, a pretty heavy instrument to use on what can be in some instances relatively minor infractions in the area of misleading advertising. In the case of telemarketing it would be the same. We need to have a blend of penalties.

● (1705)

However I have significant reservations about one area of the bill. The bill, while very well intentioned, will miss the mark when it comes to applying the provisions for improper telemarketing against organizations which wish deliberately to carry on deceptive practices and wish to evade the law.

There exists in the legislation an ideal way for organizations to evade the intent of this law. I refer to clause 12 of Bill C-20 which will amend section 52.1 of the original Competition Act. This is basically the clause which applies the bill to the various entities that may be affected by it. The clause states that no person shall, for the purpose of promoting, directly or indirectly, the supply or use of a product, or for the purpose of promoting, directly or indirectly, any business interest by any means whatsoever, knowingly or recklessly make a representation to the public which is false or misleading in a material respect.

I submit that there are two problems with that clause. First, it refers to the supply or use of a product. What happens if there is no product involved and what in fact is being telemarketed is a campaign? What if it is fund raising for a non-profit organization?

Then we go on a little further and it states for the purpose of promoting, directly or indirectly, any business interest. Unfortu-

nately a non-profit organization or a charity, either of those two separate entities, by definition are not engaged in a business interest.

The Acting Speaker (Ms. Thibeault): I am sorry to interrupt the hon. member, but we are now in the time allotted for questions and comments. Are you speaking on debate, sir?

Mr. John Bryden: Excuse me, Madam Speaker. I had presumed I was speaking on debate. I did not know we were on questions and comments.

The Acting Speaker (Ms. Thibeault): Are there any questions or comments?

There being no questions or comments I will recognize the hon. member for Palliser on debate.

Mr. Dick Proctor (Palliser, NDP): Madam Speaker, I am happy to rise today to join the debate on Bill C-20. I was waiting for the previous speaker to get to his question, but I guess we will hear it later.

The bill seeks to modernize the Competition Act to respond to a changing business environment. It seeks to accomplish that by increasing the flexibility in the administration of the act and by improving the efficiency of enforcement.

The hon. member for Beauséjour—Petitcodiac spoke about the telemarketing aspects of the bill. That is a section of the bill which we in this caucus strongly support.

I will focus my remarks on the administrative changes in the merger notification process about which we in the NDP have reservations.

However, before I do that, since it has been raised by the hon. member for Saskatoon—Rosetown—Biggar and the hon. member for Beauséjour—Petitcodiac, I want to talk about the be on guard telephone security tips which were sent out last year.

Because of the kind of television audience we often get it is worth running through the list. I believe every member of the House would want to ensure that citizens, particularly senior citizens, do not get caught up in some of the scams out and about these days on the telephone.

● (1710)

I acknowledge a resident of Regina, a gentleman named Al Knox, who spoke to me about this matter last fall. His story was that he was at the post office one day when an elderly woman came in and wanted to send a money order for $2,000 to a company in Montreal. She had just won a prize and she had to send the money in order to collect it. He was there as a customer of the post office. Another customer and the postal agent who was also there tried to talk this woman out of buying the money order and forwarding it, all to no avail. She was so convinced she had won the prize that nothing or no one was going to be able to put a stop to her desire to get that prize.

There are a number of dos and don'ts. I will read them into the record because they would be useful for people who may be listening: don't believe that everyone calling with an exciting promotion or investment opportunity it trustworthy; don't be fooled by a promise of a valuable prize in return for a low cost purchase; don't disclose information about your bank account or credit card, not even a credit card expiry date; don't be pressured to send money to take advantage of a deal; don't be afraid to hang up, a very important one; don't purchase or invest without carefully checking the product, the investment and the company; and don't be afraid to demand more information from the caller.

Finally I will refer to a couple of dos: do demand the name and the phone number of the caller; do contact your local fraud squad if you believe that is what the call is all about; and remember, perhaps most of all, that if you have really won a prize it shouldn't cost you a dime.

Those are important things to remember about this telephone scam. I am pleased the government has moved ahead in this area.

I want to talk about the merger notification process. As I indicated it deals with the administration. This is where we have some reservations. It is our opinion that if the notification of merger process is to be changed, it should be done so in a way which strengthens the legislation, not weakens it, or keeps it at the status quo level. The changes we see to this notification of merger process in Bill C-20 are simply cosmetic changes.

I would like to take the few moments available to me to lay out some of our concerns. In the implementation area the changes in Bill C-20 are not necessarily the problem. Rather the problem is implementing what the bill seeks to achieve.

Rarely has a merger ever been sent to the review tribunal and actually been reviewed extensively. We all know what happens normally. The head of the tribunal, who after Bill C-24 passes will be known as the commissioner, has the two parties join together and tells them what needs to be done in order to make the merger a successful one. This is ridiculous and will certainly not work. The provisions of Bill C-20 in my mind will never really be enforced when they certainly need to be and should be enforced.

Turning to the sanctions, failure to give proper notification in the past has left the government with the option to pursue criminal charges against the parties involved. Under the provisions of Bill C-20, the bill before us this afternoon, the criminal sanction elements of the previous bill are being dropped and being replaced with a fine which has a maximum of $50,000.

In the great scheme of things with megamergers of banks and insurance companies, $50,000 is simply peanuts and will not act as

a deterrent in any way, shape, or form. We think of the Bank of Montreal and the Royal Bank merger talks. A total of four insurance companies are now involved. Two are merging and another two are proposing to merge. We are talking multibillion dollars and $50,000, as I indicated, is peanuts for them to pay any kind of a deterrent fee if they wish to go ahead.

On the job front, this is perhaps the most important element of our concerns. There is nothing in the bill that deals with job losses as a result of a merger. There is absolutely nothing by way of offering to protect the workers from job losses in huge takeovers and megamergers.

● (1715)

We know from newspaper and media reports that as a result of the proposed Royal Bank-Bank of Montreal merger that roughly 10,000 Canadians will experience job losses. It is noteworthy that CEOs of these banks, Mr. Matthew Barrett and John Cleghorn, have refused to commit that the workers in their two respective banks will not have to bite the bullet as a result of this merger proposal, which in all probability as the member for Saskatoon—Rosetown—Biggar said earlier, will go ahead earlier this year despite the fact that Canadians are very much opposed to the two banks merging.

With Bill C-20 the government had the opportunity to and should have instructed the commissioner of notification of merger process to take into account the significant number of job losses when considering any merger. We believe that Bill C-20 fails to order the commissioner to consider the public interest in megamergers and New Democrats believe that the public interest must prevail over megamania.

New Democrats do not see these megamergers as good for Canada's community of workers. In our opinion, Bill C-20 does not make the merger notification process any stronger. That is why the New Democrats oppose this portion of the bill. We will have to decide whether the government will break up this bill and allow it to be looked at in its various entities, otherwise it will be a dilemma for many of us as to whether to support or oppose it. We certainly support the attempts to reduce telephone scams, but on the merger aspect of it we have major reservations.

Mr. Gurmant Grewal (Surrey Central, Ref.): Madam Speaker, I appreciate the comments made by the NDP member.

As my colleagues have already mentioned, the Reform Party always supports vigorous measures to ensure the successful operation of the marketplace such as promoting competition or competitive pricing, strengthening vigorously and enforcing competition in the market.

I would ask the member to throw some light on the duopoly and monopoly situation in certain areas in the market. He said he likes to support the bill, as I am doing. I would like him to comment on certain monopolistic and duplistic situations in the market.

Mr. Dick Proctor: Madam Speaker, I would be happy to but I would like to ask the previous speaker if there were some areas that he was particularly interested in.

Mr. John Bryden (Wentworth—Burlington, Lib.): Madam Speaker, I appear to have wound up dividing my time quite inadvertently but nevertheless as I said earlier I am very happy to be a part of this debate because it is an opportunity to offer some constructive criticisms and comments on this legislation.

The bill is deficient because of a deficiency that already existed in the Competition Act. This act describes the person who is affected and constrained by this legislation as a person having a business interest. It also restricts the scope of the activity to the production or the promoting of a product.

The problem with this is it lets fall through the net entirely any organization that is a not for profit organization which could be on the one hand a not for profit organization registered as a non profit organization under corporate Canada legislation or as a charity registered under the Revenue Canada definitions.

In both these instances, both types of not for profit organizations by definition are not engaged in business interests. If a telemarketer that is deliberately engaged in scamming or wishes to promote in a way that circumvents the spirit of this act, that organization can simply reconstitute itself as a not for profit organization. It can either seek charitable status or, on the other hand, it can be a registered non-profit organization. That organization or telemarketer would then fall completely outside this legislation. It could engage in any kind of practice it pleased.

● (1720)

The other aspect of the problem is that telemarketing is very much a transborder phenomenon these days. What is happening is that when you receive that phone call, often from a charity I might say, often from organizations that are soliciting funds, that phone call may in fact be emanating from the United States.

Indeed, some of the very large telemarketers are based in either Pennsylvania or Maryland and are using transborder trunk lines to telemarket anywhere in Ontario or in Canada.

However, the other side of it is that while we have to be worried about organizations that will deliberately evade the law by becoming non-profit organizations, we also have to be very concerned about charitable organizations that may be engaged in what are

very unethical activities, at least in the context of a for-profit industry when they are engaged in raising funds.

We may say that if it is a charitable organization surely it would not be engaged in any form of misrepresentation, be it misrepresentation by advertising or telemarketing or whatever you may have. The Internet provides us with all kinds of wonderful information. I was surfing the net, as they say, and I came across an article from the Professional Marketing Research Society which did a study of a practice engaged in by charities called frugging.

Apparently frugging involves charities that deliberately through telemarketing phone up and say they are doing a survey on perhaps social welfare, or tastes in tea, whatever it is. Or they might be doing a survey asking if there should be homes for battered women and this kind of thing.

The article from the Professional Marketing Research Society pointed out that often the surveys are really false surveys which are not a very transparent attempt to draw the client, the donor, the victim or the target into a survey which is really just a way of raising funds.

Two organizations are cited in the article as being engaged in the false survey activity. It is misleading. It is misrepresentation and there is no getting around it. One was the Coalition for Gun Control which did all kinds of surveys trying to get people to say they did not like firearms and that kind of thing. But really it was actually a way of promoting support.

Another organization cited by the report as being engaged in questionable survey practices, which was really another way of fund raising or getting the message out there, was the National Anti-Poverty Organization. It was asking all sorts of questions and said if the recipient responded to the survey a letter would be sent to the Prime Minister.

Behind many of these false surveys is simply misrepresentation for the purposes of fundraising. That is the kind of thing that goes on.

When it comes to telemarketing, charities are not very clean in some respects. Telemarketing is a very popular feature with charities now. A lot of organizations are turning to telemarketers. I think everyone in this House, and everyone in Canada, has received phone calls from people soliciting their donations by telephone. That would be all right so long as the representations are indeed honest. What is said by the telemarketer is not honest.

I refer you to a program that was done by CBC's *Marketplace* about a year and a half ago, I think it was, in which the theme was telemarketing. The thrust of the *Marketplace* show was to demonstrate that many of these charitable organizations that use telemarketers where so much of the donated money goes to paying the for-profit telemarketer that very little actually goes to the charitable activity. It may be as little as 10% and often in the outset of a telemarketing campaign it is 0%.

● (1725)

Nevertheless, the reporter interviewed the president of the Canadian Haemophilia Society. Her name is Durhane Wong-Reiger The reporter challenged her.

The telemarketer in setting up the Canadian Haemophilia Society said that he was proud to say that by putting your gift on a credit card—this is what the telemarketer says—over 87% of your donation would go directly to the Haemophilia Society.

The president of the Haemophilia Society did not even reply to the reporter's question. She could not reply. Very obviously, 87% of the donated dollar is not going to the charitable activity.

Therefore, we have a case where there is an absolute misrepresentation by a telemarketer speaking on behalf of a charity. The problem is, as Bill C-20 sits now, because it does not cover charities or non-profit organizations, the Canadian Haemophilia Society will have been seen to have done no wrong., There is nothing to be done about it. Imagine. It is a blank cheque to every non-profit organization, be they charity or not for profit organization, to engage in telemarketing practices, to misrepresent or mislead as much as they please.

Telemarketing does not work in isolation. This is another flaw with the bill. Telemarketing usually works in co-operation and in tandem with a direct mail campaign. In fact, what we are talking about here is not just telemarketing at all, but direct marketing. It is the whole business of sending flyers through the mail and that kind of thing.

People will find that wherever there is a telemarketing campaign or a media campaign, a fundraising letter will come through the mail as well.

Again, it is a deficiency of the bill because in fact, as the Competition Act stands now and with Bill C-20, it does nothing whatsoever about misrepresentation through direct mail advertising if it is a charity or a non-profit organization.

I have a great example. As members in this House will remember recently, there was a hubbub in the press about the seal hunt. It was the International Fund for Animal Welfare that had conducted a major campaign under another title to claim that seals were being wantonly slaughtered on the ice floes.

I think every one of us received form letters cut out of the newspapers from our constituents. They were to protest the seal hunt to their MP.

Quite apart from that, much of the literature produced on the seal hunt by the International Fund for Animal Welfare was false. What was going on simultaneously with this campaign was another campaign called Pet Rescue.

I have some documents here. I cannot show the actual pictures here but Pet Rescue was a direct mail campaign actually launched out of the United States. This is coming from the United States, as most telemarketing does.

Pet Rescue was about how all these animals were being tortured and being kept in facilities that were really awful and that kind of thing. There are pictures of poor cats that were in difficulty.

We see a title here ''Your support saves lives''. This is really a fundraising promotion by the International Fund for Animal Welfare at the same time as the seal hunt protest.

Here is what we have. This promotion literature says ''Here is how you can help stop the cruelty: 'Seventy-nine cents of every dollar spent went toward animal welfare during our 1996 fiscal year, so you know your contributions are helping to stop suffering. The International Fund for Animal Welfare—'''.

I submit that this is absolute misrepresentation and that, if the International Fund for Animal Welfare was indeed a for profit company, if it was indeed engaging in a business interest, if indeed it was doing something other than fundraising, it would be subject to penalty under the law and rightly so.

My feeling with respect to Bill C-20 is that it is a step in the right direction, even though that step is incomplete. We have to recognize that with telemarketing spreading across the country and direct mail becoming increasingly an avenue of fundraising, telemarketing and direct mail advertising is a costly way of fundraising. Seventy per cent to eighty per cent of the actual dollar goes to the cost of telemarketing and direct mail solicitations, much of which come from the United States. This bill can do nothing even if it is a for profit direct mail advertiser or telemarketer operating out of the United States.

● (1730)

I hope the government and the committee will very carefully consider taking the opportunity Bill C-20 gives us to widen the catch of the Competition Act so it includes not for profit organizations as well as for profit organizations.

I have two suggestions. In clause 52(1) we could insert the words ''or fundraising and any fundraising activity'' after the words ''any business interest''. Second, we should make charitable and not for profit organizations responsible for the activities of the telemarketers they hire. At present, if a charity hires a for profit telemarketer and the telemarketer misrepresents the charity, under Bill C-20 only the telemarketer can be caught. I believe that if it is the intent knowingly and recklessly of a charity or a not for profit organization to use a telemarketer or a direct mail advertiser to misrepresent that charity to the public then the charity itself or the not for profit organization should be subject to the same penalties under the law. I hope the committee will consider these thoughts.

Mr. Gurmant Grewal (Surrey Central, Ref.): Madam Speaker, I listened to the point of view of the member from the government side. I am prepared to support Bill C-20 as long as this act achieves its intended objectives to modernize and amend the Competition Act and to make consequential and related changes in other acts.

I have two brief questions for the member. One is about telemarketing. We know that Air Canada is tripling its call centres in Canada, in particular in Winnipeg. It is tripling its staff in the Winnipeg call centre. Banks, credit unions and other financial unions are vigorously promoting and pursuing the operation of call centres across the country.

Some businesses operate by selling lottery tickets to senior citizens normally in Canada and abroad, Lotto 649 and so on. From time to time they sell emotions to seniors. It is gambling sold over the telephone. Can the member tell the House if this bill will restrict selling gambling or pressure selling over the telephone?

We all receive a certain type of unsolicited mail which we define as junk mail. We sometimes receive car keys with the message that we have won an automobile. Sometimes we see nicely printed certificates that indicate we have won millions of dollars. People usually perceive these as scams. Can the member tell the House if these things are being taken care of in this bill? As a member of the government side could he throw some light on that? Can we restrict these types of scams?

Mr. John Bryden: Madam Speaker, I am not a lawyer but my interpretation of the bill is that it aims at transparency. If the telemarketer or the direct mail campaign tells the truth then it is up to the person who receives the solicitation to make a decision. The bill is aimed at misrepresentation. My problem is that if that misrepresentation is for a product or for business interests then all the penalties of the bill apply. It is the law. You could go to jail under this bill.

It is unfortunate that if a charity or a not for profit organization like the Canadian Automobile Association does the same thing, the bill will not catch it. These organizations can misrepresent as much as they like and the bill does not catch them. That is why I think an amendment is in order to the bill itself.

● (1735)

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Madam Speaker, I would like to ask two brief questions of the member. He talked in glowing terms about his support of this bill.

I would like to focus on two points, the first being the meagre enforcement measures which have been dedicated to deceptive telephone canvassing in this country. We have perhaps $4 billion or

$5 billion worth of crimes being committed with one very small unit headquartered in North Bay that is dedicated to dealing with this question.

What steps will the member take with the solicitor general to make sure that there is adequate policing resources available to deal with this significant crime?

What is there in this bill that would deal with assessing the desirability to Canada and Canadians of the mergers between The Bay and K-Mart, the Royal Bank of Canada and the Bank of Montreal, and the insurance companies of Mutual Life and Metropolitan Life? What is there to suggest in this bill any commitment to a competitive market economy in Canada?

Mr. John Bryden: Madam Speaker, on the first point, I do not think there is any question that this bill is well aimed at the deceptive telemarketers because of its provision for wiretapping.

One of the problems with telemarketing as it exists now is how does one get the evidence if one did not receive the phone call. I believe this is the reason why the government has put this provision in the bill. It is a very controversial provision and I would hope there is considerable debate in committee on it. However, at this glance I do support the provision.

Second, very clearly the bill is aimed at deceptive telemarketing by providing Criminal Code penalties for deceptive telemarketers. Again, not to repeat myself, I just wish the bill were designed so that it would catch not for profit organizations as well as for profit organizations.

Finally, there are difficulties with the mergers of major corporations. It is a heartbreak when a store closes down and people are put out of work. However, it is very dangerous in a free enterprise society for a government to intrude with the rights of the marketplace to sort out the weak from the strong. Usually in a merger environment what is happening is that there has been change in public taste and because of that certain businesses and industries have weakened. Insurance and retail shopping are two classic cases where there have been major changes in public taste and public purchasing. The ultimate end to that is that there is a consolidation of the industry which leads to mergers which, I do regret, leads to the loss of jobs.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I always enjoy the comments of the hon. member who just spoke. He always provides another perspective and impresses me with the research he has done. He did not disappoint me today either. It was wonderful.

I would like the member to get off the charitable and non-charitable organizations and get into another area which is a rather significant one. It has to do with the business of tied selling, offering a product or service on the condition that one buys another product or service from the same organization. It is one of the ways a business actually forces a customer to do something. While it is not misleading advertising or deceptive in some way, it does restrict completely the competition between one business and another one.

I wonder whether the hon. member could make a comment about that.

Mr. John Bryden: I certainly agree, Mr. Speaker, that this issue of tied selling is a very difficult one because it pertains to the freedom of competition. I do not have the answer and I do not know if this bill really addresses it in any satisfactory way.

● (1740)

I know the minister and the department have been looking at the issue of tied selling for years. I wish I could offer the member an easy answer as I can with respect to my own hobby horses. I thank him for the question because I believe it is very appropriate.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, my question is with regard to the criminal offences that have been mentioned in this act. I would like to know if the act amends the Criminal Code to have these criminal offences designated under the Criminal Code for the purposes of the proceeds of crime legislation. Can the moneys be recovered under the proceeds of crime legislation? Are there provisions made for that?

Mr. John Bryden: Mr. Speaker, I wish it were the parliamentary secretary on the spot instead of me. Again the hon. member takes me out of my area of expertise. I would prefer to give him a simple answer but he is now looking at the issue of the legal impact of the legislation as it sits before us.

I am saying in a longwinded fashion that I cannot reply to the hon. member's question. What really is key here is that when we debate legislation, we can only debate it in principle. It is for the lawyers afterwards and before committee to look at the legal nuances.

Hon. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, I want to say a few words on Bill C-20 before the House this afternoon, specifically on the part that deals with the administration of mergers and merger notification process. I do that for only one reason. Very recently back in January we had a blockbuster announcement which surprised everybody in this country, namely the proposed merger between our largest bank, the Royal Bank, and our third largest bank, the Bank of Montreal. The concern that we have seen across the land since then should make us think seriously about strengthening the competition policy in this country, particularly with the administration of mergers.

I submit to the House that what has been done in Bill C-20 is very weak in terms of what it does with merger legislation in

Canada. This is one of the few opportunities we have to talk about mergers and why we need stronger competition policy in this country. It is important to put that on the record today.

The case in point is the one everyone hears about on coffee row no matter where they are in the country, the two largest banks. The banking industry in this country has been very protected over the years in terms of content rules. No individual can own any more than 10% of an individual bank. That rule has been very clear. We have five or six very large banks and there has been a policy that large does not buy large or big does not buy bigger. Despite the fact that an individual may have a lot of money, he or she cannot buy more than 10% of any particular bank. This of course applies to my friend from Palliser or my friends from anywhere else. One cannot buy more than 10% of a bank in this country.

What we have here is a real surprise. Our largest bank, the Royal Bank of Canada, proposes to merge with the Bank of Montreal. The two of them have stock market value of around $40 billion. The largest merger to date in the history of this country is a merger of two companies worth about $14 billion. This merger is three times bigger than anything we have ever had in the history of this country. It is a very large proposition in terms of merging. The assets of the two banks are worth about $453 billion.

[*Translation*]

Four hundred and fifty-three billion dollars is a lot of money. It is a major proposal between two large banking institutions in this country that would lead to the creation of a mega-bank.

[*English*]

Yet in this country we do not have competition policy that is strong enough to adequately, in my opinion, look at a proposition of this sort.

The banks announced this very quickly. They took the Minister of Finance off guard. Since the announcement of the merger we have had skyrocketing in the share value of not just these two banks but the other banks as well.

● (1745)

In many ways the banks are saying to the Minister of Finance ''We dare you to say no. We dare you to stop this merger''. They are saying to the competition bureau ''We dare you to stop this merger''.

Unless we have stronger legislation or political will in this country, a domino effect will occur very shortly, by the fall of this year. Not only will there be the merger of these two banks to create a large mega bank, there will be other mergers as well which will lead to the great consolidation of banking in our country. If that happens there will be a couple of large Canadian banks.

These banks want to merge because they want to have access to foreign markets. Mr. Cleghorn and Mr. Barrett have made that very clear. Mr. Cleghorn is the president of the Royal Bank of Canada and Mr. Barrett is the president of the Bank of Montreal. They have made it very clear they want to be large on the world scene so they can compete in Europe, in Asia and in third world countries. If they have access to markets in other countries, then of course as a quid pro quo banks in other countries will want to have access to the Canadian market. Today they do not have that access. If our banks are to have that access, then of course the argument goes that our doors will be open for their banks.

All of a sudden we will lose control of the financial industry in this country. If that happens there will be immediate pressure to get rid of the 10% rule. If the 10% rule is gone, we will see the buying of Canadian banks by foreign banks and there may be no Canadian owned banks left. That is why this is such a vitally important issue.

It is important that we flag this issue in the debate on the competition policy bill before us today in terms of mergers and acquisitions. We can change forever the direction of the country, the financial independence of the country, the autonomy and the sovereignty of our great country of Canada. I am sure members would agree with me that it is a very important issue.

It is not only the sovereignty, the integrity and the independence of our country which concerns me. I am also concerned about service to ordinary Canadians. If we look around the country we will find that there are a lot of bank branches. In fact these two banks themselves have about 2,800 branches stretching across Canada. In a consolidation of this sort it is almost certain that a large percentage of those branches will disappear.

In fact the day in January on which the merger was announced I was in the small town of Outlook, Saskatchewan. Besides the credit union there are two banks. They are both on Main Street. One is the Royal Bank and the other is the Bank of Montreal. I could imagine the tellers in those banks looking across the street and wondering ''Do you go or do we go?'' Which one will go? There will be a consolidation and some branches will disappear. Many Canadians will no longer receive the service.

I am not just thinking of the rural people in small towns such as Outlook or Esterhazy, Saskatchewan, or indeed any town across the country; I am thinking about the metropolitan areas as well, the large urban centres. A lot of neighbourhoods will not have bank branches. Bank branches will be closed down in the inner cities because it will not be profitable to have all of these branches once there is a large, centralized mega bank in place.

From a competition point of view it is important that we look at strengthening the merger legislation in terms of service to ordinary Canadians. It is a great concern.

Another concern I have is the loss of jobs due to the merger. Some 92,000 people work for these two banks. Mr. Barrett and Mr.

Cleghorn would have us believe that there will not be a loss of jobs, that jobs will be maintained. They have told us not to worry about the jobs.

Look around the world where banks have merged. Look in this country where banks have taken over trust companies and other financial institutions. What has happened? Around 20% to 30% of the jobs disappear. People are laid off. The same thing will happen with the merger of the Bank of Montreal and the Royal Bank of Canada if it is allowed to go ahead.

I am not only concerned about the ordinary workers in the banks. These two banks have head offices. What will happen to the jobs in the head offices when they consolidate? What will happen to the jobs of the people who run the technological systems and the information services as those two banks consolidate into one large corporation?

● (1750)

That is another argument why we need a strong competition policy. It is so when people are concerned about an issue like this one have recourse in terms of going to the competition bureau. We can do that today. I hope there are people who will take the initiative to go to the competition bureau and demand an investigation. I hope that happens. Even more importantly, what this country needs is some very strong legislation to make sure that does occur.

As I said before, it is a question of jobs. It is a question of service to rural communities. It is also a question of the kind of financial future we want in terms of our financial institutions. If this occurs, we are opening a whole new can of worms, a whole different future in banking and financial institutions in Canada.

It seems that these two big banks think they have the Minister of Finance on a leash. They have ambushed him. They believe he is going to give in and listen to the big bankers on Bay Street.

The Minister of Finance is saying ''Let us wait a while''. There is a financial services task force looking at banking in this country. It is headed up by a very fine gentleman from Regina, Harold MacKay. That financial services task force has now been under way for quite some time. It is looking at all these important issues. The task force is going to report sometime in the month of September. After that the Minister of Finance is saying that the finance committee will look at the report and what is going to happen in the future of banking.

Mr. MacKay's task force is not looking at this particular merger. It has no specific mandate whatsoever to look at this particular merger. It is looking at all the other questions in terms of the future of financial institutions in Canada. For example the task force is looking at the issue of whether or not banks should be allowed to get into a full array of financial services in this country; whether or not banks can buy up insurance companies and sell insurance throughout their branches; whether or not banks can get into the auto leasing business. That is what the task force is looking at.

That is why we need right now a committee consisting of members of Parliament from all five parties in this House to look at the wisdom of this particular merger. That is why I am rising at this time to say that when we deal with competition policy we should be talking about the most important merger proposition in the history of this country, one that is so large that all the others pale in comparison.

The banks have been lobbying for years to sell insurance. The banks want to sell insurance. The insurance industry has been lobbying against the banks selling insurance. The Minister of Finance was very close to saying yes before the last federal campaign but the election was too near. Finally he said no, the banks cannot sell insurance.

The banks have been lobbying since then. They have engaged a very prominent lobbying firm which is based in Toronto and Ottawa to do the blue chip lobbying for them to allow them to go ahead and do their mergers, or to sell insurance, or to buy up insurance companies and to get into the auto leasing business. The more I talk about this, the more important issues there are that we have to deal with as parliamentarians.

In the last few years the banks have bought up brokerage firms. The only brokerage firm now of any size in this country that is not owned by a bank is Midland Walwyn. The rest are all owned by the banks. The Royal Bank has a large brokerage firm. The Bank of Montreal has a large brokerage firm. They both have trust companies. They are getting bigger and bigger all the time. Is that the right way to go?

We are supposed to represent the people of this country in this House. All of us. We are all elected as equals to represent the people, yet we do not have a parliamentary committee looking at the very important issue of the mergers and the future of banking and the financial service industry. That is absolutely and totally wrong.

We should turn this debate into a debate on a big specific issue, the merger of banks. I hope other members will get in this debate today and talk about this issue.

I want the Minister of Finance to do a very simple thing. I want him to strike an all party committee that has the power to travel this country, to hear witnesses, to hear input from the Canadian people about whether or not this merger should go ahead.

● (1755)

What is happening is the majority government across the way is being lobbied by blue chip lobbyists who say that the merger should go ahead. They say that the banks should have more and

more power, the banks should have the right to buy and sell insurance.

In fact some of the banks are getting into what is called tied selling. There was an example of that last week. If you bought certain items from the bank or if you wanted a loan or a mortgage from the bank it was expected for example that you would shift your RRSPs to that financial institution. Those are the kinds of things that are happening.

The member for Regina—Lumsden—Lake Centre has just made a comment about how they expect the whole family to be involved. We bring our whole family into that bank. How big do these people want to be? They are like the big sumo wrestlers. They get bigger and bigger all the time.

An hon. member: Only sumo wrestlers are prettier.

Hon. Lorne Nystrom: Well, I do not know if sumo wrestlers are prettier. That is in the eye of the beholder I suppose, but that is what these banks are like.

The irony of this whole thing is I know how lots of members of the Liberal Party feel about this. They have a caucus committee which is looking at the merger. We in the NDP are doing the same thing. I assume members of other parties are concerned as well. Why do we not get together and have a parliamentary committee look at it formally? We could subpoena the banks to come before us and give the Canadian people a chance to come here or we could go out to the provinces and territories and hear witnesses. Why do we not do that?

Why are we content as members of Parliament to be controlled by the Prime Minister's office all the time? Why do Liberal members not get up on their hind legs and say enough is enough? Let us have a democratic parliamentary institution where we can have a parliamentary inquiry into one of the most fundamental issues we are facing in this particular Parliament, the future of our financial institutions.

I see a Liberal member across the way and I know he agrees. I can hear his head shaking all the way across the floor. He agrees with me. He thinks there should be a parliamentary committee. I am sure the Reform Party feels the same way.

[*Translation*]

I am sure that the Bloc Quebecois also wanted a parliamentary inquiry on the future of our country's financial system.

[*English*]

If Parliament is not to debate important issues of public policy, then why in the devil is Parliament here in the first place? Why are we here if we cannot debate these issues, if we cannot have public hearings across the country, if we cannot subpoena witnesses and allow the people to speak their minds? That is what Parliament should be all about.

I know the member for Windsor—St. Clair certainly agrees with me. She is rising to her feet. Now she is smiling. She wants a parliamentary inquiry. She wants a chance to go after these mega banks. She does not agree with these large mega banks, but what can she do? She is muted. She cannot say a word. If she wants to be a cabinet minister, she does not dare speak out as the Prime Minister might get a little upset with her, and she will not be a cabinet minister. That is the kind of parliamentary system we have. That is why we have to reform this place and change it to make it more relevant to the people of Canada.

I suspect if we took a vote in the House we would find that the overwhelming majority of members of Parliament are concerned about this proposed merger. The Reform Party probably is. Liberal members are. The Bloc is. I assume the Tories are. And what are we doing about it? We make one or two speeches in the House. Let us turn this debate into a debate on this particular issue right now.

The banks have engaged a lobbying firm which is lobbying like mad to make sure the banks get their way. The banks across the country are advocating what they want and campaigning to have the right to merge. We are giving the banks a free run. That is exactly what is happening. As parliamentarians we are sitting here like a bunch of bimbos on our butts and not doing anything about it in terms of striking a parliamentary committee.

Let us turn this place into a relevant institution and have a parliamentary investigation into the wisdom or lack thereof of these mergers. However the Minister of Finance will not do it. He wants to be prime minister of the country. Who will he side with? Will it be the bankers of Bay Street or ordinary people? The member for Windsor—St. Clair has re-entered the House. I know she does not side with the bankers of Bay Street, but what about the Minister of Finance? Does he side with the bankers of Bay Street?

● (1800)

What does he do? He is afraid to face the music and have a parliamentary inquiry. I am surprised Reform Party is not up in the House demanding a parliamentary inquiry. I know it is a very conservative right wing party. It has more and more friends in the corporate elite. It falls in love with the Conrad Blacks of the world. Perhaps that is why its members are silent in the House about an inquiry into banking.

I see the member from Calgary, the revenue critic, shaking his head. I can hear that from here too. That is why the Reform Party does not want a parliamentary inquiry. I thought it was supposed to be a people's party, a grassroots party, speaking on behalf of ordinary people. It is not. It is becoming a party reflecting the corporate elite. It would not know a worker if it saw one.

Why are Reformers in a coalition with the Liberal government? Why do they stand four square with the Minister of Finance and the Prime Minister in terms of the way they are handling the banking issue? They should be out there saying let the people speak, let the people decide, let us have a parliamentary inquiry, let us have a parliamentary investigation to see if this is good for Canada or not.

Today we have a new opportunity with the bill before the House to talk about competition policy and why we have to strengthen it. We have the case in point today to deal with, the merger of the Royal Bank of Canada and the Bank of Montreal.

Mr. Speaker, I know if you were a member on the floor of the House you would be getting up to make the same kind of speech. In fact you are applauding me there in the chair right now.

The Deputy Speaker: I am sorry to interrupt the hon. member. I was not applauding. I was simply indicating to him that his time has expired.

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, I enjoyed the comments of my colleague in the NDP.

I have to inform the House that soon after an offer was made by the Royal Bank and the Bank of Montreal I sent out a questionnaire in my riding. The response was four to one in opposition to the merger.

Based on that response I wrote a letter to the *Financial Post* in which I said the situation reminded me of the *Titanic*. It was big too at one time but once it hit the iceberg it sank, taking 1,500 people with it. The point I was trying to make was that we were not ready. That is why we have debate in the House, to make sure we are prepared if it ever takes place.

Would the hon. member agree with me that when the recession hit us in the 1930s no Canadian bank ever went bankrupt? That was because we had laws to protect consumers, unlike the United States and now as we see in southeast Asia. If we have no protection for the consumers we will go the same way. However, the way it is we have lots of protection for consumers. I do not think we will be hit or that it will happen the same way it happened in southeast Asia.

Is the protection we have for consumers enough to protect us in case we are hit by an iceberg?

Hon. Lorne Nystrom: Mr. Speaker, I am very happy the member sent a survey out to his riding which came back four to one in opposition to the merger. I believe that tells us what the Canadian people are thinking.

I guess my question back to him is whether or not he would agree with me that we now need a parliamentary inquiry, a parliamentary committee, so his constituents and my constituents have a chance to speak out publicly on how they feel about that particular merger.

It would be very helpful if some members of the Liberal Party would rise and say publicly that we need a parliamentary investigation.

I also want to say to him that I do not believe the consumer legislation is strong enough for ordinary people. That is why we want to strengthen the competition bill. That is one reason for the particular debate today.

Historically our banks have been a very protected sector of our economy. That is why they have an obligation to be more forthright with Canadian people. That is why they have an obligation to reduce bank service charges, for example. That is why they have an obligation to be more generous in terms of loans to small businesses and farmers. I am sure the member agrees with me.

I believe we need stronger competition policy to protect the consumer, but I also invite him to rise with me in the House and ask the Minister of Finance in a very polite way for a parliamentary committee investigation right now made up of all five parties and not just Liberal backbenchers having hearings behind the scenes. That is not a parliamentary democracy.

● (1805)

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, it is very interesting to hear the discussion regarding wanting to keep both the Royal Bank and the Bank of Montreal in Outlook, Saskatchewan. I would like to contrast that kind of thinking with the Reform type of thinking that happens to come out of my constituency and out of Reform country, which is most of western Canada.

We are quite pleased when one of the banks happens to pull out of town because one of our local credit unions walks right in and opens a branch. The first thing we know the credit union that is owned by our small farmers and the union people who work at various unionized shops in my riding get together and put together a credit union that then provides banking services. We keep the profits and all those good things at home. That is Reform country.

Does the member support the big banks or does he support the little guy as he is supposed to?

Hon. Lorne Nystrom: Mr. Speaker, that is like the chicken lecturing Colonel Saunders, a Reformer supporting the co-operative movement and credit unions.

For my whole life I have been involved in the co-operative movement. I guess the member does not know my background, about my family being farmers. They have always taken their wheat to the wheat pool and have been members of the credit union. I am a member of the credit union.

An hon. member: Wheat board.

Hon. Lorne Nystrom: I said ''wheat pool''. Somebody does not know the history of co-operatives in western Canada.

If the merger goes through, it opens up a great opportunity for credit unions. We will see the closure of a lot of branches. We will see the opening of more and more credit unions. If this happens, I certainly encourage the credit union movement to get out into more communities and to expand existing credit unions. I support them all the way.

It is refreshing to hear a member of our most conservative far right wing party, the Reform Party, actually supporting credit unions. I am really pleased to hear that.

Mr. Jason Kenney (Calgary Southeast, Ref.): Mr. Speaker, I too am shocked with the support the hon. member for Qu'Appelle has given to the big banks. It is terrible that the NDP has not only turned its backs on the Regina manifesto's clarion call to nationalize the banks, this party of markets and competition, but now it wants banks to populate small town Saskatchewan. The member wants all the big banks to go into small prairie villages.

I grew up in the little town of Wilcox, Saskatchewan, with a population of 220 on the Sioux line between Drinkwater and Yellow Grass. When the Canadian Imperial Bank of Commerce shut down three decades ago, a local credit union emerged. It was a local co-operative bank established by the farmers and workers in that area.

That member does not like it because he would rather have the millionaires from the Bank of Commerce running the banking business in Wilcox, Saskatchewan. I say shame on the hon. member standing up for his friends with the big banks. I will point out he did suggest in his remarks that the Reform Party was friendly with the big money people on Bay Street.

The Reform Party more than any other party, with the exception of our socialist friends, relies more on the contributions of individual donors than corporate donors. Three dollars to one is what we get in terms of individual contributions to corporate contributions. There is a good reason the NDP does not get any business contributions. It is because businesses know it is not in the best interest of Canadian workers to support its kind of monopolistic policies.

Could the hon. member comment on what happened to their policy to nationalize the banks? Even Ed Broadbent used to talk about nationalizing one of them. Did that just sort of flitter away with their other socialist principles?

Hon. Lorne Nystrom: Mr. Speaker, I say to my socialist comrade from Alberta that talking about turning away from this, my friend from Alberta used to be the executive assistant to the now minister of agriculture when he was a Liberal. He knows all about turning away from things.

An hon. member: Was he not kicked out of the Liberal Party?

Hon. Lorne Nystrom: No, he was not kicked out of the Liberal Party. He saw the light but he went the wrong way and went right instead of left. My friend from Regina—Lumsden—Lake Centre obviously must be thinking of somebody else.

• (1810)

The president of the Credit Union Central of Canada is a fellow named Bill Knight. Bill Knight used to be a member of Parliament for the NDP Saskatchewan riding of Assiniboia. I know that my friend from Alberta knows that, because the former leader of the Liberal Party in Saskatchewan was an MLA from that riding when he worked for that particular MLA.

Bill Knight, as member of Parliament for our party and now the head of Credit Union Central, will be trying very hard to make sure we establish more and more credit unions across the country. I support the credit unions as the people's bank. It is grassroots and owned by the people. It is a co-operative and the profits are shared by the people.

It is not like the friends of my friend from Alberta who stands in the House and says that Conrad Black pays too much in taxes and that millionaires are overtaxed, which is what he said in the House last October. That is not our philosophy. We support the credit union and the co-operative movement.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I found this to be a most interesting diatribe out of both sides of the mouth at the same time. I am wondering if the hon. member has a single message.

Hon. Lorne Nystrom: Mr. Speaker, I think the revenue critic for the Reform Party would have a point of order when he is being accused of talking out of both sides of his mouth.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I just want to say a very few words. Bill C-20 respecting the Competition Act is a bill I have had some experience with in the past.

There are a couple of good things in it. I will get the good things out of the way quickly because I want to provide some suggestions as to how we can improve the bad things.

The telemarketing fraud section is a good amendment. A number of seniors in my constituency in the province of Saskatchewan have been the victims of telemarketing fraud. As a matter of fact, it has been such a problem in western Canada that we have had to undertake to educate as many seniors as possible by sending out

householders in my constituency to alert them to the potential problem of telemarketing fraud and what sort of action they can take if they receive calls or have been victims of this very nasty approach by suspicious so-called business people.

I also remind people that on CTV *National News* last night, David Goldhawk, a very well known crusader for many issues that are important to Canadians, in particular seniors, told a story about a senior citizen who was bilked out of a fair amount of money through telemarketing fraud. Through his intervention he was able to salvage most of the money she had been fraudulently bilked of. I wanted to mention that in my remarks.

With respect to the other parts of the bill with which I am not so happy, they pertain mostly to the merger notification process. It is my view that the merger notification process in the bill is inadequate and very weak. It does not address the real problems that I think Canadians want addressed. It is my view that it should be done in a way which strengthens the legislation as opposed to weakening it as it now does.

I want to make a very brief comment about the changes in Bill C-20 that are not necessarily attractive to me when it comes to mergers. Right now, as my colleague from Qu'Appelle outlined, the big bank merger before the country and parliament is an issue very near and dear to the hearts of many Canadians. Many people bank with those two institutions and have a lot of friends, relatives, neighbours, acquaintances and so on who are employed there. These mergers could potentially cost jobs.

I am wondering whether the government of the day, which has put forward these recommendations, has given any consideration to this aspect where mergers result in fewer jobs. As I read through the bill and through the accompanying notes of the minister, I found that this issue was not addressed at all.

I want to make reference in particular to how Bill C-20 deals with the Conrad Black and Hollinger takeover of Saskatchewan newspapers. In essence they purchased the *Leader-Post*, the *Star-Phoenix* and the *Yorkton Enterprise*, basically all the daily newspapers in the province.

● (1815)

Under the Competition Act, which we are now debating, this was processed.

The purchaser of the newspapers, Mr. Black from Hollinger Inc., would sit down and say ''Here are the benefits of a merger''. In fact, the Competition Bureau would sit down with them and say ''Here is a process in which you can undertake to accomplish the merger''.

Other than that, they have no responsibility to ensure that basic services are required or that some of the employees who will lose their jobs should be provided with alternate training or some sort of severance arrangement, enabling them to gain employment in other parts of the country.

I am very concerned about this in relation to jobs in particular because mergers, whether the newspaper mergers of Conrad Black and his company Hollinger Inc. or the bank issue before the House of Commons, will result in significant numbers of families being affected.

It is estimated that for the bank merger alone, somewhere between 15,000 and 30,000 jobs are potentially at risk. I think that is a serious enough implication of a merger that the House of Commons and the Government of Canada should be taking a review of this matter.

I join with my colleague, the member for Qu'Appelle, in calling for a parliamentary committee to ensure that the mergers (a), are necessary, and (b), are going to be beneficial to the country that provides them with the charters to bank in the first place.

It is my sense that the resulting review of the merger situation does not provide satisfactory evidence and that it will benefit Canadians and people working in Canada if the merger is allowed to proceed anyway.

Maybe we can provide other people who will provide banking services to Canadians with the charters that they are due and entitled to under the Bank Act.

Of course where these jobs will be lost will be all over Canada but mostly in rural Canada, in small town Canada, particularly in communities where both the Bank of Montreal and the Royal Bank have branches.

I wonder, when we are considering a merger and we have the commissioner of the mergers reviewing the merger, why we cannot have a commission and a Competition Act that asks merging companies how many jobs the merger will create in this country as opposed to how many jobs will be lost. There should be some regulation about that.

Maybe we should have in this Competition Act some sections that call for a community reinvestment act. That would be a novel idea. It means that if they are going to merge or move an amount of capital around, they should be answering about how many dollars should be reinvested in the communities where they made their profits. That would ensure there is certain economic activity and that they were returning some of those profits to the community where they were earned.

People in parts of Canada say ''This is just another left wing idea''. It is not that left wing. It is actually in existence in many countries in this world. The home of free enterprise and capitalism, the U.S.A., has a reinvestment act, the Community Reinvestment Act.

When the Bank of Montreal bought the Morgan Bank in Chicago just a few years ago, before the purchase of the Morgan Bank was

allowed to proceed under U.S. regulations, the Bank of Montreal had to commit $497 million to reinvestment in Chicago and district alone because that is where the Morgan Bank was servicing clients.

It had to commit $497 million over a period of time. I believe it was over five years. They had to invest in small business, in low cost housing and in other areas where they were getting a return. It had to commit that amount of money to reinvest in those communities.

Why can we in this Competition Act which we are debating today not have sections that would encourage, if not provide, an opportunity for a reinvestment act in this country? I think Canadians would welcome this. They would embrace this act. I would assure the government opposite that the NDP would certainly support that initiative.

I want to leave these recommendations with the government. I think they are very important. I also want to say that the Competition Act should also consider the MAI, the Multilateral Agreement on Investment.

The Multilateral Agreement on Investment will affect the Competition Act. If the Competition Act is in law and is operating in this country, will the MAI supersede an act of this Parliament with respect to competition? We do not know the answer to that. I hope the government will respond to it. Although the Competition Act is fairly weak, we should be mindful of the opportunities and the challenges which the MAI will provide with respect to this particular issue.

● (1820)

The final point I want to make pertains to the lack of teeth in this bill. I have brought forward issues in the House of Commons such as gas pricing, where the competition bureau reviews superficially gas pricing practices in this country, but does not have the authority to go into corporations to look at documents like it used to be able to do under the Combines Investigation Act, which was abolished by the former Conservative government of Mr. Mulroney.

That legislation was abolished because, from the large corporations' perspective, it was intrusive. Of course intrusive meant that the anti-combines people could in effect look at mergers or the purchasing of companies to ensure that the public interest was defended and protected. Consumers were protected and defended. Now that legislation is gone and we have the Competition Act, which is a shadow of its former self.

Even the United States of America has anti-combines legislation on its books to this day. There is more powerful legislation in the homeland of capitalism, in the land of free enterprise, than we have in the so-called social democratic country of Canada.

An hon. member: Social democratic country?

Mr. John Solomon: I am referring to the governments of Saskatchewan, British Columbia, Yukon and Quebec which have introduced social democratic policies.

It is my sense that the Competition Act, before the amendments were put forward, was a shadow of what it used to be. The new proposals will not strengthen it that much. It will be a little better in terms of responding to telemarketing fraud. However, it is a total failure when it comes to defending consumers, small business and jobs in this country. As a result of that, I am looking forward to the government making some amendments in those areas so we can support the bill.

Hon. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, I thank the member for his fine speech. I want to ask him if he could be a little more precise and elaborate a bit more on why he thinks the Competition Act is not strong enough today to deal with the bank merger which we face in this country.

I repeat that these two banks have a stock market value of around $40 billion. They are very large. They have assets of $453 billion. By far and away this is the largest proposed merger in the history of the country. The largest merger before this involved some $14 billion, if I am not mistaken, which was the merger of TransCanada Pipelines and another gas company.

I would like him to elaborate a bit more as to why he thinks the Competition Bureau and the Competition Act are not strong enough to deal with this merger. I certainly do not think it is. I believe we have to strengthen it. With the existing legislation it would just get snowed under.

I think it is very important that he elaborate on this very important point.

Mr. John Solomon: Mr. Speaker, I thank the hon. member for Qu'Appelle for his question.

This reminds me of question period when a Liberal backbencher stands to ask a question of their Liberal colleague. There does not seem to be a lot of opportunity to discuss issues because they are all very busy people. Likewise, the members of my caucus are very busy, so my colleague has asked me a question with respect to how we should enhance this legislation so it can be effective when dealing with bank mergers.

There are a number of ways in which it can be strengthened. The commissioner should have the power to ask these questions when considering a merger: What will be the benefits to Canada if the merger proceeds? How many new jobs in Canada will be created if the merger proceeds? Will the banks commit a percentage of their deposits to reinvest in the communities in which they are operating?

If those three criteria were dealt with, discussed and met, and there was generosity in co-operation with the Canadian Competition Bureau, as there has been with the Bank of Montreal in co-operating with the Chicago Morgan Bank and the U.S. regula-

tions to invest money in their communities, then I believe that Canadians would look at this in a broader way. These are three very quick things off the top of my head in answer to the member for Qu'Appelle. I would be happy to entertain any more questions from my dear colleagues in the House.

● (1825)

Mr. Chris Axworthy (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I have a question for the member. He will know, as we all do in this House, that large corporations contribute significant numbers of dollars to the Reform Party, the Conservative party and the Liberal Party.

I wonder if he has any comments or thoughts on whether or not there is a link between the opposition of the large corporations to the significance of pro-competitive merger legislation, and the support of the Reform, Tories and Liberals for this present situation and present legislation which really does nothing to enhance competition in Canada?

Mr. John Solomon: Mr. Speaker, I thank my colleague for that question.

Everyone knows that the reason the Liberals, the Reform and the Conservatives support the bank merger is because the Liberals, for example, received on average between the two banks, the Montreal and Royal, $150,000 in political contributions, in the last year available to us where we have the records that are public. That is $150,000 from two individual companies to support the Liberals.

The oil companies that support the Reform Party give substantial contributions. Imperial Oil and Shell give substantial contributions to both the Liberals and the Reform. Each of those big companies give the Reform Party about $50,000 or $45,000, depending on the year. Pan Canadian also makes substantial contributions. This should not surprise anybody because lo and behold, all the legislation that we have seen the Reform and the Liberals support has been to reward these particular companies.

The other sector that seems to get rewarded for their generous contributions to both parties is the pharmaceutical industry. Bill C-91 provides monopoly protection for 20 years to the pharmaceutical industry, to charge whatever they want for prescription drugs. Lo and behold, those huge corporations financially support substantially the Liberals, the Reform and the Conservatives Parties.

The Reform and the Conservative Parties get substantial contributions from the banks, the oil companies and the pharmaceuticals. Guess what? In all the legislation, we have a specific bill for the pharmaceuticals that gives them monopoly protection. I wonder what effect the Competition Act, Bill C-20, that we are debating today in this House, will have on Bill C-91? I bet it will not have any affect. It will actually ensure that Bill C-91 is there forever.

Whether it is the banks, the oil companies or the pharmaceuticals, who tend to be gouging consumers and defending only their shareholders outside of Canada rather than Canadian consumers, they are the ones who are always getting the benefit of legislation from these three parties that happen to embrace this legislation with both arms.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, I have a question for my colleagues here on the left, the New Democrats. They have spoken a fair amount, from a competition perspective, with respect to the potential bank merger which we may or may not see in the coming weeks.

The questions that I have for the hon. member relate to the bank merger. Given the fact that there are nearly 92,000 jobs that actually come into play, does he not think that there is actually some kind of a moral obligation on behalf of the government to ensure that this decision is actually done in a reasonably expedient fashion?

A little while ago two insurance companies that merged were London Life and Great West Life. When that was done the government was able to make some kind of a rapid analysis of whether it met the criteria for the Competition Act. Given the fact that on February 14, 1997 a WTO ruling made the banking industry open to foreign competition, is it the hon. member's assessment that the finance minister should be surprised that the other banks would actually be talking at some time or other?

● (1830)

The Deputy Speaker: I am afraid that the hon. member will have to wait until the next time this bill is debated for his answer.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

ALTERNATIVE FUELS ACT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question deals with the implementation of the Alternative Fuels Act which was proposed by Senator Kenny and adopted in 1995. It requires federal departments and agencies to select motor vehicles capable of operating on alternative fuels.

The act takes a flexible approach in defining alternative fuel as a fuel that is less damaging to the environment than conventional

fuels. Widely available alternative fuels include ethanol and ethanol gasoline blends, propane, methanol and natural gas.

The Alternative Fuels Act requires the shift to alternative fuels by the federal government to occur in three stages. The first phase requires 50% of the fleet in the fiscal year that began in April 1997. The second phase requires 60% of the fleet by the fiscal year that will begin on April 1. The third phase requires 75% of the fleet for the fiscal year commencing April 1, 1999. For every fiscal year thereafter there will be an increment.

There are good reasons to switch to cleaner fuels. The question now is whether the right example is being set. In some cases we are setting a good example. I am told that the Minister of Natural Resources and the deputy minister of that department use vehicles operated by propane and ethanol blends. The President of the Treasury Board uses an ethanol blend. The minister and deputy minister of the environment use propane in their vehicles. The deputy minister of finance uses an ethanol blend.

However, I am told that the Minister of Finance is not yet using alternative fuels. The minister and deputy minister of national revenue use gasoline vehicles. The minister and deputy minister of fisheries and oceans use ethanol blends only ''where available and cost effective''. Neither the minister nor the deputy minister of health uses an alternative fuel vehicle.

As for the departments, I am told that National Revenue operates 588 vehicles but only 12 use alternative fuels. This is in spite of the fact that there are 423 propane stations, 48 natural gas stations, 97 ethanol stations and 6 methanol stations within 10 kilometres of the fleet operated in various locations by this department.

The Department of Health has indicated that in the fiscal year 1997-98 it will purchase 75 vehicles. I am told that not one of those vehicles will operate on alternative fuels. In reply to a question on the order paper in the Senate presented by Senator Kenny the Department of Health said that it has 575 vehicles in its fleet, with none operating on alternative fuels.

I was told that the Department of the Environment would purchase 30 vehicles in the upcoming fiscal year and that 20 of these would run on alternative fuels. However, of 657 vehicles currently operated by Environment Canada only 60 are run on alternative fuels.

There are at least 17 refuelling stations offering alternative fuels within 10 kilometres of this House. These stations provide propane, natural gas, ethanol and methanol, four of the most commonly available alternative fuels.

I have a few words about cars running on gasoline. Here the departments could give leadership by using a gasoline ethanol blend. When it comes to adding new vehicles to their fleets, departments can show leadership by ensuring the engines can run on propane. Using propane makes a lot of sense because it is less expensive than gasoline and other fuels.

● (1835)

My question for the President of the Treasury Board is what progress will be made in implementing this important legislation and, in particular, is half the federal fleet operating today on alternative fuels as required by the Alternative Fuels Act?

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, the government has undertaken a number of actions to facilitate the use of alternative fuels and emissions in our fleets. We have provided the departments with the tools to make assessments of the potential of each vehicle. We have established and demonstrated a project in the showcase to alternative vehicles and we have provided environmentally friendly policy frameworks.

With all this the assessment is that a limited number, in fact only 6% of the existing vehicles in the fleet, would be cost effective to operate on alternative fuels. The results of this limitation include the restricted selection of vehicles available in 1998 models offered by manufacturers. Only six trucks and vans and three sedans are available.

The lack of cost effective components by suppliers to convert the vehicles is another impediment. Limited infrastructure for alternative fuels in some parts of our country is severely limiting our applications for alternative fuel vehicles in the federal fleet.

If gasoline remains a primary fuel for most of our fleet we must find other ways, in addition to alternative fuel measures, to reduce emissions. This can be done primarily by reducing fuel consumption through the use of efficient vehicles.

Our analysis indicates that 53% of the fleet travels less than 20,000 kilometres and 24% travels less than 10,000 kilometres. Under the new policy emission reductions will come from greater use of alternative fuels combined with greater efficiency in the use of the Canadian government fleet.

We are well aware of my colleague's exploits in the environmental field and the Government of Canada is continuing to pursue methods to ensure we have clean air for Canadians.

[*Translation*]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, on February 12, 1998,

following the report on the first year of the EI reform, I questioned the minister as to the short term action he intended to take, given that this report, which I would call a rather rosy one, made no recommendation concerning the EI amendments.

The minister had been saying for a number of months that he was following the reform very closely and that we must wait for the first-year report to see if any changes were required. The report itself contains no recommendations. It even claims to have been unable to really evaluate the effect of the EI reform.

Unfortunately, those in the field have already seen the results of this punishing reform only too well. They will see it even more clearly, unfortunately, in the coming days and months with the so-called spring gap. This is the period when those who have not been receiving EI benefits long enough to carry them through to their next job, particularly seasonal workers, will have a difficult six, eight or ten weeks with no income.

It does not take an extensive report to understand the reality of the situation, and we would like the government to do something about this quickly.

In response to my question, the minister talked about how successful his economic policies have been in creating jobs. But the minister gave the wrong answer, as what is being assessed is the success of social policies.

This has been clearly demonstrated by the distinguished economist Pierre Fortin. He has established beyond a doubt that, in Quebec alone, 200,000 individuals who have been forced onto welfare since the EI reforms were implemented would still be receiving EI benefits if the basic rules had remained the same. Not only is the loss of income substantial, but individuals are also marginalized by being moved from the employment system to the welfare system. The minister's EI reform policy is an abject failure.

In that sense, what I would like the parliamentary secretary to explain to me is how they can possibly accumulate a surplus of $135 million a week in the employment insurance fund and allow eligibility requirements to marginalize and impoverish people when it has been clearly demonstrated that people do not abuse the system.

● (1840)

The fact is that only 3% of claimants defraud the system. This percentage is no higher than that of people who try to cheat the tax system or who exceed the speed limit. Yet, they are improperly, disproportionately penalized. The facts speak for themselves. The decisions being made even encourage them to drop out of the labour market.

Could the parliamentary secretary provide some clarifications and give me the assurance that changes will promptly be introduced by the government, now that the report has been considered by the parliamentary committee, among others?

[*English*]

Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, it is nice to be back in the same place at the same time.

The hon. member knows very well that the new Employment Insurance Act requires that we monitor and assess the impact of the reform on individuals, communities and the economy. He knows that the first report had to be tabled in early 1998.

Given the magnitude of the reforms, the limited time some of the changes have been in place and the time required to obtain and analyse complete information, the 1997 report gives a preliminary assessment of the start-up year of the reform.

This is the first of five reports. It lays the groundwork for subsequent reports that will take a more comprehensive look at how people are adjusting to the reforms. We have already demonstrated that we will respond to concerns. Last year we put in place adjustment projects to address concerns that the reform had created a disincentive to work.

That is why the monitoring and assessment process is so important. It ensures that we are gathering and assessing information on an ongoing basis and enables us to respond when there is a need to do so. However, we will not abandon the reform on the basis of the hon. member's exaggerated claims.

Even though we have preliminary results, there are encouraging signs that people are adjusting to the reform and an improved economy is helping them to do that.

I want to say that we are on the right track. The fact that we are not wasting our time in committee presenting a report to the House of Commons on a preliminary report is a good use of our time as a committee. For the member to suggest that we should review the monitoring report in committee and spend weeks talking to people about it is rehashing what we did last year in committee when we brought in this report. I think we should get on with the business of seeing that Canadians get employment and the economy continues to progress the way it has.

CAPE BRETON DEVELOPMENT CORPORATION

Mrs. Michelle Dockrill (Bras d'Or, NDP): Mr. Speaker, just over a month ago, on February 4, I stood in this House and asked the Prime Minister to explain a document that had come into my possession that detailed a government plan to shut down the Cape Breton Development Corporation.

This plan, stamped ''secret'' on every page, included a precise chronology for the privatization of Devco. Then, in the likely event that privatization would be unsuccessful, the government was told exactly which parts of Devco could be sold off, parts like the Donkin mine. Most important, the plan told the government what it had to say to convince the people of Cape Breton that the destruction of their jobs, of their traditions and of their communities was a good thing.

When I revealed this document the Prime Minister would not answer my question. He passed me off to the natural resources minister who had not even been paying attention. That is how seriously this government takes the voice of Cape Breton Island. The Prime Minister had advance notice of my question and he did not even bother to brief his minister.

It took a week for the Liberals to respond to my release. It took them a week to come up with a line to explain away written proof of their underground strategy to destroy the Cape Breton coal industry. The best they could do after a week was to say that the plan they had authorized at cabinet level had never been presented to the cabinet.

This defies belief. Is the government asking us to believe that when the cabinet requests a study it simply disappears? If the cabinet tolerates civil servants behaving that way then our country and this government are in more trouble that I thought.

Eventually the Liberal spin doctors decided this line was a little too unbelievable as well because they dropped it and said that yes, there had been a plan but that it was abandoned because of the pressure applied by the island's Liberal MPs David Dingwall and Russell MacLellan.

A cabinet minister who was explicitly mentioned in the cabinet memorandum as being a key player in implementing the privatization or shutdown was suddenly transformed into the saviour of the corporation. Even better, Russell MacLellan, a backbencher, was supposed to have input into a cabinet document that he could not have known anything about.

● (1845)

This explanation insults Canadians. Any grade 10 political science student knows we have a parliamentary system that relies on cabinet confidentiality as one of its central pillars. So if a backbench MP is getting access to secret cabinet documents, then at least one cabinet minister should be forced to resign.

This fudging of answers has reached a fever pitch as the Nova Scotia election gets closer. The backbench Liberal MP turned Liberal premier struggles to convince Nova Scotians that his total lack of activity on their behalf over the past two decades is not due to his total lack of ability. Paul any economic recovery will bypass Cape Breton Martin and Jean your out of luck Chrétien are singing Russell's praises in trying to pretend that they actually remember who he is. But this will not work.

The people of Cape Breton are still waiting for the Liberals to answer the question I asked last month. We do not want any promises, we just want the truth. If the truth is that the government has tried and failed to make Devco commercially viable and has tried and failed to privatize it, why will it not be honest with the people of Cape Breton Island?

The Deputy Speaker: The Chair must remind the hon. member that in referring to members of this House, she must not refer to them by name but by title or by constituency. I would urge her to comply with the rules in that regard in the future.

Mr. Gerry Byrne (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, it is an honour to see you poised between those two very very beautiful Canadian flags that should be presented in this House.

The future of the Cape Breton Development Corporation or Devco is a very serious issue for miners, the people of Cape Breton and not the least to the Government of Canada. Coal mining and Devco contribute to the economic well-being of many families in many communities in Cape Breton and provides opportunities for all Canadians.

As we all know workers at the corporation are dealing with geological issues and technical uncertainty about the future of the Phalen mine. It is in this context that I am concerned the hon. member may be politicizing the matter which provides disruption to the community, to the workers and to the corporation which is trying to support jobs in that area.

I would not want the hon. member to have to live up to the editorials that are coming down about her within her riding. They basically suggest that the spin of the hon. member for Bras d'Or is ignoring the facts.

The government's position with respect to Devco has been very consistent. Therefore I appreciate the opportunity to clarify the government's position on this very important crown corporation.

Devco must be commercially viable. Nothing more, nothing less. It is worth repeating that we believe this is a necessary step toward ensuring the survival of both the corporation and the coal mining industry in Cape Breton.

In the context of the hon. member's question from this afternoon and from previous questions, let me assure this House that there is no secret plan to privatize Devco nor is there a 15 month shutdown plan for Devco. The hon. member's frequent assertions that such a plan exists appear to be based on a draft document that was never presented to cabinet. Instead, as we all are aware, a decision was made to focus on commercial viability.

The only approved plan that exists for Devco today is Devco's business plan. Based on this plan the government has made a decision to continue to provide financial support. The government has confidence in the management and the employees of the corporation. These people will work toward the goal of commercial viability.

TRANS-CANADA HIGHWAY

Ms. Angela Vautour (Beauséjour—Petitcodiac, NDP): Mr. Speaker, I once again would like to bring attention to the River Glade to Moncton toll issue. In short, I disagree with tolls charged on highways because highways are basic public goods needed for economic and safety reasons.

Since the New Brunswick government announced its secret deal with the Maritime Road Development Corporation to build a new highway between River Glade and Fredericton, I have opposed the deal. The process by which negotiations were conducted between the provincial government and Doug Young's company should not have been secret but instead should have been open to public scrutiny before any contract was signed.

Some hon. members: Oh, oh.

Ms. Angela Vautour: I know the Liberals hate to hear this because it is the truth and that is why they are all complaining at this point.

Highways should be paid for by our income tax which lets people pay for services based on a percentage of their incomes instead of tolls which are unfairly applied at the same rate to both poor and rich citizens.

● (1850)

In addition, I oppose the tolls on the Trans-Canada section between Riverglade and Moncton to MRDC because this section should not be part of the deal. The section in question has already been paid for by our taxes, both provincially and federally. The highway is part of the Trans-Canada, a national symbol which links Canadians from the Atlantic to the Pacific. This section is the only highway linking residents of the riding with health care needs which they can only obtain in Saint John or Moncton. The federal government has double-dipped in the pockets of Atlantic Canadian businesses.

This toll tax on the main corridor between the maritime provinces and the rest of Canada will result in an increase in the cost of goods and services imported and exported from the maritime region. The tourist trade will also be directly affected.

In addition, the people of New Brunswick will be looking at a $2 billion tax increase.

In 1995 the Liberal government eliminated the Atlantic Canada freight rate subsidies, promising to invest $326 million over five years to modernize the highway system in Atlantic Canada and eastern Quebec. Where did it go?

In Atlantic Canada freight rate subsidies existed to help Atlantic Canadian businesses compete with central Canadian businesses which were favoured because of lower transportation costs. This represented thousands of dollars in subsidies every year for many Atlantic Canadian businesses.

Now the toll highway, already paid for by tax dollars and the savings of the subsidies eliminated, is costing these businesses more than before. It does not add up.

For example, a company which used to pay $1,000 to ship its products to Ontario would get a rebate of $250. Now they have to pay the $1,000 plus an extra $110 fee per day to travel.

In closing, I would like to say that the Trans-Canada Highway should be toll free from coast to coast. In the words of Ruth Jackson, present mayor of Salisbury: ''A toll on any part of the Trans-Canada Highway is a breach of trust to the citizens of Canada, removing them from the freedom of unifying transport across this country. Any tolled road, be it provincial or private, must be separate and distinctly not part of the Trans-Canada Highway system. If this toll is allowed to proceed, all geography east of Moncton will be denied the freedom of national highway access to any commercial transport''.

Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.): Mr. Speaker, I want to remind the hon. member that highways, including those segments which make up the Trans-Canada Highway, fall under provincial jurisdiction. Both the existing and proposed Fredericton to Moncton highways are the responsibility of the province of New Brunswick. This means that the Government of New Brunswick decides on their alignment, design, construction standards, tendering process, financing, as well as subsequent operations and maintenance.

The decision to establish tolls on these highways is exclusively a provincial decision.

The federal government had co-funded some of the completed work under existing federal-provincial cost-shared agreements. The total federal contribution toward the completed work was $32 million. Of this, $16 million was spent on the 23 kilometre section between Riverglade and Moncton, which will become part of the toll highway.

New Brunswick has not included the federal contribution in the cost base that was used for establishing tolls and the annual provincial payment for the remaining capital cost. In effect, the federal funds have reduced the capital cost of the total project.

The federal government entered into cost shared federal-provincial highway agreements because it wished to accelerate the

construction of safer and more efficient highways, and this objective was met.

Once project construction is completed to the satisfaction of both parties, the federal role ceases.

Past and current agreements contain no provisions preventing the establishment of tolls or requiring the agreement of the federal government. The government has no legal basis to prevent provinces from imposing tolls on provincial highways, including those which have received federal contributions.

The Deputy Speaker: It being 6.55 p.m., the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.54 p.m.)

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